



Meeting Agenda

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Tuesday, November 24, 2015

5:30 PM

Council Chambers

Study Session

1. ROLL CALL

2. BUSINESS ITEM

- 2.A** [15-1128](#) Continued Discussion on the 2016 Operating Budget and 2016-2021 Capital Facilities Plan (CFP) to Conclude with Balancing of the Operating Budget

Attachments: [Link to 2016 Operating Budget](#)
[Operating Budget Balancing Summary](#)

3. 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 meeting, please contact the Council's Secretary 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 Council

Continued Discussion on the 2016 Operating Budget and 2016-2021 Capital Facilities Plan (CFP) to Conclude with Balancing of the Operating Budget

Agenda Date: 11/24/2015
Agenda Item Number: 2.A
File Number: 15-1128

Type: work session **Version:** 1 **Status:** Study Session

Title

Continued Discussion on the 2016 Operating Budget and 2016-2021 Capital Facilities Plan (CFP) to Conclude with Balancing of the Operating Budget

Recommended Action

Committee Recommendation:

The Finance Committee walked the full Council through their recommended funding changes at the noon meeting on November 20, 2015.

City Manager Recommendation:

Review the proposed recommendations and direct staff to prepare the necessary ordinances for the December 8, 2015, Council meeting.

Report

Issue:

This is an opportunity for the Council to ask further questions, request additional information, and make changes to the Preliminary Operating Budget.

Staff Contact:

Jane Kirkemo, Administrative Services Director, 360.753.8499

Presenter(s):

Council will discuss Finance Committee recommendations and proposals from their November 20, 2015 meeting.

Background and Analysis:

At the November 13 meeting, the Finance Committee categorized all of the budget critical needs discussed by staff and the Council into four categories:

- Stay Tuned
- Now and Easy
- Needs More Information

- Tough Choices

The Finance Committee met on November 20, 2015, to discuss funding options for critical needs and comments from public hearings. The Finance Committee will distribute their budget recommendations.

Neighborhood/Community Interests (if known):

N/A

Options:

1) Accept the proposed recommendations and direct staff to prepare the necessary ordinances for the December 8, 2015, meeting.

2) Make additional changes and then direct staff to make necessary changes and prepare ordinances for the December 8, 2015, meeting.

Financial Impact:

The financial impact depends on the changes made, if any.



City of Olympia, Washington
**2016 Preliminary
Operating Budget**



2016 Preliminary Budget



Prepared by the City of Olympia,
Administrative Services Department
P.O. Box 1967, Olympia, Washington 98507-1967

Information and Resources

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City Council

Stephen H. Buxbaum, Mayor

Jim Cooper

Nathaniel Jones, Mayor Pro Tem

Julie Hankins

Cheryl Selby

Steve Langer

Jeannine Roe

Administration

Steven R. Hall, City Manager

Jay Burney, Assistant City Manager

Jane Ragland Kirkemo, Administrative Services Director

Kellie Purce-Braseth, Strategic Communications Director

Keith Stahley, Community Planning & Development Director

Larry Dibble, Fire Chief

Mark Barber, City Attorney

Ronnie Roberts, Police Chief

Paul Simmons, Parks, Arts & Recreation Director

Rich Hoey, Public Works Director

Information Resources

Transportation Mobility Strategy: olympiawa.gov/transportation

Olympia Comprehensive Plan: imagineolympia.com

Olympia Bicycle Master Plan: olympiawa.gov/transportation

Water System Plan: olympiawa.gov/drinkingwater

LOTT Clean Water Alliance: lottcleanwater.org

Acknowledgements

The City Council wishes to acknowledge the many individuals who contributed time and expertise to the preparation and publication of the 2016 Preliminary Operating Budget.

The annual Operating Budget is an important responsibility of a local government and was developed in compliance with Washington State Law as set forth in RCW 35.33.

The City is committed to the non-discriminatory treatment of all persons in employment and the delivery of services/resources.

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Distinguished Budget Presentation Award

The Government Finance Officers' Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award to the City of Olympia, Washington for its annual budget for the fiscal year beginning January 1, 2015.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. It is believed our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Olympia
Washington**

For the Fiscal Year Beginning

January 1, 2015

A handwritten signature in cursive script, reading "Jeffrey R. Egan".

Executive Director

Your Local Government

Meet Your City Council



Stephen H. Buxbaum
Mayor - Dec 2015*

Olympia’s City Councilmembers are part-time City employees. They devote, on average, 15-25 hours per week to Council business. Some Councilmembers have full time careers in addition to their City Council duties.

The seven members on Olympia’s City Council are elected to four year terms from the community as a whole (commonly called at-large elections), not from districts or wards. The positions are non-partisan. The terms are staggered, with positions ending for three members at one time and four members the next. Olympia City Council elections are part of the Thurston County general election held in odd-numbered years.

For more information on the City Council and Olympia’s form of government, please see the Appendix section of this document.



Nathaniel Jones
Mayor Pro Tem
Dec. 2015*



Julie Hankins
Dec. 2017*



Steve Langer
Dec. 2015*



Jim Cooper
Dec. 2017*



Jeannine Roe
Dec. 2017*



Cheryl Selby
Dec. 2017*

Citizen Advisory Boards and Commissions

The City recognizes the hard work and dedication of a number of Advisory Boards and Commissions.

- Arts Commission
- Adhoc Committee on Police and Community Relations
- Bicycle/Pedestrian Advisory Committee
- Design Review Board
- Heritage Commission
- Lodging Tax Advisory Committee
- Parking Business Improvement Area Board
- Parks and Recreation Advisory Committee
- Planning Commission
- Utility Advisory Committee



* Term Ends

Guide to Reading the Budget

The City of Olympia's Operating Budget document is designed to facilitate understanding of the City's financial plan to provide municipal services and generate a clear picture of City operations to citizens and interested parties.

This section is designed to help acquaint the reader with the budget document and provides an overview of the budget process, document arrangement, and other helpful resources.

The budget has been divided into eight tabbed sections (Department budgets defined as one section):

Introduction

This section contains the City Manager's budget message, which discusses the current state of the City, strategic direction, and major budget issues and recommendations. The budget message highlights major changes from the prior year budget, discusses assumptions used to prepare the budget, and the City Manager's budget recommendations in further detail. This section also includes an overview of the City, its budget process and fund structure, use of revenues and expenditures, City mission, vision and values, and a Citywide staffing summary and organizational chart.

Policies & Guidelines

This section consolidates the City's organizational goals and budgeting and financial policies. Also included is an overview of the City's performance measurement program, *Tracking for Success* and a list of efficiencies and achievements made by the City.

Revenue

The Revenue section contains information regarding the City's primary sources of revenue across all funds and associated revenue statements. This section provides an explanation of Olympia's property tax system and a summary of the City's property tax revenues and assessed valuation. It also provides historical trend information regarding the City's major revenues within the General Fund and other funds.

Department Budgets

Each department budget section begins with a department narrative including a mission statement, brief department description, organizational chart, summary of operating expenditures and revenues, and identification of significant changes to the budget as compared to last year. Department narratives also include the department's line of business structure with descriptions, operational trends, budget summary and highlights, future challenges and opportunities, recent accomplishments, full-time equivalent (FTE) positions, and performance measures and goals.

Debt Administration

This section provides detailed information about the City's debt policies, debt capacity, and statements of indebtedness.

Supplementary Information

The Supplementary Information section contains full-time equivalent (FTE) information for the City's classified positions, presented in alphabetical order. Information is also provided on classification bargaining unit, pay grade and salary.

Capital Facilities Plan Projects

The Capital Facilities Plan Projects section provides information on the City's six-year capital improvement plan, including major construction and capital acquisition projects.

Appendix

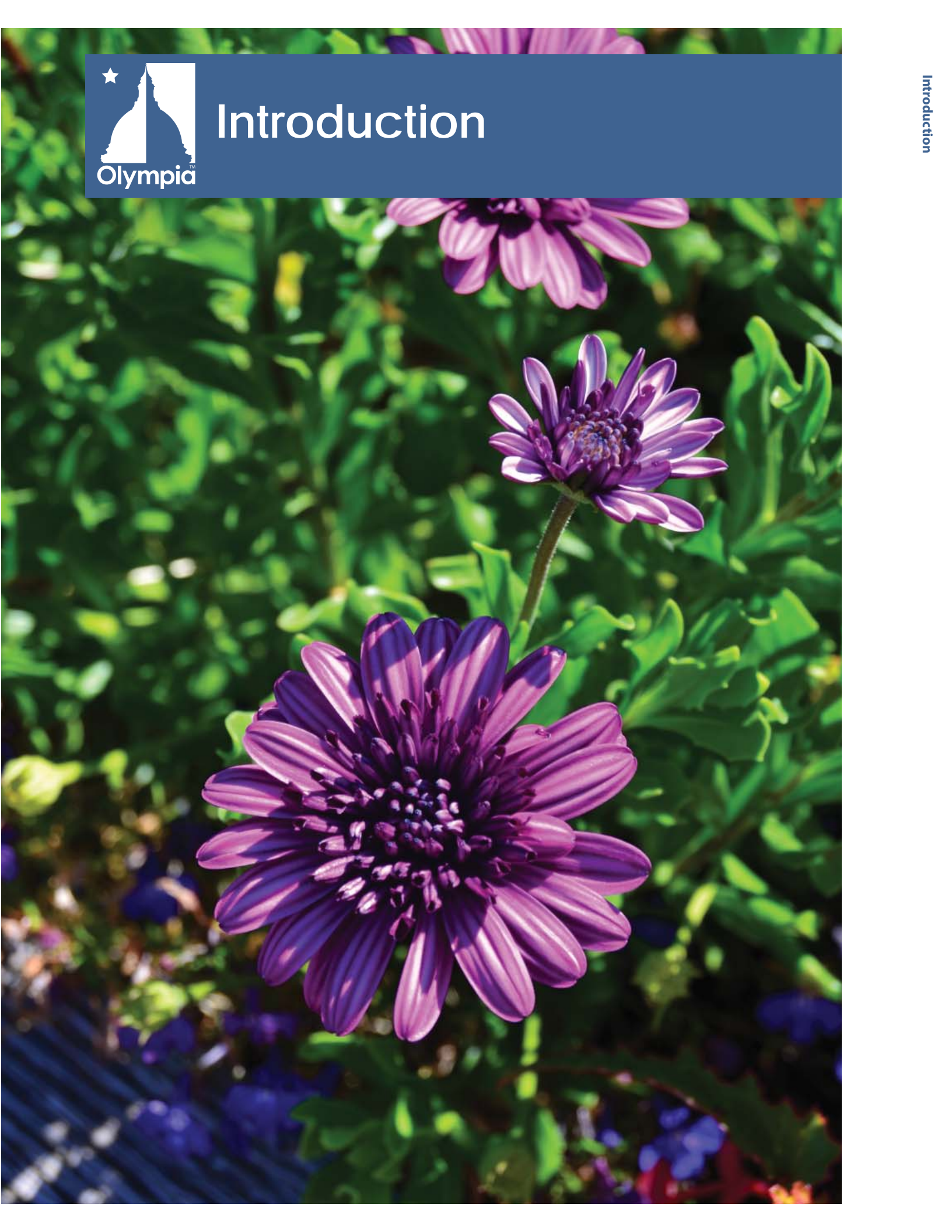
The Appendix contains a variety of historical and community information about Olympia, as well as a full glossary of terms and acronyms used in the budget document.







Introduction





Letter from the City Manager

October 27, 2015

Dear City Council, Citizens, and Employees,

Tonight I am pleased to present the 2016 Preliminary Operating Budget. This is a practical, responsible, strategic budget focusing on the needs in our City that provide the reliable public services and responsibly addresses infrastructure replacement and maintenance. But it goes further. It is also aspirational in that it proposes quality of life enhancements and drives quality redevelopment and private investment to make Olympia an even greater city. It keeps our momentum growing.

When I presented the Capital Facilities Plan in July, I recommended a focus on developing a resilient approach to budgeting. Sustainability has been our guiding star for policies, planning, and operations but we must also recognize our budget world is constantly changing. Revenue sources are lost or decreased (motor vehicle excise tax, property tax limit and private utility taxes), expenses grow beyond our control (medical insurance, retirement costs), and new mandates are added (public defense case limits). Resiliency enables us to shift and adapt to the changes that come our way. This will be driven by our creativity, innovation, efficiency, and flexibility. With all the changes and challenges facing local governments today the need for resiliency becomes imperative.

I am pleased to say the 2016 budget continues our current services without eliminating any services, programs or employees. Our economy is steadily improving. The City of Olympia's 2016 Operating Budget is \$129 million, representing an increase of 3.5 percent. The General Fund operating revenues are \$67.9 million for an increase of 4.5 percent over the current budget.

So what happens with the increased revenue? The single largest increase in our expenses continues to be for benefits. Our benefits puzzle consists of three major pieces: retirement system contributions, wage increases, and medical insurance. The 2016 budget includes a two percent PERS rate increase (effective July 1st) in retirement system contributions. We have been told to plan for an additional two percent increase in 2017. Putting this into perspective—on 2016 wages the PERS contribution would be \$3.5 million more with the new pension rates. Our other pension systems rates for public safety employees are increasing also, although not as rapidly as for PERS employees. This is a significant cost increase, but Washington State is one of the few states with a fully funded defined benefit retirement plan. This promises long-term financial stability for the system and for our employees.

The second piece of the benefit puzzle is for medical insurance. As you know, the City is part of the Association of Washington Cities Trust for insurance. Participating in the trust, made up of approximately 300 entities, provides some stability in rates and avoids major rate spikes. Nevertheless, our insurance costs are increasing next year—3.1 percent for Regence and 9.5 percent for Group Health. The medical cost of benefits provides some opportunity for cost containment but it will take work

with our labor force to achieve lower increases. Looking to full implementation of the Affordable Care Act (ACA) in 2018, the 40 percent excise tax on high cost benefit plans known as the "Cadillac Tax" is going to require benefit changes. Over the last few years we have made some changes to reduce these benefit costs. However, the City is proposing significant changes for 2016—introducing health insurance plans with a deductible, and increasing out-of-pocket co-insurance maximums. These changes would postpone the impact of the "Cadillac Tax" four or five years while still providing our employees very good health plans. The changes must be negotiated with all of our bargaining units.

The last piece of the benefits puzzle is wage increases. Overall, the General Fund benefit costs are up almost \$1 million or 7.4 percent. The City of Olympia is first and foremost a service organization. As such, our biggest asset is our employees. In order to stay an attractive employer — meaning we are able to recruit and retain good employees — the City must offer competitive wages. This budget includes a wage increase for all employees. Staying competitive with wage increases is essential to address what is being called "the quiet crisis" — the loss of the baby boomers from the work force and the need to attract qualified workers to take their place. Almost one quarter of the City's managerial and



Letter from the City Manager

professional employees could be retiring in the next three to five years. It is critical we address this “quiet crisis” with competitive wages and benefits to attract and retain good employees.

Benefits are the largest single expense increase, but the single largest department increase for 2016 is in Community Planning and Development (CP&D). Earlier this year you approved additional staffing. The staff need is a direct correlation to the increase in development activity. Since 2012 new commercial permits, tenant improvement permits, and inspections have more than doubled. In addition to CP&D’s steady increase in ongoing core development projects, some large projects are anticipated for 2016 and beyond. The State’s new 1063 Capitol Way building (215,000 square feet), a new 50,000 square foot addition to Capital Mall, and an 88-lot subdivision in Northwest Olympia are planned for next year. The resultant development fees will cover all of those increases in expenditures. In addition, some of the increase is due to the shift of additional costs to CP&D as a result of the merger of the front counter and mail services staff with the permit staff. These additional expenses to CP&D are offset by decreases in the Executive and Administrative Services Department. This merger provides efficiencies, cross training and backup support to improve the customer experience.

I also want to draw your attention to other successes. Please review the Achievements and efficiencies in the budget on page 28. Through a variety of changes and innovations, we have saved over \$2 million. That is efficiency!

Of course a great City does more than provide basic services — it also supports a vibrant urban core, a thriving business sector, safe and connected neighborhoods, and a vision for a sustainable future. A big part of a sustainable future is economic development. The Council’s establishment of the Community Renewal Area and the hiring of an Economic Development Director are two big steps towards a sustainable future.

...This means our business community will have the opportunity to reduce their fire insurance costs by 15% or more. A lower cost of business makes Olympia more attractive to businesses wanting to remain or relocate here.

I also want to apprise you of another recent achievement. Our fire insurance rating increased from Class Three to Class Two. This is no small thing — we are only the fourth city in the state to achieve this status; there are no Class One fire rated cities. This means our business community will have the opportunity to reduce their fire insurance costs by 15% or more. A lower cost of business makes Olympia more attractive to businesses wanting to remain or relocate here.

I know there are additional programs and services we all want to add to the budget. We simply do not have the excess revenues to support added projects such as; implementation of the Downtown Strategy, revision of our sign code ordinance, expanded emergency management, remodel of our jail, increased

park security, expanded urban forestry and police body cameras. Funding for these programs is not possible at this time without cutting other programs and services.

Utilities

The vision for our utilities is to provide reliable service while also enhancing our physical environment without losing sight of the cost to tax payers. Under state law the utilities are managed as separate enterprise funds with dedicated funding through rates and charges. The budget includes rate increases to ensure stable revenues while maintaining existing service levels. Emphasis is placed on minimizing rate increases while ensuring essential utility services are provided reliably and without interruptions. The proposed rate increases are:

Storm and Surface Water	6.7%
Wastewater	0%
LOTT	3%
Drinking Water	7.3%
Waste Resources	
Drop Boxes	3%
Residential	5.5%
Commercial	4%
Organics	9%

Beginning in 2016 the City of Olympia will become a leader in sewer collection. This will be accomplished through an innovative use of technology by implementing volumetric based sewer billing. Although the chart above shows a zero percent increase in sewer revenues, the actual increase or decrease will depend on the customer and the volume used. Some residents may see a 35 percent decrease and others around a five percent increase. In addition, Olympia will be working with our partners (Lacey and Tumwater) to encourage volume-based billing for sewer collection, and continue working with LOTT for volumetric billing

for sewer treatment. Because the City is moving to volume-based billing it is difficult to show the percent increase over the prior year. Depending on the volume used, the average bill could decrease as much as \$2.16 a month or increase as much as \$5.71 per month. Volumetric billing ensures those who contribute more to the sewer system, pay more.

Waste ReSources is proposing rate increases in all classifications. Key drivers include inflationary increases in disposal and tonnage fees, salaries, benefits, equipment, fuel, and taxes. The revenue from recycled materials helps offset expenses but falls short of covering all our costs. Growth and annexations drive the need for an additional residential truck and at least one half-time employee.

Letter from the City Manager



Revenue Outlook

Total revenues have increased \$5.7 million or 4.6 percent. In the General Fund, revenues are up \$2.9 million or 4.5 percent; so we are cautiously optimistic. Our economy is steadily improving. As you can see, dirt is moving all around us — this is a sign of progress, and of strategic public investment that is catalyzing significant private investment in our City.

An improved local economy shows up early in Sales and in Business and Occupation (B&O) taxes. For 2016 the general sales tax is up 7.3 percent (\$1.2 million) and the B&O tax is up 6.2 percent (\$310,000). A large portion of the B&O tax increase is a reflection of the Council changes last year to remove some exemptions on medical service providers. For sales tax, this finally brings us up to the pre-recession levels. I know you have heard the Toyota dealership is leaving the Auto Mall next year. We believe we will still receive a full year of tax receipts. This will, however, have a significant impact on the 2017 revenue and budget.

Further signs the economy is improving are the program revenues from development activity. We are projecting a 33 percent increase (\$864,350) in development-related fees with the proposed new commercial activity. With the legislative changes authorized this year, state shared revenues will increase 17.6% (\$275,000). Cities will finally receive a small portion of the marijuana revenue. Olympia is anticipating approximately \$50,000 for 2016. Revenues from marijuana sales may be used for public safety or marijuana enforcement. The State's transportation package provides a new revenue for cities that is in addition to the motor vehicle fuel tax revenues. Cities will share the multi-modal funds on a per capita basis. For Olympia, we are anticipating approximately \$50,000. All of these revenues are restricted toward use in Transportation. With the proposed rate increase on the City utilities plus new customers, we have budgeted a 7.6 percent increase in the City utility tax (\$320,000) for the General Fund. And finally, property taxes reflect a one percent tax rate increase.

In contrast to revenue increases elsewhere, private utility tax will decrease. This tax on gas, electric, and telephone has been declining for several years. The unusually mild winter contributed to the declining revenue for both gas and electricity. Overall, we have projected a 1.5 percent decrease (\$65,000) in the private utility taxes. This decline impacts both the operating and capital budgets. The rest of the City's revenues are either flat or down only slightly.

Next month voters will consider whether to increase their property taxes for Parks by establishing a Metropolitan Parks District (MPD). If the MPD should pass, the MPD board could set the tax up to 75 cents per \$1,000 of assessed valuation for park purposes only. If the MPD passes, no funds would be received until May of 2017. At the full tax rate the district would generate approximately \$4.5 million. The State transportation package also provides cities an option to increase the Transportation Benefit District (TBD) fee up to a maximum of \$50 with out voter approval. The TBD board will consider increasing the fee at their January 2016 meeting. If the board approves, the funds would not be received until the end of 2016 or early 2017. The TBD revenues are all dedicated to Transportation. After almost a decade, our revenues are finally back to the pre-recession level — a further sign our economy is improving.

Conclusion

The budget process is more than balancing numbers. It is about building the right budget — the right budget for Olympia.

The right budget for Olympia:

- Provides good stewardship of tax payers' dollars.
- Delivers the excellent services our citizens need and want.
- Recognizes and responds to changing funding levels, mandates, and community needs.
- Initiates opportunities and investments that make Olympia a great City in which to prosper today and a more competitive city for the jobs and talents of tomorrow.

I believe this budget is practical, responsible and strategic. But I also believe it is realistic and moves us closer to sustainability. We should be heartened by the rebound of our economy, but wiser from the lessons learned by not adding or expanding new services that we can't sustain. We have been resilient to this point, and will continue to be so. I believe this budget has met the goals through change and innovation. I look forward to working with you in the coming weeks as we continue to adapt to changes coming our way.

Respectfully submitted,

Steven R. Hall
City Manager

City of Olympia | *Mission, Vision, Values*



Our Mission | What We Do

*Working Together to
Make a Difference*

Our Vision | Why We Do It

*For a Vibrant, Healthy,
Beautiful Capital City*

Our Values | How We Do It

*Using Compassion,
Integrity, and Effectiveness*

City of Olympia | At a Glance

General Data

Population	51,020
Date Incorporated as a City	January 28, 1859
Active Registered Voters.....	31,057
Area of City (Square Miles).....	20.09
Acres of Land within City Limits	12,855
Miles of Streets Maintained (Lane Miles).....	523
Land Use (2014)	
Single-Family Residential.....	90 Permits
Multi-Family Residential (five or more units) Condominiums, Apartments, Mixed Use	11 Permit
New Commercial	9 Permits
Plats - number of new lots created	8 Permits
Number of Public Hearings for Land Use Actions.....	8
Code Enforcement Cases	573
Abandoned Vehicle Calls	224
Nuisance Complaint Calls.....	86

Environment & Utilities

Miles of Municipal Sewer Pipes.....	223
Number of Square Miles the Sanitary Sewer System Spans.....	27
Number of Municipal Water Sources	9
Drinking Water Lines (Miles)	330
Water Services in Municipal Water Service Area.....	19,986
Gallons of Potable Municipal Water Produced in 2015 (as of 9/21/15)	1.86 billion
Gallons of Reclaimed Municipal Water Delivered in 2015 (as of 9/9/15)	10.42 million

2015 Recycled Materials

Percentage of Waste Recycled and Composted by	
Single-Family Residential Customers	57.3%
Amount of Yard Waste and Food Scraps Collected for	
Composting from Residents and Businesses.....	5,615 tons
Amount of Mixed Recyclables (Newsprint/Mixed Papers, Glass, Plastic Bottles, Aluminum, Cardboard, etc.).....	5,000 tons
Number of 3rd Grade Students Who Participated In the City's "In-School" Waste Prevention and Education Program.....	650
Aluminum Cans Collected	100 tons
Cans Per Person Collected	133
Newsprint Collected	2,025 tons

Source: City of Olympia waste collection data and EPA Waste Reduction Model (WARM) and Greenhouse Equivalency Calculator, Can Manufacturer's Institute, TRPC Profile of Olympia Population (rounded)

Parking

Parking Meters	2,268
Parking Lots.....	7
Leased Parking Spaces.....	316

City of Olympia | *At a Glance*

Fire Department

Fire Stations.....	4
Companies on Duty	8
Department Divisions	3
Training Center	1
On Duty Staffing.....	20
Work Week.....	49.8
Command On Duty - Battalion Chief	1
Command Vehicles	
Front Line	2
Reserve	1
Fire Engines	
Front Line	4
Reserve	3
Aerial Ladder Trucks	
Front Line	1
Reserve	1
Support Vehicles	
Divisional Vehicles.....	10
Fire Mechanics Vehicles.....	3
Urban Search and Rescue Units	1
Services Rendered	
Fire and Service Calls Per Year	33%
Emergency Medical Calls Per Year	67%
Total Calls Per Year	10,431
Fire Safety Code Inspections Per Year.....	2,650
Facilitates and Coordinates the Citywide Emergency Management Function	

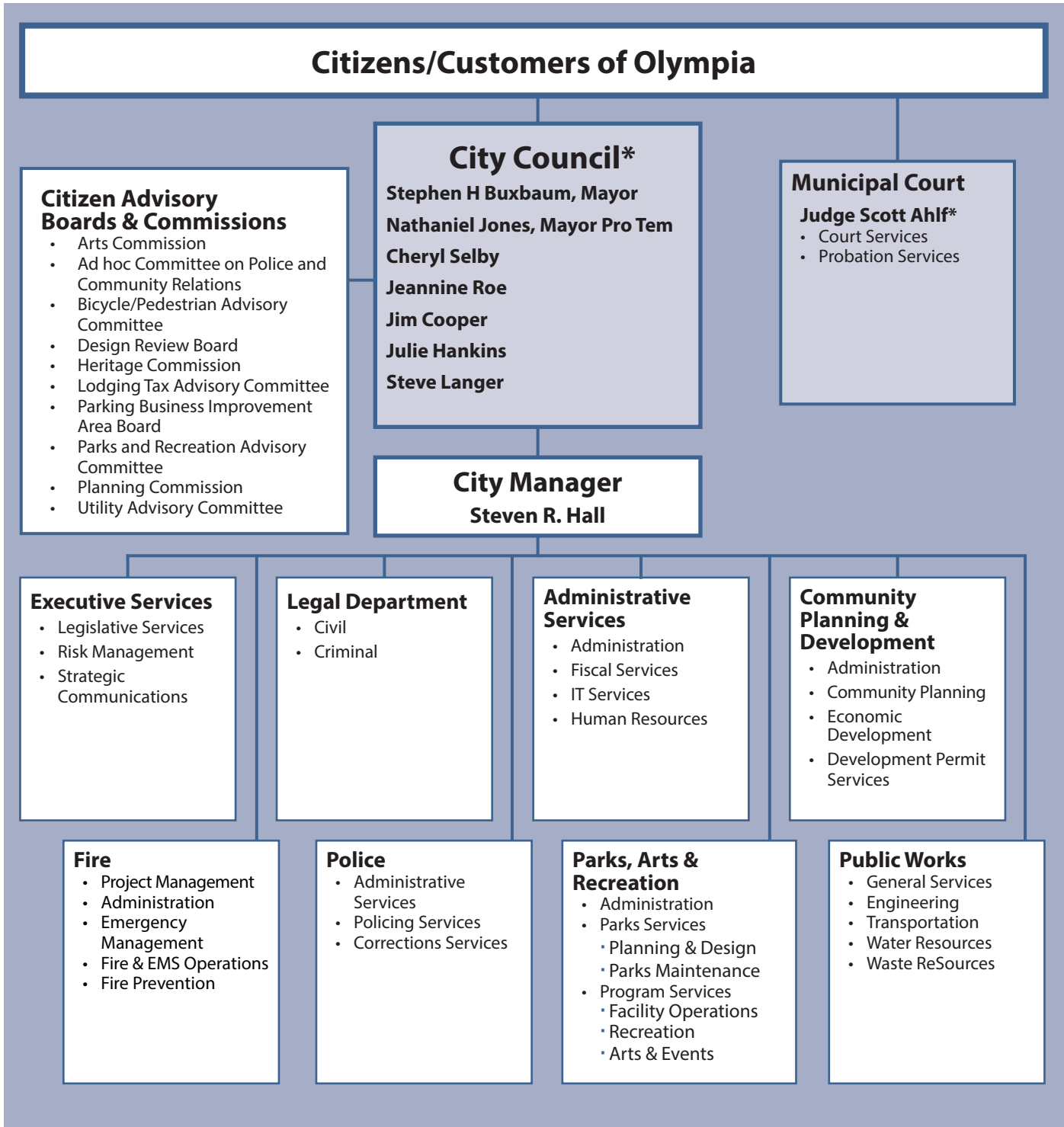
Police

Calls for Service Per Year	55,000
Average Response Time to Emergency Calls for Service	4 minutes
Volunteer Hours Donated Per Year	9,650
Police Vehicles	48
K-9 Units	2

Parks, Recreation and Neighborhood Services

Park Sites	45
Park Acreage	1,015
Playgrounds	11
Community Centers	1
Park Waterfront Area.....	4.4 miles
Park Trails	16 miles
Park Basketball Courts.....	9
Parks with Public Art.....	8
Parks with Tennis Courts.....	6
Skate Courts.....	2
Interactive Water Feature	1
2015 Recreation Service Hours	67,000,000

City of Olympia | Organizational Chart



*Separately Elected Officials

City of Olympia | *The Budget Process*

Development of the 2016 budget continues the implementation of **Budget 365**. Preparation of the City's budget is more than projecting revenues and expenditures for a given year. The budget provides a financial plan for the City Council, City staff, and citizens that identifies the operating costs considered essential to the successful operation of the City. The cycle does not end with the budget document as the end product of the arduous task of balancing the budget, or with adoption of the budget. The budget cycle for the City Manager, Budget Review Team, Finance Committee, City Council, and our citizens is year-round in nature since budget development and implementation occurs throughout the year.



Budget 365 is the City's budget process designed to inform citizens about how to get involved in our budget decision-making process. This year-round conversation will help us better understand which programs are the highest priority for our citizens and more quickly identify potential financial issues.

City of Olympia | *The Budget Process*

Budget Adoption

The City of Olympia adopts a legally binding annual budget in accordance with Washington State Law as set forth in RCW 35.33, which provides legal standards for preparing, presenting, adopting, implementing, and monitoring the budget. The City's Fiscal Year runs from January 1st to December 31st. The City's budget serves as a roadmap for the fiscal year's expenditures and reflects the goals and priorities of the City Council.

The City's budget is adopted at the fund level; therefore, expenditures may not legally exceed appropriations at that level of detail. Appropriated budgets are adopted for the General Fund, Washington Center Fund, Enterprise and Internal Service Funds, and active General Obligation Debt Service Funds. These appropriations lapse at year end.

The City's budget is balanced. In the case of the operating budget, this means that expenditures are generally funded from current revenues. In instances where expenditures may be funded from fund balance (reserves), such funding is from fund balance amounts which exceed any operating reserve requirement. It is the City's practice to use fund balance only to fund one-time items in governmental funds.

Reserve amounts above policy guidelines, may be used on occasion to fund utility budgets. Generally, this is to level rates and avoid rate spikes.

The Capital Budget (Capital Facilities Plan, or CFP) is the estimated amount planned to be expended for capital items in the next six years. Capital items are fixed assets such as facilities and equipment that exceed \$50,000 with a life expectancy greater than five years. The CFP folds into the Operating Budget process and is balanced with anticipated additional revenue or reserves. The capital budget funds one-time items.

Budgets for some special revenue funds and capital project funds are appropriated on a project basis, and the appropriations do not lapse at year-end, but continue until the completion of the project. These budgets are included in this document as referenced in the Introduction and Capital Facilities Projects sections.

Budgets for Proprietary Fund types (i.e., Utilities) are budgeted on a modified accrual basis. The Fiduciary Fund types are divided into two groups: expendable trust and non-expendable trust. The expendable trust funds are depicted on the modified accrual basis in both the budget and annual report.

Budget Amendments

The City Manager is authorized to transfer appropriations within a fund. However, amendments (increases or decreases) to the budget between fund levels require Council action and is done by ordinance. The budget is typically amended quarterly, however it may be amended at any Council business meeting. All budget ordinances require two readings prior to adoption.

The Finance Committee

The Finance Committee is involved year-round in development of the City's budget by reviewing a variety of topics related to City revenues, expenses, programs and services, and how they affect the budget and City operations. After the Finance Committee reviews topics directly related to the budget, the Committee's recommendation is forwarded to the full City Council for their review and discussion, prior to adoption of the budget in December.

In 2015, the Finance Committee is comprised of City Councilmembers:

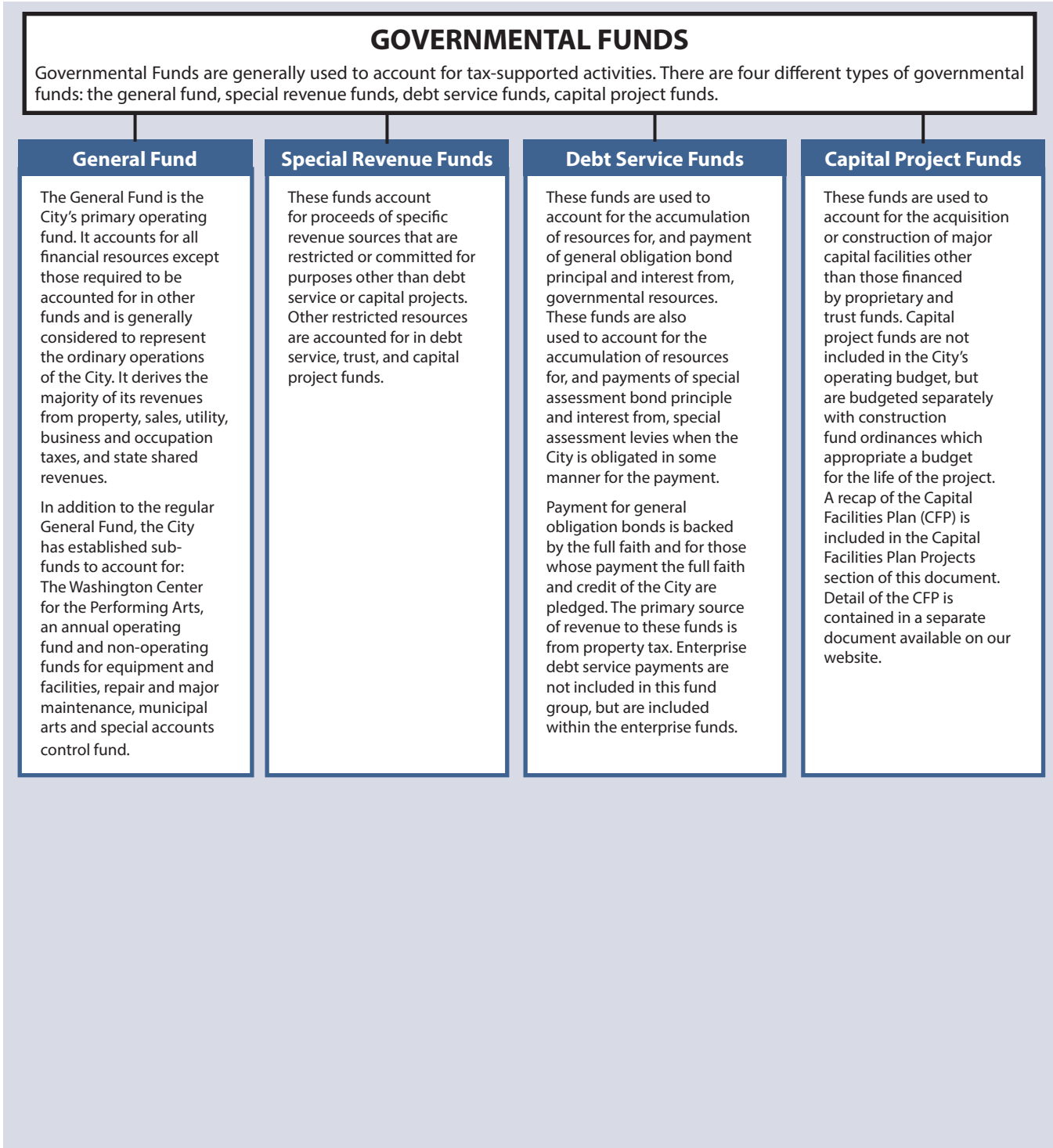
- Jim Cooper, Committee Chair
- Nathaniel Jones
- Cheryl Selby

2016 Budget Calendar of Events

City Manager Presents 2015 Preliminary Operating Budget to Council	October 27 (Tuesday)
Preliminary Budget Available on the Internet	October 28
Election Day	November 3
Council Review of Operating Budget	November 10
Veteran's Day Holiday	November 11 (Wednesday)
Public Hearing on Operating Budget, Capital Budget Including Olympia School District Impact Fees and Ad Valorem Tax	November 17
First Reading Ad Valorem Tax Ordinance	November 17
Council Review of the Budget (Budget Balancing - Operating and Capital Budgets)	November 24
Final Reading and Passage of Ad Valorem Tax Ordinance	November 24
Thanksgiving (Holidays)	November 26 - 27
First Reading on Operating and Capital Budgets	December 8
Second and Final Reading and Adoption of Operating and Capital Budgets	December 15

Budgeting by Fund

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City uses governmental, proprietary and fiduciary funds. Each governmental fund, expendable trust, or agency fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Proprietary and similar trust funds use the revenue, expenses, and equity accounts similar to businesses in the private sector.



Budgeting by Fund

PROPRIETARY FUNDS

Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise Funds

The City's enterprise funds account for utility operations, which are self-supported through user charges. The utilities are financed and operated like a private business enterprise which requires periodic determination of revenues earned, expenses incurred, and net income for capital, maintenance, public policy, management control, and accountability. The City of Olympia's enterprise funds include Drinking Water, Wastewater, Stormwater, and Waste ReSources utilities. Capital projects are also budgeted for the City's enterprise funds.

Internal Service Funds

Internal Service funds are used to account for the financing of goods or services one department provides to another department and to other governmental units, on a cost reimbursement basis.

The City utilizes four internal service funds: Equipment Rental (Fleet), Unemployment Compensation, Risk Management, and Workers' Compensation. The Equipment Rental Fund provides equipment (primarily vehicles) to the various departments. Charges for equipment cover depreciation, operations, maintenance, and replacement costs. The Unemployment Compensation Fund is used to reimburse the State of Washington Department of Employment Security for unemployment claims filed by employees from the City of Olympia. The Risk Management Fund is used to maintain its own self-insurance, which can be used to pay for risk management items not included in the insurance pool with the Washington Cities Insurance Authority (WCIA). The Workers' Compensation Fund is used to pay for workers' compensation benefits. Only the Equipment Rental Fund is budgeted on an annual basis. The other funds are Special Funds which are budgeted periodically and are shown in the Introduction section of this budget.

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Trust & Agency Funds

Trust Funds are used to account for assets held in a trustee capacity (Washington Center Endowment, Municipal Court Trust Fund) and LEOFF I OPEB Trust Fund. Agency funds are used to account for assets held as an agent for individuals, private organizations, and other governments. Trust funds are not shown in the operating budget.

Fund Types Budgeted by the City

	BUDGET FREQUENCY	GENERAL SERVICES & ADMIN	COURT	COMMUNITY PLANNING & DEVELOPMENT	FIRE	POLICE	PARKS, ARTS & RECREATION	PUBLIC WORKS	CAPITAL FACILITIES
General Fund									
■ Current Operations	A	X	X	X	X	X	X	X	
Sub Funds									
■ Special Accounts	C	X		X		X	X	X	
■ Washington Cntr Operations	C	X							
■ Municipal Arts	C						X		
■ Facilities Major Repair	C							X	X
Special Revenue Funds									
■ CDBG Loan Repayment	C			X					
CDBG Grants	C			X					
■ Impact Fees	C						X	X	X
SEPA Mitigation (Streets & Parks)	C						X	X	X
■ Lodging Tax	C	X							
■ Voted Utility Tax	C						X	X	X
Parking & Business Improv. Area	C			X					
Farmers Market Repair	C	X							X
Hands On Children's Museum	C	X							
Transportation Benefit District	C							X	X
Grant Control Fund	C	X							
REET	C							X	
Debt Service									
LID Obligation Control	N	X						X	
LID Guaranty Fund	N	X							
4th/5th Avenue Corridor Loans	A*	X							
2006 Parks Bonds	A*	X							
2009 Fire Bonds	A*	X							
City Hall Bonds	A*	X							
2010 Street Project Bonds	A*	X							
Energy Improvement Bonds	A*	X							
Hands On Children's Museum Bonds	A*	X							
LTGO Bond Fund, 2013	A*	X							
Capital Project Funds									
Fire Equipment Reserve	C				X				
■ Capital Improvement Fund	C	X					X	X	X
City Hall Construction	C	X		X		X	X	X	X
2013 G.O. Bond Project Fund	C	X					X	X	
Enterprise Funds									
Drinking Water - Operations	A							X	
Drinking Water - Capital	C							X	X
Wastewater - Operations	A							X	
Wastewater - Capital	C							X	X
Water/Sewer Bond Fund	A*							X	
Stormwater - Operations	A							X	
Stormwater - Capital	C							X	X
Stormwater - Debt Service Fund	A*							X	
Stormwater SEPA Mitigation	C							X	X
Waste ReSources (Solid Waste)	A							X	
Internal Service Funds									
Equipment Rental - Operations	A							X	
Equipment Rental - Capital Reserve	C							X	
Unemployment Compensation	C	X	X	X	X	X	X	X	
Insurance Trust	C	X	X	X	X	X	X	X	
Workers' Compensation	C	X	X	X	X	X	X	X	
Trust & Agency Funds									
Firemen's Pension	N				X				
LEOFF I OPEB	N				X	X			
Municipal Court Trust Account	N		X						
Washington Center Endowment	C	X							
Interlocal LERMS	N					X			

Key ■ Major Funds **A** Annual appropriations, lapse at end of year **C** Continuing appropriations, do not lapse end of year
N No budget required ***** Budget not required by law. City elects to include these funds in its annual report.

Basis of Accounting

Basis of Accounting

Budget Basis

The Governmental Fund types (i.e., the General Fund, Washington Center Fund), Enterprise and Internal Service Funds, and active General Obligation Debt Service Funds are budgeted on a modified accrual basis. Briefly, this means that revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City of Olympia considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recorded in the accounts and reported in the financial statements. The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of Generally Accepted Accounting Principles (GAAP). The entity financial statements in the CAFR are prepared on the accrual basis of accounting. The Fund Financial Statements containing the governmental fund types and expendable trust and agency funds use the modified accrual basis of accounting.

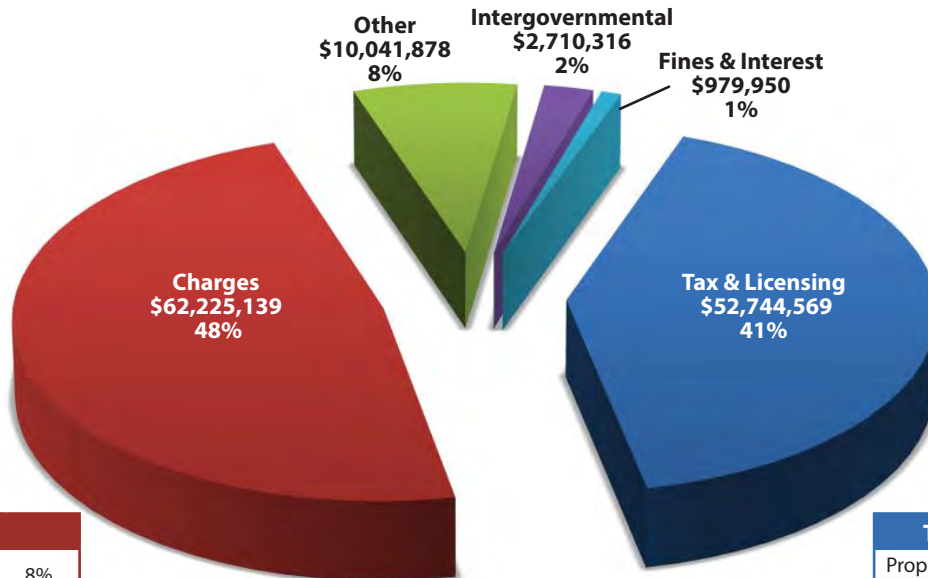
The modified accrual basis differs from the accrual basis in the following ways:

- Purchases of capital assets are considered expenditures.
- Redemptions of long-term debt are considered expenditures when due.
- Revenues are recorded only when they become both measurable and available to finance expenditures of the current period.
- Inventories and prepaid items are reported as expenditures when purchased.
- Interest on long-term debt is recorded as an expenditure when due.
- Accumulated unpaid vacation, sick pay, and other employee benefits are considered expenditures when paid.
- Depreciation is recorded on an accrual basis only and is not budgeted.



Where the Money Comes From - Total Operating Revenues

\$128,701,852

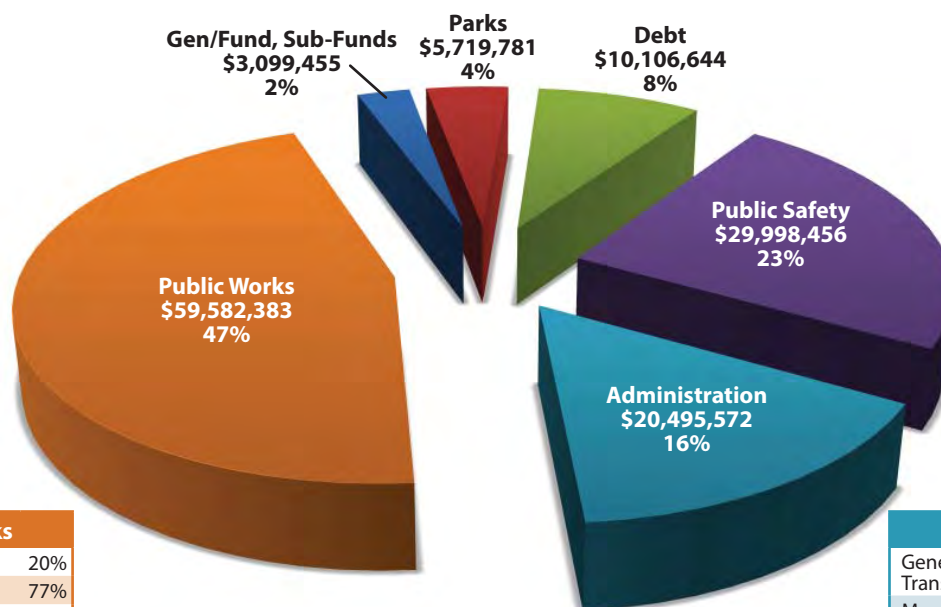


Charges	
Security (Persons & Property)	8%
General Government	12%
Drinking Water	19%
Wastewater	30%
Stormwater	8%
Waste ReSources	17%
Equipment Rental	3%
Other	3%

Tax & Licensing	
Property	26%
Sales	38%
Business	11%
Utility	18%
Other Taxes	1%
Licenses & Permits	6%

Where the Money Goes - Total Operating Expenditures

\$129,002,291



Public Works	
General Fund	20%
Utilities	77%
Equipment Rental	3%

Administration	
General Gov. (incl. Transfer to CIP)	26%
Municipal Court	9%
Admin. Services	34%
Community Dev.	31%

Comparative Summary of Operating Budget Revenues & Expenditures All Operating Funds

REVENUES (BY TYPE)	Actual 2013	Actual 2014	Original Budget 2015	Revised 2015	Budget 2016	% Change 2015 Original to 2016 Budget
Taxes	\$44,129,181	\$46,322,345	\$47,053,539	\$44,100,318	\$48,935,958	4.0%
Licenses & Permits	3,818,984	3,925,136	3,277,634	3,599,399	3,808,611	16.2%
Intergovernmental	3,565,438	3,322,959	2,579,478	1,934,090	2,710,316	5.1%
Charges for Services	53,164,892	56,774,801	59,151,164	59,196,459	62,225,139	5.2%
Fines & Forfeits	1,021,477	980,104	1,084,500	992,527	979,950	-9.6%
Operating Transfers In	12,702,189	8,205,472	7,161,927	2,958,502	7,129,587	-0.5%
Other Revenue	2,790,213	2,710,997	2,678,588	2,797,752	2,912,291	8.7%
Total Revenues	\$121,192,374	\$122,241,814	\$122,986,830	\$115,579,047	\$128,701,852	4.6%
EXPENDITURES (BY FUNCTION)						
General Government	\$5,045,606	\$5,576,310	\$4,984,114	\$6,356,408	\$4,984,582	0.0%
Municipal Court	1,614,423	1,605,997	1,718,023	1,728,137	1,767,413	2.9%
Administrative Services	6,263,165	6,538,596	7,092,371	7,342,851	7,013,985	-1.1%
Comm/Planning & Development	4,744,417	5,155,438	5,195,960	5,759,667	6,454,592	24.2%
Fire Department	13,318,685	14,112,726	14,344,898	14,539,195	14,777,930	3.0%
Police Department	13,578,069	14,395,500	14,824,510	15,029,224	15,220,526	2.7%
Parks, Arts & Rec. Department	4,769,967	4,960,873	5,335,445	5,351,630	5,719,781	7.2%
Public Works Department						
General Fund	10,241,810	10,686,382	11,342,674	11,584,892	11,767,619	3.7%
Utilities	38,851,530	40,715,412	43,978,155	44,211,633	46,070,677	4.8%
Equipment Rental	1,643,984	1,679,226	1,672,188	1,700,130	1,744,087	4.3%
Debt Service						
General Obligation	6,743,105	7,075,002	7,077,007	7,077,007	7,072,886	-0.1%
Revenue	4,962,503	2,507,287	2,879,226	2,879,226	3,033,758	5.4%
General Fund Contribution to Capital Improvement Funds	275,000	1,172,376	275,000	1,055,000	275,000	0.0%
General Fund - Sub Funds (1)	5,784,820	4,330,376	3,918,573	9,972,347	3,099,455	
Total Expenditures	\$117,837,084	\$120,511,501	\$124,638,144	\$134,587,347	\$129,002,291	3.5%
Net Revenue over / (under) Expenditures	\$3,355,290	\$1,730,313	(\$1,651,314)	(\$19,008,300)	(\$300,439)	

(1) Sub-Funds appropriations are for special purposes and in general do not lapse at year end.

Combining Summary of Operating Budget by Revenue Source & Budget Classification All Operating Funds - 2016 Budget with Comparative Totals for 2015 Budget

REVENUE	General Fund		Debt Service							Total Operating Funds	
	Regular Operations	Sub-Funds	G.O. BOND	Revenue Bond	Drinking Water Utility	Wastewater Utility	Stormwater Utility	Waste ReSources Utility	Equipment Rental	2016	2015
Taxes	\$45,497,820	\$-	\$3,438,138	\$-	\$-	\$-	\$-	\$-	\$-	\$48,935,958	\$47,053,539
Licenses & Permits	3,498,611	310,000	-	-	-	-	-	-	-	3,808,611	3,277,634
Intergovernmental	1,925,485	-	734,831	-	-	-	50,000	-	-	2,710,316	2,579,478
Charges for Services	13,677,753	410,000	-	-	11,963,250	18,847,633	5,064,810	10,536,363	1,725,330	62,225,139	59,151,164
Fines & Penalties	979,950	-	-	-	-	-	-	-	-	979,950	1,084,500
Operating Transfers In	179,130	1,864,600	2,901,061	2,143,843	-	-	21,516	-	19,437	7,129,587	7,161,927
Other Revenue	2,222,679	306,612	-	-	365,000	5,500	1,500	11,000	-	2,912,291	2,678,588
Total Revenues	\$67,981,428	\$2,891,212	\$7,074,030	\$2,143,843	\$12,328,250	\$18,853,133	\$5,137,826	\$10,547,363	\$1,744,767	\$128,701,852	\$122,986,830
EXPENDITURES											
Salaries	\$38,784,014	\$9,000	\$-	\$-	\$2,214,812	\$1,032,961	\$1,444,582	\$1,893,143	\$468,001	\$45,846,513	\$44,116,879
Personnel Benefits	13,965,910	-	-	-	1,012,815	438,558	577,398	941,001	218,846	17,154,528	16,749,367
Supplies	2,176,033	346,640	-	-	944,685	354,460	190,411	535,730	473,700	5,021,659	4,784,619
Other Services & Charges	7,006,481	2,273,324	-	-	1,094,887	412,659	335,640	4,043,360	118,737	15,285,088	15,274,672
Intergovernmental Services	1,241,321	-	-	-	1,905,348	14,319,502	690,435	1,243,653	500	19,400,759	18,439,212
Interfund Payments	3,579,856	7,345	-	-	1,871,379	1,009,337	1,040,590	1,871,596	464,303	9,844,406	8,872,248
Capital Outlays	24,500	173,000	-	-	-	-	-	-	-	197,500	677,480
Debt Service - Principal	-	-	3,721,044	1,390,718	525,045	96,197	-	-	-	5,733,004	5,551,495
Debt Service - Interest	-	-	3,351,842	725,782	287,490	8,526	-	-	-	4,373,640	4,404,738
Operating Transfers Out	1,203,313	290,146	-	-	2,471,789	1,267,315	912,631	-	-	6,145,194	5,767,434
Total Expenditures	\$67,981,428	\$3,099,455	\$7,072,886	\$2,116,500	\$12,328,250	\$18,939,515	\$5,191,687	\$10,528,483	\$1,744,087	\$129,002,291	\$124,638,144
Net Gain or (Use) of Fund Equity from 2014 Operations	-	(208,243)	1,144	27,343	-	(86,382)	(53,861)	18,880	680	(300,439)	(1,651,314)
Estimated Fund Equity Available for Appropriations 1-1-2015	7,033,325	1,111,988	56,530	-	3,283,591	2,241,835	925,270	981,338	265,730		
2015 Fund Equity Available Before Reserve Requirement	7,033,325	903,745	57,674	27,343	3,283,591	2,155,453	871,409	1,000,218	266,410		
Less, 2015 Reserve Requirement	(6,798,140)	not required	not required	not required	(3,082,060)	(640,999)	(513,780)	(1,054,740)	(348,950)		
Non-Spendable & Restricted Resources	-	(77,755)	(55,390)								
Committed		(806,467)	(2,284)								
Estimated Assignments	(235,185)	(19,523)	-								
Estimated Fund Equity Available for Appropriations After Reserve	\$-	\$-	\$-	\$27,343	\$201,531	\$1,514,454	\$357,629	\$(54,522)	\$(82,540)		
Reserve Requirement as % of Revenue	10%	not required	not required	not required	25%	*10%	10%	10%	20%		

* Wastewater 10% reserve excludes revenues paid to LOTT for sewage treatment.

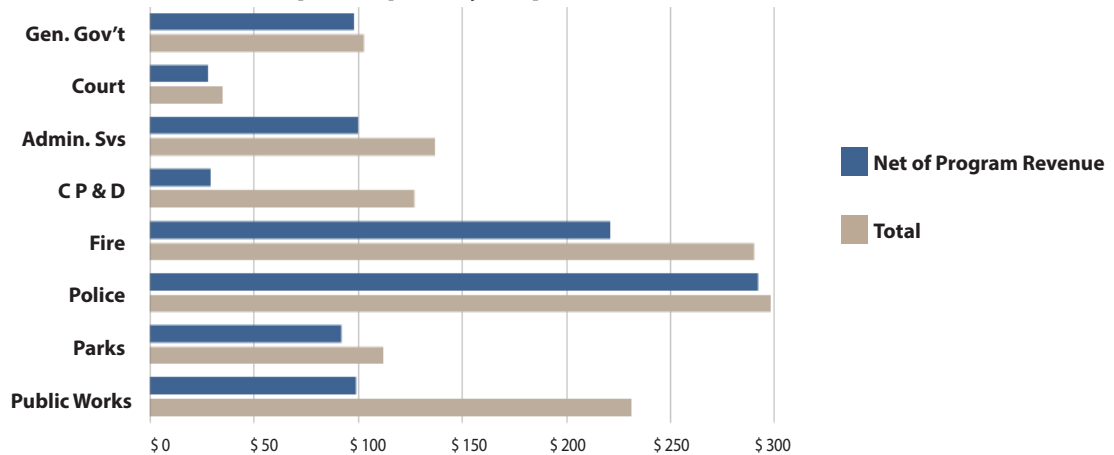
Significant use of fund equity in 2016:

General Fund Sub-Funds: This represents funds received which were previously not budgeted, see General Fund Sub-Fund detail page 21. These appropriations are generally not annual operating in nature.

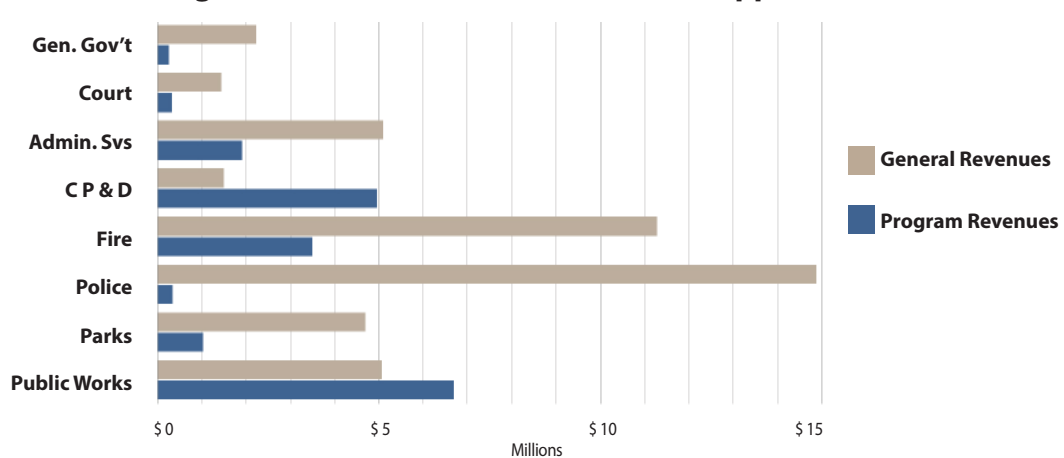
Combining Summary of Expenditures by Budget Classification General Fund by Department - 2016 Budget with Comparative Totals for 2015 Budget

EXPENDITURES	General Government	Municipal Court	Special Accounts	Admin. Services	Comm. Planning & Develop.	Fire	Police	Parks, Arts & Recreation	Public Works	Total Operating Funds 2016	2015
Salaries	\$1,602,664	\$1,060,495	\$839,200	\$4,032,224	\$3,360,558	\$10,097,066	\$9,537,477	\$2,836,517	\$5,417,813	\$38,784,014	\$37,356,937
Personnel Benefits	530,921	476,254	18,000	1,568,256	1,324,254	3,302,498	3,123,724	1,232,379	2,389,624	13,965,910	13,660,909
Supplies	33,131	21,590	4,000	77,433	92,092	499,807	476,439	307,007	664,534	2,176,033	2,024,884
Other Services & Charges	237,979	150,605	677,760	1,106,280	990,793	507,954	675,484	932,941	1,726,685	7,006,481	6,736,875
Intergovernmental Services	-	3,379	366,732	85,000	101,930	7,410	629,600	31,280	15,990	1,241,321	1,278,650
Interfund Payments	68,800	55,090	51,614	144,792	404,533	363,195	777,802	355,157	1,358,873	3,579,856	3,135,020
Capital Outlays	-	-	-	-	-	-	-	24,500	-	24,500	24,500
Operating Transfers Out	-	-	828,781	-	180,432	-	-	-	194,100	1,203,313	895,220
Total Expenditures	\$2,473,495	\$1,767,413	\$2,786,087	\$7,013,985	\$6,454,592	\$14,777,930	\$15,220,526	\$5,719,781	\$11,767,619	\$67,981,428	\$65,112,995
Program Revenues	251,647	322,600	18,225	1,910,949	4,963,001	3,501,816	342,243	1,027,127	6,701,006	19,038,614	18,364,622
Support from General Revenues	2,221,848	1,444,813	2,767,862	5,103,036	1,491,591	11,276,114	14,878,283	4,692,654	5,066,613	48,942,814	46,748,373
Cost per Capita:											
Total	\$103	\$35 (w/ Gen Gov)	\$137	\$127	\$290	\$298	\$112	\$231	\$1,333	\$1,295	
Support from General Revenues	\$98	\$28 (w/ Gen Gov)	\$100	\$29	\$221	\$292	\$92	\$99	\$959	\$931	

Cost per Capita by Department

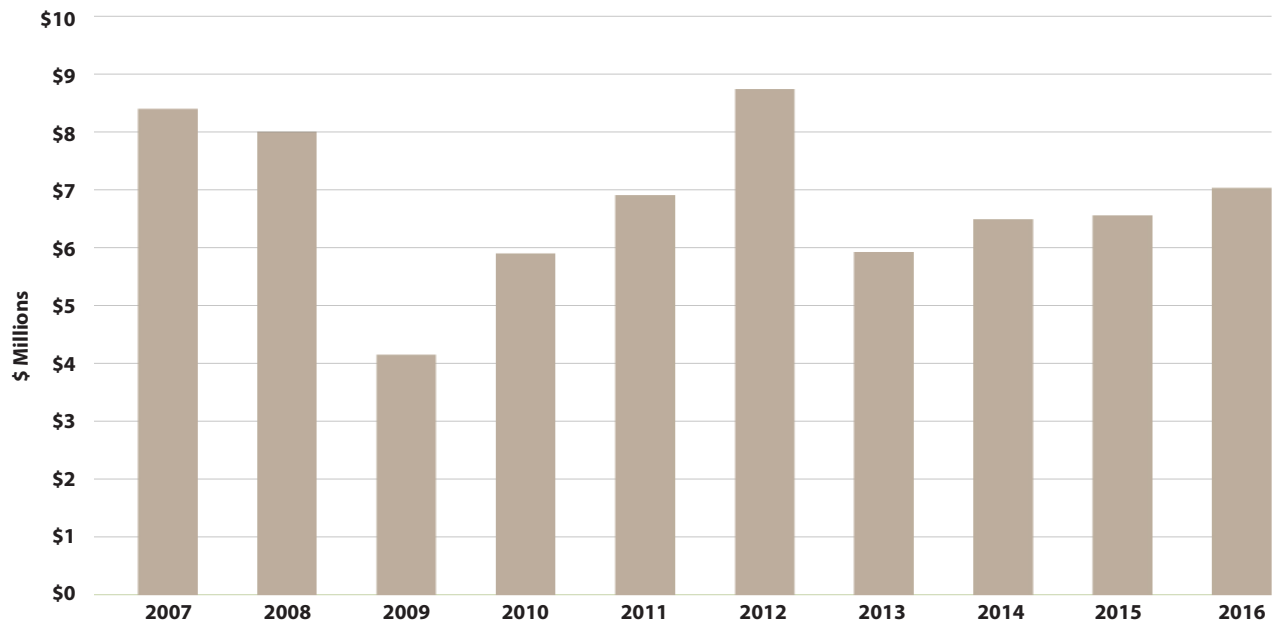


2016 Program Revenue vs. General Revenue Support

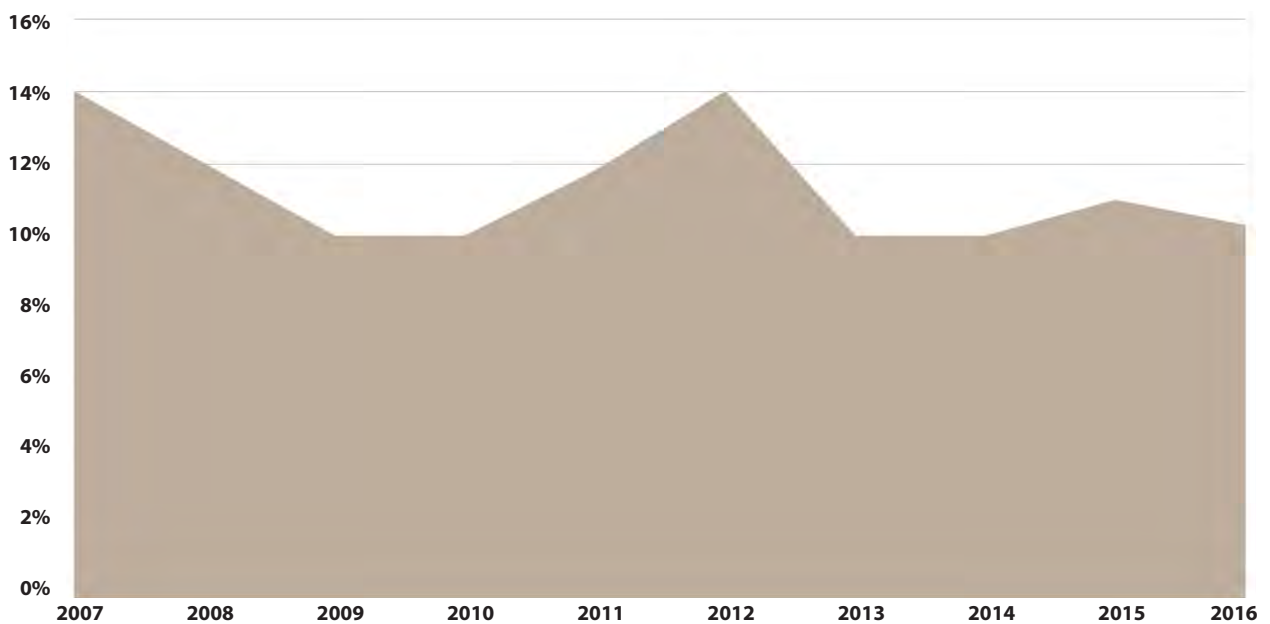


General Fund Balance as of January 1

Fund Balance: The difference between assets and liabilities. The City Council adopted a policy to maintain a minimum of 10% of the operating revenues as fund balance. Any excess above the 10% may be spent with Council approval.



General Fund Balance as a Percentage of Operating Revenues



General Fund - Sub Funds

The Governmental Accounting Standards Board (GASB), Statement 54, re-defined what funds qualify as Special Revenue Funds. The four funds below were previously accounted for as Special Revenue Funds. For financial reporting purposes, these funds are now reported as part of the General Fund. The City continues to account for these activities separately from the regular General Fund operations. For budget purposes, these Sub-Funds are presented separately from the regular operations of the General Fund. The Washington Center for the Performing Arts Sub-Fund is appropriated on an annual basis and its appropriations lapse at year end. The remaining Sub-Funds are project in nature and their appropriations do not lapse at year end.

	Budget Balance August 31, 2015	2016 Budget		Fund Equity Use/ (Gain)
		Expenses	Revenue	
Special Accounts -- See Below for Detail	\$3,040,216	\$1,317,880	\$1,053,000	\$264,880
Washington Center for the Performing Arts	87,637	311,600	306,600	5,000
Municipal Arts Fund	353,095	50,400	50,000	400
Equipment & Facilities Replacement Fund	2,462,437	1,419,575	1,481,612	(62,037)
	\$5,943,385	\$3,099,455	\$2,891,212	\$208,243
Special Accounts Control Fund: Detail				
Shared Leave	\$31,152	\$9,000	\$ -	\$9,000
GHB Building Rentals	358,771	-	-	-
Public Education & Government/Access Television	617,966	349,000	349,000	-
Health & Wellness Programs	1,133	44,000	30,000	14,000
Technology Plan Implementation and PC & PI Network Equipment	904,152	568,000	391,000	177,000
Building Demolition & Nuisance Abatement	7,371	32,480	-	32,480
Tree Account	22,209	-	-	-
Historic Preservation	2,926	-	-	-
Low Income Housing	99,794	64,500	50,000	14,500
Rental Rehabilitation	228,379	33,500	20,000	13,500
Seizure & Forfeiture	11,534	-	-	-
Firing Range	24,819	44,400	40,000	4,400
School Resource	1,824	-	-	-
LLEBG/JAG Grants	164	-	-	-
Recreation Scholarship	699	-	-	-
Arts Program	2,461	-	-	-
Parking Management	724,862	173,000	173,000	-
Total Special Account Control Fund	\$3,040,216	\$1,317,880	\$1,053,000	\$264,880

Special Funds - Non-Operating

The City has established several Special Purpose Accounts and Funds which are not included in the operating budget. Appropriations of these accounts and funds do not lapse at year end, but continue. The following schedule indicates the unexpended budget and 2016 additions to the Special Purpose Funds.

	Budget Balance September 28, 2015	2016 Budget		
		Expenses	Revenue	Fund Equity Use/ (Gain)
HUD Fund	\$544,161	\$463,265	\$463,265	\$ -
Fire Equipment Replacement Fund	361,300	120,000	125,500	(5,500)
Lodging Tax Fund -- see details separate schedule	206,653	551,580	650,000	(98,420)
Park & Recreational Sidewalk Fund, operating portion	194,911	581,128	489,403	91,725
Parking and Business Improvement Area	84,747	100,000	100,000	-
Farmers Market Repair & Replacement Fund	8,607	10,000	-	10,000
Hands On Children's Museum	99,762	434,668	428,604	6,064
Equipment Rental Replacement Reserve Fund	545,894	1,201,101	1,547,660	(346,559)
Unemployment Compensation Fund	390,399	200,550	200,000	550
Insurance Trust (Risk Management) Fund	220,371	1,551,840	1,501,880	49,960
Workers Compensation Fund	2,288,997	1,550,000	1,550,000	-
Washington Center Endowment Fund	228,567	4,600	4,600	-

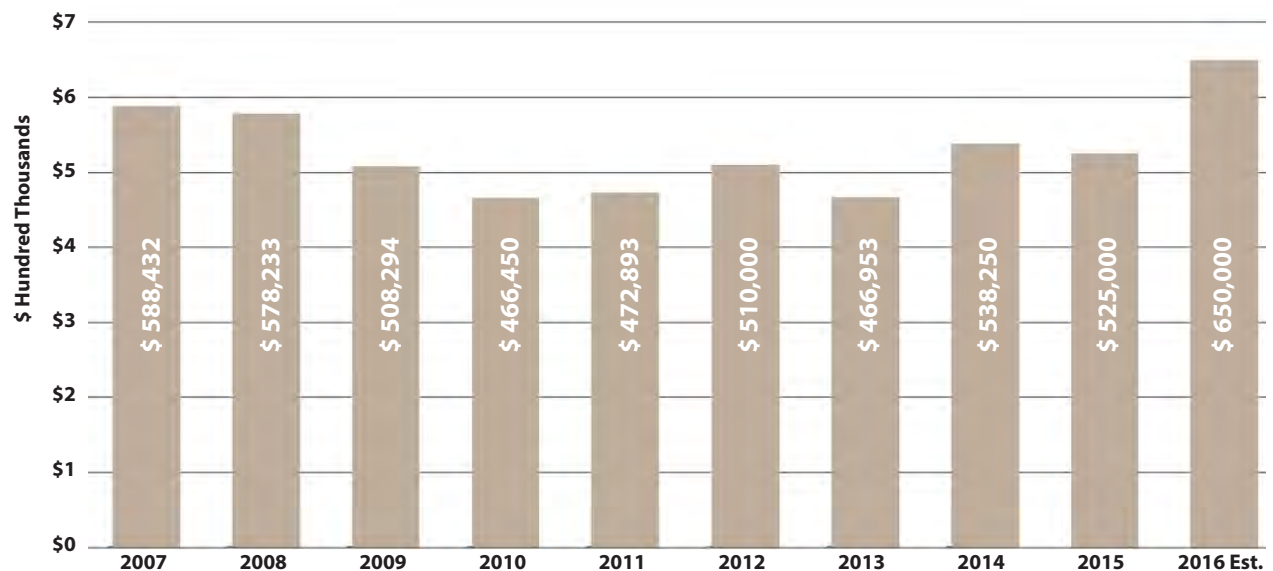
Lodging Tax Fund

The Lodging Tax is an excise, or sales tax authorized by State law in RCW 67.28 for Public Stadium, Convention, Arts and Tourism Facilities. In the City of Olympia, the total tax on lodging is 10.4%. Only a portion of the 10.4% comes to the City of Olympia. Olympia's share is equal to a 4% tax, with 2% allocated to The Washington Center for the Performing Arts. Per RCW 67.28.1815, the Lodging Tax can only be used for specific purposes:

- Tourism promotion
- Acquisition of tourism-related facilities
- Operation of tourism-related facilities, events and festivals

	2015 Budget	2016 Additions
Current Projection to be Distributed	N/A	\$249,580
Capital City Pride Festival	\$ -	-
Capital Lakefair	5,000	-
City of Olympia, Promotions & Wayfinding	26,000	-
Dixieland Jazz Society	16,000	-
Dragon Boat	5,000	-
Earthbound Productions	-	-
Hands On Childrens Museum	60,023	-
Olympia Downtown Association	-	-
Olympia Film Society	-	-
Olympia/Thurston, Visitor and Convention Bureau	100,000	-
Olympic Flight Museum	6,000	-
Recreation Northwest	10,000	-
Saint Martin/Dragon Boat	-	-
Senior Games	10,000	-
Washington Center for the Performing Arts Support	253,641	302,000
Wolf Haven	10,000	-
	\$501,664	\$551,580

Lodging Tax Collections



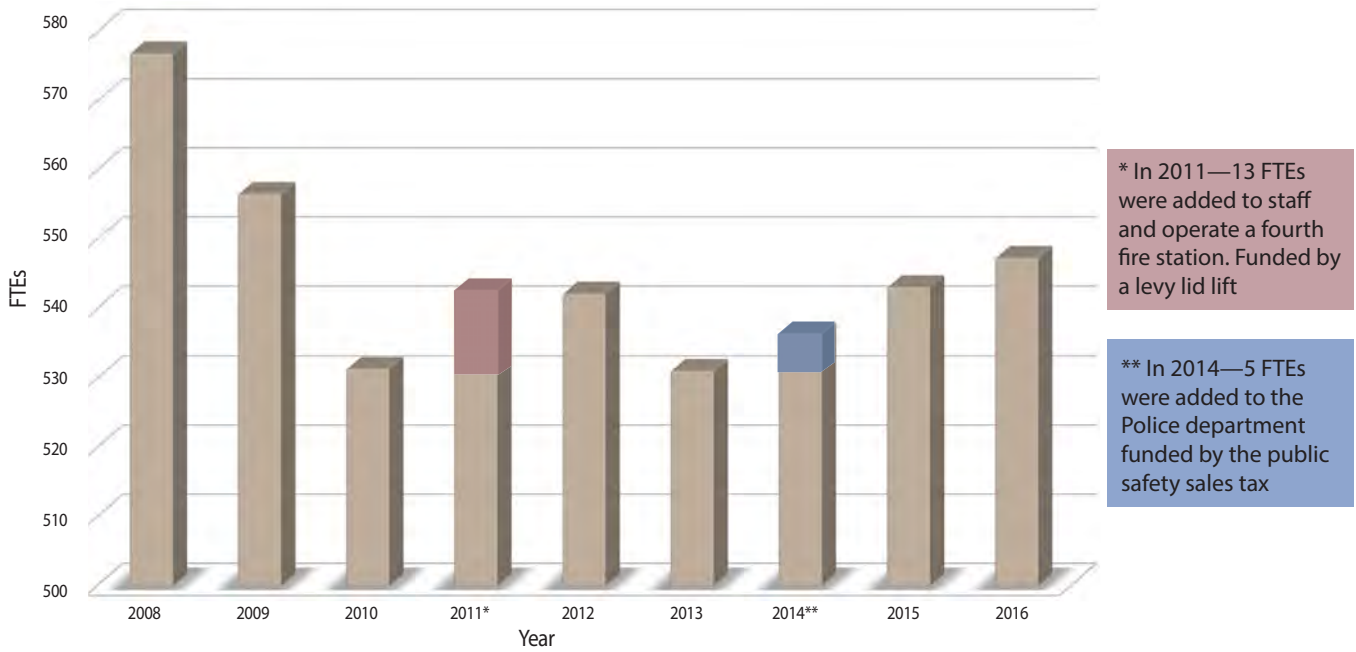
The difference between what is allocated to programs and what is collected remains in the account balance.

Staffing Summary - All Departments

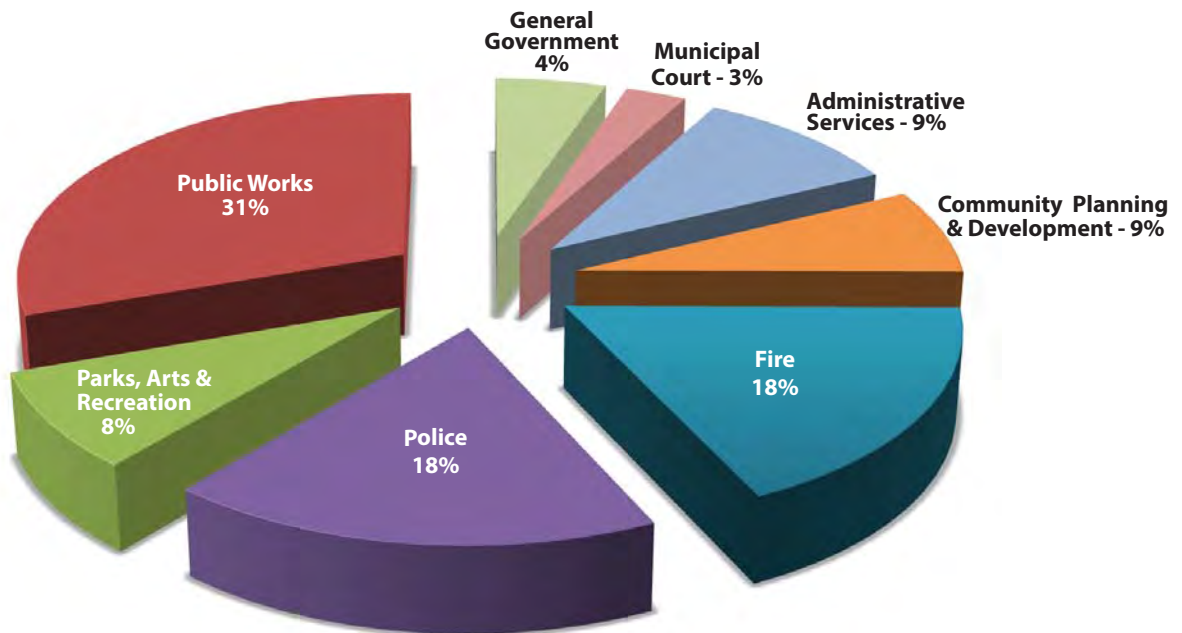
	2014	2015	2016	FTE Change
General Government				
Legislative Services	7.00	7.00	7.00	-
Executive Services	11.00	11.00	8.00	(3.00)
Legal Department	8.60	8.60	8.60	-
Total General Government	26.60	26.60	23.60	(3.00)
Municipal Court				
Court Services	9.00	9.00	9.00	-
Probation Services/Day Reporting Center	6.25	6.25	6.25	-
Total Municipal Court	15.25	15.25	15.25	-
Administrative Services				
Clerk Services	4.56	5.06	4.50	(0.56)
Fiscal Services	19.00	19.00	19.00	-
Information Technology Services	20.00	20.00	20.00	-
Human Resources	9.25	9.25	8.25	(1.00)
Total Administrative Services	52.81	53.31	51.75	(1.56)
Community Planning and Development				
Administration/Parking Services	14.00	14.00	18.56	4.56
Community Planning Services	12.75	15.00	17.75	2.75
Development Permit Services	14.00	13.00	11.25	(1.75)
Economic Development	-	1.00	2.00	1.00
Total Community Planning and Development	40.75	43.00	49.56	6.56
Fire Department				
Administration	7.00	8.25	8.25	-
Fire/EMS Operations and Training	84.00	84.00	84.00	-
Fire Prevention	5.00	5.00	5.00	-
Total Fire Department	96.00	97.25	97.25	-
Police Department				
Policing Services & Administrative Services	81.90	83.40	83.40	-
Corrections Services	15.00	15.00	15.00	-
Total Police Department	96.90	98.40	98.40	-
Parks, Arts & Recreation				
Administration	3.00	3.00	3.00	-
Facility Operations	8.90	9.15	9.15	-
Recreation	7.62	7.62	7.62	-
Arts and Events	1.25	1.25	1.25	-
Parks Maintenance	20.25	18.25	18.25	-
Parks Planning & Design	3.75	3.75	3.75	-
Total Parks, Arts & Recreation	44.77	43.02	43.02	-
Public Works				
Director's Office & General Services	6.00	6.00	6.00	-
Facilities Operations	8.00	8.00	8.00	-
Fleet Operations	7.00	5.75	5.75	-
Engineering	27.50	28.00	28.00	-
Transportation	28.50	29.00	29.00	-
Water Resources	59.25	62.50	63.75	1.25
Waste Resources	27.00	27.00	28.00	1.00
Total Public Works	163.25	166.25	168.50	2.25
Total FTEs	536.33	543.08	547.33	4.25

Note: This table includes full-time and part-time employees. Each program section includes a detailed listing of its program staffing. In addition, the City's salary schedule is included in the Supplementary Information section with position counts for 2014, 2015 and 2016.

City Employee Full Time Equivalents (FTE)



2016 Personnel Complement by Department



For a breakdown of each department please see individual department pages.





Policy and Guidelines







2016 City Priorities

Adopt a Sustainable Budget

- Make our budgetary process transparent, simple, and accessible so that everyone knows how and when to be involved
- Protect and strengthen core services, as well as identify strategic investments
- Build and maintain reserves so that we can continue services when times are bad
- Continue to manage our debt level responsibly
- Ensure all resources are used responsibly and effectively

Desired Outcome: We have adequate revenues and reserves to support the social, economic, and environmental values of the community.

Champion Downtown

- Increase commerce and private investment
- Create a safer, cleaner, and more welcoming downtown for all to enjoy
- Develop partnerships to expand desirable public spaces
- Play a greater role in developing the vision and enhancing the image of downtown
- Develop a Community Renewal Plan

Desired Outcome: More people will want to work, live, shop, and play here, and to increase the revenue base.

Deliver Proactive Community Development

- Invest in a proactive system that encourages collaboration in formulating and implementing plans
- Engage neighborhoods to plan their own future so that investments reflect community values
- Encourage a staff culture of community involvement and dialogue
- Increase revenue base so we can provide the enriching services and environmental stewardship the community values
- Align plans and ordinances so plans can be implemented

Desired Outcome: We achieve the growth and development as defined by the community in the Comprehensive Plan.

Inspire Strong Relationships

- Develop stronger and healthier regional partnerships
- Enrich public participation so the community has a role in shaping public policy
- Fully engage advisory committees and the Coalition of Neighborhood Associations (CNA)
- Make homelessness a collaborative, regional priority so that we can establish an effective service delivery system

Desired outcome: We operate more efficiently, foster trust, stay connected, and move forward together.

Long Term Financial Strategy (LTFS) - Key Financial Principles

- Make Trade-Offs
- Do It Well
- Focus Programs on Olympia Residents & Businesses
- Preserve Physical Infrastructure
- Use Unexpected One-Time Revenues for One-Time Costs or Reserves
- Invest in Employees
- Pursue Innovative Approaches to Service Delivery
- Contract In/Contract Out
- Maintain Capacity to Respond to Emerging Community Needs
- Pursue Entrepreneurial Initiatives
- Address Unfunded Liabilities
- Selectively Recover Costs
- Recognize the Connection Between the Operating Budget and the Capital Budget

Long Term Financial Strategy - Guidelines

What Should the City Do in the Following Year's Budget When the Financial Forecast is Positive?

- Assess the situation
- Maintain adequate reserves
- Use one-time revenues only for one-time expenses
- Use recurring revenues for recurring costs or for one-time expenses
- Stay faithful to City goals over the long run
- Think carefully when considering revenue cuts
- Think long-term

What Should the City Do Every Year, Whether the Financial Forecast is Positive or Negative?

- Increase operating cost recovery
- Pursue cost sharing

What Should the City Do in the Following Year's Budget When the Financial Forecast is Negative?

- Assess the situation
- Use reserves sparingly
- Reduce services
- Continue to think carefully when considering tax increases

What should the Council consider before increasing taxes?

- Will the increase result in programs or services that will have a quantifiable public benefit?
- Is the tax source related and connected to the services that are to be supported by the new revenue?
- Is the increase fully justifiable in terms of need?
- Has every effort to educate citizens about the tax been taken in advance of the increase?
- Are the services that are intended to be supported by the new revenue supportable into the foreseeable future?

What should the Council consider before asking residents to increase taxes?

- Have efforts to educate residents about the tax been made?
- Has there been ample time for residents to debate and discuss the issue?
- Has the council taken the time to listen to residents' concerns?
- Do our residents understand what the results will be following implementation of the new tax?

Tracking for Success

The City's Performance Measurement Program

Performance measurement provides the City of Olympia with factual evidence of what is actually happening within a line of business (LOB) or program so decisions can be made based on facts. It is valuable to compare our results year after year to see if improvements are being made. Prior to development of our *Tracking for Success* program, success or failure was measured in subjective terms. Implementation of our *Tracking for Success* program clearly communicates to our citizens a more objective measurement of success and provides a more effective decision making process in our operations. The City Council and Executive Leadership Team, along with our employees, are enthusiastic about the increased awareness of performance measurement, the ability to focus on results, and to increase understanding of the factors that shape greater performance.

Performance measures are listed by Line of Business or programs in each departmental section of this budget and include targets, trend data and for most measures, a supplementing narrative. The following is an example from the Fire/ EMS Operations and Training line of business within our Fire Department:

Key Result Measures - Fire/EMS Operations and Training	Target or Goal	FY 14 Actual	FY 15 Actual	FY 16 Budget
% Fire Responses in 6 Minutes*	90%	51%	48%	50%
% Medical (Basic Life Support) Responses in 6 Minutes*	90%	62%	62%	63%
% Medical (Advanced Life Support) Responses in 9 Minutes	90%	97%	97%	97%
% Full Deployment on Structure Fires within 10 Minutes	90%	15%	76%	76%

* Response times are the standard adopted by City Council and standard for the industry.

Key Result Measures

Each LOB or program develops their own Key Result Measures to ensure their related value to their LOB or program, as well as operational value to their Department, the City, and the broader community.

Measures will change over time throughout the departments - community and operational needs, as well as strategies will change, therefore the measurement system must remain flexible. Some departments may start with the use of outcome measures, and over time, as managers gain more experience with performance measurement, they may use more meaningful measures (e.g., % of measure result).

Target

Targets provide a standard against which to compare actual results. LOB and program managers and supervisors are usually better able to identify targets as they are often close enough to the front line action to know the work and how to impact it. Targets are sometimes set by comparing performance to professional standards or experience of other organizations closely related to determine if our performance is better or worse. This encourages the search for improved methods of providing service by asking what the highest performing organizations are doing that we can learn from.

Data and Analysis

We keep our performance data simple; historical trending. We line up our data over a number of years to determine if the results are going in the right direction. Although the charts in this budget

document only reflect a three-year trend, we maintain data for successive periods that allows us to effectively monitor and make improvements in each performance area.

It is important that each Line of Business and program is able to analyze their own data to be able to use it for day-to-day management of the City's operations.

Performance measurement analysis does not always lead to cost savings; sometimes it only suggests where costs savings might be found. Sometimes it is a measure of bigger picture community conditions, resulting in conversations about which programs and services to provide, instead of how best to perform the services already in existence.

Performance Measurement for Decision Making

Key Result Performance Areas identified as needing additional resources to meet target levels are further discussed in the narrative sections of each departmental section of this budget for each LOB and program. These are presented to the City Council for their consideration in allocating resources when adopting the City's Operating Budget each year.

Next Steps

Next steps for the City in its Tracking for Success program:

- Include Measures that Reflect City Council Strategic Priorities
- Provide Information on Performance Measure Action Plans
- Get Additional Staff Involved
- Report Out to Community

City of Olympia 2015 Achievements and Efficiencies

The City of Olympia strives to identify and implement new approaches to cost-cutting by rethinking the nature of how we provide services and do business. We take pride in addressing redundancy, mitigating costs that continue to rise, investing in technological or structural efficiencies, and a spirited enthusiasm to make things better. We are not satisfied with business as usual and continually rethink our services from the ground up.

The following accomplishments and efficiencies contributed to development of the City's 2016 Operating Budget:

Adopt a Sustainable Budget

- Utilizing state-funded supplies for the printing of court forms and documents thus saving thousands of dollars in producing and printing forms.
- Saved \$264,600 by completing 5,292 sentenced days of jail in the Options program.
- Saving approximately \$100,000 per year on LEOFF 1 medical claims by changing insurance programs.
- Public Works (PW) General Services collaborated with Engineering on a Lean process-improvement event. The project looked at opportunities to streamline the engineering process – initial estimate all the way through to paying the final bill. Findings revealed a 51% savings in time per project. Given the number of projects Engineering constructs every year that translates to 1,200 labor hours or \$180,000.
- Projected savings of \$215,792 (62% decrease) in Citywide Worker's Compensation medical claims (excluding Police and Fire).
- Expected savings of over \$230,000 resulting from the completed LED conversion project.



- Expanded our One-side Road Collection Program in Waste Resources yielding a projected annual savings of 600 gallons of fuel and 222 FTE and equipment hours.
- Received funding of \$23,000 from the State's Trial Court Improvement Account for partial reimbursement of the Municipal Court Judge's salary for 2015.
- Signed a new office supply contract that more accurately reflects the City's purchase history. The new contract will likely result in significant savings of \$5,000 to \$10,000.
- Upgraded 19,000 water meters to receive water usage information via radio/wireless signals. This has streamlined customer service, operations and maintenance response, improved customer equity by ensuring customers are paying

for water they are using, and enhanced water conservation by identifying and notifying customers of possible water leaks. This resulted in the reduction of two staff positions.

- Implemented a new city-wide email management system reducing time spent on public records requests.
- Partnered with nCourt, a free payment website, to allow traffic citations or fine payments to be paid securely online at any time.
- Evaluated benefit options to control costs and minimize financial impacts of the Affordable Care Act.
- Qualified for the Association of Washington Cities Well City Award resulting in a 2% premium discount.
- Added a second bicycle to Parking Services' fleet to further reduce costs of fuel and greenhouse gases.
- Reinstated the City's Boot and Tow program for vehicles with excessive unpaid tickets resulting in \$10,000 in recovered fines and fees in the first three months.
- Completed urban forestry administrative management plan under grant from Department of Natural Resources.
- Made use of automatic aid, mutual aid agreements, and joint service agreements with fire and emergency services agencies in other districts.
- Increased revenue in Fire by expanding business models in fleet and by providing training.
- Developed Maintenance Management Plans for all Parks.
- Launched Asset Management and Work Management Programs in Parks.
- Established Service Levels for park maintenance.
- Maintained or increased participation and revenue in league, youth camp, and outdoor programs. Many programs are at their limit, prohibiting growth.
- Received a grant from REI to develop and implement a trail stewardship program at Watershed Park and Ellis Cove Trail in Priest Point Park.
- Secured grant funding to construct the bike pump track at Yauger Park.



Pump Track at Yauger Park

City of Olympia 2015 Achievements and Efficiencies (continued)

- ❖ Completed a Community Park Feasibility study.
- ❖ Will realize savings of \$21,000 in labor, \$4,800 in utilities and \$2,700 in materials when the City demolishes GHB, Isthmus properties and OPD Annex. This will enable the City to refocus labor and budget to remaining buildings to complete other smaller projects.
- ❖ Savings of \$2,500 annually in electricity due to City Hall Solar project.



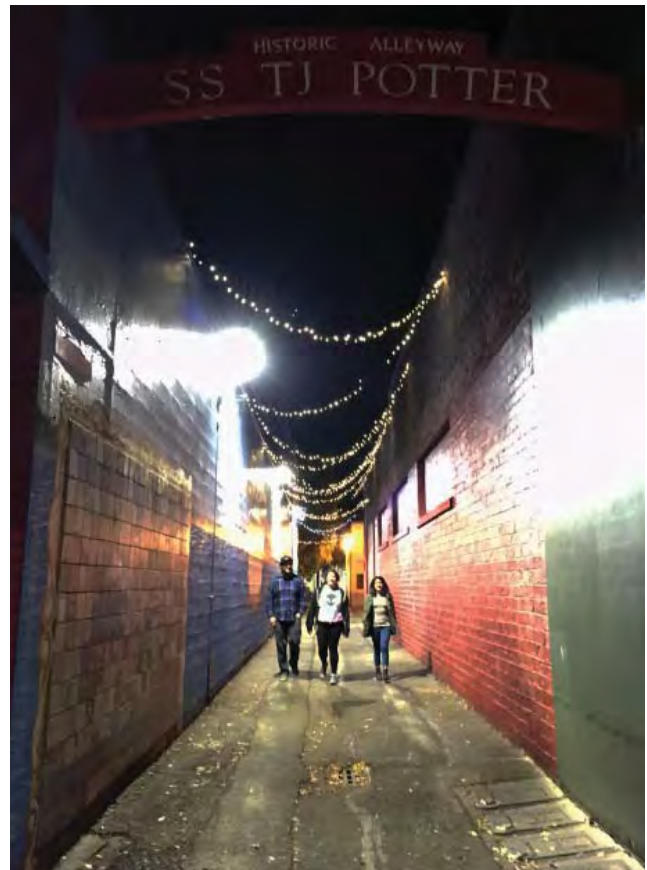
- ❖ Savings of 41% per year since 2011 in energy costs for the Olympia Timberland Library.
- ❖ Decreased cooling and maintenance costs at the Olympia Center after installation of a new, higher efficiency chiller.
- ❖ Eliminated a redundancy in locating notification software resulting in savings of \$6,500.
- ❖ Received a grant so Street Operations crew could continue making needed sidewalk repairs, helping to reduce liability claims.
- ❖ Managed the construction of 19 projects, totaling approximately \$28.5 million. Use of new and innovative methods and materials, including trenchless technology reflect our commitment to sustainable solutions.
- ❖ Received grant funding for pedestrian crossing improvements on Pacific Avenue at Devoe Street and Lansdale Road.
- ❖ Minimized need to contract work in Wastewater and Stormwater by building our internal capacity to repair and retrofit our systems.
- ❖ Completed a major capital and program development effort in Wastewater that was initiated in 2006-2007. Several major pipe extensions were constructed and regional pump stations were upgraded.
- ❖ Capital facility planning under a 20-year horizon suggests that the Wastewater utility can continue to cost-effectively and proactively respond to system needs.
- ❖ Working with commercial waste customers that currently require two-person rear-load collection to identify potential

container locations that will allow for one-person front-load collection. The design of the downtown core with narrow alleys is only accessible with a two-person rear-load collection vehicle.

- ❖ Realized savings in Waste Resources operation and maintenance costs because of the four new trucks purchased in 2013.
- ❖ Received assessment of our pump and reservoir systems by the Washington Department of Enterprise Services (DES) for operational efficiencies and energy savings opportunities. DES was unable to identify any further efficiency.

Champion Downtown

- 🏛️ Completed projects resulting in downtown investment of over \$1,000,000:
 - Isthmus demolition.
 - Alley lighting project at State Ave & Columbia St.
 - State Avenue Paving – Phase II, Paving and Striping.
- 🏛️ Completed downtown alley lighting project using City's first Section 108 loan.



- 🏛️ Arts Walk voted the Best Arts Event for 2014 and 2015 by readers of the Weekly Volcano.
- 🏛️ Arts and Events Program Manager voted Arts MVP for 2014 and 2015 by readers of the Weekly Volcano.

City of Olympia 2015 Achievements and Efficiencies (continued)



2015 Percival Plinth Entry: Swirl by Kevin Au

- 🏛️ Increased Percival Plinth Project exhibition to 15 pieces of art.
- 🏛️ Celebrated 50 Arts Walks, including launch of an in-house designed Arts Walk app to complement the physical map.
- 🏛️ Partnered with the Visitor and Convention Bureau on the Stqry app, which includes the City's Waterfront public art collection in addition to other collections and stories around the community.
- 🏛️ Installed improvements at Artesian Commons Park (basketball hoop, tables/chairs, lighting, cameras, gates, and fencing).
- 🏛️ Opened a Downtown Welcome Center in combination with community partners.
- 🏛️ Entered into Harbor Patrol Partnership with Port of Olympia
- 🏛️ Completed crack sealing and pavement marking replacement project.

- 🏛️ Completed pedestrian pathways at Moore Street, Decatur Street and Fairview Avenue.
- 🏛️ Awarded City's first Grow Olympia Fund loan to a local business for expansion of its facility in downtown.



Recipient of City's first Grow Olympia Fund loan.



- 🏛️ Received Department of Ecology approval on environmental clean-up of north side of Percival Landing playground and open space areas.
- 🏛️ Added water and power services to Percival Landing E-Float utilities.
- 🏛️ Replaced Percival Landing F-Float and vessel pump-out.
- 🏛️ Designed a Bike Corridors pilot project for implementation in 2016. The purpose of this is to encourage novice bike riders to use City streets as a means of transportation.

City of Olympia 2015 Achievements and Efficiencies (continued)

Change the Culture of Community Development

- 🏆 Earned a Class 2 insurance rating on the Fire Department from the Washington Survey and Rating Bureau. (Class 1 is the highest rating, Class 10 is the lowest rating.) The City is only one of four fire departments with this rating and there are no Class 1-rated cities in Washington. This rating makes Olympia more attractive to businesses because it lowers the cost of fire insurance.
- 🏆 New Economic Development Director began working to improve and expand Olympia's economic development.
- 🏆 Established the "Grow Olympia Fund."
- 🏆 Updated process for considering zoning changes under new Comprehensive Plan.
- 🏆 Completed historic structure survey of additional residential neighborhood.
- 🏆 Increased neighborhood matching grant funding.
- 🏆 Supported Northeast Olympia Subarea Plan initiation.
- 🏆 Initiated plan for Kaiser-Harrison 'opportunity area.'
- 🏆 Streamlined the building permit final inspection process saving staff time and improving turnaround times for customers.
- 🏆 Acquired new building permitting and inspection software that will provide online services to our customers.
- 🏆 Collaboration between PW and CP&D to provide timely private development reviews and permits, and to improve the customer experience with the online inspection process.



Inspire Strong Relationships

- 🏆 Formed Olympia Human Relations Committee.
- 🏆 Established an Ad Hoc Committee on Police and Community Relations.
- 🏆 Maintained Budget 365 to help the community understand the City's budget.
- 🏆 Expanded public communications through social media, including Facebook, Twitter, NextDoor, and Instagram.
- 🏆 Used the City's website to keep the public informed about local crime trends and police events.
- 🏆 Streamlined records management in OPD to become involved in the process at an earlier stage. This resulted in better relationships among the Divisions.
- 🏆 Developed an At-Risk Youth Employment Program with Community Youth Services.
- 🏆 Completed an extensive seven-month public process to update the Parks, Arts & Recreation Plan.
- 🏆 Invited by Washington State Department of Transportation (WSDOT) to partner on development of a Transition Plan for ADA Improvements in the right-of-way. The partnership will help the City complete the task, and WSDOT gain experience to help guide other cities.
- 🏆 Participated in the National Mayor's Challenge for water Conservation. Olympia was ranked ninth in the nation (population 30,000-99,999).



Old F Float



New F Float

City of Olympia 2015 Achievements and Efficiencies (continued)

Public Safety

- 📌 Implemented OPD Night Time Walking Patrols.
- 📌 Implemented an in-vehicle mobile network solution for the City's Fire Department.
- 📌 Combined OFD medical support at all high school home football games with CPR instruction onsite.
- 📌 Coordinated a CPR Championship competition between Olympia and Capital High Schools during the annual "Spaghetti Bowl!"
- 📌 Staffed Walking Patrol seven days a week.
- 📌 Arrested serial bank robber after significant investigation.
- 📌 Achieved high solve rates for major crimes against persons – Robbery = 74%; Aggravated Assault = 77%.
- 📌 Initiated the following under the Safe and Secure Parks Initiatives: needle collection policy, Sharp's containers in parks, park gate operations policy, emergency shutdown procedures for Heritage Fountain.
- 📌 Worked with a Bio-medical Supplier to create a low-cost needle safety kit. Staff were trained on the proper use of needle safety and provided a kits for all City vehicles.
- 📌 Created a "Regional Safety Committee" with the City of Lacey, LOTT, and Thurston County safety officers. The group meets monthly with the goal of sharing resources and expertise. Worked with a Bio-medical Supplier to create a low-cost needle safety kit. Staff were trained on the proper use of needle safety and provided a kits for all City vehicles.



- 📌 Created a "Regional Safety Committee" with the City of Lacey, LOTT, and Thurston County safety officers. The group meets monthly with the goal of sharing resources and expertise.



Financial Policies

Executive Summary

The importance of sound financial management makes it desirable for a city to establish goals and targets for its financial operations so that policies will be consistent and complete and performance can be monitored on an ongoing basis. Because a fiscally sound city government is in the best interest of the citizens of the City of Olympia, this Financial Management Policy Statement has been adopted as the guiding management principles which are to be applied in the management of the City's finances.

General Principles

1. Budgeting Policy

Budget practice for the City will conform to the following policies:

- Budgets will be formulated and approved according to the following procedural guidelines:
 - The administration decides on programmatic need and recommends funding levels.
 - The Capital Facilities Plan (CFP) is submitted 90 days, and the operating budget presented 60 days, prior to the end of the fiscal year.
 - By State law, the Council must approve the operating budget with a capital budget element prior to the end of the fiscal year.
- The capital budget is submitted on a functional six-year basis, to be updated annually.
- The operating budget is presented at a fund level and shall be adopted annually.

Performance monitoring of the operating budget will include:

- Forecast statements for each budget program.
- A "work measurement system" which compares the costs and benefits for each funded activity.
- An accounting system which ensures that actual operating expenditures conform to the budget.

Capital Budgeting Policies and Procedures:

- Projects will be funded by a combination of bond proceeds, grants, leases, and operating funds, with a maximum of 80% funded by long-term debt.
- Planning for capital projects will include a six-year plan titled *Capital Facilities Plan*, which must be updated annually and include a statement of projected costs and sources of funds.
- Capital projects must meet the following criteria:
 - If debt funded, the term of debt should not exceed the useful life of the project.
 - Capital projects should be built according to specifications which enable them to be self-sustaining whenever possible.
 - Long-term debt should be funded through revenue bond issue whenever feasible to maximize the general obligation debt limitation.

- Six-year budget projections will be prepared and updated annually and will include any expected changes in revenues or expenditures.

2. Revenue Structure

The City currently receives revenues through Federal and State grants, local taxes, and fees. To achieve the most desirable flow of revenues, planning must be undertaken as follows:

Tax policy must try to avoid:

- Over-reliance on property taxes.
- Adverse effects of excessively heavy taxes.
- Disproportionate burdens levied on any particular taxpayer group.

Structuring of taxes should attempt to:

- Provide a stable and predictable stream of revenue to fund City programs.
- Make collection of revenues simple and reliable.
- Retain/promote business (industry).

When revenues are increased, the following administrative practices will be pursued:

- User fees on certain activities chosen so that low-income families do not bear heavy costs.
- Service fees on activities where either raising revenues or limiting demand would prove beneficial.
- A cash-management system which obtains maximum interest income within State guidelines.

3. Debt Management

The Objectives of the City's Debt Management Policy will be:

- To smooth the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.
- To raise capital at the lowest cost, consistent with the need to borrow. This will be accomplished by:
 - Keeping a high credit rating (while making attempts to strengthen credit rating).
 - Maintaining a good reputation in the credit markets by adjusting the capital program for regular entry to the bond market and by managing the annual budget responsibly.

Debt instruments the City can use are:

- Short-Term Debt:
 - Short-term debt will not be issued for operating purposes nor will it be rolled over (except for Bond Anticipation Notes --BANs) from one period to another.
 - Tax Anticipation Notes (TANs) and Revenue Anticipation Notes (RANs) can be issued in amounts up to 60% of expected appropriations and must mature within the fiscal year.
 - BANs can be issued with a maximum three-year maturity and can be rolled over when interest rates make short-term debt preferable. BANs cannot be used to extend the life of a bond.

Financial Policies (Continued)

- GANs (Grant Anticipation Notes) can be used when grant reimbursement for a project lags behind the payment schedule for large construction costs.
- Long-Term Debt:
 - Long-term debt will be used to maintain and develop municipal infrastructure when the economic life of a fixed asset exceeds five years.
- Revenue bonds will generally be used for projects which are financially self-sustaining.
- General Obligation bonds can be used to finance public works, which benefit the community and have revenues insufficient to amortize the debt.
- General Obligation pledges can be used to back self-sustaining projects financed through revenue bonds when costs can be reduced and the municipal credit rating is not put in jeopardy by this action.

Debt Issuance Policy will ensure that:

- An attempt to enter the market will be smooth or with regular volume and frequency, as much as possible.
- Advantage be taken of favorable market conditions.
- The timing of revenue bonds considers project, market, and General Obligation factors.
- The municipal credit rating is kept high.

The credit rating component of debt issuance will be strengthened by keeping assessments current.

Disclosure statements will be used to keep taxpayers and investors informed of the City's financial position. These include printed copies of:

- Annual Reports
- Operating Budget and Capital Facilities Plan
- Official Statements

Debt issues will be sold on a competitive basis (except when conditions make a negotiated sale preferable) and awarded to the bidder who produces the lowest interest cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is speculative or complex, the issue is refunding, or the market is unstable.

4. Accounting and Financial Reporting

The objectives of a System for Accounting and Financial Reporting areas:

- To maintain the confidence of the Council, taxpayers, and investors by providing information which demonstrates that:
 - Money and property are handled responsibly, the current financial position is fully disclosed, and activities are operating at a maximum level of efficiency.
 - Financial performance conforms to all laws, ordinances, and procedures.

To maintain financial control in order that:

- Managers have an information system to use for policy setting, decision-making, and program supervision.

- Municipal activities can monitor their revenues, expenditures, and performance levels.
- Forecasts can be made of future operating and capital budgets, and of future initiatives in taxing policy.

The standards to be followed by the System of Accounting and Financial Reporting fall into the following areas:

- Accounting and Auditing:
 - Procedures will allow reporting per Budget and Accounting Reporting System (BARS) and follow Generally Accepted Accounting Principles (GAAP).
 - Recording will be on a modified accrual basis for revenues and expenditures.
 - New procedures will be developed whenever they can contribute to the quality of timely information flows.
- Financial Reporting:
 - BARS, GASB, and GFOA reporting principles will be followed.
 - Reports will be organized in pyramidal form: at the top, a streamlined Annual Report; then an overview of financial position; and results of operations categorized by fund accounts.
 - These reports will be used to promote the City's good financial profile.
- Manuals:
 - BARS manuals will codify procedures, be used by accounting personnel and City officials, and specify the source of data for each account. They will be maintained by the Accounting Office of Administrative Services.
 - Policy and procedure manuals will be maintained with current information.

5. Investments

The policy on investments applies to the investment of all City funds, excluding pension funds. The investment program is intended to provide safe, maximum returns and adequate liquidity to meet cash flow requirements. The minimum requirement for liquidity for operating funds is ten percent (10%) of the annual operating budget.

The City may invest in any of the securities identified as eligible investments as defined by RCW 35A.40.050. In general, these include: Certificates of Deposit, United States Securities, Banker's Acceptances, Repurchase Agreements and Certificates, and Notes and Bonds of the State of Washington. Speculative investments are not allowed.

All investments shall be made through an informal bidding process. The policy shall be to assure no single institution or security is invested into, to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.



Revenue

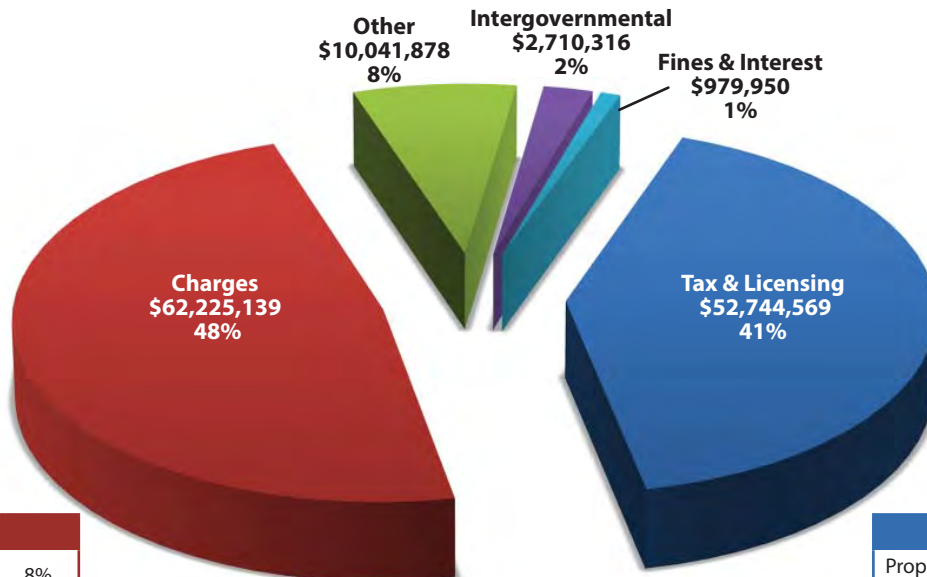






Where the Money Comes From - Total Operating Revenues

\$128,701,852



Charges	
Security (Persons & Property)	8%
General Government	12%
Drinking Water	19%
Wastewater	30%
Stormwater	8%
Waste ReSources	17%
Equipment Rental	3%
Other	3%

Tax & Licensing	
Property	26%
Sales	38%
Business	11%
Utility	18%
Other Taxes	1%
Licenses & Permits	6%

Revenue by Fund - Operating Funds

	ACTUAL 2013	ACTUAL 2014	BUDGET 2015	REVISED 2015	BUDGET 2016
GENERAL FUND -- Regular Operations					
Property Tax	\$ 9,577,425	\$ 9,772,947	\$ 10,269,888	\$ 10,269,888	\$ 10,249,627
Sales Tax	17,091,549	18,527,076	18,683,610	19,231,500	19,998,310
Business Tax	4,780,570	4,964,078	5,240,000	5,440,000	5,540,000
Utility Tax, Private	4,961,166	4,947,230	4,946,860	4,612,500	4,881,790
Utility Tax, Municipal	3,907,742	4,333,390	4,217,430	4,217,430	4,538,093
Gambling Tax	139,514	117,965	105,000	179,000	140,000
Leasehold Tax	143,501	143,838	150,000	150,000	150,000
Licenses and Permits	3,521,143	3,616,920	2,966,634	3,286,258	3,498,611
Intergovernmental	1,628,256	1,926,911	1,844,647	1,933,070	1,925,485
Charges for Services	12,133,431	13,043,808	13,081,895	13,186,136	13,677,753
Fines and Penalties	1,020,248	979,297	1,084,500	976,328	979,950
Rents and Leases	1,768,052	1,888,528	2,024,653	2,096,497	2,105,332
Other Revenue	741,445	621,972	454,611	476,822	296,477
	\$ 61,414,042	\$ 64,883,960	\$ 65,069,728	\$ 66,055,429	\$ 67,981,428
GENERAL FUND - Sub Funds					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
License and Permits	297,841	308,216	311,000	313,141	310,000
Intergovernmental	588,226	473,203	-	-	-
Charges for Services	352,804	331,843	325,750	366,482	410,000
Fines and Penalties	1,229	807	-	16,199	-
Other Revenue	5,522,788	2,945,663	1,965,435	2,888,838	2,171,212
	\$ 6,762,888	\$ 4,059,732	\$ 2,602,185	\$ 3,584,660	\$ 2,891,212
GENERAL OBLIGATION DEBT FUNDS					
Property Tax	\$ 3,527,714	\$ 3,515,821	\$ 3,440,751	\$ -	\$ 3,438,138
Intergovernmental	676,412	681,556	734,831	-	734,831
Transfers In & Other	2,560,828	2,892,464	2,898,705	-	2,901,061
	\$ 6,764,954	\$ 7,089,841	\$ 7,074,287	\$ -	\$ 7,074,030
UTILITY FUNDS					
Charges for Services	\$ 39,238,732	\$ 41,950,364	\$ 44,164,391	\$ 43,974,913	\$ 46,412,056
Grants	672,544	241,289	-	1,020	50,000
Other Revenue	320,233	352,078	263,980	274,220	404,516
Revenue Before Transfers	40,231,509	42,543,731	44,428,371	44,250,153	46,866,572
Intra-Utility Transfers	4,493,571	2,196,591	2,125,894	-	2,143,843
	\$ 44,725,080	\$ 44,740,322	\$ 46,554,265	\$ 44,250,153	\$ 49,010,415
EQUIPMENT RENTAL FUND					
Rents & Sales	\$ 1,514,783	\$ 1,448,786	\$ 1,666,928	\$ 1,668,928	\$ 1,725,330
Other Revenue	10,624	19,173	19,437	19,877	19,437
	\$ 1,525,407	\$ 1,467,959	\$ 1,686,365	\$ 1,688,805	\$ 1,744,767
TOTAL REVENUE	\$121,192,371	\$122,241,814	\$122,986,830	\$115,579,047	\$128,701,852

Revenue by Type - Operating Funds

	ACTUAL 2013	ACTUAL 2014	BUDGET 2015	REVISED 2015	ESTIMATED 2016
TAXES					
Property Tax	\$ 13,105,139	\$ 13,288,768	\$ 13,710,639	\$ 10,269,888	\$ 13,687,765
Sales Tax	17,091,549	18,527,076	18,683,610	19,231,500	19,998,310
Business Tax	4,780,570	4,964,078	5,240,000	5,440,000	5,540,000
Utility Tax	8,868,908	9,280,620	9,164,290	8,829,930	9,419,883
Other Taxes	283,015	261,803	255,000	329,000	290,000
	<u>\$ 44,129,181</u>	<u>\$ 46,322,345</u>	<u>\$ 47,053,539</u>	<u>\$ 44,100,318</u>	<u>\$ 48,935,958</u>
LICENSES & PERMITS					
Business	\$ 320,328	\$ 369,649	\$ 336,000	\$ 381,200	\$ 382,000
Franchise Fees (321.91.01)	446,375	462,324	468,000	471,500	476,200
Non-Business	3,052,281	3,093,163	2,473,634	2,746,699	2,950,411
	<u>\$ 3,818,984</u>	<u>\$ 3,925,136</u>	<u>\$ 3,277,634</u>	<u>\$ 3,599,399</u>	<u>\$ 3,808,611</u>
INTERGOVERNMENTAL REVENUE					
Grants	\$ 1,353,528	\$ 978,464	\$ 252,933	\$ 238,046	\$ 106,541
Motor Vehicle Fuel Tax	977,051	998,423	984,000	1,000,000	1,095,300
Liquor Excise Tax & Profits	458,797	523,569	507,800	553,200	665,300
Other Intergovernmental	776,062	822,503	834,745	142,844	843,175
	<u>\$ 3,565,438</u>	<u>\$ 3,322,959</u>	<u>\$ 2,579,478</u>	<u>\$ 1,934,090</u>	<u>\$ 2,710,316</u>
CHARGES FOR SERVICES					
General Government	\$ 6,582,195	\$ 7,239,753	\$ 7,561,067	\$ 7,270,533	\$ 7,718,705
Security of Persons & Prop.	4,338,745	4,461,038	4,470,128	4,609,215	4,860,703
Development & Streets	920,870	992,190	691,583	967,223	758,500
Parks, Arts & Recreation	644,425	682,670	684,867	705,647	749,845
Water	9,861,719	10,775,603	11,381,780	11,248,835	11,963,250
Wastewater	16,261,960	17,111,669	18,042,623	18,299,048	18,847,633
Waste ReSources	8,667,271	9,470,023	9,999,078	9,685,220	10,536,363
Storm & Surface Water	4,447,782	4,593,069	4,740,910	4,741,810	5,064,810
Equipment Rental	1,514,783	1,448,786	1,666,928	1,668,928	1,725,330
	<u>\$ 53,239,750</u>	<u>\$ 56,774,801</u>	<u>\$ 59,238,964</u>	<u>\$ 59,196,459</u>	<u>\$ 62,225,139</u>
FINES & PENALTIES					
Parking	\$ 531,039	\$ 482,626	\$ 582,700	\$ 507,778	\$ 520,000
Non-Parking	490,438	497,478	501,800	484,749	459,950
	<u>\$ 1,021,477</u>	<u>\$ 980,104</u>	<u>\$ 1,084,500</u>	<u>\$ 992,527</u>	<u>\$ 979,950</u>
OTHER REVENUE					
Rents by Parks, Arts & Rec	\$ 216,103	\$ 228,164	\$ 219,231	\$ 214,800	\$ 220,500
Parking (other than fines)	985,831	1,029,462	936,000	1,010,922	998,700
Operating Transfers In	12,702,189	8,205,472	7,127,490	2,958,502	7,138,634
Miscellaneous Other Revenue	1,513,418	1,453,371	1,469,994	1,572,030	1,684,044
	<u>\$ 15,417,541</u>	<u>\$ 10,916,469</u>	<u>\$ 9,752,715</u>	<u>\$ 5,756,254</u>	<u>\$ 10,041,878</u>
TOTAL REVENUE	\$ 121,192,371	\$ 122,241,814	\$ 122,986,830	\$ 115,579,047	\$ 128,701,852

General Fund - Program Revenue by Type

	ACTUAL 2013	ACTUAL 2014	BUDGET 2015	REVISED 2015	ESTIMATED 2016
GENERAL GOVERNMENT					
Other General Government	\$ 1,817	\$ 45,736	\$ 31,500	\$ 31,500	\$ 31,500
Grant, Office of Public Defense	20,520	70,250	25,000	18,225	18,225
Interfund & Indirect Overhead					
Executive	388,859	324,891	334,699	318,256	106,655
Legal	88,097	90,549	88,512	88,512	113,492
Total General Government	\$ 499,293	\$ 531,426	\$ 479,711	\$ 456,493	\$ 269,872
MUNICIPAL COURT					
State, Judicial salary contribution	\$ 22,796	\$ 22,669	\$ 22,600	\$ 22,600	\$ 22,600
Other	893	5,573	-	-	-
Probation, fees	119,221	126,165	152,500	150,500	162,500
Day Reporting, fees	102,626	100,516	127,500	121,500	127,500
Transfer in:					
Day Reporting	10,000	10,000	10,000	10,000	10,000
Total Municipal Court	\$ 255,536	\$ 264,923	\$ 312,600	\$ 304,600	\$ 322,600
ADMINISTRATIVE SERVICES					
Utility Billing, Penalty & Interest	\$ 172,664	\$ 169,578	\$ 167,000	\$ 130,000	\$ 126,000
Interfund Charges:					
City Clerk	247,036	182,619	165,579	165,198	100,201
Records	n/a	56,873	57,933	57,933	92,296
Utility Billing	457,950	473,127	464,766	465,696	435,247
Accounting Services	337,995	361,887	387,924	389,420	371,554
Information Technology Services	519,760	555,303	546,927	546,927	615,475
Human Resources	191,308	182,427	191,526	191,526	162,176
Other Revenue	5,448	11,622	10,550	9,120	8,000
Total Administrative Services	\$ 1,932,161	\$ 1,993,436	\$ 1,992,205	\$ 1,955,820	\$ 1,910,949
COMMUNITY PLANNING & DEVELOPMENT					
Zoning & Subdivision Fees	\$ 196,543	\$ 207,852	\$ 215,000	\$ 216,090	\$ 250,000
Permits	2,556,926	2,689,708	1,984,384	2,260,558	2,462,411
Plan Check & Inspection Fees	490,836	557,615	300,066	538,780	324,800
Parking Revenues	1,516,870	1,512,088	1,518,700	1,518,700	1,518,700
Other Revenues	43,159	63,660	30,500	62,176	30,000
Administrative Interfund Services	-	-	-	-	327,090
Interfund Development Services	50,000	50,000	50,000	50,000	50,000
Total Community Planning & Development	\$ 4,854,334	\$ 5,080,923	\$ 4,098,650	\$ 4,646,304	\$ 4,963,001
FIRE DEPARTMENT					
Other Revenue	\$ 1,863	\$ 44,121	\$ 25,133	\$ 24,991	\$ 67,341
Grants	-	169,942	191,400	191,400	-
Fire False Alarm	25,567	32,651	15,000	15,000	15,000
Fire Permits - Building Permits	61,572	83,191	100,000	100,000	100,000
Fire Dept. Plan Check Fees	34,977	48,863	35,000	35,000	40,000
Fire Inspection Fees	293,823	345,311	300,000	300,000	310,000
Fleet Maintenance, other agencies	396,945	362,669	424,900	494,900	494,900
Fire Training, other agencies	136,532	120,768	183,175	183,175	193,830
Medic I Reimbursements	2,213,234	2,254,533	2,220,764	2,229,838	2,280,745
Total Fire Department	\$ 3,164,513	\$ 3,462,049	\$ 3,495,372	\$ 3,574,304	\$ 3,501,816

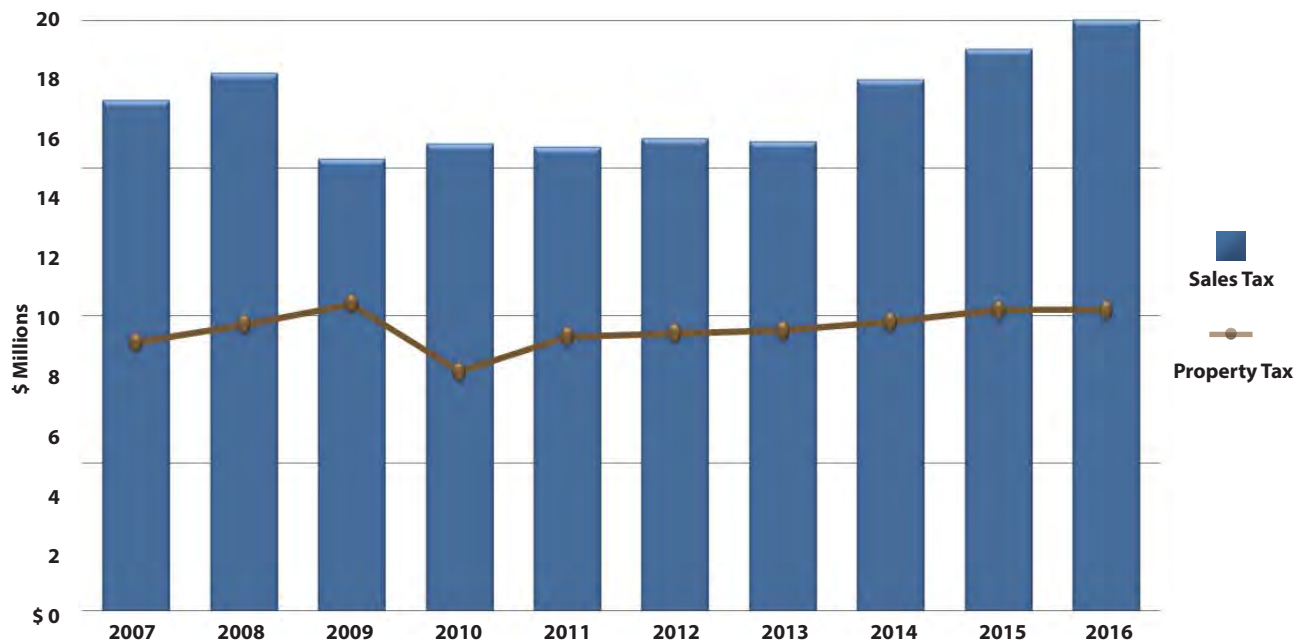
General Fund - Program Revenue by Type

	ACTUAL 2013	ACTUAL 2014	BUDGET 2015	REVISED 2015	ESTIMATED 2016
POLICE DEPARTMENT					
Alarm Fees and False Alarm Charges	\$ 159,403	\$ 37,585	\$ 95,500	\$ 95,000	\$ 95,000
Grants & Donations	16,668	24,057	24,060	38,060	25,475
School Resource, Oly. School Dist.	79,309	48,285	100,180	100,180	100,180
Other Revenue	75,149	61,810	95,648	156,770	121,588
Total Police Department	\$ 330,529	\$ 171,737	\$ 315,388	\$ 390,010	\$ 342,243
PARKS, ARTS & RECREATION					
Facilities Operations	\$ 147,929	\$ 149,433	\$ 153,971	\$ 143,040	\$ 149,130
Recreation Program Revenue	610,621	662,756	658,210	681,830	724,960
Arts & Community Events	23,275	23,185	23,642	23,642	23,260
Parks Program Revenue	100,961	112,217	93,890	101,700	129,777
Total Parks, Arts & Recreation	\$ 882,786	\$ 947,591	\$ 929,713	\$ 950,212	\$ 1,027,127
PUBLIC WORKS					
M. V. Fuel Tax	\$ 977,051	\$ 998,423	\$ 984,000	\$ 1,000,000	\$ 1,095,300
Transfer In:					
Safety Program	105,880	(**)	(**)	(**)	(**)
Street Cleaning, from Stormwater Utility	121,000	121,144	120,388	131,049	109,130
Other Revenue	21,516	80,695	28,854	31,154	28,854
Interfund:					
Administration	216,893	645,494	670,671	610,629	653,218
Engineering	3,699,229	3,868,286	4,194,188	3,957,513	4,070,169
Facilities	150,956	206,852	382,882	382,881	384,335
Streets Section	172,449	165,196	110,000	110,000	110,000
Traffic Management	226,358	279,096	250,000	250,000	250,000
Total Public Works	\$ 5,691,332	\$ 6,365,186	\$ 6,740,983	\$ 6,473,226	\$ 6,701,006
TOTAL PROGRAM REVENUE GENERAL FUND	\$ 17,610,484	\$ 18,817,271	\$ 18,364,622	\$ 18,750,969	\$ 19,038,614

(**) Beginning in 2014 Safety Program expenses were directly charged to Worker's Compensation Fund.



Property and Sales Tax Comparison for the General Fund



Property Tax

In 2010, \$1.9 million of property tax previously budgeted within the General Fund was re-allocated to the New City Hall debt service fund.

The 2011 budget includes \$1.3 million from an increase of \$0.25 per \$1,000 in assessed value, which was approved by voters in August 2010.

Property Taxes

Property Taxes (RCW 84.52)

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied in November on the property value listed as of the prior May 31, and become a lien as of January 1. Assessed values are established by the County Assessor at 100% of the fair market value and are adjusted each year by the County Assessor based on market value changes. A physical verification of each property is made at least once every six years and the estimated assessed value is then changed to reflect the physical verification.

Taxes are due in two equal installments on April 30th and October 31st. Collections are remitted the month following collection to the appropriate taxing district by the County Treasurer.

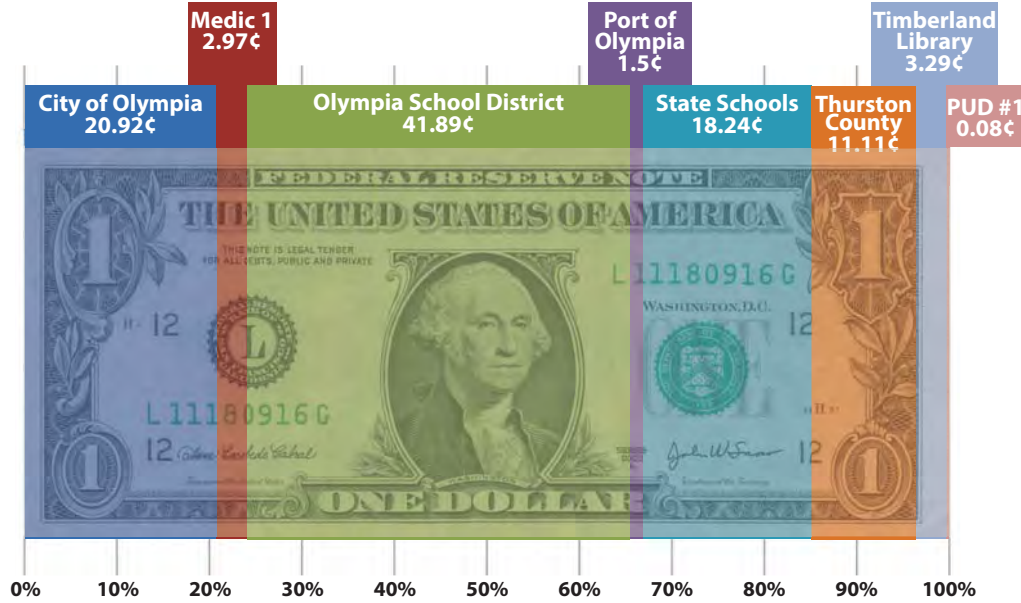
A City is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services. This amount does not include voter approved special levies, and may be reduced for any of the following reasons:

- A. The Washington State Constitution limits the total regular property taxes to 1% of assessed valuation, or \$10 per \$1,000 of assessed value, of which a city may levy up to \$3.60 per \$1,000 of assessed value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1% limit.

- B. Prior to 2001, Washington State law (RCW 84.55.010) limited the growth of regular property taxes to 6% per year, before adjustments for new construction and annexations. Growth of the regular property tax levy before new construction and annexations is currently limited to the lower of 1% or the implicit price deflator. If the IPD is less than 1 percent the City may declare a substantial need with a super majority of the Council and levy 1%. The 1% limit may be exceeded with voter approval.
- C. The City may levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.
- D. Library Districts (the City of Olympia is within the Timberland Regional Library District) are entitled to \$.50 per \$1,000 of assessed valuation. The Library levy is deducted from the \$3.60 maximum available to cities. Any year in which the Library does not utilize its full \$.50 of levy, a city may assess the unused portion subject to the limitations listed above. In 2014, the Library levy is \$0.4157.
- E. Cities with a Firemen’s Pension Fund (such as the City of Olympia) may levy an additional \$.225 per \$1,000 of assessed valuation above the \$3.60 limit, less the Library levy.

Where Property Tax Dollars go

For Every Property Tax Dollar 2015 Distribution



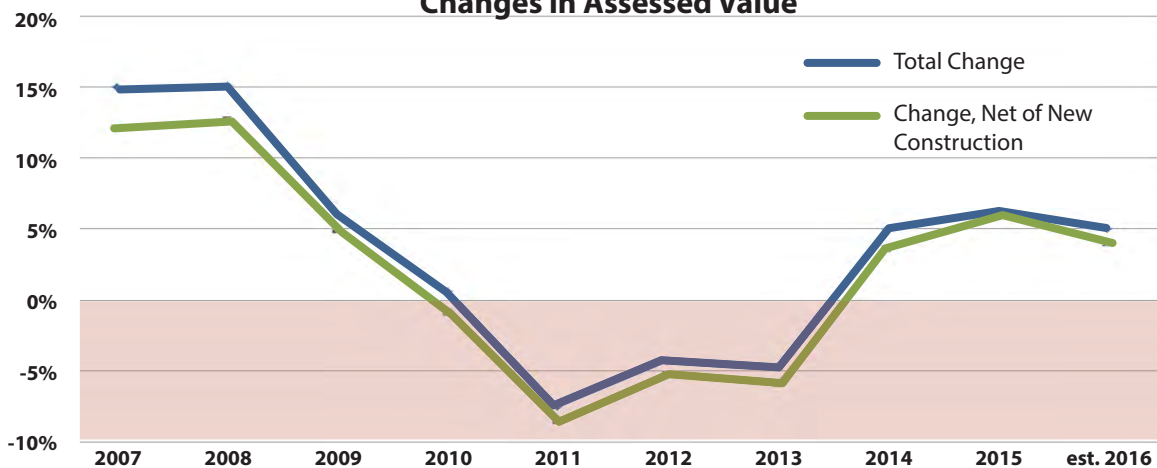
Property Tax Forecast

The statutory maximum increase of tax levy without voter approval is 1%, plus taxable value of new construction and improvements, annexations and increases in State of Washington assessed utility values. New construction is Estimated at 58.67 million for the Preliminary Budget.

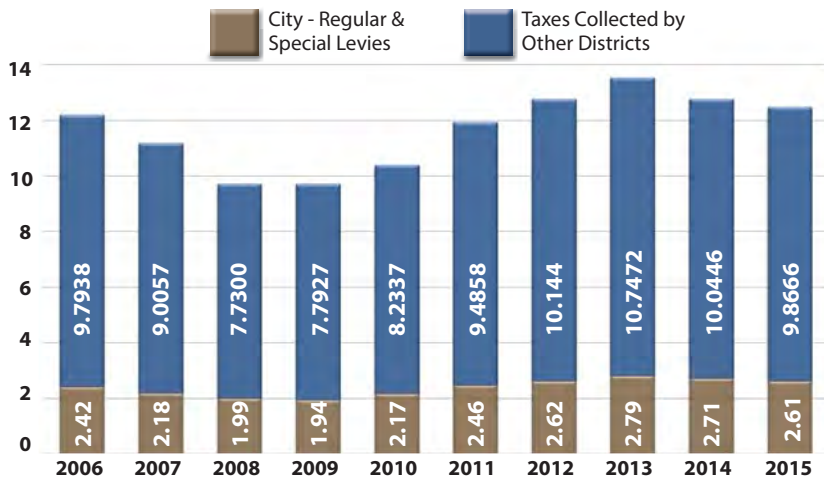
Note: There are eight taxing areas within the City of Olympia. The amount shown is for the area which applies to the majority of the City. The range for all areas for 2014 is \$12.48 to \$13.01. Most properties are levied at \$12.48.

Property Tax					
Assessment Yr./ Collection Yr.	Total Tax Collections	Total Assessed Valuation (incl. new construction)	New Construction	Total Change	Change, Net of New Construction
Est. 2015 - 2016	\$13,830,737	5,956,778,495	\$58,672,148	5.03%	4.00%
2014-2015	13,598,436	5,671,256,103	55,820,209	6.01%	5.95%
2013-2014	13,115,489	5,313,341,232	72,174,035	5.00%	3.60%
2012-2013	12,947,164	5,060,434,532	63,045,263	-4.70%	-5.90%
2011-2012	12,597,003	5,308,051,162	51,343,632	-4.30%	-5.30%
2010-2011	12,275,205	5,552,078,378	63,972,556	-7.50%	-8.50%
2009-2010	11,581,683	5,999,359,843	89,651,803	0.60%	-0.90%
2008-2009	11,402,272	5,963,060,847	65,093,985	6.10%	4.90%
2007-2008	11,129,481	5,622,286,722	120,520,775	15.10%	12.70%
2006-2007	10,583,735	4,882,792,324	123,947,064	15.00%	12.10%

Changes in Assessed Value



Levy Rates



Regular Levy Taxes

Regular levy rates support general, non-voted bonds and the Firemen's Pension Funds. The General Levy is allocated as follows:

General Fund	\$ 10,249,627
4th/5th Ave Corridor & PWTF Loan	\$ 561,450
City Hall Bonds	\$ 1,687,791
LEOFF1 Retiree Medical (non-budgeted)	\$ 1,277,867

2016 City Levy is estimated at \$2.3218 per \$1,000.

In addition to the general levy, the City has budgeted \$1,198,140 in property tax to pay for voter-approved bonds for the construction of a fire station, fire training center and purchase of vehicles. The estimated levy rate for this purpose is \$0.2011 per \$1,000 of assessed valuation.

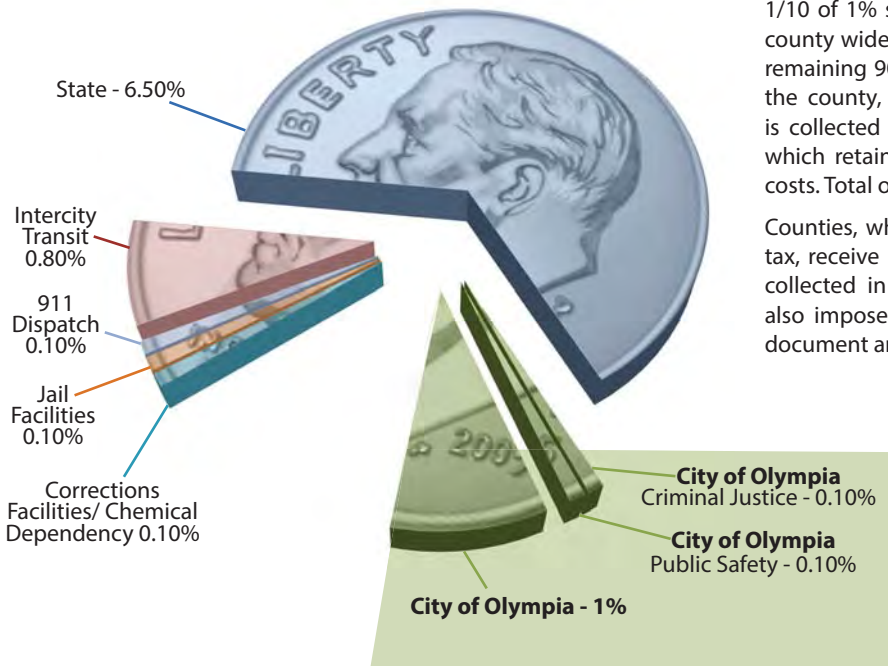
The following chart is an example of how an increase in a homeowner's assessed valuation is impacted by a change in the levy rate.

	2014	2015	% Change
Home Value	\$ 350,000	\$ 362,950	3.7%
Tax Rate	2.80	2.40	-11.7%
Total Taxes Paid	\$980	\$885	6.8%

Sales Tax

Sales Tax Distribution

Where does the 8.8% go?



Sales Tax (RCW 82.14 and OMC 3.48)

The City imposes a sales tax of 1.2% of which 1% is for general use, 1/10% for Public Safety, and a county wide 1/10 of 1% sales tax funds Criminal Justice activities. The county wide tax is distributed 10% to the county with the remaining 90% distributed on a per capita basis between the county, cities and towns within the county. The tax is collected and distributed by the State of Washington, which retains 1% of the tax collected for administration costs. Total overlapping sales tax within the City is 8.8%.

Counties, which also have imposed the general use sales tax, receive 15% of the city portion of sales tax revenues collected in cities of that county. Thurston County has also imposed a sales tax of 1%. Amounts shown in this document are exclusive of the County portion.

Sales Tax (Continued)

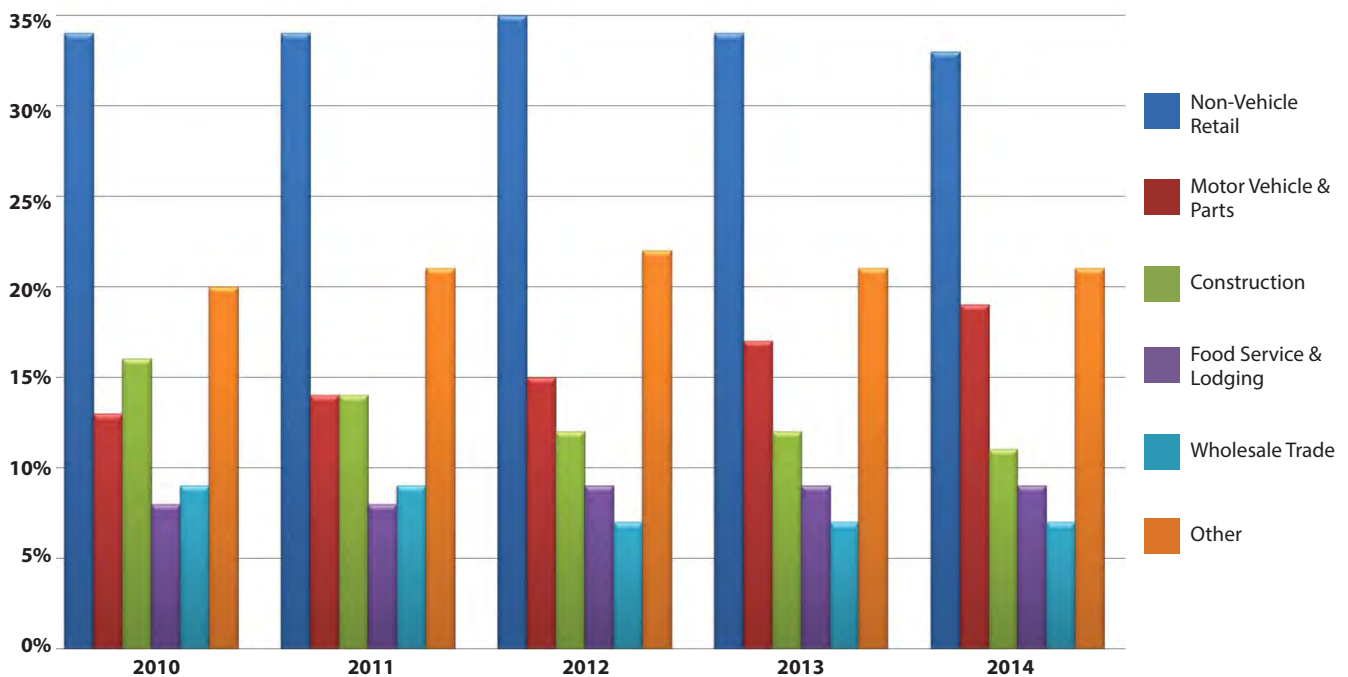
2016 Sales Tax Forecast

The 2016 forecast reflects an approximate 7.3% increase over the 2015 budget.

In November 2012, voters approved an increase of 1/10 of 1% in sales tax for public safety purposes. \$1,500,470 is estimated to be received from this tax in 2015.

Sales Tax				
Year	Regular Sales Tax Collections	% Change from Prior Year	Criminal Justice Sales Tax	Public Safety Sales Tax
Est. 2016	\$17,597,800	7.3%	\$791,900	\$1,548,610
Est. 2015	16,398,600	0.8%	721,540	1,500,470
2014	16,270,126	4.9%	723,265	1,462,794
2013	15,513,518	5.1%	583,664	837,848
2012	14,766,803	-1.4%	652,767	N/A
2011	14,981,567	-1.0%	650,194	N/A
2010	15,126,628	5.3%	644,267	N/A
2009	14,365,395	-8.1%	639,810	N/A
2008	15,636,729	-7.6%	760,240	N/A
2007	16,926,375	5.0%	749,263	N/A
2006	16,125,374	5.0%	710,231	N/A
*Partial year				

Percent of Total Sales Tax



Sales Tax Collected

	2010	2011	2012	2013	2014
Non-Vehicle Retail	\$ 5,079,641	\$ 5,109,902	\$ 5,095,006	\$ 5,350,073	\$ 5,304,020
Motor Vehicle & Parts	1,966,100	2,121,501	2,260,030	2,714,690	3,126,394
Construction	2,407,625	2,080,231	1,804,190	1,794,511	1,795,495
Food Service & Lodging	1,251,203	1,250,144	1,320,231	1,422,543	1,512,667
Wholesale Trade	1,392,638	1,290,046	1,041,216	1,087,405	1,095,981
Other	3,029,421	3,129,743	3,246,130	3,144,296	6,264,144
Total	\$15,126,628	\$14,981,567	\$ 14,766,803	\$15,513,518	\$16,270,126

Business and Occupation Tax

Business & Occupation Tax

Year	Collections	% Change from Prior Year
Est. 2016	\$5,300,000	6.2%
Est. 2015	4,990,000	5.2%
2014	4,745,537	9.3%
2013	4,339,842	1.4%
2012	4,281,831	-0.2%
2011	4,292,374	N/A
2010	*3,889,234	*
2009	4,157,602	-5.2%
2008	4,383,621	-0.2%
2007	4,393,289	12.8%

* In 2010, businesses reporting less than \$750,000 in taxable income were reclassified to annual filing rather than quarterly. The 2010 annual returns were not due until the end of January 2011.

2016 Business & Occupation Tax Forecast

The 2016 budget is estimated at 6.2% over 2015 budget.

Business & Occupation Tax (RCW 35.102, 35.21.710 and OMC 5.04)

Business and occupation taxes are imposed and collected directly by the City upon all business activity, except utilities, within the City. Extracting, manufacturing, wholesaling, retailing, public road construction and printing/publishing are taxed at 1/10 of 1%. All other activities are taxed at 2/10 of 1% of gross revenues.

Admissions Tax

2016 Admissions Tax Forecast

The 2016 budget is at the same level as the 2015 budget.

Admissions Tax (RCW 35.21.280 and OMC 3.32)

The Business Tax category includes admission taxes. Admissions tax is imposed at a rate of \$.01 per \$.20 of the price of admission. Events sponsored by non-profit organizations organized for the betterment of the arts and school events are exempt from admissions tax.

Admissions Tax

Year	Collections
Est. 2016	\$190,000
Est. 2015	190,000
2014	179,841
2013	185,637
2012	174,510
2011	180,930
2010	191,100
2009	182,288
2008	182,804
2007*	75,478

* A major movie theater company closed its two locations in Olympia and moved outside of the City in the summer of 2005. A new theater was constructed and opened in the spring of 2007.

Utility Taxes & Franchise Fees

Utility Taxes & Franchise Fees (RCW 35.23.440, 35.21.870, 80.32.010, 82.16 and OMC 5.15, 5.84)

A tax imposed upon gross income of various utility services. Telecommunication, natural gas, and electric utilities are taxed at a rate of 9%. The maximum allowable without voter approval, per State law, for telephone, gas, and electric power is 6%. In 2004 voters approved a 3% increase for Parks and Pathways to a total of 9%.

2016 utility taxes are based on current trends. Telephone usage has been decreasing due to changes in the communications industry and personal preferences.

Included in the chart below is a 5% franchise fee imposed upon teleable services. Sixty percent (60%) of the fee supports the General Fund, and forty percent (40%) is dedicated to support public education and government access.

Beginning in 2015 the 6% utility tax was applied to Cable TV. For the 2016 Budget the revenues will support major maintenance in the CFP.

Utility Taxes & Franchise Fees				
Year	General Use Portion Utility Tax (4.5%)			Franchise Fee General Fund
	Electric	Gas	Telephone	Teleable
Est. 2016	\$2,325,000	\$707,000	\$1,350,000	\$476,200
Est. 2015	2,325,000	707,000	1,410,000	468,000
2014	2,277,674	679,740	1,484,345	462,324
2013	2,234,737	664,579	1,555,878	446,375
2012	2,244,115	748,852	1,621,542	** 371,294
2011	2,264,341	* 773,078	1,714,237	440,285
2010	2,155,268	690,942	1,882,495	413,967
2009	2,167,220	906,265	1,868,586	372,897
2008	2,105,411	855,108	1,904,451	359,088
2007	1,923,089	901,051	1,807,628	330,281

* Amount before refund of \$79,117 for period 4th quarter 2005 - 3rd quarter 2007

** 2012 includes prior year allocation adjustments

Allocation of Telecommunication, Electric, and Gas Utility Tax		
Base 6%	%	Est. 2015 Collections
Electric, Gas & Telecommunications:		
General Use	4.50%	\$4,382,000
Park & Bike Lane Maintenance	0.50%	487,290
Capital Facilities and General Use	1.00%	974,580
Cable TV:		
Capital Facilities	6.00%	600,000
Voter-approved (approx. distribution)		
Parks	2.00%	1,949,160
Sidewalk, Recreation Use	1.00%	974,580
TOTAL	15.00%	\$9,367,610

Interfund Utility Forecast

Prior to 2010, the tax on all City owned utilities was 7%. Since 2009 the Council has made the following changes:

Drinking Water	Decreased to 10% (2014)
Drinking Water	Increase to 12% (2010)
Wastewater	Increase to 10% (2011)
Storm & Surface Water	Increase to 10% (2010)
Waste ReSources	Increase to 10% (2010)

Interfund Utility Tax is based on charges to Drinking Water, Wastewater, Storm & Surface Water (including LOTT), and Waste ReSources utility revenues generated from customers within the City limits.

Interfund Utility in Lieu Tax				
Year	Drinking Water Utility	Wastewater Utility	Stormwater Utility	Waste ReSources Utility
Est. 2016	\$1,180,760	\$1,825,180	\$525,400	\$1,006,753
Est. 2015	1,061,380	1,748,010	470,690	937,350
* 2014	1,265,660	1,695,640	456,469	915,620
2013	1,145,401	1,455,204	438,970	868,167
2012	1,110,498	1,419,166	417,865	869,749
2011	1,039,878	1,464,100	436,489	866,141
2010	929,738	984,812	349,675	757,870
2009	626,993	922,194	270,218	540,721
2008	559,140	885,747	267,162	532,795
2007	570,105	818,326	266,532	522,316

* 2014 rate lowered from 12% to 10%. 2014 includes some revenue from 2013 taxed at 12%



Gambling Taxes

Gambling Taxes (RCW 9.46)

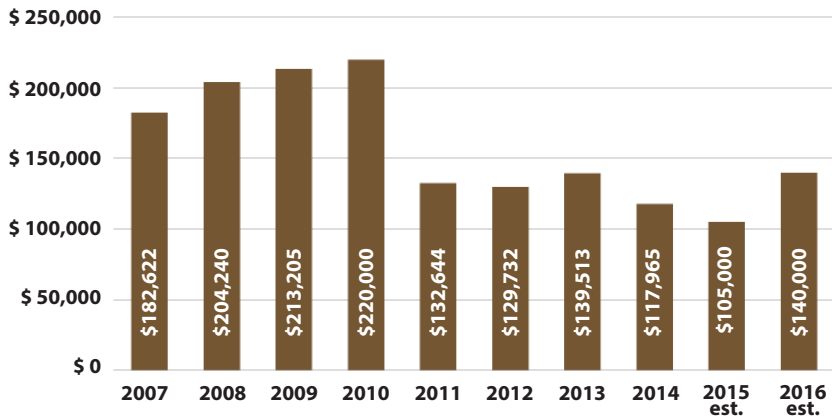
State law requires proceeds from this tax to “primarily” go towards law enforcement of gambling activities. There are limited exemptions and deductions from the gambling tax for churches, schools, and charitable or nonprofit organizations.

Gambling Tax Rates		
Gambling Tax	City Rate	Maximum Legal Limit
Bingo & Raffle	5%	5%
Punch Boards & Pull Tabs	3%	5%
Card Games	3%	20%

Gambling Tax Forecast

During 2011, one of the major providers of gambling tax ceased operations.

In 2015 the City began collecting Gambling tax on amusement devices, with back taxes collected in 2015.



Leasehold Excise Taxes, Business Licenses, Development-Related Fees & Grants

Leasehold Excise Taxes (RCW 82.29A.020 and OMC 3.36)

Leasehold excise tax is imposed at 4% of the rent paid by private parties on property owned by State or local governments and is paid by the private parties in lieu of property tax. The total State and City leasehold tax rate is 12.84%. The City projects \$150,000 to be collected in 2016 from this tax.

Business Licenses (RCW 19.02, 35.23.440 and OMC 5.02)

These fees are collected based upon the nature of the business. All businesses within the City, unless exempted by State law or a master license, pay an annual license fee in varying amounts, with a minimum fee of \$30. Businesses that gross less than \$20,000 per year are not required to be licensed, but may choose to register for a fee of \$1.00. The 2016 estimate for Business Licensing fees is \$382,000.

Development Related Fees (RCW 19.27 and OMC 4.04, 4.36 and 4.38)

These fees are imposed generally upon construction or building activities and include building permit fees, fire and sprinkler permits, and fees to review building plans.

Grants

The City receives various Federal, State, and local grants. Grants supporting the general operations of the City include, but are not limited to, Planning Programs, Growth Management, and Criminal Justice.

2016 Development Related Fees

A study of Building Permit fees is being conducted in 2015.

Development Related Fees				
Year	Building Permits *	Fire Permits	Plan Check Fees	Zoning & Subdivisions
Est. 2016	\$2,462,411	\$100,000	\$345,000	\$250,000
Est. 2015	1,984,384	100,000	314,264	215,000
2014	2,689,709	99,315	547,472	207,852
2013	2,556,924	61,572	477,611	196,542
2012	1,913,762	42,871	349,379	146,392
2011	2,663,268	75,476	339,483	275,598
2010	2,571,411	88,728	473,178	192,784
2009	1,373,500	75,860	745,832	441,166
2008	1,418,866	64,197	588,393	375,548
2007	2,208,762	73,943	666,142	282,029

* See Appendix for more information relating to building permits.

State Shared Revenues

State Shared Revenues (RCW 46.68 and 82.08.170)

The State Shared Revenues listed are distributed on a per capita basis. Motor Vehicle Fuel Tax is imposed on gallons of fuel sold and money is allocated to cities from the State. These funds are restricted for street repair purposes.

Liquor excise tax is imposed on liquor and wine sales. Two percent (2%) of the distribution must be used on alcoholism programs.

State Shared Liquor Revenue (RCW 82.08)

In November 2011 a ballot measure passed which privatized the retail sale of liquor. Previously, liquor retail sales were conducted by the State. Additional taxes were imposed by the initiative such that taxes would approximate the previous combined profits and excise tax. As part of the 2012 - 2013 State budget, the legislature reduced the amount of liquor revenue shared with cities.

In 2015 the legislature restored revenue shares with cities to pre-2013 percentage levels.

State Shared Revenue - Per Capita

	2015	2016
Motor Vehicle Fuel Tax—Maintenance Usage	\$20.29	\$21.57
State Shared Liquor Revenues	10.47	13.04
Population	48,490	51,020

State Shared Revenues

Year	*Motor Vehicle Fuel Tax - General Fund Use	State Shared Liquor Revenue
Est. 2016	\$820,300	\$665,300
Est. 2015	709,000	507,800
2014	723,423	526,869
2013	702,051	458,799
** 2012	676,096	638,932
2011	691,815	550,780
2010	700,204	586,159
2009	738,824	521,500
2008	739,334	515,223
2007	783,550	521,263

* \$275,000 of Fuel Tax is transferred to the Capital Improvement Fund for transportation purposes.

** 2012 included distribution from sale of state liquor stores as part of liquor profits

Intergovernmental, Police & Fire Charges

Intergovernmental Charges

These are charges to other governments for services, intergovernmental shared revenues, and grants. Intergovernmental revenues for utility services are included within Charges for Services in the charts and graphs.

Police Charges (OMC 5.55 and 16.46)

The City does not allow Police Officers to perform police or security-related work at an additional job outside the City, but instead pays overtime for these services and then charges for the service (\$25,000 estimated for 2016). The City enacted an alarms and fees ordinance for false alarms. Revenues estimated from this source for 2016 are \$95,000.

Fire Charges (OMC 16.32.045 and 56.1.2)

Reimbursements from the Medic I System are estimated at \$2,280,745 for 2016. This is estimated at 80% of the personnel costs of providing paramedics and full reimbursement of supplies and services.

During 2016, the City expects to collect \$310,000 from fire inspection fees.

The 2016 budget includes an estimate of \$1,114,490 paid by the State of Washington for fire protection of State buildings. In 2011 the City began providing vehicle and equipment maintenance to other Fire Departments. The projected revenue in 2016 is \$494,900. The Fire Department also provides training facilities to other Fire Departments. Revenues from this source are estimated at \$259,830 for 2016.

Utility Charges

Utility Charges (RCW 35.67.190, 35.92.010, 90.03.500, 90.03.510 and OMC 4.24)

The City provides a variety of services to maintain the health, sanitation, and public welfare of the City. The services include the provision of water, wastewater removal, storm drainage and surface water and solid waste removal. Each of these services are provided at a charge to the customer.

Drinking Water

2016 Proposed Rate Increases

Revenue rate increases included in the preliminary budget:

Drinking Water	7.3%	Waste ReSources	
Wastewater		Drop Box	3%
Local collections*	0%	Residential	5.5%
LOTT, sewage treatment	3%	Commercial	4%
Storm & Surface Water	6.7%	Organics	9%

* In 2016 the City will begin volumetric based billing on sewer collection.

2015 Drinking Water Rates (monthly)

	Tier 1		Tier 2		Tier 3		Tier 4	
	Water used/ccf	Charge per ccf	Water used/ccf	Charge per ccf	Water used/ccf	Charge per ccf	Water used/ccf	Charge per ccf
Single Family & Duplex	0-400	\$ 1.62	401- 900	\$ 2.67	901-1,400	\$ 4.25	1,401+	\$ 5.59
Multi-Family & Non-Residential	Nov-June	2.23	July-Oct	3.33				
Irrigation	Nov-June	2.23	July-Oct	6.56				

ccf = 100 cubic feet (about 750 gallons)

These rates are in addition to Ready-to-Serve charges which range from \$10.96 (3/4" meter) to \$549.60 (12" meter).

Wastewater

The current wastewater rate is \$55.73 per month per Equivalent Residential Unit (ERU). Of this, \$36.06 is for the Regional Treatment System (LOTT) and \$19.67 is for the City Collection System. The Cities of Lacey and Tumwater contribute to the Regional System on the same basis.

An ERU is defined as a separate, single family residence, or one per single family unit with respect to residential duplexes. Residential structures having more than two single family units are assessed at 70 percent of an ERU. Mobile homes are equal to one ERU. For customers other than residential users, an ERU is defined as 900 cubic feet of sewage measured at the source of either water consumption or sewage discharge. The definition of an ERU for collection purposes was changed from 900 ccf to 700 ccf.

Stormwater

Current rates for single family and duplex parcels are \$11.79 and \$23.59 per month respectively. Accounts other than single family and duplexes are billed \$11.54 per month, plus an amount for impervious surface based on date of development. Impervious surface charges are based on billing units of 2,580 feet of impervious surface. Development before January 1980, billed at \$11.43 per billing unit; January 1980—January 1990, billed at \$9.06 per billing unit; and development after January 1990, billed at \$4.34 (proposed \$11.43/\$9.06/\$4.34) per billing unit.

Waste ReSources (Solid Waste)

Current rates for basic 65-gallon service for single family households that participate in the recycling program is \$21.95 per month. Collection of garbage and recyclables occurs on alternating weeks.

Utility Rate Increases

	2012	2013	2014	2015
Drinking Water	7%	7%	7%	6%
Wastewater				
Collections	-	-	4%	2%
LOTT	5%	3%	3%	3%
Storm & Surface Water	-	6%	2%	3%
Waste ReSources				
Residential	-	-	8%	6%
Commercial	5%	-	5%	4%
Organics	-	-	6%	8%

Drinking Water rate increase dependent on customer class and consumption.

Residential Utility Bill
(typical bi-monthly, single family residential bill)

	2012	2013	2014	2015
Drinking Water	\$36.54	\$39.64	\$42.42	\$44.97
Wastewater				
Collections	\$37.09	\$37.09	\$38.57	\$39.34
LOTT	\$66.00	\$67.98	\$70.02	\$72.12
Storm & Surface Water	\$21.17	\$22.44	\$22.89	\$23.58
Waste ReSources	\$38.36	\$38.36	\$41.43	\$43.90
Total	\$199.16	\$205.51	\$215.33	\$223.91
% Increase	3.1%	3.2%	4.8%	4%
\$ Increase	\$6.04	\$6.35	\$9.82	\$8.58

Interfund Charges, Parks, Arts & Recreation Services, Fines and Parking

Interfund Charges

These are charges made for employees of one fund providing services to another fund. Included are such items as charges made to utility programs for maintenance of the Maintenance Center, Engineering Services and Public Works Administration of the utilities and projects, and providing financial and administrative services to City-owned utilities.

Parks, Arts and Recreation Services

Recreation and community events-related revenues are budgeted at \$748,220. The Parks Program is projecting \$129,777 in revenues for 2016. The Facilities Operation revenues for 2016 are budgeted at \$149,130.

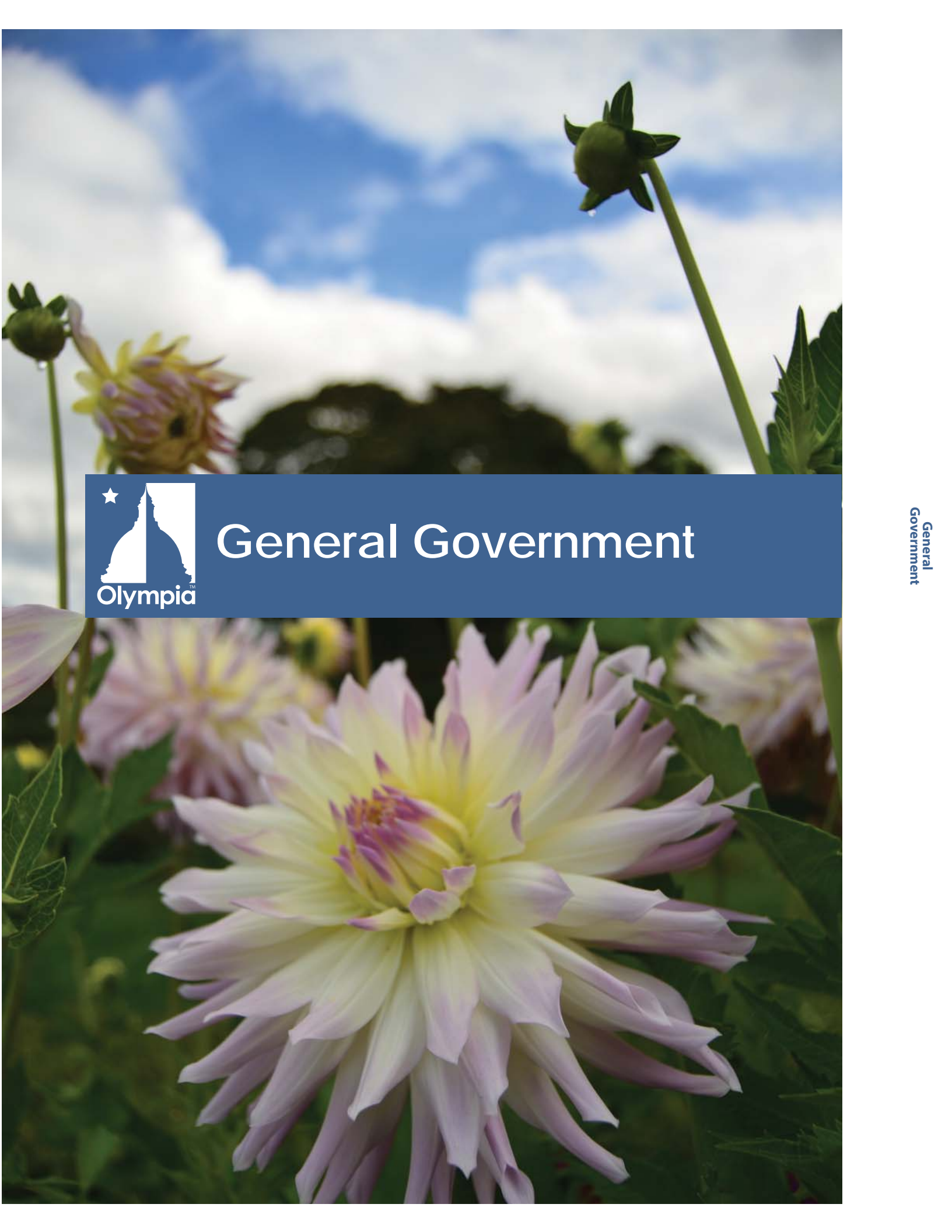
Fines, Forfeits, and Penalties (Non Parking)

Fines, forfeits, and penalties (excludes parking fines) are estimated at \$459,950.

Parking

Parking revenues are estimated at \$1,518,700 for 2016, of which \$520,000 is estimated to come from fines.



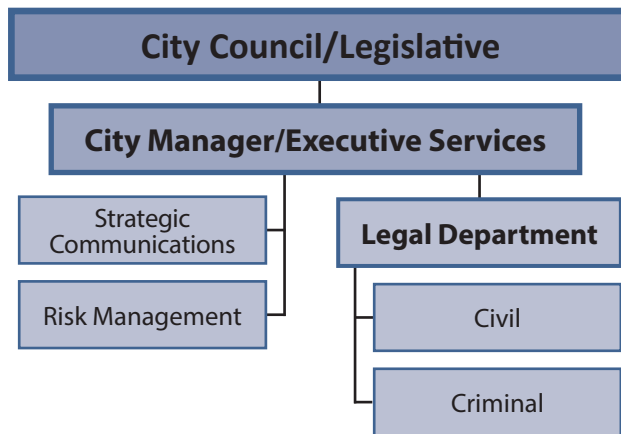


General Government





General Government Department



Mission

Working Together to Make a Difference.

Purpose

To effectively lead the City organization by implementing City Council policies, exercising fiscal prudence, providing legal support, coordinating work of various departments, facilitating responsive communications to citizens through community relations, and maintaining a positive image of City government.

General Government

<i>Department Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Legislative Services	\$ 195,445	\$ 185,958	\$ 191,569	\$ 5,611
Executive Services	1,337,045	1,331,723	1,159,071	(172,652)
Legal Department	1,118,298	1,107,392	1,122,855	15,463
Special Accounts	4,097,898	2,634,041	2,786,087	152,046
The Washington Center	253,194	263,988	311,600	47,612
Total Expenditures	\$ 7,001,880	\$ 5,523,102	\$ 5,571,182	\$ 48,080
<i>Recap of Expenditures</i>				
Personnel Services	\$ 2,829,624	\$ 3,322,984	\$ 2,990,785	(\$ 332,199)
Supplies & Services	4,056,870	2,091,866	2,459,983	368,117
Interfund Payments	115,386	108,252	120,414	12,162
Total Expenditures	\$ 7,001,880	\$ 5,523,102	\$ 5,571,182	\$ 48,080
Program Revenues	784,525	738,699	576,472	(162,227)
Funding From General Revenues	\$ 6,217,355	\$ 4,784,403	\$ 4,994,710	\$ 210,307



City Council / Legislative

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 148,439	\$ 141,393	\$ 140,908	\$ (485)
Supplies & Services	37,256	35,425	40,716	5,291
Interfund Payments	9,750	9,140	9,945	805
Total Expenditures	\$ 195,445	\$ 185,958	\$ 191,569	\$ 5,611
Funding from General Revenues	\$ 195,445	\$ 185,958	\$ 191,569	\$ 5,611

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Councilmembers	5.00	5.00	5.00
Mayor	1.00	1.00	1.00
Mayor Pro Tem	1.00	1.00	1.00
Total	7.00	7.00	7.00

Program Description

The purpose of Legislative Services is to adopt policies, plans, regulations, and budgets in order to deliver high quality municipal services, protect the health, safety, and welfare of City residents, and maintain the City's image as a great place to live.

Trends

At its January 2015 Retreat, the Council established the following priorities for 2015:

Adopt a Sustainable Budget

- Make our budgetary process transparent, simple, and accessible so that everyone knows how and when to be involved
- Protect and strengthen core services, as well as identify strategic investments
- Build and maintain reserves so that we can continue services when times are bad
- Continue to manage our debt level responsibly
- Ensure all resources are used responsibly and effectively

Desired Outcome: We have adequate revenues and reserves to support the social, economic, and environmental values of the community.

Champion Downtown

- Increase commerce and private investment
- Create a safer, cleaner, and more welcoming downtown for all to enjoy
- Develop partnerships to expand desirable public spaces
- Play a greater role in developing the vision and enhancing the image of downtown
- Develop a Community Renewal Plan

Desired Outcome: More people will want to work, live, shop, and play here, and to increase the revenue base.

Deliver Proactive Community Development

- Invest in a proactive system that encourages collaboration in formulating and implementing plans
- Engage neighborhoods to plan their own future so that investments reflect community values
- Encourage a staff culture of community involvement and dialogue
- Increase revenue base so we can provide the enriching services and environmental stewardship the community values
- Align plans and ordinances so plans can be implemented

Desired Outcome: We achieve the growth and development as defined by the community in the Comprehensive Plan.

Inspire Strong Relationships

- Develop stronger and healthier regional partnerships
- Enrich public participation so the community has a role in shaping public policy
- Fully engage advisory committees and the Coalition of Neighborhood Associations (CNA)
- Make homelessness a collaborative, regional priority so that we can establish an effective service delivery system

Desired outcome: We operate more efficiently, foster trust, stay connected, and move forward together.

Ongoing issues with the economy require careful managing of programs and services to ensure public interests are well served. Intergovernmental relations with the Port, Thurston County, Lacey, Tumwater, and the local Indian Tribes will also continue to be a priority for the Council.

Program Budget Overview

The success of major issues depends on several factors, including the economic strength of the local community, trends in land and material costs, and successful partnerships with citizens, private sector groups, and other jurisdictions.

Future Challenges and Opportunities

Keeping focus on Council priorities and major work efforts will continue to be the emphasis of the Council and staff. Maintaining the City’s programs and services in today’s economy will need careful oversight.

As citizens and organizations bring forward new ideas and challenges for Council consideration, ongoing determinations will be made to see if these will benefit the residents of our community and if they coincide with the priorities of the City. Diverting time and dollars away from the priorities and major work efforts established by the Council requires close evaluation.

Recent Accomplishments

- E & F Float Repairs Completed
- Isthmus Demolition Completed
- Opened the Downtown Welcome Center
- Established the “Grow Olympia Fund”
- Formed Olympia Human Relations Committee
- Entered into Harbor Patrol Partnership with Port of Olympia
- Completed State Avenue Overlay Project
- Formed the Artesian Commons Leadership Team
- Implemented OPD Night Time Walking Patrols
- Completed Sidewalk Project on West Bay Drive
- Purchased Conservation Easement from Nisqually Tribe at Lake St. Claire
- Established an Ad Hoc Committee on Police and Community Relations

Key Result Measures - Legislative Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
E-mail Responses Within 24 Hours	100%	100%	100%	100%

Service Profiles - Legislative Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Agenda Packets (Including Council Meetings, Study Sessions, Committee Meetings, and Other Meetings)	46	45	45
Unplanned Projects	10	10	10
City Council E-mail Responses	1,158	1,450	1,100
City Council Correspondence (Letters, Faxes)	384	350	350

Executive Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services \$	1,188,576	\$ 1,165,653	\$ 987,436	\$ (178,217)
Supplies & Services	113,769	135,270	138,290	3,020
Interfund Payments	34,700	30,800	33,345	2,545
Total Expenditures	\$ 1,337,045	\$ 1,331,723	\$ 1,159,071	\$ (172,652)
Program Revenue	368,891	364,699	136,655	(228,044)
Funding from General Revenues	\$ 968,154	\$ 967,024	\$ 1,022,416	\$ 55,392

Highlights of Program Budget Changes

The decrease in revenue is primarily due to the transfer of positions in the City Hall first floor customer service to Community Planning and Development Department. Utilities and Fleet are charged a portion of these services.
 (\$219,431)- 3 FTE's reorganized to CP&D from first floor customer service.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Assistant City Manager	1.00	1.00	1.00
City Manager	1.00	1.00	1.00
Executive Assistant	-	1.00 *	1.00 *
Executive Secretary	1.00	- *	- *
Office Specialist III	1.00	- *	-
Program Assistant	2.00	1.00**	- ^
Program Specialist	2.00	4.00*	4.00
Public Service Representative	1.00	2.00**	- ^
Senior Program Specialist	1.00	- *	- *
Strategic Communications Director***	1.00	1.00	1.00
Total	11.00	11.00	8.00
* Reclassification			
** Transferred 1.0 FTE to Public Works and reclassified a Program Assistant to a Public Service Representative			
***Retitled from Communications Manager			
^ Reorganized to CP&D Administration			

Program Description

The City Manager's Office implements the policies established and prioritized by the City Council, effectively leads the organization through innovation and improvements in service delivery, communicates with our citizens, exercises fiscal responsibility, and nurtures a positive image of City government.

Executive Services consists of three functions:

- Administration
- Risk Management
- Communications and Community Relations

City Manager's Office

The City Manager is appointed by and accountable to the City Council for:

- Administration of City operations and activities
- Implementation of policy direction from the full Council
- Communication with the City Council, the City organization, and the community

The City Manager provides policy advice to the City Council and is responsible for keeping the Council informed about the City's finances and emerging issues.

The City Manager's office provides overall leadership to the City organization, direct management and coordination of high profile special projects, and staff support to the Council as a whole. In 2015, the Communications Manager retired and a new Strategic Communications Director was hired. The Executive Secretary also retired and was replaced with an Executive Assistant.

2016 Major Projects

Implementing the City Council priorities will continue to be the primary focus. Balancing the City budget and funding and prioritizing capital needs will continue to be the center of attention for the Executive Services Department. Areas of focus include the following:

- Implement Changes in the Culture of Community Development
- Completion of Improvements at the Artesian Commons
- Continue work on the Community Renewal Area
- Continue work on a Sustainable Budget
- Work with Nisqually Tribe on the Future of McAllister Springs
- Continue work on the Neighborhood Sub-Area Planning
- Complete West Bay Environmental Restoration Assessment
- Market West Olympia Commercial Property (former landfill)
- Complete Downtown Strategy
- Complete 2016 Parks Plan
- Focus on Economic Development
- Lower Budd Inlet clean-up
- Demolition of Police Annex Building
- Implementation of the Shoreline Master Program
- Tribal relations
- Healthy and vibrant downtown
- Implementing the Comprehensive Plan Action Plan
- Ongoing open government training for Councilmembers, advisory committees, and staff

Executive Services (continued)

Future Challenges and Opportunities

- Meet increasing service demands
- Establish a meaningful performance measurement
- Empower employees to continually seek improvements and efficiencies
- Coordinate and communicate Council priorities, CFP projects, and work plan/construction progress reports
- Continue support of the Olympia Downtown Association and the Parking and Business Improvement Area (PBIA)
- Continue work on development of mixed-use housing in the Downtown area
- Continue employee training on loss prevention
- Continue reaching our citizens through our website, Facebook, Twitter, and other social media
- Address homelessness
- Help the Council “tell the story” about policy initiatives, challenges, and accomplishments

Although our economy shows signs of improving, flexibility and creativity will continue to be necessary to maintain the highest possible level of programs and services.

Risk Management

The focus of Risk Management is to ensure that City-owned facilities and vehicles, as well as City employees, are insured and that programs have adequate liability coverage. A focus of Risk Management is to keep accidents down and insurance premiums low. The program involves claims management, loss control, loss prevention training, and regular interactions with the Washington Cities Insurance Authority (WCIA).

The City’s Claims Manager also responds to all public information requests related to the Executive Office and City Council, and coordinates all contracts for the Executive Office.

Future Challenges and Opportunities

Risk Management will continue to see challenges due to population growth, an expanded service area, and aging infrastructure. Work with our insurance carriers will focus on loss prevention through training and infrastructure maintenance.

Communications and Community Relations

The Communications and Community Relations function helps our citizens and employees connect — both in-person at City Hall and through a variety of communication and outreach efforts.

In 2015, the two customer service teams from the first and second floor of City Hall were consolidated. The teams were cross-trained to increase the ability to meet peak in-person customer demand and additional learning/skill building opportunities for staff. The team is now under the direction of the Community Planning and Development business manager. Also included in the Executive office budget is money to contract with a private security firm for day and evening work at the City Hall front desk.

Communication Services

In 2015, the City’s long-time Communications Manager retired. The position was evaluated, redesigned, and renamed. Kellie Purse Braseth joined the Executive Office as Strategic Communications Director in July. The Communication Services team provides graphic design services, website/social media content and usage assessment, Citywide brand management, communication/

marketing strategies, and writing, editing, and photography services for print and web material.

Future Challenges and Opportunities

- Building a cohesive, supportive communications team with staff located on two different floors of City Hall.
- Telling our story in a way that reaches people who do not usually follow City government.
- Keeping up with ever changing electronic communication tools. Implementing and maintaining a mix of online and print communication.
- Producing and distributing an easy-to-read, comprehensive annual report of City policy actions, challenges, performance measurements, and accomplishments.
- Finish converting all City print items to the new brand.
- Continue to refresh the City’s website and keep content up-to-date.

Other Communications/Community Relations Services

The Strategic Communications Director is the City’s liaison to community event sponsors for permits and logistics, coordinates advisory committee recruitment and appointment, administers the City’s cable television franchise, and reviews all reports published with the weekly Council meeting packet. The Strategic Communications Director also serves as staff liaison to the Council’s General Government Committee, the Lodging Tax Advisory Committee, and the Thurston Community Television Board (TCTV).

Recent Accomplishments

- Hired Renée Sunde as new Economic Development Director
- Hired Kellie Purse Braseth as new Strategic Communications Director
- Hired Susan Grisham as new Executive Assistant
- Published a City identity / brand manual for convenient reference by City staff.
- Increased the City’s social media following on Twitter and Facebook by nearly 200% in 2015.
- Made road striping an informative, annual event with live tweeting of striping progress.
- Designed and produced new marketing materials for the City’s commercial organics program, Middle School Activity Night Program, Grow Olympia Fund, the Community Renewal Area, Action Plan, and Downtown Strategy efforts.
- Upgraded the Council Chambers audio/visual equipment to include portable microphones for Study Sessions and a free-standing podium for news conferences.
- Provided staff training and skill building on the “Bleiker” public participation model and the IAP2 public participation methods.

Executive Services (continued)

<i>Key Result Measures - Executive Services</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Responded to Email Within 24 Hours*	100%	100%	100%	100%
Claims Processed Within 1 Day*	85%	93%	100%	90%
Known Incidents Reported Within 2 Business Days**	85%	82%	61%	85%
Unknown Incidents Reported within 7 Days of Claim**	85%	93%	97%	85%
Percent of City News Releases are Posted on City Website for Convenient Public Access	100%	100%	100%	100%
Percent of City Publications are Designed with City Identity	100%	85%	95%	100%

* Target reflects a commitment by staff to respond within one business day.

** Target reflects what is reasonably expected.

<i>Service Profiles - Executive Services</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Risk Management Training Sessions	36	69	75
Liability Claims Processed	83	62	100
Restitution Claims Processed	56	57	40
Employee At-Fault Driving Incidents	33	33	30

Legal Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 934,045	\$ 995,604	\$ 1,005,241	\$ 9,637
Supplies & Services	157,303	88,228	92,104	3,876
Interfund Payments	26,950	23,560	25,510	1,950
Total Expenditures	\$1,118,298	\$1,107,392	\$1,122,855	\$15,463
Program Revenue	92,285	90,012	114,992	24,980
Funding from General Revenues	\$1,026,013	\$1,017,380	\$1,007,863	\$(9,517)

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Civil Division			
Assistant City Attorney	0.60	0.60	0.60
City Attorney	1.00	1.00	1.00
Deputy City Attorney	1.00	1.00	1.00
Paralegal *	1.00	1.00	1.00
Paralegal II**	1.00	1.00	1.00
Criminal Division			
Assistant Prosecutor II [^]	1.00	1.00	1.00
Chief Prosecutor ^{^^}	1.00	1.00	1.00
Office Specialist III	1.00	1.00	1.00
Victim Assistance Coordinator	1.00	1.00	1.00
Total	8.60	8.60	8.60
* Retitled from Legal Assistant			
** Retitled from Paralegal			
[^] Retitled from Assistant City Prosecutor			
^{^^} Retitled from City Prosecutor			

The Legal Department provides consultation, legal advice and representation to the City of Olympia consistent with the City's priorities and is comprised of the Civil and Criminal Divisions.

Civil Division

Program Description

The Civil Division advises the City Council, City Manager and City departments on legal questions relating to laws, policies and regulations applicable to the City. Duties also include preparing and reviewing ordinances, resolutions, real estate documents, Interlocal agreements, contracts, and related documents, providing proactive advice to minimize litigation risk, and initiating or defending litigation when necessary. The Legal Department also evaluates and advises proposed legislation, public disclosure law issues, and public records act requests.

Trends

The Civil Division must respond to projects and time lines established by others, and major projects tend to consume large amounts of Legal Department staff time. After years of relatively slow land use permitting following the Great Recession, the surge in new land development has placed increased demands on legal representation and support related to controversial land use decisions. In addition, the State's licensing of marijuana establishments, the merger of medical marijuana with recreational sales, the elimination of collective gardens and the City's enforcement against marijuana associated uses has placed increased demands on the Civil Division. Significant community interest in parks planning, acquisition and funding has also increased the need for legal services. Complicated environmental cleanup of high value City properties for future redevelopment and/or sale continues to place great demand on the Legal Department in this complex legal area. The number

of department-submitted legal work requests has increased by more than 20% since 2014. The Legal Department's experienced attorneys and staff has absorbed this increase without the need for additional resources at this time. The Civil Division encourages City staff to utilize the Department's legal services to reduce avoidable negative legal consequences.

Examples include:

- Council policy initiatives
- Legal advice on tax ordinances
- Litigation matters
- Environmental remediation of several City-owned properties
- Land use appeals
- Large developments, development agreements and rezones
- Property acquisitions
- Large capital projects
- Public records requests
- Code enforcement/public nuisance abatement actions
- Increasing and protecting Olympia's water supply
- Updates to City Parks Plan, Comprehensive Plan and development regulations
- Continued high levels of contract activity in the Parks and Public Works Departments require civil legal staff assistance with contracting issues
- Interlocal agreements

Program Budget Overview

Legal Department budget resources are allocated almost exclusively to staff costs, along with a small amount for outside civil legal services which require specialized expertise or independent review. Dedicated budget resources have not been available for outside criminal prosecution services.

Legal Services (continued)

Future Challenges and Opportunities

- As a result of population growth, in-fill projects, annexations and community initiatives such as revitalizing downtown, there has been an increased demand for City services. The City's need for quality legal resources also continues to increase over time. The combination of increased levels of departmental activities and multiple major projects creates a strain in resources and impacts legal review times.
- Reduction of the Assistant City Attorney position in 2013, at a time when private development was relatively low, continues to impact legal assistance and review times. The Civil Division works closely with City departments to prioritize legal work requests and to ensure that legal advice and representation is provided in a timely manner. Adjustment may be required in time availability for the Assistant City Attorney if service trends continue or increase.
- Completion of major capital projects requires significant support from the Civil Division.

Recent Accomplishments

Provided legal assistance in City Priorities:

Supporting City Council's Downtown Initiatives

- Alcohol Impact Area and review of amendments to State regulations
- Artesian Commons
- Community and Economic Revitalization Committee
- Downtown Alleyway Project
- Demolition and development of Isthmus properties
- LIHI project and 318 State Avenue site remediation
- Downtown Plan

Supporting City's Priority for Inspiring and Fostering Relationships and Partnerships

- McAllister Wellfield partnership project
- Water rights mitigation
- Negotiation for fire protection interlocal agreement for State office buildings
- Draft and negotiate numerous partnership agreements with cities and other governmental entities
- Port of Olympia interlocal agreements on Harbor Patrol and stormwater issues

Supporting Council's priority for a sustainable budget

- Encouraging employees to get good value in their acquisition and purchasing decisions

Supporting Council's priority for cultural change for Community Development

- Update of Comprehensive Plan and implementing regulations
- 123 4th Avenue project
- Development of Olympia Regional Learning Academy
- 1063 Capitol Way project
- Code Enforcement/Nuisance Abatement Actions to enhance neighborhood livability
- Marijuana regulations, licensing and enforcement

Criminal Division

Program Description

The Criminal Division prosecutes accused misdemeanor offenders, who have committed crimes within this city, in order to assure the guilty are held accountable; the public is protected from criminal conduct; and justice is appropriately served. The Criminal Division regularly works in close collaboration with local and state-wide law enforcement partners and nonprofit organizations to assist crime victims and deter criminal activity. Prosecutors provide proactive and reactive legal advice to police department personnel and other municipal entities to insure an individual's rights are protected and the quality of the agency's services rendered are exceptional and effective. Prosecutors, the Victim Assistance Coordinator, and staff also spend significant time assisting crime victims, with emphasis on domestic violence, to ensure they fully understand the legal process, their rights are protected, and their voices are heard throughout the prosecution process.

Trends

In 2015, new standards for public defense took effect. The standards limit the number of cases for each public defender. There has been a significant increase in pretrial investigation, an increase in jury trials, bench trials, and post-disposition appeals. These increases have created more demands on the Criminal Division to prepare for and process a larger number of cases for trial, to contact crime victims and apprise them of all stages of criminal prosecution; interview victims and witnesses; and to research and litigate at the appellate level.

The Criminal Division is currently working closely with the Public Defense Coordinator, the Probation Department Supervisor, and the Court Administrator to establish a community court that will provide needed treatment and services to lower level offenders, so as to reduce future risk of recidivism. The Criminal Division also continues to review the Municipal Code for potential changes that will better align with City Council priorities, as well as better work in conjunction with state laws.

Integral to the Criminal Division's successful operation, the Victim Assistance Coordinator plays a critical role in preparing domestic violence cases for court hearings and trials by encouraging and coordinating victim participation, which is crucial to any successful prosecution aimed to hold domestic violence offenders accountable. The Victim Assistance Coordinator also works closely with domestic violence victims to develop personal safety plans and obtain needed assistance from organizations, so as to ensure victims are instead survivors who receive the appropriate services and protection needed for their quality of life.

Program Budget Overview

Legal Department budget resources are allocated almost exclusively to staff costs. Dedicated budget resources have not been available for outside criminal prosecution services.

Legal Services (continued)

Future Challenges and Opportunities

This past year, the Criminal Division has seen a tremendous increase in workload as a result of the new public defense standards. As a result of these circumstances, there is now a backlog of cases. Additionally, these circumstances demonstrate that the Criminal Division is inadequately staffed to proactively consult with all crime victims; to effectively and efficiently handle the increasing workload; and to participate in extra activities such as community outreach meetings and officer trainings.

The Criminal Division makes it a priority through its Victim Assistance Coordinator to remain in regular contact, through all stages of prosecution, with all victims of domestic violence. However, the limited staffing makes it difficult to consult with all crime victims in non-domestic violence cases. These important, non-domestic violence cases include the following: driving under the Influence where the driver collides with another person; stalking where the offender continuously preys upon the victim; harassment where the offender threatens to harm the victim; assault where the offender causes physical injury or harm to the victim; property damage where the offender destroys the victim's property; theft where the offender steals the victim's property; and vehicle prowl where the offender scavenges through the victim's vehicle and belongings. Unfortunately, victims in these cases do not receive direct information that a case has been filed; these victims are not kept apprised of the progress of the case through the system; these victims are not informed of their right to be present and heard at sentencing; and these victims are not always aware of their right to receive compensation for financial loss suffered.

There is also a substantial increase in the Criminal Division staff's workload based upon the recently modified jail booking system that has eliminated use of citations for arrested defendants. Historically, officers issued citations, which were used as the formal charging document by the jail to hold and book an inmate in custody. This same citation was equally used by the Criminal

Division and Court as the actual charging document. Now, the Criminal Division staff receives a daily list of inmates arrested within the past 24 hours and must obtain all police reports related to each arrest. A prosecutor then must review the obtained reports to determine, what if any, criminal charges to file. The staff must prepare substantive formal charging documents related to each filed criminal charge for each inmate. Staff must then submit these formal charging documents to the Court and jail well before the afternoon in-custody calendar. This change in system has caused a significant increase to both the staff's and prosecutors' workload.

Finally, the limited number of available prosecutors, coupled with the increase in workload, has prohibited prosecutors from participating in community outreach activities and officer training. The backlog and large caseload; the increase in Court dockets; and the increase in victim/witness interviews directly limits the amount of time available for prosecutors to participate in these activities.

Recent Accomplishments

- Actively engaged with other criminal justice partners in assisting with the planning of a community court geared to effectively provide needed services for lower level offenders, so as to reduce their risk of recidivism and better protect the community.
- Modified Drinking in Public, Indecent Exposure, and Vehicle Prowl Ordinances so to increase their enforceability and work in conjunction with state laws.
- Currently in the process of amending the Vehicle Prowl, Theft and Possession of Stolen Property ordinance so as to increase enforceability.
- Support the Olympia Police Department in its use of crime data, so as to pursue cases that have a positive impact on public safety.
- Support Council's priorities by pursuing specific types of cases and recommending probationary conditions, like exclusion orders for repeat offenders, in order to reduce downtown criminal activities.

Key Result Measures - Legal Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Civil Program				
Professional Service Agreements Reviewed Within 2 Weeks	95%	94%	93%	95%

Service Profiles - Legal Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget	% Increase
Civil Program				
Legal work requests received	321	388	400	
Criminal Program				
Trials held	18	44	107	144%
Appeals Filed	1	8	64	700%
Criminal Complaints (as opposed to citation)	268	414	637	54%
Contacts with Crime Victims	3,714	6,666	11,932	79%
Current open pending criminal cases as of September 2015 (there is currently a three month backlog of cases to be filed)		4,074		

Special Accounts

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimates</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 558,564	\$ 1,020,334	\$ 857,200	\$ (163,134)
Supplies & Services	3,495,348	1,568,955	1,877,273	308,318
Interfund Payments	43,986	44,752	51,614	6,862
Total Expenditures	\$ 4,097,898	\$ 2,634,041	\$ 2,786,087	\$ 152,046
Program Revenue	70,250	25,000	18,225	(6,775)
Funding from General Revenues	\$ 4,027,648	\$ 2,609,041	\$ 2,767,862	\$ 158,821

Highlights of Program Budget Changes

- \$614,652 - Labor reserve for COLAs and other related labor items.
- (\$42,449) - Decrease in Council opportunity and goals reserve. In 2015 this amount was added as a one-time increase to the base reserve of \$100,000.
- (\$126,786) - 2015 included funding for economic development. With the 2016 budget this was moved to the Community Development Department to fund an FTE.
- \$200,000 - Funding for information technology development was added to the base budget at the direction of the Council. Previously this was funded from fund balance.
- \$50,000 - Reinstated General Fund support to the Municipal Arts Fund. During the recent recession this contribution was discontinued.
- \$214,000 - Reinstated and increased support to the Fire Equipment Reserve Fund. During the recent recession this contributions was discontinued. Prior contribution was \$88,500.
- (\$702,000) - In 2015 the Council created a new fund for funding of police and firefighter post-employment medical benefits for those police and firefighters employed prior to October 1, 1977. No post-employment benefits for those hired after this date. Taxes previously funding this benefit are now receipted directly to the new Fund. The \$702,000 represents only the police portion which was funded by the General Fund. The Firemen's Pension Fund funded firefighter benefits.

Program Description

The Special Accounts programs are used for budgeting items which are not generally associated with another program, or which are combined for easy reference. Special Accounts also includes payments to other governments for general services not associated with another program.

Program Budget Overview

The labor reserve includes funding for labor-related costs which have not yet been distributed to the various departments. The Farmers Market rent, which is a pass-through to the Port of Olympia, has been reduced as the result of a new contract. Court-appointed attorney fees have increased due to requirements that set standards on the number of cases public defenders can handle. Pooled vehicles are vehicles for general use and not assigned to any specific department. Budgets were reduced in departments to fund the general motor pool. The graffiti removal kits and medical support for SWAT teams were funding just in case there was a need. These funds have not been accessed in a few years and accordingly have been removed from the preliminary 2015 budget.

Special Accounts (continued)

<i>Special Accounts</i>	<i>2015 Budget</i>	<i>2016 Budget</i>
Medical Benefits - Retired LEOFF I	\$ 652,000	\$ -
Police Officers & Uninsured Costs for Current LEOFF I Police Officers		
Labor Reserves	224,548	839,200
Fees on City-Owned Parcels Other than Property Tax	8,700	8,700
Memberships, AWC & NLC	38,111	39,010
Administrative Fees and Other Miscellaneous Items	2,027	3,765
Employee Go-Pass (bus pass program)	17,000	17,000
Farmers Market Lease (pass through to Port of Olympia)	83,000	83,000
Council Opportunities & Goals	142,449	100,000
Grant Research Subscription Service	10,000	10,000
Court Appointed Attorneys	342,686*	342,600
Pool Vehicles (not assigned to specific departments)	48,448	54,649
Regional Community Correstions study	10,000	-
Community Youth Partnership	20,000	20,000
Harbor Patrol Support, Payment to Port of Olympia	-	8,000
Economic Development Coordinator	126,786	-
Human Services/Resources:		
General Allocation	77,568	81,350
Transfers to Other Funds:		
LEOFF 1 Police Retiree Long-Term Care Special Account	50,000	-
Debt Service Fund for Energy Improvement Project	178,282	178,281
Technology Development, Special Account	-	200,000
Municipal Arts Fund	-	50,000
Fire Equipment Reserve	-	125,500
Capital Improvement Fund - Fuel Tax	275,000	275,000
Olympic Air Pollution Control Authority	21,816	22,352
Animal Services (City of Lacey)	279,632	293,720
Train Depot Operations Support (Intercity Transit)	11,988	14,000
Alcoholism Programs (Thurston County)	14,000	19,960
	\$ 2,634,041	\$ 2,786,087

The Washington Center for the Performing Arts

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Operations	\$ 222,154	\$ 227,988	\$ 275,600	\$ 47,612
Maintenance & Custodial	31,040	36,000	36,000	-
Total Expenditures	\$ 253,194	\$ 263,988	\$ 311,600	\$ 47,612
Program Revenue	253,099	258,988	306,600	47,612
Use of Fund Balance	\$ 95	\$ 5,000	\$ 5,000	\$ -

Highlights of Program Budget Changes

The increase in expenditures is due to increases in lodging tax receipts which fund the Washington Center's operations.

Program Description

The City of Olympia owns a performing arts center — The Washington Center for the Performing Arts. The City contracts for the management of the facility. The City funding for the Center comes in part from an endowment established in the early 1980s. The City sold a large piece of property on the Westside (now Haggen Grocery) to be used to support the Center. The principal and investment earnings may only be used for the benefit of the Center. In addition to the investment earnings, the Center receives 2% Hotel/Motel (lodging) tax on existing hotels/motels. These two funding sources make up the City's contribution to the Center.

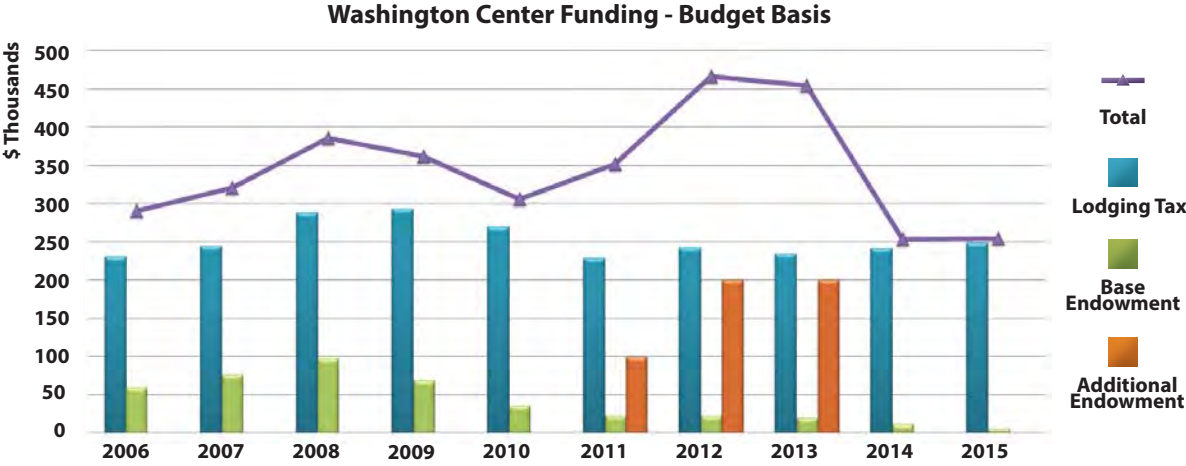
In addition to the City's contributions, the Center generates revenue from events and usage of the center plus the "Black Box" rehearsal room. Due to the fall in both interest earnings and hotel stays, the revenue has declined in recent years.

Program Budget Overview

Base revenues allotted to the Center by contract are up slightly. The City's funding contribution is determined by contract and is based on the interest earned on the endowment, plus Hotel/Motel lodging tax receipts.

Future Challenges and Opportunities

The Washington Center has been faced with financial difficulties due to the reduction in support by the City and current economic conditions. In 2011, 2012, and 2013 the City provided additional support for the Center from the endowment, in addition to interest earnings. It is hoped that with the special assistance and implementation of the Center's new business plan, the Center will be able to stabilize its funding needs.







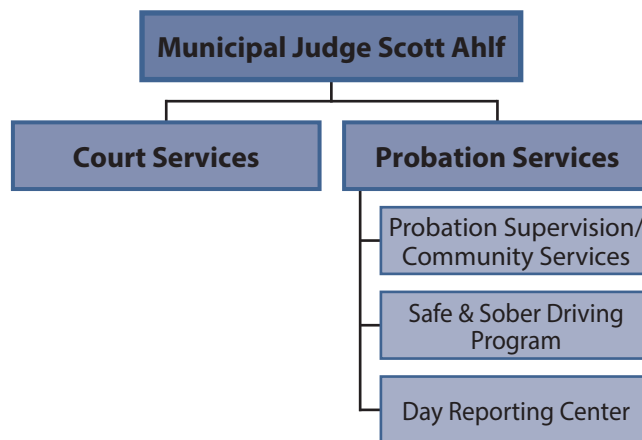
Municipal Court







Municipal Court



Mission

The mission of the Olympia Municipal Court, as an independent and impartial branch of government, is to provide objective, accessible and timely resolution of all cases appropriately coming before the Court, the protection of the rights of all individuals, and the dignified and fair treatment of all parties. Olympia Municipal Court is a contributing partner working toward a safe and vital community.

Municipal Court

Department Recap	2014 Actual	2015 Estimate	2016 Budget	Variance
Court Services	\$ 948,164	\$ 1,019,231	\$ 1,038,465	\$ 19,234
Probation Services	238,208	252,090	259,979	7,889
Day Reporting Center	419,625	446,702	468,969	22,267
Total Expenditures	\$ 1,605,997	\$ 1,718,023	\$ 1,767,413	\$ 49,390
Recap of Expenditures				
Personnel Services	\$ 1,388,636	\$ 1,492,273	\$ 1,536,749	\$ 44,476
Supplies & Services	161,644	176,421	175,574	(847)
Interfund Payments	55,717	49,329	55,090	5,761
Total Expenditures	\$ 1,605,997	\$ 1,718,023	\$ 1,767,413	\$ 49,390
Program Revenues	264,923	312,600	322,600	10,000
Funding from General Revenues	\$ 1,341,074	\$ 1,405,423	\$ 1,444,813	\$ 39,390

Department Overview

The Olympia Municipal Court is a high volume court, which hears cases involving misdemeanors, gross misdemeanors, traffic infractions, and City code violations. Our court is the initial contact with the legal system for many individuals. It is the goal of this Court to require offenders to be accountable for their actions, and to work with these offenders to address the underlying issues relating to their offenses and reduce recidivism. The Court continues to look for new ways to accomplish these goals.

Current Trends

Probation and the Options Program - The Courts' Probation Department continues to be a leader in the use of jail alternatives. We currently have two work crew supervisors running work crews seven days a week. The work crew consists of a combination of inmates serving time in the jail and offenders working on a daily basis while residing at home. Through their labor on the work crew, offenders make amends to the community for the crimes they have committed. In addition, the Probation Department has programs such as electronic home monitoring (house arrest), including using alcohol sensing devices that inform the Court if someone is using, poses a risk and therefore needs to be returned to custody. This type of device will become increasingly important with the changes in the DUI laws. Further, the Probation Department continues to use the MRT (Moral Reconation Therapy) program to target early offenders. MRT is a cognitive behavioral program that focuses on changing the thinking process of offenders to significantly raise their moral reasoning level and sense of life purpose. The program has helped many offenders to change their lives and the behaviors that brought them before the court.

Parking - Parking adjudications continue to add a significant number of cases to the Court's calendars and require increased staff time. The system used in parking adjudications is separate and different from the system used for all other court functions. The current parking system will be replaced in 2016 with a new system that will provide better customer service and easier access to financial data.

Future Trends and Challenges

Community Court - The court staff has joined with the Olympia Prosecutors and Public Defenders to institute a therapeutic community court. We are in the process of evaluating programs from around the state and the nation to determine the best program that will accommodate the needs of our community. The program will include evidence-based practices that will help alleviate recidivism and promote productive citizens. Supervision, treatment, and housing are essential elements of a successful program.

Case Management System - The legislature has approved initial funding for a new Courts of Limited Jurisdiction case management system. The current Judicial Information System (JIS) was developed and implemented in the 1980s. The system does not use Windows-based programming and is unreliable. We are excited to see the new program coming to fruition. When the program becomes available, we will need the help and support of the City's IT Services Department for successful implementation.

The court will continue to face challenges from changes in the law and court rules. The legislature has made significant changes to the DUI laws and will continue to do so in the future. The court will continue to monitor these changes and will strive to be innovative in our approach to working with DUI offenders. The Olympia Municipal Court will continue to work with all of the stakeholders in the criminal justice system to find viable solutions to such challenges.

Court Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance	Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Expenditures					Court Operations Supervisor	1.00	1.00	1.00
Personnel Services	\$ 841,232	\$ 906,211	\$ 922,452	\$ 16,241	Municipal Court Judge	1.00	1.00	1.00
Supplies & Services	80,972	90,000	90,303	303	Office Specialist II	3.00	2.00*	2.00
Interfund Payments	25,960	23,020	25,710	2,690	Office Specialist III	3.00	4.00*	4.00
Total Expenditures	\$ 948,164	\$ 1,019,231	\$ 1,038,465	\$ 19,234	Program & Planning Supervisor	1.00	1.00	1.00
Program Revenue	28,242	22,600	22,600	-	Total	9.00	9.00	9.00
Funding from General Revenues	\$ 919,922	\$ 996,631	\$ 1,015,865	\$ 19,234	* Realignment of staffing needs			

Program Description

The Court Services Division of the Olympia Municipal Court is primarily responsible for the day-to-day operation of the court and parking management—initial citation data entry, docketing, calendaring, case management/adjudication, receipting payments, fine distribution and compliance monitoring. Court Services devotes a tremendous amount of time and staff resources to imaging all court documents, answering public information requests, and providing exceptional customer service.

Trends

Court Services continues to identify our core services and focus our resources on these services in innovative ways to accomplish our mission. In an effort to reduce expenses, while maintaining a high level of accuracy in our case processing, we continually look to gain efficiencies through technology. In coordination with the Police Department, we continue to utilize the electronic ticketing and collision reporting program, e-TRIP, which has significantly reduced both data entry processing time and routine errors by officers and court clerks. In moving towards a paperless court, we continue scanning all court documents into the City's OptiView imaging system. This enables quick and easy accessibility to court documents as well as document sharing. In cost saving measures, the Court will be implementing plain paper warrants. This will eliminate the costly production of four part forms for warrants and enable us to utilize plain paper to print warrants which will produce more legible, clear, and detailed information.

Program Budget Overview

This budget does not request any funds for capital replacement projects. Expenditures for 2016 remain similar to 2015. It is anticipated that the Court will receive funding from the State through the Trial Court Improvement Account for partial reimbursement for the salary of the Municipal Court Judge for 2016 in the amount of \$23,000.

Future Challenges and Opportunities

Technology is the key for more efficient case management and plays a significant role in doing more with less. We continue to collaborate with our key partners – Police Department, Jail, and Prosecutor's Office – to streamline case processing and increase efficiency. However, given the current fiscal climate, developing and implementing new programs may be difficult.

The Court continues the use of the Warrant Return Calendar and Personal Recognizance (PR) Calendars. The Warrant Return Calendar resolves an outstanding bench warrant without the need for booking and holding a defendant in-custody pending the next judicial hearing date. The PR Calendar releases low-level offenders after booking, without posting bail, in order to keep jail bed space available for higher-level offenders. Both these tools are helpful to maintain a balance between holding offenders accountable and maintaining public safety, while keeping the jail population at a manageable level.

The Olympia Municipal Court courtroom went through a remodel at the end of 2014 making the room a fully functional courtroom along with jury seating as the Court will be able to conduct jury trials at the Olympia Municipal Court and no longer contract for space at Thurston County. This will eliminate the possible cancellation of trials due to space availability. The Court is undergoing a reorganization of the court calendar to accommodate for jury trial hearings.

Recent Accomplishments

- Saved thousands of dollars by printing in-house on plain paper versus using preprinted forms and documents.
- Received funding of \$23,000 from the State's Trial Court Improvement Account for partial reimbursement of the Municipal Court Judge's salary for 2015.
- Partnered with nCourt – an online payment processing company for credit/debit card payments. This allows anyone with a traffic citation or fine payment to make payments securely online at any time of day without having to contact the court during court hours.

Court Services (Continued)

<i>Key Result Measures - Court Services</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Warrant Return Calendar				
Bench Warrant Resolution without Booking	200	164	168	170
Warrant Fees Generated	\$10,000	\$8,250	\$8,500	\$8,700
Personal Recognizance (PR) Calendar				
Appearance after PR Release	80%	60%	60%	65%

<i>Service Profiles - Court Services</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Infraction Citations Filed	2,310	2,700	2,800
Criminal Citations Filed	2,082	1,900	2,000
Hearings Held	8,263	8,000	8,000
Parking Infraction Citations Filed	24,361	25,690	26,000
Parking Hearings Held	843	1,200	1,300



Probation Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 222,399	\$ 233,276	\$ 240,575	\$ 7,299
Supplies & Services	8,649	13,179	12,279	(900)
Interfund Payments	7,160	5,635	7,125	1,490
Total Expenditures	\$ 238,208	\$ 252,090	\$ 259,979	\$ 7,889
Program Revenue	126,165	152,500	162,500	10,000
Supported by General Revenues	\$ 112,043	\$ 99,590	\$ 97,479	\$ (2,111)

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Office Specialist III	1.00	1.00	1.00
Probation Officer I	2.00	2.00	2.00
Probation Services Supervisor	1.00	1.00	1.00
Probation Work Crew Leader	2.00	2.00	2.00
Senior Program Specialist-RPN	0.25	0.25	0.25
Total	6.25	6.25	6.25

The same staff provides services for both Probation and the Day Reporting Center.

Program Description

Probation Services offers effective community supervision for misdemeanor offenders in the City of Olympia. Along with the correctional options programs offered as alternatives to incarceration, Probation Services continues to offer an array of treatment and counseling services to help motivate and guide clients out of the Court system.

Trends

Probation Services concentrates on identifying and offering core services to our customers. We continue to provide standard and bench probation, along with a community service program, DUI Alternative Program, and Victims' Impact Panel for DUI offenders in the City of Olympia. The Moral Reconciliation Therapy (MRT) program continues its focus on the youthful offender, and first-time offender, as does the Community Court Program.

Program Budget Overview

The 2014/2015 case load numbers have remained constant, with no increases projected for 2016. Revenues are projected to be approximately \$151,000. This amount includes standard, bench probation, and intensive supervision fees, community service fees, and Victims' Impact Panel fees. Revenues collected in 2014 totaled slightly over \$126,000.

Future Challenges and Opportunities

The Community Court Program continues to be a focus for the probation department with a goal of expanding the program in 2015/2016 to include focus on the quality of life in the downtown corridor. This expansion will include addressing issues with homelessness, mental health, and affordable health care and will still include a component of accountability to the offender. This program is a work in progress and will be a collaborative effort between the court, law enforcement, and social services agencies. In 2014 the program had an increased compliance rate of 64% (up from 59% in 2013.) The work crew completed 840 hours of work in the downtown core, and 105 jail beds were saved.

Recent Accomplishments

- Probation and the Court are collaborating to expand the community court program.
- A new locker room for the corrections staff was completed in 2015.

Key Result Measures - Probation Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Offenders Successfully Completing DUI Alternative Program	100%	97%	100%	100%
Number of Re-Offended	0	1	1	1
Offenders Successfully Completing Community Court	100%	64%	65%	75%

Service Profiles - Probation Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Defendants on Active Probation	300	229	250
Defendants on Inactive Probation	600	518	600
Deferred Prosecution Supervision	140	150	150
Defendants on Warrant Status	1,200	1212	1200

Day Reporting Center

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 325,005	\$ 352,786	\$ 373,722	\$ 20,936
Supplies & Services	72,023	73,242	72,992	(250)
Interfund Payments	22,597	20,674	22,255	1,581
Total Expenditures	\$ 419,625	\$ 446,702	\$ 468,969	\$ 22,267
Program Revenue	110,516	137,500	137,500	-
Supported by General Revenues	\$ 309,109	\$ 309,202	\$ 331,469	\$ 22,267

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
The same staff provides services for both Probation and the Day Reporting Center.			

Program Description

The Day Reporting Center, (Options Program) comprised of intense probation programs and jail alternatives, continues to run successfully. Our goals include enhancing public safety while utilizing alternatives to incarceration, and allowing better management of jail costs to the City of Olympia.

Trends

The Day Reporting Center continues its commitment to alternatives to incarceration and looks for long-term solutions to jail housing. We will continue to look for opportunities to expand our programming options, focusing on accountability and rehabilitation.

Program Budget Overview

Revenue projections for 2016 are \$131,500 (combined program fees collected from EHM, Work Crew, Day Jail, DUI Alternative fees, program fees, and contributions from the Public Works Department (\$16,000) and the PBI (\$10,000). This amount will also include an additional \$10,000 from the City's general fund for the second Probation Work Crew.

Future Challenges and Opportunities

The work crew program continues to prove itself invaluable to the City. Over 9,792 man hours were accrued in 2015 and a total of 1,224 jail beds were saved. Work hours and projects completed by

the work crew that would otherwise be assigned to a Maintenance Worker I with the City of Olympia can be converted to savings of \$179,000 (\$18.23 per hour). In addition, the in-custody work crew completed 7,338 hours and saved an additional 306 jail bed days. Total jail bed savings to the City for both in-custody and out-of-custody work crew is \$76,500 (\$50 per day, per bed).

The work crew continues to focus on partnering with the Parks Department. The work crew concentrated their labor resources in a number of City parks. Projects include weeding and landscaping, litter clean up, brush removal and homeless camp clean up. In May 2014 the City opened the "Artesian Commons" and enlisted the work crew to provide daily litter patrol and weekly pavement pressure washing. The work crew continues to water the downtown flower baskets during the spring and summer months. Additionally, the work crew was recently recruited by CPD to care for newly planted trees throughout the city. This added an additional 10 hours of watering weekly and a significant cost savings to Community Planning and Development..

Recent Accomplishments

- Overall compliance with the Options programming was 90%.
- In the Options program 5,292 sentenced days of jail were successfully, equating to a cost savings of \$264,600.

Key Result Measures - Day Reporting Center	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Defendants Successfully Completing an Options/Jail Alternative Program (Work Crew/Day Jail/EHM)	100%	90%	85%	85%

Service Profiles - Day Reporting Center	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Average Intensive Supervision Program (ISP) Case Load	29	35	35
Defendants Successfully Completing ISP	39	40	40
Defendants on Work Crew	66	75	75
Defendants in Day Jail	27	35	35
Defendants on In-Custody Work Crew	30	50	50
In-Custody Work Crew Jail Beds Saved	306	500	500
Electronic Home Monitoring Jail Beds Saved	3,541	4,000	4,000

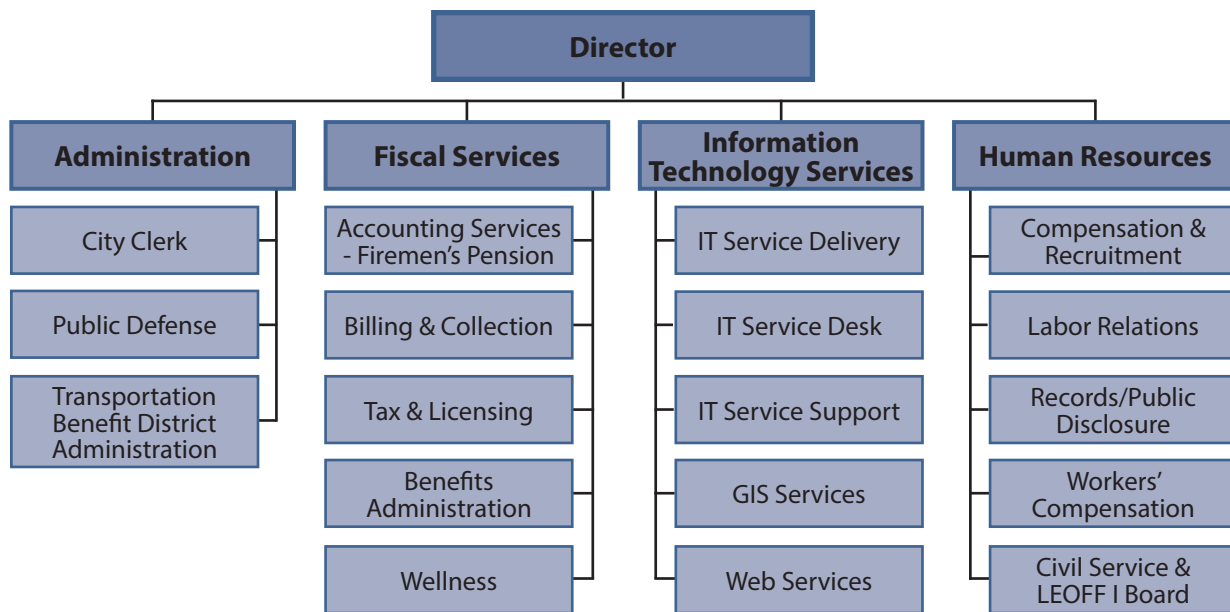


Administrative Services





Administrative Services



Mission

Provide essential fiscal and human resources, and support services to City programs to meet their business needs. Serve as a responsible steward of government records, information, public assets, and employees.

Administrative Service Department Overview

<i>Department Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Administration (Clerk) Services	\$ 703,610	\$ 934,571	\$ 767,943	\$ (166,628)
Fiscal Services	409,160	416,916	444,877	27,961
Information Technology Services	2,027,088	2,176,167	2,211,123	34,956
Human Resources	2,853,644	2,918,455	3,017,483	99,028
Central Records Program	545,094	646,262	572,559	(73,703)
Total Expenditures	\$ 6,538,596	\$ 7,092,371	\$ 7,013,985	\$ (78,386)
<i>Recap of Expenditures</i>				
Personnel Services	\$ 5,078,652	\$ 5,583,946	\$ 5,600,480	\$ 16,534
Supplies & Services	1,186,786	1,370,406	1,268,713	(101,693)
Capital Outlay	120,385	-	-	-
Interfund Payments	152,773	138,019	144,792	6,773
Total Expenditures	\$ 6,538,596	\$ 7,092,371	\$ 7,013,985	\$ (78,386)
Program Revenues	1,993,436	1,992,205	1,910,949	(81,256)
Supported by General Revenues	\$ 4,545,160	\$ 5,100,166	\$ 5,103,036	\$ 2,870

Department Overview

The role of Administrative Services is to help the City translate its vision and mission into strategies that focus the organization on what is important to the community, using all of the City's fiscal and human resources.

Administrative Services, including accounting, budgeting, records, human resources, technology, and public defense coordination has shifted from transactional operations to decision-support capabilities. The line separating these functions has blurred over the last few years. Our external and internal customers expect efficient systems that process transactions and resources in real time. All customers need access to services 24/7. They look to us to combine resources—people, financial and technological—to balance the need for stable financial operations with the ability to maintain high-level customer support.

Budget Overview

Total expenditures decreased by 1.1 percent. Salaries/benefits increased slightly. The budget reflects a decrease of \$85,000 for election costs because there are no elections in 2016 for City Council. However this decrease is partially offset by an increase for voter registrations of \$17,000. The 2016 budget includes support costs for the public defenders. Administration of Citywide mail services has been transferred to the Community Planning and Development Department to allow for cross training and backup. This change should improve customer service.

Future Challenges and Opportunities

One of the most significant challenges that began in 2010 and will continue through 2018 is implementing the Affordable Care Act (ACA). There are both short and long term impacts associated with implementation of the act. Other challenges are managing the costs of benefits and workers' compensation. The number of workers' compensation claims is increasing, reflecting an older work force. However, the cost of the claims appears to be declining. The Department has been evaluating the process to look for efficiencies and training opportunities. Staff is also researching options to decrease City benefit costs. Beginning in 2018, the current health care options will no longer be available from our insurance pool. The department is negotiating the impact of these changes with our employees.

And finally, both the number and complexity of public records requests continue to increase. Handling records requests in a timely and efficient manner continues to be a challenge.

Administration (Clerk) Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 385,439	\$ 527,469	\$ 530,908	\$ 3,439
Supplies & Services	291,618	388,322	223,535	(164,787)
Interfund Payments	26,553	18,780	13,500	(5,280)
Total Expenditures	\$ 703,610	\$ 934,571	\$ 767,943	\$(166,628)
Program Revenue	183,101	166,129	100,201	(65,928)
Funding from General Revenues	\$ 520,509	\$ 768,442	\$ 667,742	\$(100,700)

Highlights of Program Budget Changes

Reduction in revenue is primarily due to the transfer of mail services to the Community Development Department. Clerk Services, Utilities, and Fleet are charged for a portion of these services.

- \$ (179,163) - Mail Services transferred from Administrative Services Department to the Community Development Department.
- \$ (60,000) - Council elections occur in odd-numbered year. There are no scheduled Council elections in 2016.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Associate Line of Business Director	1.00	1.00	- ^^
Director	1.00	1.00	1.00
Office Specialist II	0.56	0.56	- ^
Office Specialist III *	2.00	-	-
Program Assistant**	-	2.00	2.00
Public Defense Coordinator	-	0.50	0.50
Supervisor IV	-	-	1.00^^
Total	4.56	5.06	4.50

- * 0.50 FTE funded by the Transportation Benefit District
- ** Reclassed from Office Specialist III
- ^ Reorganized to CP&D Administration
- ^^ Reclassed from Associate Line of Business Director

Program Description

The Administration Services line of business provides a diverse range of services including City Clerk, Public Defense Coordinator, and Transportation Benefit District Administrator. These services assure a focus on accessible government and transparency, including year-round coordination and development of the City's Operating Budget (Budget 365), Capital Facilities Plan (CFP), and Citywide Performance Measurement. The City Clerk is the City's Public Records Officer and is the custodian of official City records including minutes, ordinances, resolutions, contracts, deeds and titles. This line of business serves as liaison to Thurston County concerning elections and voter registration, assists in the Initiative and Referendum processes, and provides the issuance of all the City's general obligation and revenue debt for the funding of capital projects. The City has five contract public defenders.

The administrative services associated with compliance with state and local laws as they apply to Local Improvement District (LID) formations, codification of the Municipal Codebook, public bidding and contracting, annexations, vacated rights-of-way, and domestic partnership registrations are also provided by this line of business, as well as Department-wide communications, administrative support functions, and all major document production.

Trends

- Citizens and employees continue to show an interest in being informed about the City's budget.
- Departments continue to collect and analyze data to identify and improve performance levels.
- As controversial issues are addressed by the City Council, more inquiries are being received about the Initiative and Referendum process.
- The City maintains an AA+ credit rating, which is defined as having a very strong capacity to meet its financial commitments. Maintaining a strong credit rating allows the City to sell debt at the lowest interest rate.

- We continue to use the City's website to inform and educate citizens about services in the Administrative Services Department.
- With the Police Department now being fully staffed, the number of citations/infractions issued and public defense cases assigned continues to increase. Staying within state-mandated case limits is challenging.

Program Budget Overview

The budget reflects a decrease of \$85,000 because there are no City Council elections to be held in 2016. No special elections have been budgeted in 2016. In the event a special election is needed, it will be necessary to request additional funds at that time to pay for the associated election costs. The Administration Services line of business provides day-to-day administration of the City's independent taxing district—Olympia Transportation Benefit District (TBD). The TBD was created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the city limits. The boundaries of the TBD are identical to the city limits. Administration of Citywide mail service has been transferred to the Community Planning and Development Department.

Future Challenges and Opportunities

- For budgeting in line with the community's vision, the City has identified the need to develop a year-round budget process that informs and educates citizens on the City's economic condition, budget choices, and entry points into the budget decision-making process.
- Enhancement of Citywide performance measurement will assist in identifying service areas that need new and/or improved strategies to meet performance levels.
- Implementation of an Interlocal Agreement with the Washington State Digital Archives will allow us to transfer digital images of meeting minutes, ordinances, resolutions, operating and capital budgets, and annual financial reports to the digital archives, where the public can access records online, reducing the number of public records requests.

Administration (Clerk) Services (Continued)

- Outsourcing the codification of the Municipal Codebook has resulted in discovery of invalid cross references in the City's Code. This will take considerable staff time to correct the Codebook.
- Centralized contracting for office supplies has resulted in significant Citywide savings. Identifying other areas to use centralized purchasing may result in additional budget savings for the City.
- With more use of technology for communications, the purchase and use of paper for printing and copying should decrease over time, resulting in a positive impact on the Clerk Services budget as copier paper is purchased Citywide from this budget.
- If the Metropolitan Parks District (MPD) is established, Administration Services will be responsible for its daily administration.
- With recent changes in TBD legislation, staff is researching the impacts of increasing the TBD fee and weighing the impacts of the City absorbing the TBD.
- The Department will continue to implement the ACA and evaluate options to reduce the cost of benefits.

Recent Accomplishments

- Clerk staff is assisting with the editing and publication of minutes for Council, Council Committees and Advisory Boards thereby increasing accuracy and availability of minutes.
- Clerk staff has taken over maintenance of the City employee healthcare and wellness web pages with the shift of employee healthcare and wellness administration to Fiscal Services.
- Moved mail services internal web pages to a more centralized location because of the transfer of mail services to Community Planning and Development. This action should facilitate a smooth transition making the web pages easier to locate.
- Signed a new office supply contract that more accurately reflects the City's purchase history. The new contract will likely result in significant savings of \$5,000 to \$10,000.
- Support staff continues to ensure all documents are entered into the imaging system in a timely fashion. This allows City staff to be more productive by decreasing time spent waiting for needed information.
- Maintained Budget 365 to help the community understand the City's budget.
- Designed informational materials to support the Records Department's annual records management campaign.

Key Result Measures - Administration Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
% Ordinances Published within 2 Days of Being Passed by Council	100%	96%	98%	100%
% Domestic Partnership Registrations Processed within 24 Hours	100%	100%	100%	N/A*
Stayed within State-Mandated Public Defense Caseloads	400/ attorney	N/A*	400	300**

*New Key Result Measure beginning 2015.

**On weighted basis.

Service Profiles - Administration Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Ordinances Requiring Codebook Codification	20	18	18
Ordinances Published	55	55	55
Domestic Partnership Registrations*	9	4	0
Official City Records Scanned/Indexed	2,100	1,200	1,200
Department Internet Pages Maintained	25	25	23
Department Intranet Pages Maintained	23	23	28
Bond Sales	0	0	2
Annexations	3	0	2
Vacated Right-of-Ways	10	15	20
Jury Trials	10	15	20

* Same-sex marriage legalized in 2014.

Fiscal Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 1,675,404	\$ 1,784,452	\$ 1,789,118	\$ 4,666
Supplies & Services	304,224	349,805	376,890	27,085
Interfund Payments	47,460	41,910	45,115	3,205
Total Expenditures	\$ 2,027,088	\$ 2,176,167	\$ 2,211,123	\$ 34,956
Program Revenue	1,015,012	1,029,690	940,801	(88,889)
Funding from General Revenues	\$ 1,012,076	\$ 1,146,477	\$ 1,270,322	\$ 123,845

Highlights of Department Budget Changes

An accounting technician position was reclassified as an accountant. Any additional costs related to this change will be absorbed by the existing budget.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Accountant	5.00	6.00*	6.00
Accounting Technician	8.00	7.00*	7.00
Billing Specialist	2.00	2.00	2.00
Line of Business Director	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00
Supervisor IV	2.00	2.00	2.00
Total	19.00	19.00	19.00

* Reclassified 1.0 FTE from Accounting Technician to Accountant

Program Description

The Fiscal Services line of business provides centralized accounting services including:

- General accounting and budget management
- Accounts payable payment coordination
- Cash management and receipting
- Special assessment administration
- Debt management
- Tax and licensing administration
- Receivables billing and collections (including utility billing)
- Pension fund management

The Billing and Collections section includes utility and account servicing, receivables management, customer service, and a broad variety of program administration services. This LOB also prepares the Comprehensive Annual Financial Report (CAFR), provides grant and project accounting, administers the City firemen's pension fund, and assists with the development of the City's operating and capital budgets.

Additionally, this LOB provides administration of employee benefits and the City's wellness program.

Trends

In Billing and Collections, we strive to meet—and exceed—customer expectations by implementing new technologies and methods for servicing our growing number of utility customers. The time saved using new technologies has given us increased capacity for auditing of accounts. In the past few years, we have added the acceptance of credit cards and have converted bill payer payment—where customers direct their payment through a financial institution—to an electronic interface through the bank. In 2008, 87% of customers either mailed their payment or paid in person. As of August 2015, this has been reduced to about 39%. Our next level of efficiencies through automation has been to provide electronic notification of bills. We are in the early phases of researching true electronic statements for utility bills.

Average Monthly Items Processed	2009	2014	2015 Estimate
Payments by Mail or in Person	6,148	4,936	4,828
Automatic Bank Draft	1,329	1,380	1,445
Card or Electronic Interfaced Bill Payer	2,144	4,178	4,360

The Accounting section continues to assist other departments with their financial analysis and budgeting needs. With reduced resources to all departments, it is critical for department/section managers to monitor and understand their budget, revenues, and expenses.

Program Budget Overview

The 2016 budget continues existing services and responsibilities. The budget includes an increase of \$24,000 for investment advisory services, which is funded from increased interest earnings. An additional \$4,000 is included in the budget for actuarial services needed for reporting pension and other post-employment benefits as required by new reporting standards.

Future Challenges and Opportunities

Beginning in 2016, the City will bill sewer collection on a volumetric basis. Continuing to implement changes in accounting and reporting standards of the Government Accounting Standards Board (GASB), and reporting to the State Auditor's Office based on a revised chart of accounts from the Auditor's Office will be a prime focus of the accounting section. Coordinating and implementing more centralized management of grant accounting and other fiscal functions.

The installation of an automated meter reading system was completed in 2014. In 2015 a very proactive leak detection reporting system was added and we can now notify customers who have had continuous consumption for seven days. This has been very well received and appreciated by our customers.

Fiscal Services (continued)

Recent Accomplishments

- The City qualified once again for the Association of Washington Cities Well City Award, which resulted in the City receiving a 2% premium discount on Regence and Group Health Insurance.
- The City will continue to evaluate possible changes to City-offered benefits from the standpoint of cost control and impacts of the Affordable Care Act.
- Relocation of accounting resources has allowed us to implement additional internal controls, audits, and documented workflow processes—especially in payroll.
- Evaluated and implemented new accounting and reporting standards.

<i>Key Result Measures - Fiscal Services</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Utility Accounts Receivables due within 30 Days	77%	80%	80%	82%

Citywide Audit Findings, by External Auditors:

Financial	0	0	0	0
Single Audit (grants)	0	0	0	0
Accountability/Compliance	0	0	0	0

<i>Service Profiles - Fiscal Services</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Number of Utility Customers	20,036	20,470	20,800
Total Employees Compensated (July)	610	629	630
Accounts Payable Transactions	34,654	34,700	34,750

Information Technology Services

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 2,120,651	\$ 2,317,701	\$ 2,376,631	\$ 58,930
Supplies & Services	548,458	543,625	578,500	34,875
Capital Outlays	120,385	-	-	-
Interfund Payments	64,150	57,129	62,352	5,223
Total Expenditures	\$2,853,644	\$2,918,455	\$ 3,017,483	\$ 99,028
Program Revenue	556,023	546,927	615,475	68,548
Funding from General Revenues	\$2,297,621	\$2,371,528	\$ 2,402,008	\$ 30,480

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Computer Systems Technician	3.00	3.00	3.00
GIS Analyst	1.00	1.00	1.00
IT Support Specialist	2.00	2.00	2.00
Line of Business Director	1.00	1.00	1.00
Network Analyst	5.00	5.00	5.00
Supervisor IV	3.00	3.00	3.00
Systems & Application Specialist	5.00	5.00	5.00
Total	20.00	20.00	20.00

Program Description

The Information Technology Services line of business (IT Services) enables the City to better carry out its mission and serve its citizens. Virtually every aspect of City operations are now integrated with technology so the role of IT Services within the City has become essential. The ongoing investment in technology is maximized by IT Services staff through continuous improvement opportunities which are identified through strategic planning, technology prioritization, research of emerging technologies, and industry best practices.

IT Services is responsible for the planning, procurement, implementation, support, and maintenance of technology throughout the City. Hardware support includes all personal computers, laptops, tablets, scanners, printers, fax machines, networked copiers, servers, switches, routers, fiber optics, phones, unified communications, internet access, data storage, data backup/ recovery, virus protection, spam filtering, and network security. Software support includes hundreds of software programs covering multiple enterprise applications, operating systems, productivity, geographic information systems (GIS), imaging, recreation and public safety applications. In addition to the on-premise hardware and software solutions, the City contracts for a growing number of hosted or cloud based solutions. Technical support provided by IT Services includes technology consulting, project management, procurement, contract review, business process re-engineering, web design, inventory management, technical training and general information. All of these services are supported through a centralized Service Desk.

Trends

The exponential growth in the use of mobile devices is strongly influencing the direction of the City's technology strategy. In prior years, the focus was to build out large repositories of static information, followed by a movement to provide transactional capabilities through the City's website. As our City moves into the realm of social media and mobile access, a new demand for systems of engagement has emerged. IT Services is now expanding on its model to provide a variety of solutions for the public to interact with the City. This model includes a broader use of social media, a mobile version of our website, mobile applications for tablets and smartphones, and an array of interactive tools and solutions

to encourage public participation in local governance issues and projects.

The City also continues to expand its use of hosted technology solutions, often referred to as cloud computing or Software as a Service (SAAS). These solutions have provided opportunities for IT Services to quickly deploy new systems at a minimal cost to the City because they do not require a capital investment in hardware. While hosted solutions are not appropriate for all software applications, the use of hosted solutions is now a standard option that is evaluated for all new technology projects.

Future Challenges and Opportunities

Modernization of the City's technology infrastructure is an opportunity to move away from our legacy enterprise solutions to modern platforms which can support open data and mobility initiatives. The City has already begun to pursue this opportunity with the current effort to redesign the City's network and data center. Recent and upcoming technology projects provide new ways to access data, increase data transmission speeds, store larger volumes of data and increase protection of the data. Our future challenge lies in the continued integration of our legacy systems to new multi-channel products which support mobile, web based and on premise access. The City is actively acquiring modern solutions to meet these new requirements while we simultaneously phase out our legacy enterprise solutions. This strategy supports our goal to be able to extract and move data in real time between various systems and platforms for use by both City staff and the public on any device, from any location, while maintaining a secure, redundant, and reliable technology infrastructure for the City.

Recent Accomplishments

- Replaced the City's primary video surveillance system at City Hall and the municipal jail.
- Replaced the City's e-mail archiving solution to allow for more granular control over e-mail retention.
- Implemented an e-mail and e-newsletter subscription service for the City's website.
- Implemented a mobile device management solution to support the use of tablets for City staff.
- Deployed a new remote access platform for City staff.

Information Technology Services (continued)

- Developed a large number of mobile data collection applications for field staff.
- Implemented an in-vehicle mobile network solution for the City's Fire Department.
- Redesigned and replaced the City's primary network routing and storage hardware.
- Migrated the City's servers to a fully clustered environment to increase uptime and redundancy.
- Redesigned and upgraded the City's wireless access points (WAP) for both internal and public use in City facilities.

<i>Key Result Measures - IT Services</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
First Call Resolution of IT Incidents		50%	46%	50%
Critical — Systems Down	4 hours	90%	95%	90%
Critical — With Work Around	16 hours	86%	89%	85%
Non-Critical	40 hours	93%	93%	85%
Moves, Installs and Enhancements	80 hours	87%	83%	85%

* Technology requests are made by City staff to the Service Desk for support of all technology systems and applications throughout the City. Our ability to resolve issues and provide support has a direct impact on the timeliness and quality of services.

<i>Service Profiles - IT Services</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Personal Computers Supported (includes Virtual Machines)	668	660	580
Network Servers Supported (includes Virtual Machines)	114	130	135
Service Desk Tickets	9,102	8,000	8,000



Human Resources

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$504,867	\$560,363	\$485,171	\$(75,192)
Supplies & Services	25,617	72,509	73,013	504
Interfund Payments	14,610	13,390	14,375	985
Total Expenditures	\$545,094	\$646,262	\$572,559	\$(73,703)
Program Revenue	182,427	191,526	162,176	(29,350)
Funding from General Revenues	\$362,667	\$454,736	\$410,383	\$(44,353)

Highlights of Department Budget Changes

(70,340) - Reduction of 1 FTE

Program Staffing	FY 14 Actual	FY 15 Estimate	2016 Budget
Line of Business Director	1.00	1.00	1.00
Office Specialist I	0.25	0.25	0.25
Office Specialist III	1.00	1.00	-.*
Personnel Analyst	1.00	1.00	1.00
Personnel Assistant	1.00	1.00	1.00
Records Analyst	3.00	3.00	3.00
Senior Personnel Analyst	2.00	2.00	2.00
Total	9.25	9.25	8.25

* Position Eliminated

Program Description

Human Resources (HR) provides services to managers and employees which allows the City to have a capable, diverse staff delivering quality services to the community. HR includes traditional personnel functions as well as labor negotiations, investigations, worker’s compensation, civil service, LEOFF 1, records management and public disclosure.

The more traditional HR personnel functions include:

- Recruitment and selection
- Unemployment
- Employee relations (EAP, employee assistance, interpreting and applying City policies and collective bargaining agreements, and performance improvement)
- Classification and compensation
- FLSA, FMLA and ADA compliance
- Compliance with other Federal and State employment laws and regulations
- Salary surveys
- Policy development and updates

Successfully managing these programs creates a positive, healthy and productive work environment. HR also staffs the City’s Civil Service Commission and the Law Enforcement Officer and Firefighter 1 (LEOFF 1) Disability Board.

Trends

In 2016, HR continues to anticipate increased competition for skilled, experienced employees because of an improved economy. The City needs to remain competitive in salary, benefits and overall employment practices (flex schedules, employee wellness programs, telecommuting, work-life balance, etc.) in order to recruit great new employees and retain its best employees. HR expects to continue to receive substantial interest from a wide variety of candidates for many of our job openings (entry level), even as we struggle to fill some of our most technical positions.

HR provides training opportunities to new and experienced supervisors and managers. This training has become increasingly important as we see many of our most experienced managers and supervisors transition out of the workforce. HR will continue

to work with departments on succession planning to identify “homegrown” talent in our workforce to replace senior employees who leave or retire.

HR remains concerned about ensuring that City salaries remain competitive and City benefits remain competitive and affordable. Healthcare and the federal Affordable Care Act (ACA) continue to be a challenge as HR helps position the City to retain quality benefits at an affordable price. HR will be negotiating with all of our existing bargaining units throughout 2015 and 2016 and healthcare costs will be an important component. The Association of Washington Cities has already announced a change in available healthcare plans starting January 1, 2018, in anticipation of the “Cadillac Tax” associated with ACA. These changes will have to be negotiated with the bargaining units. In conjunction with these changes, the City continues to search for universally acceptable healthcare ideas (cost savings) for represented and non-represented employees.

An aging workforce also presents challenges for HR. Some of our most experienced employees are retiring and the challenges of replacing that experience is ongoing. Recruiting from college programs that teach not only academic but also hands-on training is a must. We are looking to other “temporary” careers such as job training programs, the military, and internships to provide us with employees that provide the experience we need. We are also looking to technology to help assist employees with new and different ways to do their jobs, so that the physical demands are somewhat decreased (e.g. new sanitation trucks that do the lifting instead of the employee, advances in paving equipment, etc.).

Compliance with the Public Records Act remains a challenging priority. The number of requests and increasing complexity of those requests continue to consume a significant amount of time and money. In 2016, HR staff will once again provide Citywide public disclosure training and anticipates a successful Public Records month (April) during which training and activities typically attract more than 100 City employees. Staff is also available to provide training and assistance to City boards and commissions on the Open Meeting and Public Records laws.

Hiring new police officers and fire fighters through the Civil Service process will continue to be a challenge in 2016. The Civil Service Commission continues to be a great partner, helping the City meet its needs in recruiting qualified candidates for these positions. We

Human Resources (continued)

continue to meet and consult with the Police and Fire Departments to provide assistance in meeting the recruitment and promotional needs.

The City has made significant improvements in workplace safety as measured by the number and severity of injured worker claims (worker compensation). In 2016, we anticipate that the emphasis added to safety (where worker safety or lack thereof is the proximate cause of the injury) will continue to result in less severe claims.

The LEOFF 1 Board's decision to change health insurance plans through Association of Washington Cities (AWC) has resulted in significant savings for the program. However, with the aging of that retired workforce, we anticipate an increase in long-term care costs. Dealing with those potential increases will continue to be a challenge.

Recent proposed federal changes to the Fair Labor Standards Act (FLSA) will continue to be monitored by HR staff. The City currently meets the new salary definitions for the payment of overtime, so the proposed changes may not have a significant impact on the City.

HR continues to closely monitor the Federal Family and Medical Leave Act (FMLA), the Americans With Disabilities Act (ADA), and

the Age Discrimination in Employment Act (ADEA) to ensure compliance. HR (in conjunction with Payroll) has an active FMLA monitoring program which assists both the City and the employee.

Program Budget Overview

HR will continue to look for ways to do things more efficiently, saving money for the City while providing quality service. In addition to conducting labor negotiations and in-house employee investigations, staff has taken over the management of all FMLA and ADA claims in the City to ensure uniform compliance.

Staff continues to actively monitor all workers' compensation cases filed by City employees (the City is self-insured for workers' compensation). In 2016, we hope to continue the 2015, 2014, and 2013 trend of decreasing the amount of money paid on claims.

During 2016, HR staff anticipates completing negotiations on our collective bargaining agreements with AFSCME, the Police Guild, IUOE and the Teamsters. (The negotiations started during the fall of 2015 and typically take several months to complete). In 2016, HR will begin collective bargaining negotiations with the Fire Department employees (two bargaining units). HR will continue to investigate complaints against City staff.



Human Resources (continued)

Future Challenges and Opportunities

- Anticipated increases in medical insurance premiums continue to compel the City to reevaluate its benefit package to make sure it is sustainable.
- AWC's decision to eliminate the City's current healthcare plans means we will have to negotiate new healthcare benefits with each of the bargaining units and implement new healthcare plans for the non-represented employees.
- Workers' Compensation claims continue to challenge management staff as they balance the duties of individual positions with the capabilities of an aging workforce.
- LEOFF 1 long-term care costs continue to be a concern as retiree's age.
- Projected City revenues continue to make labor negotiations challenging.
- HR staff continues to provide training for supervisors on new and ongoing supervisory issues.
- The City and HR implemented a new email archiving system (March 2015) to enhance our records management capabilities.
- Costs for responding to public records requests remain high and, if history is a guide, we anticipate in 2016 the volume of requests will remain at or above current levels. The use of "body" cameras has the potential to greatly increase the number and complexity of public disclosure.
- Hiring and training qualified candidates in the Police Department continues to present challenges for the Civil Service positions. In 2016, we will continue to look for ways to create a more efficient system for identifying and recruiting qualified candidates.
- In 2016, Civil Service will begin testing Fire Department candidates on an on-going basis rather than testing only once per year. This will give the department a more predictable and available supply of candidates from which to fill vacancies at a time when many firefighters are approaching retirement eligibility. The Police Department continues to have a high number of retirements, making the police officer hiring process likely a year-round activity again in 2016.

Recent Accomplishments

- Successfully negotiated multi-year labor agreements with three unions.
- Staff sent bi-weekly training guides to supervisors on employment subjects.
- Continued the trend of decreased workers compensation costs.

<i>Key Result Measures - Human Resources</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Labor Contract Negotiations Completed In-House	Varies/year	2	4	3
Settlement Agreements (Employment Issues)	Varies/year	7	8	8
HR In-House Investigations of Misconduct/Deficient Performance	Varies/year	10*	12*	10*
% Reduction in Worker Injuries	5%	1%	15%	5%

* Does not include Police or Fire

Records Management Program

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 392,291	\$ 393,961	\$ 418,652	\$ 24,691
Supplies & Services	16,869	16,145	16,775	630
Interfund Payments	-	6,810	9,450	2,640
Total Expenditures	\$ 409,160	\$ 416,916	\$ 444,877	\$ 27,961
Program Revenue	56,873	57,933	92,296	34,363
Funding from General Revenues	\$ 352,287	\$ 358,983	\$ 352,581	\$ (6,402)

Program Description

Records Management is a program within the Human Resources division that manages and coordinates public records requests, provides records management consultation and training citywide, and administers the citywide central electronic repository.

Trends

Compliance with the Public Records Act continues to be a challenging priority. The number and increasing complexity of requests continues to consume a significant amount of time and money. The staff provided a successful public disclosure training month in 2015 attracting over 100 employees citywide. Continued use of our online records request tracking system (WebQA) helps keep the City in compliance with the Public Records Act and facilitates providing records to the public as quickly as possible.

Future Challenges and Opportunities

- The City's newly implemented email archiving system should result in improved management of emails.
- Central Records staff will train additional department records coordinators in responding to public records requests. Additional staff resources devoted to public records requests should present an opportunity for additional records management services and training to all City departments.
- The City's imaging system presents the opportunity to make records available to the public on the internet. City staff is working to ensure records are properly scanned and indexed in preparation for external availability.
- Costs for responding to public records requests remain high, and we anticipate the volume of requests in 2016

to increase. In 2014 the City received a large number of requests taking one year or more to complete due to the number of responsive records and broad nature of the requests. Continued department staff trainings and the use of Central Records staff in coordinating and responding to multi-departmental public records requests seems to be the most efficient method in providing timely responses.

- With the increased number and complexity of public records requests in 2014 and 2015, the average time to respond and cost per request increases. Central Records is responding to this challenge by training existing staff to respond to public records requests and by continually evaluating the City's records management strategies to realize efficiencies.

Recent Accomplishments

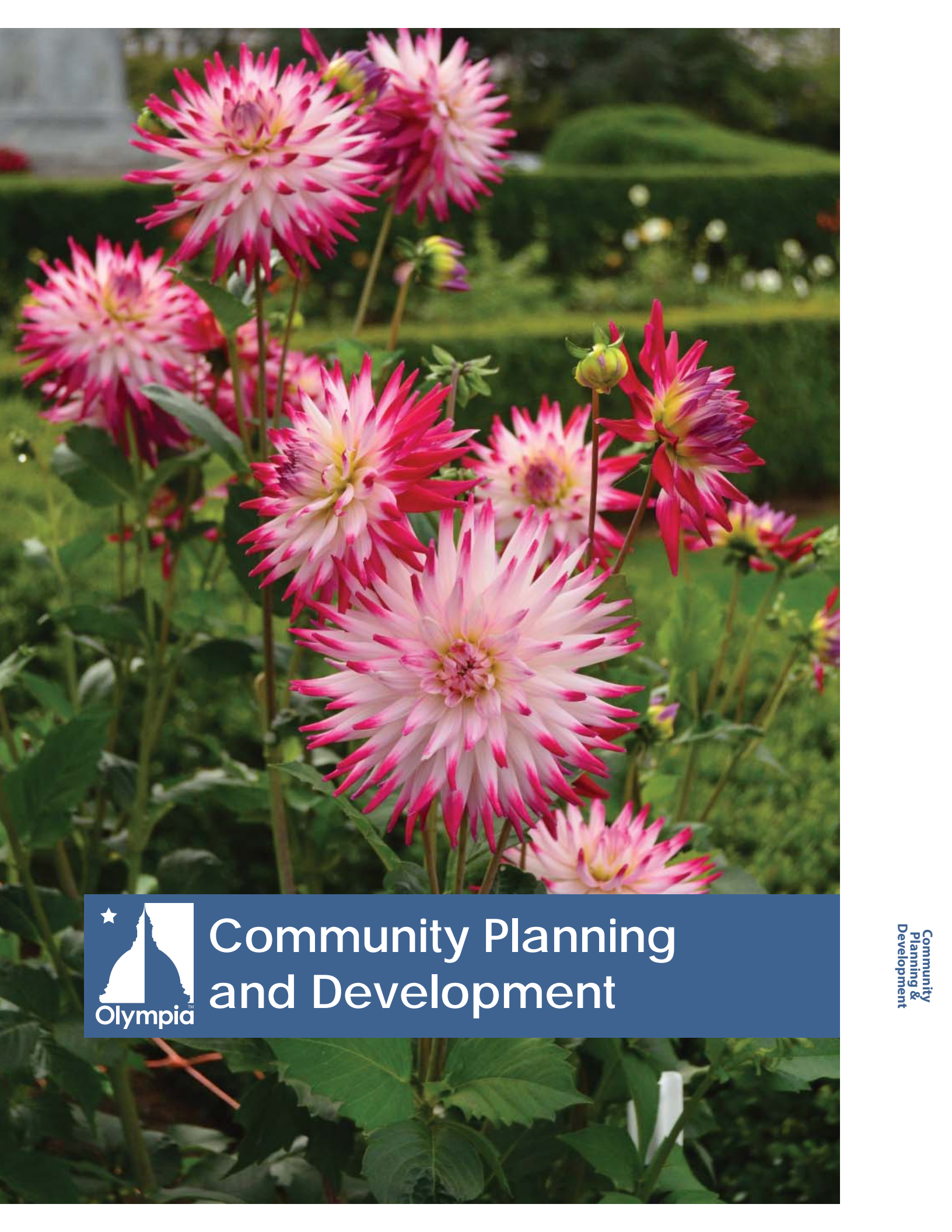
- Implemented a new citywide email management system.
- Redesigned the police department records request process in WebQA to improve efficiency and clarity of police records requests.
- Coordinated citywide records management, public disclosure training, and hosted Records Month.
- Trained and transitioned City Clerk records management duties to clerk staff.
- Offered a citywide shred event to destroy records having met retention requirements.
- Provided multiple OptiView training sessions for CP&D to access permit and code enforcement data in Naviline/HTE.

Key Result Measures - Central Records Program	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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Records Requests				
Multi-Departmental - Average Days to Respond	20	98	70	60
Citywide - Average Days to Respond	15	16	16	16

Service Profiles - Central Records Program	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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Public Records Request Responses			
Multi-Departmental	109	135	140
\$ Per Request	\$ 375	\$ 300	\$ 305
Citywide (*does not include Police)	*780	1,500	1,575
\$ Per Request (*does not include Police)	*\$ 111	\$ 115	125
Records (Other)			
Records Systems Trainings Provided by Central Records Staff	7	5	5
Records/Public Disclosure Trainings Provided by Central Records Staff	5	5	7

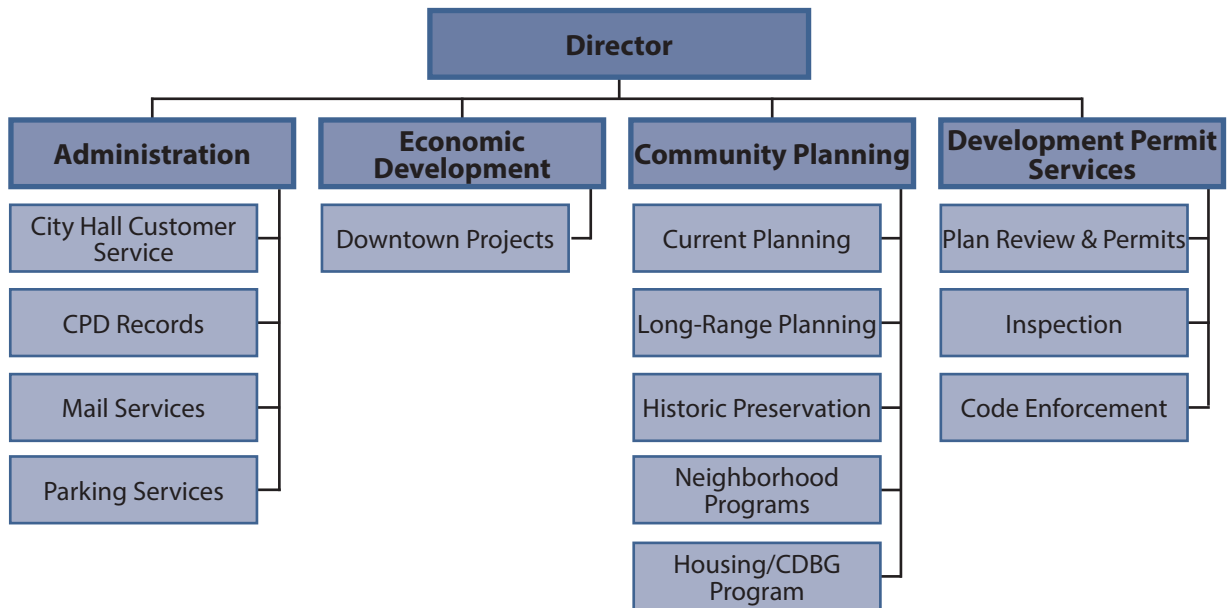


Community Planning and Development





Community Planning and Development



Mission

To protect and enhance our community's quality of life, sustainability, and public safety through our comprehensive plans, development regulations, parking, and service programs. We achieve this mission through partnerships with our community and by delivering outstanding customer service.

Vision

We are experts and innovators in our respective disciplines and are known throughout the community, the State of Washington, and our nation for our high quality services and best practices.

Community Planning and Development Department Overview

<i>Department Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Administration & Parking Services	\$ 1,800,229	\$ 1,878,482	\$ 2,398,977	\$ 520,495
Economic Development	-	-	286,025	286,025
Community Planning Services	1,695,269	1,881,898	1,936,953	55,055
Permit Services	1,656,940	1,435,580	1,832,637	397,057
Total Expenditures	\$ 5,152,438	\$ 5,195,960	\$ 6,454,592	\$ 1,258,632
<i>Recap of Expenditures</i>				
Personnel Services	\$ 3,839,174	\$ 3,762,358	\$ 4,684,812	\$ 922,454
Supplies & Services	1,147,759	1,163,311	1,365,247	201,936
Interfund Payments	165,505	270,291	404,533	134,242
Total Expenditures	\$ 5,152,438	\$ 5,195,960	\$ 6,454,592	\$ 1,258,632
Program Revenues	5,080,923	4,098,650	4,963,001	864,351
Funding from General Revenues	\$ 71,515	\$ 1,097,310	\$ 1,491,591	\$ 394,281

Department Overview

The Community Planning and Development (CP&D) Department serves our community by ensuring smart growth, safe environments, and vibrant neighborhoods. The Department is responsible for land use planning, construction permitting, code enforcement, economic development, parking services, historic preservation, urban forestry, housing and social services, neighborhood programs and City wide mail services. Each program works hand-in-hand with other programs within the Department and within the City to enhance the quality of life for Olympia's citizens.

In 2015, Council approved the creation of the City's first Economic Development Director, who reports to the CP&D Director. This position was filled in mid-2015 and will manage CP&D's new Economic Development line of business. CP&D's Downtown Liaison and the Downtown Ambassador Program will move into this new line of business as well. Economic Development will be focused on supporting and promoting economic development initiatives by the retention and expansion of major employers and retailers, the strategic recruitment of new businesses and investment interests, and to grow Olympia's economy in a manner consistent with our Comprehensive Plan.

In 2016, the Department expects a continuation of the increase in development and construction experienced in 2015, with a one-time boom in commercial fees due to a new state office building. Single-family home construction was down in 2015, as was expected after the spike mid-2014 due to the July 1, 2014 residential sprinkler requirement; however commercial activity is on the rise. We expect single family numbers to rebound slightly in 2016. A new state office building at 1063 Capitol Way is expected to begin work in 2015 and continue through 2016, bringing in a significant amount of revenue in plan review and permit fees. Land use applications rose slightly in 2015 and this modest trend is expected to continue in 2016 as the economy continues to improve. Implementation of new Comprehensive Plan goals and policies through an adopted Action Plan will continue in 2016, including sub-area plans for Northeast Olympia, the Kaiser-Harrison area in West Olympia, and Downtown.

The City's Critical Areas ordinance will be reviewed and updated in 2015-2016. Both of these updated regulations address potential impacts of new development on critical environmental areas. Increased development activity downtown is prompting Parking Services to take a closer look at how parking is managed. In 2015 work began to update the City's Parking Plan and this will be finalized in 2016. The goal of the plan is to maximize the use of existing City-controlled on and off-street parking and manage it in such a way as to increase the amount of short term parking available while still addressing needs of employees and residents. The Plan will also study the feasibility of a parking structure for some time in the future. Late 2015/early 2016 will see an RFP for new parking management software that may include online permit renewals and pay-by-phone technology at parking meters as Parking Services continues to evolve and improve its technology to better serve customers.

Parking revenues will likely be the same as in 2015, with less revenue from citations and parking Smart cards, but making that up through increased sales of nine-hour meter permits, and new small revenue streams such as electric vehicle charging stations and parking meter tokens. In summer 2015 Parking upgraded approximately 200 three-hour meters from coin-only to new credit card meters. Revenue impacts of that upgrade are not yet known but are not expected to make a significant change in revenue.

The Downtown Project continues in 2016. Some planned items include:

2016 Downtown Project List:

- Downtown Strategic Plan
- Community Renewal Area Plan
- Artesian Commons Planning and Implementation
- Review Downtown Parking Strategy
- Alley Lighting and Sidewalk/ADA Ramp Improvements

Administration and Parking Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$1,191,830	\$1,254,849	\$1,642,617	\$387,768
Supplies & Services	551,730	565,686	690,213	124,527
Interfund Payments	56,669	57,947	66,147	8,200
Total Expenditures	\$1,800,229	\$1,878,482	\$2,398,977	\$520,495
Program Revenue	1,512,486	1,519,200	1,845,790	326,590
Funding from General Revenues	\$287,743	\$359,282	\$553,187	\$193,905

Highlights of Department Budget Changes

Revenue:

- \$251,084 - Customer Services
- \$75,506 - Mail Service

Expenditures:

- \$219,431 - City Hall first floor customer services transferred and merged (3 FTEs) with Community Development Department customer services
- \$179,163 - Mail services moved (0.56 FTE) from Administrative Services to CP&D
- \$81,890 - Permit Specialist, new FTE

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Director	1.00	1.00	1.00
Lead Worker	1.00	1.00	1.00
Office Specialist II	-	-	.56*
Parking Services Field Rep	6.00	6.00	6.00
Permit Specialist	2.00	2.00	3.00 ^
Program & Planning Supervisor**	1.00	-	-
Program Assistant	1.00*	1.00	2.00*
Public Service Representative	1.00*	1.00	3.00*
Supervisor I**	1.00	-	-
Supervisor II**	-	1.00	1.00
Supervisor IV**	-	1.00	1.00
Total	14.00	14.00	18.56
* Reorganization			
** Reclassified			
^ Added one FTE			

Program Description

The Administration line of business is responsible for the leadership and business practices for the Department. Strategic direction, performance management and financial management are the primary focus of this Division. City Hall's Customer Service Program is also part of this line of business, as well as Parking Services. Customer Service staff are responsible for all in-person customer contacts on the first and second floors of City Hall; utility bill questions, payments and payment arrangements; parking questions, payments and permits; routine permitting and land use decisions, land use records management, and public disclosure and records management.

Trends

In 2015 a City reorganization moved the first floor City Hall Customer Care staff and Mail Services under the oversight of the Community Planning and Development Business Manager. This has allowed the Department to create a fully functioning Customer Service Team that spans both floors at City Hall. Frontline staff is cross-trained in duties on both floors and this has allowed for better customer service all-around. The newly formed group will continue to thrive and grow with improved processes into 2016 and beyond.

A new community services software vendor was secured in 2015 through an RFP process and staff will be excitedly implementing the new cloud-based solution in early 2016. Parking Services will also be going through an RFP process to secure new parking management software which will allow staff to be more efficient with better equipment in the field, as well as offer more online options to customers and even pay-by-phone with mobile devices.

Program Budget Overview

Due to the reorganization of frontline staff, two Public Service Representatives and one Program Assistant from Customer Care have been moved from General Government to CP&D, as well

as one half time Office Specialist II (the Mail Clerk) moved from Administrative Services. Mid-2015, a CP&D Supervisor I who served as the lead for the CP&D front counter was promoted to a Supervisor II and given responsibility for the first floor front counter as well.

Parking Services' revenue is expected to be similar to 2015 levels. The trend is a reduction in parking citation payments and an increase in monthly parking permits and small revenues such as electric vehicle charging, residential parking and parking meter tokens. Parking will continue to handle enforcement of the abandoned vehicle RCW which affects revenue as it takes an enforcement officer away from enforcing for 2-3 days per week. In 2015 the Boot and Tow program was reinstated, which allows Parking to deal with vehicles that have excessive unpaid, overdue tickets. Over time this will show an increase in revenue for Parking. The Division will monitor results of expanding credit card meters in strategic locations, a project that was completed mid-2015, and identify opportunities to reinvest parking funds into improving the overall parking system. New parking management software will be a high priority project for the Division in 2015/2016.

Future Challenges and Opportunities

New community services software will come to fruition in 2016. It will bring challenges expected with implementing any new software but the opportunities will include online permitting, contractor accounts to manage permits and inspections, credit card payments and a citizen information portal based on GIS. Streamlining the project management process and reducing phone and in-person traffic will allow staff to do more with less. As we provide more customer service via the Internet and transition to more records being managed electronically, the number of paper files managed should be reduced. A public information portal to look up land records and permits will reduce the volume of public disclosure requests the Department receives as well.

Developing a parking strategy will be the main focus of Parking Services in 2016. Maximizing existing surface parking and

Administration and Parking Services (continued)

improving customer service with new programs and technology as a result of implementing new parking management software, such as pay-by-phone services and online residential permit renewal will help meet parking needs in the downtown core and beyond.

The Division will monitor the delicate balance between parking fees and their effect on economic development in the downtown area. The parking system will continue to be managed to provide for turnover of parking stalls vital to business interests in the area and to protect neighborhoods from negative impacts of unregulated parking and weekend and evening enforcement will be studied and considered as we update the Parking Strategic Plan. Parking for neighborhoods in the downtown area will remain a focus as well, with the goal of enabling residents to conveniently park while maintaining the residential nature of the neighborhoods.

Recent Accomplishments

- Successfully merged the first and second floor front counters of City Hall into one high-performing customer service team, streamlining processes to be more efficient, giving customers a more consistent and timely experience.
- Through an RFP process, selected a software vendor for new community services software and began the configuration and implementation work to put it in place early 2016.
- LEAN process improvement for managing building permit final inspection process. Improvement will save time and improve consistency and accuracy of records.
- Added a second bicycle to Parking Services' fleet to further reduce costs of fuel and greenhouse gases.
- Reinstated the City's Boot and Tow program for vehicles with excessive unpaid tickets and has resulted in \$10,000 in recovered fines and fees in the first three months. These fines would be otherwise uncollectible without the program.

Key Result Measures - Administration & Parking Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Downtown Core Occupancy Rate	70-85%	60%	59%	65%

Service Profiles - Administration & Parking Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Permit Center Telephone Calls Received	9,771	10,276	10,000
% of Total Permits Issued "Over-the-Counter"	40%	40%	50%
Parking Citations Issued	24,361	25,346	25,000
Metered Parking Stalls	2,350	2,350	2,350
Timed Parking Stalls	1,075	1,075	1,075
Leased Parking Stalls	316	316	316

Economic Development

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Actual</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ -	\$ -	\$ 141,090	\$ 141,090
Supplies & Services	-	-	143,500	143,500
Interfund Payments	-	-	1,435	1,435
Total Expenditures	\$ -	\$ -	\$ 286,025	\$ 286,025
Program Revenue	-	-	30,000	30,000
Funding from General Revenues	\$ -	\$ -	\$ 256,025	\$ 256,025

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Economic Development Director	-	1.00 *	1.00
Senior Program Specialist	-	-	1.00**
Total	-	-	2.00

*New position funded in Special accounts in 2015
 **Reclassification

Highlights of Department Budget Changes

- New Program
- \$112,525 - Transferred new economic development position to Community Development Department. In 2015 this position was budgeted in Special Accounts(with in General Government.)
 - \$143,500 - Downtown Ambassador program and (1 FTE) Downtown Liaison transferred from Community Planning to this program.

Program Description

The Economic Development line of business is a new addition to CP&D starting mid-2015. The focus for 2015-2016 is on retaining and expanding major employers and retailers to Olympia and developing strong relationships with key community business interests and economic development partners.

Trends

The City's first Economic Development Director was hired mid-2015 with a long list of responsibilities, including encouraging growth of the City's tax base and revenue generating capacity; supporting core economic resources such as the Auto Mall, Capital Mall, health care, arts, entertainment and government sectors; coordinating the marketing and sale of key surplus real estate assets such as the former municipal land fill; supporting small business development through the use of the Grow Olympia Fund and other financial incentives; and will serve as the City's point of contact for economic development interests including realtors, developers and property owners.

Program Budget Overview

Funding was approved in 2015 for the Economic Development. One Code Enforcement Officer (Downtown Liaison) was moved from Code Enforcement to Economic Development as that position will report to the Economic Development Director.

Future Challenges and Opportunities

Economic Development will be focused on several opportunity sites defined through the Investment Strategy prepared by ECONorthwest, including the HWY 101 (previous municipal landfill) site. Development of a retail strategy and supporting the Port of Olympia in the completion of their Real Estate Development Plan is also part of the work plan. Creating key messages and marketing the City's unique economic development advantages will be a key priority of this new position. Supporting the growth of targeted industries and promoting innovation and entrepreneurship through partnerships with higher education and the Economic Development Council will be beneficial to the overall business climate of Olympia.

Recent Accomplishments

- Recruited for and retained an excellent candidate for Economic Development Director, with many years of economic development experience in the Thurston County area.

Key Result Measures - Economic Development

New Program - Developed in 2015/2016

<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
TBD	TBD	TBD	TBD

Service Profiles - Economic Development

New Program - Developed in 2015/2016

<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
TBD	TBD	TBD

Community Planning Services

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$1,193,364	\$1,417,155	\$1,633,965	\$216,810
Supplies & Services	450,383	420,228	263,271	(156,957)
Interfund Payments	51,522	44,515	39,717	(4,798)
Total Expenditures	\$1,695,269	\$1,881,898	\$1,936,953	\$55,055
Program Revenue	271,114	245,000	250,000	5,000
Funding from General Revenues	\$1,966,383	\$2,126,898	\$2,186,953	\$60,055

Highlights of Department Budget Changes

- \$(143,500) - Downtown Ambassadors program and downtown liaison transferred from Community Planning to Economic Development.
- \$32,128 - Office Specialist, added one FTE. Funding also provided by reduction in contracted clerical services.
- \$96,416 - Associate Planner added one FTE. Added due to increase in development activity.
- \$(50,757) - Development code enforcement moved to development and Permit Services from Community Planning.

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Assistant Planner	-	1.00*	1.00
Associate Planner	4.75	3.00*	4.00^
Engineering Plans Examiner	-	2.00**	2.00
Line of Business Director	1.00	1.00	1.00
Office Specialist II	-	- **	1.00^
Office Specialist III	1.00	1.00 *	0.75**
Permit Specialist	1.00	-*	-
Program & Planning Supervisor	2.00	2.00	2.00
Program Assistant	1.00	1.00	1.00
Program Manager	1.00	1.00	1.00
Program Specialist	-	-	1.00 *
Senior Planner	1.00	3.00 *	3.00
Total	12.75	15.00	17.75
* Reclassification			
** Reorganization			
^ Added one FTE in 2016			

Program Description

Community Planning Services is responsible for comprehensive land use planning, engineering plan review, environmental planning, neighborhood programs, and historic preservation, as well as housing grants and economic development projects through the Community Development Block Grant (CDBG) Program. The Housing Program is fully funded with grant funds and is not accounted for in the General Fund.

Trends

The Division received one land use application for a 400-lot subdivision in 2015, but the application was still in review at the time of this narrative. Although there are not many new subdivisions, there have been a lot of major remodels and conversions, including conversion of downtown offices to mixed use retail, new hotels, and new apartments particularly on the west side of town. We have also seen an increase in land use applications for conditional use permits, especially for wireless communication facilities. For those projects that are submitted, recent history indicates that land use decisions affecting large or sensitive pieces of property will generate a large volume of public comment and land use appeals, resulting in increased workloads for staff. The Division's emphasis on achieving Council's goal of a more proactive community development program includes increased public outreach through more frequent neighborhood meetings, broader public notice, and other process improvements. These improvements also create higher demands for staff time.

Increased commercial building projects mean increased workload for Current Planning staff and in 2015 the Division hired a consultant to take on projects, equal to a whole FTE Associate Planner. If workloads continue at this level additional staffing, including one Associate Planner will be needed in order to meet

legally mandated timelines on land use and plan review. The trickledown effect is additional workload for CP&D's support staff. In 2015 the City Manager approved the addition of a temporary Office Specialist II to support this work and the Division will request making this position permanent in 2016.

One Office Specialist III's funding was moved from 100% Code Enforcement to 75% Current Planning/25% Code Enforcement in 2016 to better reflect the actual work being done.

The City updated its Comprehensive Plan in 2014. Implementation of this 20-year plan is a Citywide effort that will be coordinated through an Action Plan to be adopted in early 2016. The Action Plan will prioritize key projects to achieve the goals of the Comprehensive Plan and will track key indicators (performance measures) to measure progress towards those goals. Key implementation actions will likely include development code updates, a significant public process to update the Downtown Strategy and several neighborhood level sub-area plans, starting with Northeast Olympia and the Kaiser-Harrison area of West Olympia in 2016. The Action Plan will be updated annually based on the indicators and completion of priority actions, and will serve as a primary tool for communicating progress on achieving Comprehensive Plan goals over the years.

The Urban Forestry program, staffed with one FTE Associate Planner in 2015, will continue to focus on evaluating land use applications for urban forestry and landscaping issues, and address the most critical hazard trees through evaluation and mitigation. To implement a recent urban forestry administrative management plan, this position is also serving as facilitator of a cross-department urban forestry coordination team, to increase efficiencies in the management of the City's urban forest.

Community Planning will remain the primary liaison for recognized City neighborhoods and will also administer

Community Planning Services (continued)

the City's Neighborhood Grant Program and Coalition of Neighborhood Associations Memorandum of Understanding. Both of these functions have seen an increase in responsibilities from 2015, a result of increased grant applications and a newly adopted Memorandum of Understanding with the Coalition of Neighborhood Associations. Community Planning will continue to staff the Heritage Commission and review applications that relate to historic buildings.

Future Challenges and Opportunities

Completion of the Action Plan, Downtown Strategy, and Critical Areas Ordinance update will dominate the focus within this Division. City Council's adoption of an Action Plan will be key to prioritizing many of the City's actions in 2016 and beyond, including numerous significant development code updates. Staff will also continue to participate in a LEAN continuous improvements process intended to eliminate waste and enhance the efficiency of our development review process and the implementation of new software that will better meet the needs of land use review staff and customers.

The Community Development Block Grant (CDBG) Program has taken a new direction focusing on economic development activities. Implementation of a small business loan program, downtown safety improvements such as alleyway lighting, sidewalk and ADA access improvements, and façade improvements identified through a Crime Prevention through Environmental Design (CPTED) process are the primary focus of this program in 2016, and will be closely coordinated with the department's Economic Development Director.

Recent Accomplishments

- Development of Citywide Action Plan (targeted for adoption in early 2016.)
- Scoping of a Downtown Strategy (targeted for mid-2016 adoption.)
- Implementation of several LEAN process improvements for more efficient land use permitting.
- Completion of downtown alley lighting project using City's first Section 108 loan.
- Awarding of City's first Grow Olympia Fund loan to a local business for expansion of its facility in downtown.
- Final adoption of the Shoreline Master Program by the Department of Ecology (expected in late 2015).
- Updated process for considering zoning changes under new Comprehensive Plan.
- Completed historic structure survey of additional residential neighborhood.
- Administered significantly-increased neighborhood matching grant program.
- Supported Northeast Olympia Subarea Plan initiation.
- Initiated plan for Kaiser-Harrison 'opportunity area'.
- Managed annual comprehensive plan amendment process, plus significant rezone process in Southeast Olympia.
- Continued community renewal area process, with request for developer proposals approved in mid-2015, and expected selection of preferred developer for an exclusive negotiation agreement in late 2015.
- Completed urban forestry administrative management plan under grant from Department of Natural Resources.
- Partnered as lead in developing low-impact development code updates with Department of Public Works.

Key Result Measures - Community Planning Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Timely Review of All Land Use Applications	Within 120 days	65 days	90 days	90 days
Prompt Review of Small Subdivisions (<9 Lots)	Within 45 days	56 days	45 days	45 days
Prompt Review of Large Subdivisions	Within 120 days	N/A	120	N/A

Service Profiles - Community Planning Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Commercial and Multi-Family Permits Issued	45	47	50
Major Design Review (Board-Level)	9	11	14
Preliminary Full Plats (10 or More Lots)	0	1	0
Total "Major" Reviews (Includes Others with Public Meetings)	17	20	20

Permit Services

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$1,453,980	\$1,090,354	\$1,267,140	\$176,786
Supplies & Services	145,646	177,397	268,263	90,866
Interfund Payments	57,314	167,829	297,234	129,405
Total Expenditures	\$1,656,940	\$1,435,580	\$1,832,637	\$397,057
Program Revenue	3,297,323	2,334,450	2,837,211	502,761
Funding from General Revenues	\$(1,640,383)	\$(898,870)	\$(1,004,574)	\$(105,704)

Highlights of Department Budget Changes

Revenue increase is a result of an increase in development related fees and permits.

Expenditures:

- \$ 187,549 - Code enforcement/building inspector and plans examiner added mid-year 2015, added two FTE's due to increase in development activity.
- \$50,000 - Increase in contracted services to assist in permit and development processing due to fluctuation in demand development activity.
- \$50,757 - Development code enforcement moved from Community Planning to Permit Services.
- \$109,244 - Increase in services provided by Public Works Engineering section.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Building Inspector	3.00	3.00	3.00
Building Plans Examiner	2.00	3.00	2.00*
Code Enforcement Officer	3.00	3.00	2.00*
Electrical Plans Examiner	1.00	1.00	1.00
Engineering Plans Examiner	2.00	- **	-
Office Specialist III	1.00	1.00	0.25**
Program & Planning Supervisor	1.00	-*	-
Senior Plans Examiner	-	-	1.00*
Supervisor III	1.00	1.00	1.00
Supervisor IV	-	1.00*	1.00
Total	14.00	13.00	11.25
* Reclassified			
** Reorganization to other programs			

Program Description

Permit Services works for the protection of life, the environment, and property. This group is responsible for private development construction permit reviews and the inspections of buildings.

Trends

Permitting for single-family residences were down in 2015 after the spike in mid-2014 due to the July 1, 2014 residential sprinkler requirement and are expected to stay at 2015 levels in 2016, pending the outcome of a new 400-lot development application and continuation of a 2014 subdivision that are currently in land use review. New commercial projects and commercial tenant improvements increased in 2015 and this trend is expected to continue in 2016. Construction funding for a new state office building passed in the state's budget and significant plan review and permit revenue is expected, starting in late 2015 and continuing into 2016.

Due to the increase in commercial building in 2015, CP&D was approved to add one Commercial Plans Examiner and one Building Inspector. This will not fulfill the need during peak times so the Division will continue to use consultant plan reviewers as needed, monitoring the budget impacts.

The Code Enforcement team of two continues to focus on downtown issues, graffiti management, vegetation management, and response to neighborhoods.

Program Budget Overview

One Code Enforcement Officer (the Downtown Liaison) position was moved from Code Enforcement to the new Economic

Development line of business. Funding for the Downtown Ambassador Program was also moved from Code Enforcement to Economic Development, as the Downtown Liaison manages this program.

Revenues in 2015 from permitting activity will be dominated by the 1063 Capitol Way state office building and other new commercial projects and commercial redevelopment. Revenues from single family home-starts will be similar to 2015, as no major changes to the building codes or permit fees are anticipated.

Future Challenges and Opportunities

In 2016 the Division will implement new community services software which will be a cloud-based solution with annual hosting and maintenance fees that are not currently budgeted for. The Division will look for ways to pay for these new fees, which are an increase from the old, on-premises, server-based software system.

The need for flexibility in staff assignments will be necessary for the foreseeable future as we experience the increased workloads that an improving economy brings. Making wise hiring choices will benefit the Division as staff that are cross-trained in multiple areas (for example Building Inspectors that are also trained to do Code Enforcement) will allow us to strategically place staff where needed and evolve with the changing economic climate while still serving our public effectively. Staff will be heavily involved in implementing new community services software in 2016, and will start to change processes including new online permitting and inspection.

Invigorating downtown through economic development and continued code enforcement is a priority for the City and for the Division.

Permit Services (continued)

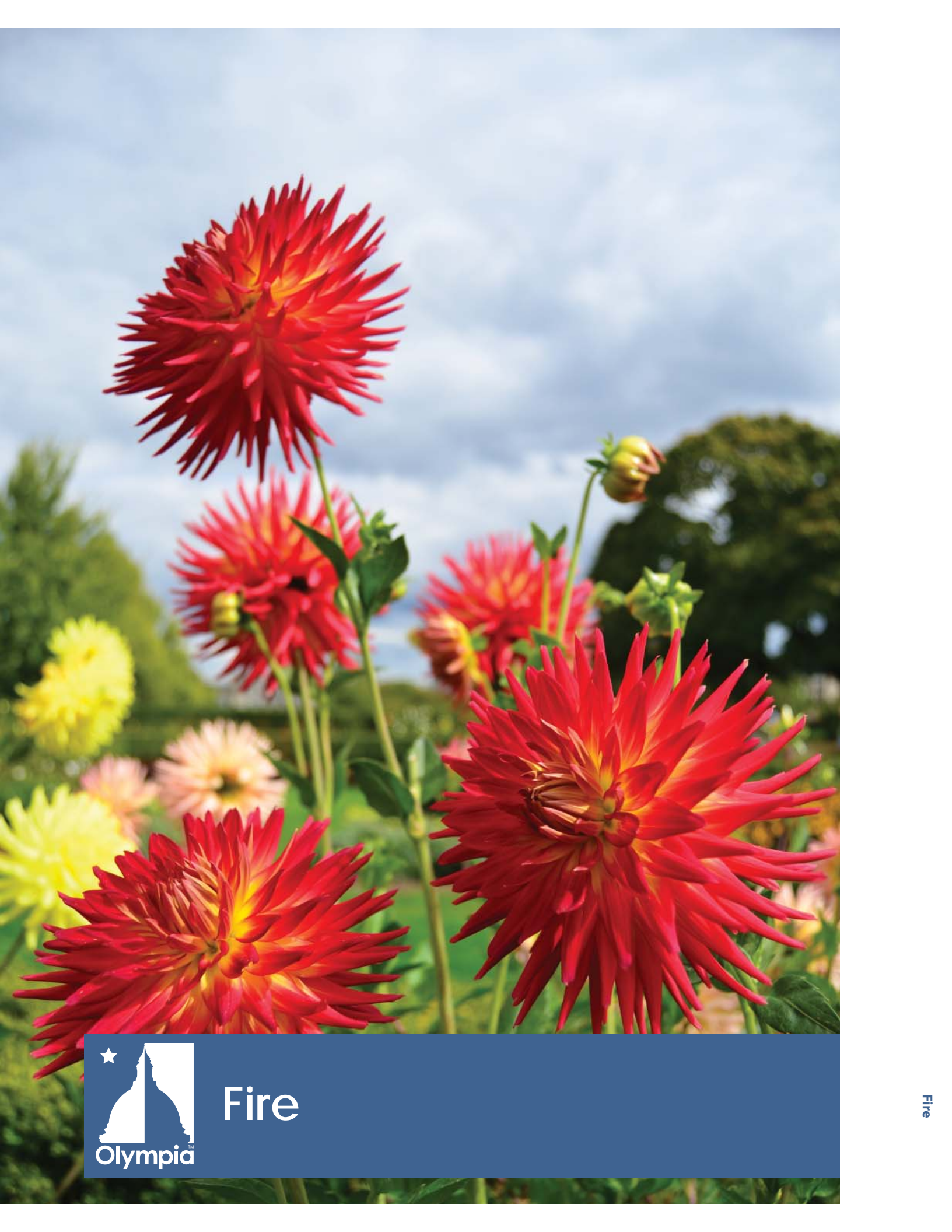
Recent Accomplishments

- In combination with community partners, established and opened a Downtown Welcome Center.
- LEAN process improvement to streamline the building permit final inspection process, saving staff time and improving turnaround times for customers.
- Plan-checked the new 1063 Capitol Way state office building, a 225,000 square foot LEED Platinum building.
- Acquired new building permitting and inspection software that will provide online services to our customers.

<i>Key Result Measures - Permit Services</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Single-Family Plan Review Time	14 days	10 days	14 days	14 days
Commercial Tenant Improvement Plan Review Time	15 days	10 days	14 days	14 days
New Commercial Plan Review Time	60 days	28 days	45 days	45 days
Close Cases Without Issue of Civil Infractions or Hearings Examiner Appeal	90%	99%	99%	99%

<i>Service Profiles - Permit Services</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Residential Permits Issued	154	94	100
Commercial Tenant Improvement Permits Issued	134	150	160
New Commercial Building Permits Issued	26	15	20
Total Permits Issued	4,935	4,988	5,000
New Code Enforcement Cases — Total	523	450	450
Abandoned Vehicles Processed	210	204	200



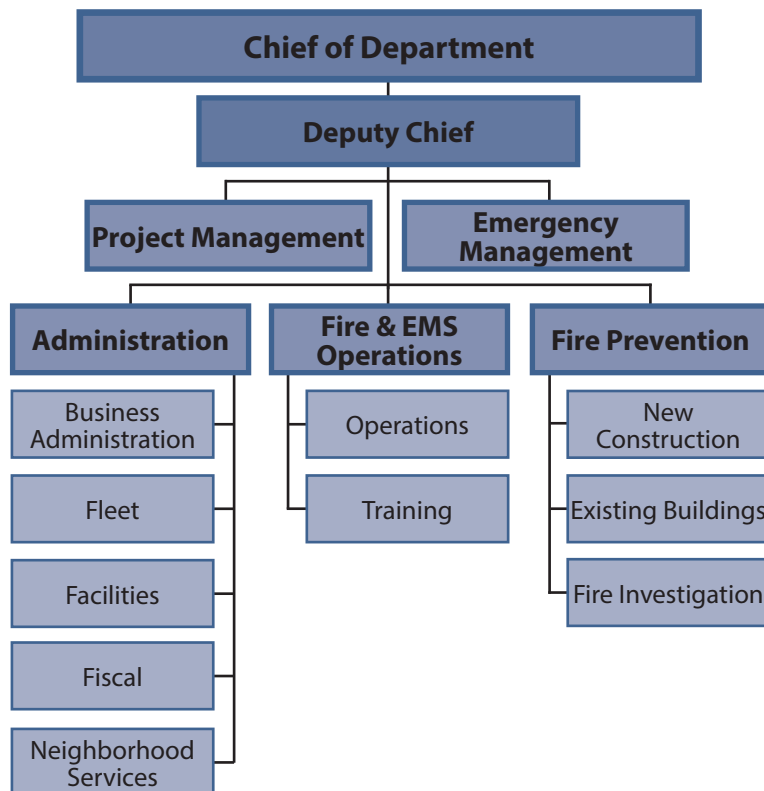


Fire





Fire



Mission

Prevent Harm... To People and Property
Thrive... Organizationally and Personally
Be Nice... Whenever We Can

Vision

To be recognized by our Community and Members as:

- A model of excellence in providing fire protection and emergency medical services.
- A learning organization employing knowledge and empowerment, practicing adaptability, involvement, and professionalism.
- An organization that values diversity and treats everyone with respect, courtesy, and dignity.

Fire Department Overview

<i>Department Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Administration	\$ 1,405,790	\$ 1,418,444	\$ 1,589,423	\$ 170,979
Fire/EMS Operations & Training	12,035,763	12,178,348	12,418,379	240,031
Fire Prevention	671,173	748,106	770,128	22,022
Total Expenditures	\$ 14,112,726	\$ 14,344,898	\$ 14,777,930	\$ 433,032
<i>Recap of Expenditures</i>				
Personnel Services	\$ 12,714,188	\$ 13,102,633	\$ 13,399,564	\$296,931
Supplies & Services	1,004,386	896,140	1,015,171	119,031
Capital Outlays	12,208	-	-	-
Interfund Payments	381,944	346,125	363,195	17,070
Total Expenditures	\$ 14,112,726	\$ 14,344,898	\$ 14,777,930	\$ 433,032
Program Revenues	3,462,049	3,495,372	3,501,816	6,444
Funding from Program Revenues	\$ 10,650,677	\$ 10,849,526	\$ 11,276,114	\$ 426,588

Department Overview

In the spring of 2015, the Washington Survey and Rating Bureau awarded the Olympia Fire Department's emphasis on service excellence by upgrading our insurance rating from a Class III to a Class II Fire Department. This superior rating is the culmination of hard work in all areas of the Department's performance. Olympia joins, Seattle, Bellevue, and Federal Way as one of the four best-protected communities in the state. For a point of reference, there are no class I cities in Washington. The City of Olympia's business community will now have an opportunity to reduce their insurance cost by an estimated 15% or more; additionally it is attractive to future businesses that may wish to relocate to the City of Olympia.

Serving a Community during Crisis

The Olympia Fire Department's (OFD) mission is to serve the people in their time of need. The Fire Department is called upon for assistance in a variety of emergency and non-emergency situations. When someone's life is in danger due to fire or acute medical concerns, they call the Fire Department. Such 9-1-1 calls are responded to with compassion and professionalism. Even when the emergency is determined not to be life-threatening, Fire Department members continue providing care and reassurance to help the citizen. Thurston County is among the highest survivability communities in the United States for cardiac arrest events that happen in the field. The City of Olympia, its citizens, and its first responders are a big part of this nationally recognized success.

Along with hiring and retaining talented and dedicated members, several other factors are critical when our members respond to citizens in distress. Quality training and reliable equipment are two vital elements in a successful outcome for all emergency events.

Quality Training

Training for firefighters and fire officers is critical as they operate in complex, dangerous, dynamic, and emotionally charged environments. The Mark Noble Regional Fire Training Center (MNRFTC) prepares our firefighters for the hazards of the job.

Proper training makes the difference between life and death during emergency operations.

Overview of the Mark Noble Regional Fire Training Center

The Olympia Fire Department's recently opened training center is situated on an eight-acre parcel of land located in the southeast area of the City. This training facility is a state-of-the-art training complex that features technological advancements and innovative design to better address the needs of the fire service. More than 25 fire agencies have been trained over the last two years, and we anticipate continued growth.

Reliable Equipment

The Department maintains and replaces equipment as needed to support our mission to prevent harm to people and property. For apparatus or "rolling stock," the Department generally follows a fleet replacement schedule for our fire engines and ladder truck of 12 years for frontline service and another 13 years for reserve apparatus. Fleet Maintenance is the key to reliability and longevity in our fleet. Olympia's Fleet program has become a model for our fire service and emergency response neighbors.

Overview of Fleet Program

In 2016, The Olympia Fire Department's Fleet Maintenance Team will be comprised of one Fire Master Mechanic and three Master Mechanics along with a 0.25 Inventory Control Specialist. The four Mechanics are certified in repairing fire apparatus and emergency vehicles. Fire and Emergency Medical response vehicles must perform at a very high level of reliability with complex electrical and mechanical systems working together. Certified Emergency Vehicle Technicians are the only level of mechanics that can provide this level of expertise. This specialized team of highly skilled mechanics has given us the ability to perform apparatus repairs for seven regional fire service customers while collecting adequate revenue to provide three full-time mechanics, rent a building capable of working on multiple fire apparatuses simultaneously, and generate additional revenue to pay for increasing Department fleet maintenance expenses.

Budget Overview

Economic factors, combined with rising homelessness and a steady growth of our senior population, creates continued demand and new complexities for emergency services. This results in an increase in patient/rescuer interaction as emergency services are utilized in place of traditional medical care. The increased demand coupled with a declining operating budget will continue to stretch the Department's capacity to provide sufficient, timely, and economical services.

The fiscal decline within our City's economy resulted in the Department having to cut two front-line positions in 2013; a Firefighter Inspector and a Firefighter/EMT. With the award of a Staffing for adequate Fire and Emergency Response (SAFER) grant, two fire positions were restored in 2014 with funding extending through the 2016 budget. In 2016 revenues will replace grant funds.

Future Trends and Challenges

The Olympia Fire Department's 2004 to 2014 Master Plan cited a number of potential Departmental improvements. Two major items were the opening of Station Four and the construction of the MNRFTC, both of which have been completed. The Master Plan remains relevant and provides a roadmap for the department. Many of the other goals cited in the 2004 plan hinged on the completion of Station Four and the Training Center. The Department continues projecting for future service demands using trend analysis of call demand, growth projections in demographic and economic analysis of the City, and the need for specialty services. Projected service demands are compared with available resources in order to develop future resource needs. A significant challenge will be the annexation of the southeast UGA and the need to relocate the current Eastside Fire Station to maintain uniform response time standards in a larger service area. While the Department provides excellent service within its financial limitations, a continued improvement analysis has identified the following:

Areas for Continued Analysis:

- Although fire suppression coverage has been addressed with the opening of Station Four, the Department will continue to closely monitor response times Citywide.
- OFD must prepare to address other specialized rescue capabilities by increased training or equipment or joining regional response teams.
- Search for ways to respond to non-acute medical calls for service.

Recent Accomplishments

- Increased Fire Insurance Rating from Class III to a Class II by the Washington Survey and Rating Bureau. There are only four Class II cities in the state and no Class I.
- Use of automatic aid, mutual aid agreements, and joint service agreements with other fire and emergency services agencies.
- Expansion of business models in fleet and training providing added revenue.
- OFD taught CPR instruction and issued "CPR Awareness" cards to 450 Olympia School District freshmen.

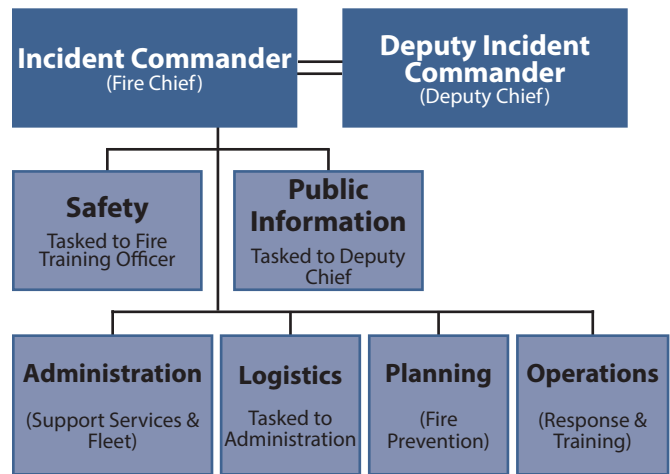
Organizational Design to Meet the Department's Mission

The following sections will emphasize how the financial resources allocated to each division of the Department are used to support the Fire Department's mission. The Department is divided into three divisions:

- Administration and Logistics—providing the support for the 24/365 daily mission of the Department.
- Fire and EMS Operations—responding to the requests for emergency service 24/365.
- Fire Prevention & Planning—ensuring the public safety in new buildings and existing businesses, public education.

NIMS (National Incident Management System) Compliance Requirement

NIMS Compliance addresses all hazard incident management. The chart below displays how the Department meets federally-mandated NIMS Compliance in our organizational structure and service delivery.



Administration

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 799,587	\$ 934,373	\$ 1,002,646	\$ 68,273
Supplies & Services	584,615	464,496	562,702	98,206
Interfund Payments	21,588	19,575	24,075	4,500
Total Expenditures	\$ 1,405,790	\$ 1,418,444	\$ 1,589,423	\$ 170,979
Program Revenue	362,669	424,900	494,900	70,000
Funding from General Revenues	\$ 1,043,121	\$ 993,544	\$ 1,094,523	\$ 100,979

Highlights of Department Budget Changes

Revenue increase primarily due to charges to other Fire Departments for vehicle and equipment maintenance.

\$ 95,000 - Increase in parts for vehicle and equipment repair services to other Fire Departments. Previously parts were provided by the other departments and the City used them to repair their equipment which meant the maintenance of multiple inventories. With this change the City will purchase all parts and bill back to other departments.

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Administrative Secretary	2.00	2.00	2.00
Fire Chief	1.00	1.00	1.00
Inventory Control Specialist	-	0.25*	0.25
Line of Business Director	1.00	1.00	1.00
Master Fire Mechanic	1.00	1.00	1.00
Master Mechanic	2.00	3.00**	3.00
Service Specialist	-	-	-
Total	7.00	8.25	8.25

* Transfer from Public Works Fleet

** Reclass of Service Specialist transferred from Public Works Fleet

Program Description

The Administration Division of the Olympia Fire Department (OFD) provides administrative and support functions for all divisions within the Department. This program is responsible for coordination and management of the budget, project management, fleet, records management, and billing services for Fleet, Medic One, and the MNRFTC.

Emergencies do not follow a schedule; therefore it is essential that support services are available when the need arises. The Administration Division mobilizes day or night to support response activities whenever there is a need, including greater alarm fires and disaster situations. Emergent apparatus repairs for OFD and our regional fleet maintenance customers are provided 24 hours a day, seven days a week, 365 days per year.

Good fiscal management is the primary function of the Administrative Division. Without effective management from the division, the mission of the Fire Department cannot be delivered.

Fiscal Systems: Extend the City's fiscal accounting and reporting system to the Fire Department and coordinates billing for all fleet services, Medic One, and the rental of the MNRFTC.

Business Administration Systems: Provides personnel, records, public records requests, and technology management services to Department members, the community, and other City departments.

Fleet Systems: In 2015, OFD Fleet Services repositioned the service technician's position to a master mechanic to better serve our customers. OFD Fleet services maintain OFD's apparatus and vehicles, Thurston County Medic One, Tumwater Fire Department, Lacey Fire District 3, and four other Thurston County Fire Districts. The fleet program excels in providing maintenance and safe operations for the Department's and County's fire ground apparatus, equipment, staff cars, medic units, and major mechanical operating equipment.

Facilities Systems: Provides maintenance to all Fire Department buildings, grounds and systems to maintain a safe and healthy working environment for the members and community.

Trends

Uncovering and creating new funding is a recent trend that will continue for the foreseeable future. Finding new revenue streams is challenging in today's economy. Any new revenue-producing endeavor must provide high quality service, enhanced safety, and sustainability. The Administrative Division looks for opportunities to maximize the use of personnel and property in a way that generates funds for the City. No other Division within the Fire Department has this focus.

Program Budget Overview

The cost of supplies and services necessary to support the mission of the Department continues to increase due to inflation and increased call volumes. Expanding requests for service not only impacts apparatuses, but places additional demands on Fire Department systems and structures.

The budget reflects an overall increase as a direct result of labor, benefits, and service costs.

Future Challenges and Opportunities

During 2016, the Administrative Division will continue to be a key player in the administration and financial growth of the Mark Noble Regional Fire Training Center and the regional fleet vehicle maintenance repair shop.

Projects Completed or Currently Underway

- Continue moving towards a mission-driven, performance-based budget process as part of the Department's efforts to track performance measures.
- Optimize existing cost recovery programs as part of the budget process.

- Carefully assess cost recovery and billing rates for new programs with an eye towards expanding the Department's revenue.
- Repair existing facilities with the conservation of natural resources in mind and, when possible, with LEED-compliant certification results.
- Repair vehicles with the conservation of natural and fiscal resources in mind.

Future Potential Projects

- As the Department develops experience with its new fleet maintenance program, replacement of apparatuses will occur on an individual basis, taking into account actual maintenance costs, appropriateness of the equipment for response, technological improvements, and firefighter safety.
- In a joint effort between OFD's and Public Work's Fleet programs, purchase a software program that supports all the business needs for both departments and their customers. The new software is scheduled to go live January 1, 2016.
- Anticipate future facility remodeling needs and develop a facility remodeling schedule for future capital budgets.

Recent Accomplishments

- On-going coordination with the Training Division as we develop an efficient billing procedure for the rental of the MNRFTC.
- Fiscal management of the SAFER Grant.
- Ordered two new fire engines - one for Olympia Fire Department; and one for Tumwater Fire Department.



Key Result Measures - Administration	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Emergency vehicles arriving on scene without system failures	100%	100%	100%	100%
Preventive maintenance for all vehicles within the Department completed on time and in accordance with national safety standards	98%	98%	98%	98%
Bills processed and sent to City Hall within 10 days of receipt	98%	100%	100%	100%

Service Profiles - Administration	FY 14 Actual	FY 15 Estimate	FY 16 Budget
False Alarm Billings	120	120	120
Inspection Billings	2,208	2,300	2,450
Occupant Files Maintained	2,239	2,245	2,280
OFD Fire Apparatus & Vehicle Maintenance	38	38	38
Trailers	3	3	3
Generators	3	3	5
Breathing Air Systems	3	3	5
Boat	1	1	1
Members supported for: Payroll, Scheduling, Union Contract Administration, Risk Management, Information Management, Business Administration, Fiscal Oversight of Department's Budget	96	97.25	97.25

Fire / EMS Operations and Training

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 11,293,528	\$ 11,468,334	\$ 11,676,105	\$ 207,771
Supplies & Services	400,084	401,959	422,784	20,825
Interfund Payments	342,151	308,055	319,490	11,435
Total Expenditures	\$12,035,763	\$12,178,348	\$ 12,418,379	\$ 240,031
Program Revenue	2,622,015	2,635,472	2,556,916	(78,556)
Funding from General Revenues	\$ 9,413,748	\$ 9,542,876	\$ 9,861,463	\$ 318,587

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Assistant Fire Chief	1.00	1.00	1.00
Battalion Chief	3.00	3.00	3.00
Deputy Chief	1.00	1.00	1.00
Fire Captain	2.00	2.00	2.00
Fire Lieutenant	21.00	21.00	21.00
Fire Lieutenant Paramedic	3.00	- *	-
Firefighter Paramedic	15.00	14.00**	14.00
Firefighter	38.00	38.00	38.00
Line Medical Officer	-	3.00*	3.00
Medical Services Officer	-	1.00**	1.00
Total	84.00	84.00	84.00
* Converted 3.0 FTEs from Fire Lieutenant Paramedic to Line Medical Officer			
** Reclassified 1.0 FTE from Firefighter Paramedic to Medical Services Officer			

Program Description

The Fire and EMS Operations and Training Division continues to strive to provide the highest level of protection for the citizens of Olympia. Emergency response includes fire suppression and emergency medical services, as well as hazardous materials and other technical rescues. The Division coordinates all interactions of the uniformed Department members with the public in both emergency and non-emergency situations. In 2016, the Training Division will contract with Lacey, Tumwater, and other Fire Departments to extend fire ground training to their members and bring revenue to the City.

Trends

In 2016, the Division will continue to leverage technology to maximize our training efficiency. The Division has implemented Target Solutions training software to distribute, record, and track assigned required fire and emergency medical training. We will continue to utilize video training produced with the help of our training partners to reinforce identified best practices. Utilizing the technology available and partnering with Lacey and Tumwater increases our efficiency and quality of emergency response training. These efforts result in a cost-effective means to reduce staff hours for the City and for our regional fire service customers.

The Division will look for revenue opportunities by entering into additional contracts with various Thurston County and Regional Fire Departments.

Program Budget Overview

The cost of supplies and services necessary to support the mission of the Department continues to increase due to inflation and increased call volumes. Expanding requests for service not only impacts apparatuses, but places additional demands on Fire Department staff. The budget reflects an overall increase, as a direct result of labor, benefits, and service costs.

Future Challenges and Opportunities

Projects completed or currently underway:

- Staffing the Mark Noble Regional Fire Training Center (MNRFTC) to meet the State of Washington's and OFD's training requirements for live fire training.
- Expanding our partnership of fire and rescue training model to EMS training.
- Continue the analysis of Fire and EMS calls for response times and the distribution of emergent and non-emergent demand. Identify ways to maintain the current level of service in an efficient manner.
- Tracking responses to non-emergency incidents for services to the FDCARES program and a non-traditional response resource.

Future potential projects:

- Establish reasonable community expectations, assess efficiency and effectiveness of the Department's services, and identify practices that lead to superior service.
- Provide state-of-the-art firefighter training to members of the Olympia Fire Department and the regional partner, while striving for 100% cost recovery for the MNRFTC.

Recent Accomplishments

- Finalized and launched Target Solutions to distribute, track and record the following:
 - Safety Training
 - Fire Training
 - EMS Training
 - Administrative Training
- A Medical Services Officer was reassigned to coordinate and elevate EMS training.
- Fall of 2015, OFD combined medical support at all home football games with CPR instruction onsite at ball games
- OFD coordinated a CPR Championship competition between Olympia High School and Capital High School during the annual "Spaghetti Bowl".

Key Result Measures - Fire/EMS Operations and Training	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
% Fire Responses in 6 Minutes*	90%	50%	50%	60%
% Medical (Basic Life Support) Responses in 6 Minutes*	90%	58%	60%	60%
% Medical (Advanced Life Support) Responses in 9 Minutes	90%	97%	97%	97%
% Full Deployment on Structure Fires within 10 Minutes	90%	76%	76%	80%

* Response times are the standard adopted by City Council and standard for the industry.

Service Profiles - Fire/EMS Operations and Training	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Fire Calls (other than Basic Life Support)	2,679	2,700	3,000
Advanced Life Support Calls	2,715	3,100	3,200
Basic Life Support Calls	6,325	6,400	6,600
Property Dollar Loss (Due to Fires)	\$1,000,000	\$1,000,000	\$1,000,000
Average Response Time	6:04	6:00	6:08
Fire (not EMS)	6:16	6:20	6:36
Emergency Medical Services (EMS)	6:00	6:00	5:58
Emergency Operations Center Activations and Drills	2	2	2

Fire Prevention

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 621,073	\$ 699,926	\$ 720,813	\$ 20,887
Supplies & Services	19,687	29,685	29,685	-
Capital Outlay	12,208	-	-	-
Interfund Payments	18,205	18,495	19,630	1,135
Total Expenditures	\$ 671,173	\$ 748,106	\$ 770,128	\$ 22,022
Program Revenue	477,365	435,000	450,000	15,000
Funding from General Revenues	\$ 193,808	\$ 313,106	\$ 320,128	\$ 7,022

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Asst. Fire Chief/Fire Marshal	1.00	1.00	1.00
Fire Captain	1.00	1.00	1.00
Fire Inspector Lieutenant	1.00	1.00	1.00
Fire Inspector/Firefighters	2.00	2.00	2.00
Total	5.00	5.00	5.00

Program Description

The mission of the Fire Prevention Division is to prevent fires and provide fire education that will minimize loss of life, injuries, and property loss for the citizens and the responders. Fire Prevention fulfills this critical public safety function by inspecting commercial properties and providing fire industry plan review for all new construction projects within the City. Additionally, the Division supports the Operations Division through fire investigation. Results from these investigations are used to educate firefighters about the specific causes of fires so that the information can be applied to mitigate future fires thus meeting the mission of minimizing loss of life, injuries, and loss of property.

Fire Prevention participates with other City departments in conducting land use development plan review, new construction plan review, fire sprinkler and fire alarm construction permits, special permit inspections, fire investigation, and hazardous materials compliance. The Fire Prevention Division conducts fire safety training with fire extinguishers, preparedness classes and evacuation planning for specific occupancies (assemblies, high rises, etc). The Division provides fire education classes within schools. The Fire Prevention Division is organized into three program areas of responsibility—new construction, existing construction, and fire investigation.

Trends

The Fire Prevention Division continues to work hard at preventing structure fires and limiting injuries from fires within the business community. Additionally, efforts towards public education for elementary age students and adults is expected to impact fire losses in residential properties.

New development planning, construction, and plan reviews continue to push resources to the limits. Residential fire sprinklers are now in at least 50 new homes and several business occupancies that previously did not have them. This will have a positive effect on future fire losses.

Program Budget Overview

The Fire Prevention Division's 2016 budget reflects the maintenance of the reinstated Firefighter/Inspector position through inspection fee revenues. Construction is trending upward and Firefighter/Inspectors are used to support new construction inspections as needed.

Future Challenges and Opportunities

- Fire Investigators continue to meet and work together with Lacey Fire District 3. We will continue to enhance joint training opportunities.
- The ability to meet training requirements continues to prove challenging. All opportunities for quality, affordable training in prevention, investigation, firefighting and EMS are used.
- The Department is working hard to meet the growing demands for public contact and education for events, C-Prep, and fire safety/extinguisher training.

Recent Accomplishments

- All Prevention Division members have attended the National Fire Academy in the last year for prevention, leadership, or investigation classes.
- The Fire Marshal recently completed "Blue Card" Incident Command training and is certified for incident response at the Command level.

Key Result Measures - Fire Prevention	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Semi-Annual Occupancy Inspections Accomplished on Time	99%	99%	99%	99%
Annual Occupancy Inspections Accomplished on Time	99%	99%	99%	99%
% Plan Reviews and Field Inspections Completed on Time Per Month	95%	99%	99%	99%
Major Code Violations Cleared per Quarter	99%	99%	99%	99%
Initial Fire Investigations Completed Within 24 Hours	100%	100%	100%	100%

Service Profiles - Fire Prevention	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Commercial Inspections	2,244	2,250	2,577
Plan Reviews	500	500	500
Fire Investigations	12	15	15
Juvenile Fire Setter Contacts	10	10	8
Complaints	5	5	5
Hazardous Operations Permits	10	10	11







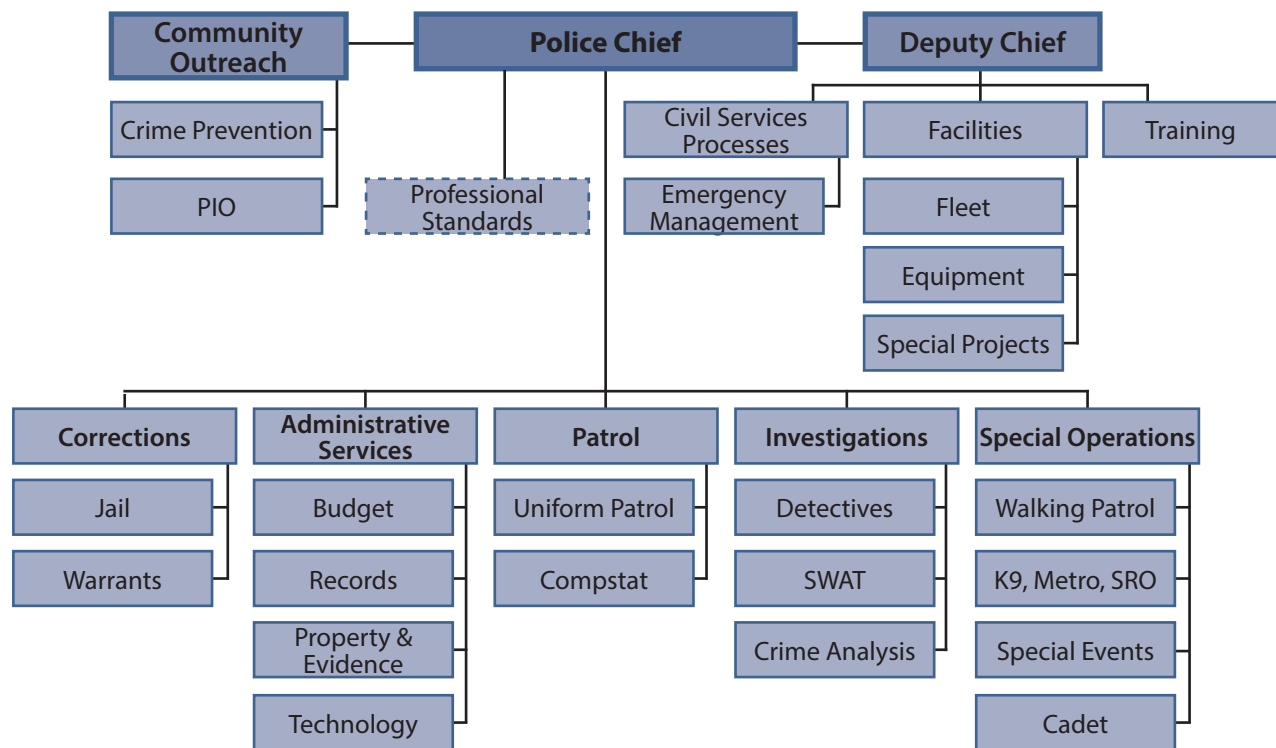
Police







Police



Mission

The mission of the Olympia Police Department is to consistently earn the trust of the residents and visitors in our community. We accomplish our mission through a team approach to proactive policing, corrections, community education and support services. We are recognized as compassionate, respectful, highly-trained, innovative people who are dedicated to making a positive difference in the City of Olympia.

Police Overview

<i>Department Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Policing Services and Administration Services	\$ 12,016,509	\$ 12,463,752	\$ 12,778,619	\$ 314,867
Correction Services	2,378,991	2,360,758	2,441,907	81,149
Total Expenditures	\$ 14,395,500	\$ 14,824,510	\$ 15,220,526	\$ 396,016
<i>Recap of Expenditures</i>				
Personnel Services	\$ 11,960,030	\$ 12,401,104	\$ 12,661,201	\$ 260,097
Supplies & Services	1,710,397	1,734,897	1,781,523	46,626
Interfund Payments	725,073	688,509	777,802	89,293
Total Expenditures	\$ 14,395,500	\$ 14,824,510	\$ 15,220,526	\$ 396,016
Program Revenues	171,737	315,388	342,243	26,855
Funding from General Revenues	\$ 14,223,763	\$ 14,509,122	\$ 14,878,283	\$ 369,161

The Olympia Police Department

The primary goal of the Olympia Police Department (OPD) is to build trust with the community. Trust is built through relationships. The Department, through the Strategic Plan adopted in 2015, has made public outreach one of its prime objectives. We have been working diligently towards this goal by planning and implementing changes within the Department. The effort has permeated each strategic decision the Department has made, from hiring staff and making promotions, to training our employees, to re-organizing the Department. In 2016, the Department will continue to build trust with the community, expanding our formal community outreach to include liaisons with different demographic groups and to our neighborhoods. On an informal level, staff at all levels are encouraged to find opportunities to interact with the public outside of their enforcement duties. In addition, the Department will seek out new methods for communicating with the public, sharing our experiences with them so that they feel comfortable sharing their experiences with us.

To accomplish our mission, it is important for the Department to be fully staffed. In 2015, we briefly enjoyed full staffing, after hiring thirty Police Officers, four Corrections Officers, and four administrative staff over the last four years. However, retirements at OPD will be a fact of life for several more years. Most urgently, in 2016, retirements are expected at the management and supervisory levels, as well as among our subject matter experts. Preparing newer staff to take on leadership roles is a priority for the Department. In addition, promotions give rise to vacancies in lower ranks. We anticipate a continued need for hiring for entry-level officers, a task which has become more difficult as the economy has strengthened and applicants have more choices.

Budget Overview

Expenses

The 2016 Police Department budget is largely stable. The budget includes enhanced funding for new officer training needs as the Department anticipates hiring five to eight new officers in 2016. Expenses for Fleet have increased by 14%, a significant negative impact to our budget. Jail healthcare costs continue to rise and the Department will require additional funding to meet the medical needs of the Jail inmates. Unmet needs in the 2016 budget include sufficient overtime funds for both Policing Services and

Corrections Services. In Patrol, overtime costs will be driven by officers in training and vacancies. In the Jail, current staffing levels are not sufficient to ensure staffing needs during anticipated absences for vacations and illness. Overtime costs in Patrol will be somewhat offset by salary savings, but no salary savings in Corrections are expected to balance overtime spending.

Revenues

Revenues will remain largely unchanged in 2016. Cost recovery from DUI cases is trending somewhat higher than expected.

Future Challenges

The Olympia Police Department will continue to be challenged by staff turnover. Significant turnover, especially in the Patrol and Corrections ranks, affects the Department's budget in several ways: the cost of recruitment and training; the cost of outfitting a new employee with uniforms, equipment, etc.; the cost of overtime to cover the position until the new recruit has been fully trained, which takes nearly 12 months for a police officer recruit; and cash-out of accumulated annual leave and compensatory time upon retirement. The additional expenses related to turnover will stress the Department's ability to pay for essential supplies and equipment.

The use of technology in policing continues to expand. Currently, the Department is supported by one FTE for law enforcement-related software and hardware. Officers, corrections officers, and administrative staff are all dependent on their technological tools to perform their jobs. The workload of maintaining both systems and software exceeds the capacity of one FTE. A more robust support model will allow the Department to maintain and implement the tools necessary for policing in a modern environment.

The City, the Department, and the community are in favor of implementing body-worn video cameras. Considerable research has already been done to determine the opportunities and challenges related to a body-worn camera program. Opportunities include greater police transparency, less community concern about police activity, and better behavior by suspects. Challenges include privacy for citizens, workload considerations for administrative staff, and considerable cost for data management and storage.

Office of the Chief

Program Description

The Office of the Chief comprises programs that have department-wide responsibilities. Training, civil service processes, facilities management, fleet management, and emergency management all fall under the Office of the Chief and are managed by the Deputy Chief. Professional Standards is led by the Investigations lieutenant who reports directly to the Chief on personnel matters. In 2015, the Department created a new Division, the Community Policing Division. This Division coordinates the Department's community outreach efforts and manages the Department's public information programs. Community Programs also falls under the Community Policing Division and is responsible for coordinating the Department's crime prevention and community education activities. Neighborhood Block Watch, Speed Watch, Pedestrian Watch, volunteer event staff services, fingerprinting, crime reduction, multi-housing services, vacation house checks, disabled parking enforcement services, and community education classes are programs currently managed by the Unit.

Trends

Policing throughout the country is moving from a "warrior" mentality to a "guardian" mentality. The Office of the Chief will take the lead in ensuring that OPD staff are well-trained in community policing techniques and incorporating the community policing principles in daily interactions with the public.

Budget Overview

In 2015 the Department was substantially reorganized. The Office of the Chief was created and the existing budget has been used to fund the new structure. In 2016, the training budget is increased to reflect the cost of a significant number of new hires due to retirements.

Future Challenges

Enhanced community engagement presents the Department with many opportunities to develop trust between OPD and many sectors of the community. As relationships grow stronger, we can expect higher levels of commitment from the community.

OPD anticipates several retirements at the management level. This will present us with the opportunity of introducing new management staff, while at the same time it will require experienced managers to mentor and train. We will continue to be challenged to maintain a steady complement of officers, as well, and considerable effort will be needed to hire and train new recruits.

Recent Accomplishments

- The Department established a LGBT liaison in 2014. The position grew substantially in 2015 with OPD attending LGBT-related events at the local high schools and within the community.
- 2015 marked the first year that OPD marched in the PRIDE parade.
- OPD expanded its public communications through social media, including: Twitter, NextDoor, and Instagram. The website was also used effectively to keep the public informed about local crime trends and police events.

<i>Key Result Measures - Office of the Chief</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Volunteer Hours Donated	10,000	9,450	9,650	9,500
In-Service Training Hours Offered	144	160	172	172

<i>Service Profiles - Office of the Chief</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Community Events Attended	N/A	10	15
Citizen Complaints Received/ Investigated	9	10	10

Administrative Services and Policing Services

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 10,340,012	\$ 10,765,794	\$ 10,965,489	\$ 199,695
Supplies & Services	959,031	1,015,506	1,047,389	31,883
Interfund Payments	717,466	682,452	765,741	83,289
Total Expenditures	\$12,016,509	\$12,463,752	\$12,778,619	\$314,867
Program Revenue	160,235	309,388	337,243	27,855
Funding from General Revenues	\$11,856,274	\$12,154,364	\$12,441,376	\$342,722

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Administrative Secretary	1.00	1.00	1.00
Commissioned Officers	68.00	68.00	68.00
Computer Support Specialist	1.00	1.00	1.00
Crime Analyst	1.00	1.00	1.00
Evidence Custodian	1.00	1.00	1.00
Lead Worker	-	1.00*	1.00
Line of Business Director	1.00	1.00	1.00
Police Cadet	0.50	0.50	0.50
Police Services Specialist	5.40	4.90*	4.90
Secretary	1.00	2.00**	2.00
Senior Program Specialist	1.00	1.00	1.00
Supervisor IV (Records Manager)	1.00	1.00	1.00
Total	81.90	83.40	83.40

* Reclassification
** Position added in 2015

Administrative Services - Program Description

The Administrative Services Division is responsible for the law enforcement records unit, the evidence unit, and the technology unit. Civilian personnel staff these programs. Records staff maintain official records, provide direct customer service at the Department's service desk, and manage all requests for information. Evidence staff process evidence and ensure it is properly maintained. The technology staff keeps multiple software programs and hundreds of pieces of hardware operating on a daily basis. The Administrative Services Division also provides other key services, such as fiscal management, policy development, and contracting.

Administrative Services - Trends

Policing continues to be a focus of public records requests in the City. To meet the demand, the Department has assigned one employee to exclusively manage records requests, while other staff are also needed to ensure that requests are handled as timely as possible. The role of technology in policing continues to grow. New technical applications and tools that can substantially improve policing are regularly being developed and implemented. Body-worn cameras are receiving considerable attention nationwide, with the Federal government encouraging their use.

Administrative Services - Program Budget Overview

The budget for the Administrative Services Division is essentially static. Any additional technology tools, including body-worn cameras, will generate a substantial increase in staffing costs and equipment costs.

Administrative Services - Future Challenges and Opportunities

Workload remains a primary challenge for the law enforcement records unit. Records requests continue to flow in with many of them far-reaching in scope. Incidents that capture the public's attention cause spikes in requests that are difficult to manage effectively. Another records challenge has been the disparate record-keeping systems amongst the criminal justice agencies: OPD, City and County Prosecutor's Offices, and the Courts. Locally, OPD is partnering with the City Prosecutor's Office and the Municipal Court to explore options that would allow for significant stream-lining of work flow between the various offices.

Technology use in the field is another area that presents both opportunities and challenges. Investigative and analysis tools continue to proliferate and can substantially improve policing. However, the cost of implementing the tools is often high and the cost of maintaining them higher still as the Department lacks adequate technological support.

Administrative Services - Recent Accomplishments

In 2015, Administrative Services staff reached out to other Divisions to provide services proactively. Rather than waiting for a large investigation to be completed before managing the related records, administrative staff volunteered to become involved early in the process. The result was a better relationship between the Divisions and significantly streamlining of the record management function. Similarly, the Evidence Custodian worked side-by-side with Detectives on significant cases, ensuring that large amounts of evidence were properly managed in the most efficient manner possible.

Policing Services - Program Description

Policing Services encompasses the strategies and services necessary to meet the legally mandated enforcement and order maintenance functions of the Police Department. It is composed of three divisions: the Patrol Division, the Special Operations Division, and the Investigations Division.

The Patrol Division provides core law enforcement services. Officers are assigned geographically to three Patrol Districts and provide 24 hour per day/7 day per week policing service to the community. The majority of police officers are assigned to the Patrol Division.

The Special Operations Division is responsible for the Department's specialized units, including the Traffic, K-9 and School Resource Programs. These programs enhance the regular patrol function by providing expertise in these specific fields. Special Operations also includes the downtown Walking Patrol and is the primary liaison to the Downtown community.

The Detective Unit conducts investigations of major crimes that require extensive follow-up efforts. Eight officers and a crime analyst are assigned to the Detective Unit. One detective is responsible for crime scene investigations and computer forensics. Other detectives may specialize in investigating sexual offenses and financial cases. Crime classifications typically assigned to detectives are crimes of violence, crimes against children, and cases involving significant monetary loss.

Policing Services - Trends

The nationwide trend to expand community policing efforts is impacting the way policing services are delivered. Community engagement will be incorporated more deliberately into daily work, while data-driven policing will continue to be important to our crime reduction efforts.

The needs of the downtown area are a focus for the Department. A major challenge for law enforcement and the criminal justice system is the growing number of offenders with mental health and substance addiction problems. This subset of offenders is both labor and resource intensive. A comprehensive community approach to improving the alternatives for treatment and housing must be developed.

Policing Services - Program Budget Overview

The 2016 budget for Policing Services is largely unchanged. Increases are noted in Fleet, a key cost center. Despite full staffing, personnel costs have remained stable due to a decrease in the longevity costs that are associated with veteran officers. Overtime cost is expected to continue at around \$500,000 in order to provide minimum staffing for officer safety as well as field training for new officers.

Policing Services - Future Challenges and Opportunities

Hiring and training of staff will present the largest challenge to Policing Services for the next year. At the same time, staffing changes also represent an opportunity to add energy to the Department and to create promotional opportunities within the organization.

Policing Services - Recent Accomplishments

- Walking Patrol staffed seven days a week.
- Serial bank robber arrested after significant investigation.
- Very high solve rates for major crimes against persons:
 - Robbery: 74%
 - Aggravated Assault: 77%

Key Result Measures - Administrative Services and Policing Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Public Disclosure Requests Filled Within Statutory Guidelines	100%	100%	100%	100%
Average Time for Emergency Response	≤ 4 minutes	4 minutes	4 minutes	4 minutes

Service Profiles - Administrative Services and Policing Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Public Disclosure Requests	3,279	3,500	3,500
Software Packages Supported	13	14	14
Calls For Service	54,834	55,000	55,000
Incidents Requiring Reports	8,443	8,500	8,500

Corrections Services

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 627,826	\$ 1,633,928	\$ 1,635,310	\$ 1,382
Supplies & Services	664,511	702,386	719,391	17,005
Interfund Payments	4,214	7,387	6,057	(1,330)
Total Expenditures	\$1,296,551	\$2,343,701	\$ 2,360,758	\$17,057
Program Revenue	11,500	11,000	6,000	(5,000)
Funding from General Revenues	\$1,285,051	\$2,332,701	\$ 2,354,758	\$22,057

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Corrections Officer	9.00	9.00	9.00
Jail Manager	1.00	1.00	1.00
Jail Sergeant	3.00	3.00	3.00
Police Services Specialist	1.00	1.00	1.00
Secretary	1.00	1.00	1.00
Total	15.00	15.00	15.00

Program Description

The Corrections Services Program is responsible for providing custodial corrections services for misdemeanor and gross misdemeanor offenders, as mandated by state law. The City maintains a 28-bed short-stay jail and contracts for additional beds for inmates serving longer sentences at the Lewis County Jail.

Trends

In 2015, the Corrections Services Division fully implemented the national Prisoner Rape Elimination Act (PREA). Implementation involved a substantial workload to create policies, establish procedures, and train Corrections staff, Police Officers, and contract medical staff. The Corrections Division also worked with other City staff and staff from other jurisdictions to ensure that PREA standards were met. As PREA evolves, the Jail will need to update policies and procedures accordingly.

The need to address offenders with mental health and substance addiction problems continues. The cost of incarcerating these individuals is high, while the effectiveness in changing behavior is low. At the same time, incarceration often exacerbates the inmates' illnesses. OPD is playing an integral role in establishing inter-agency work groups who, collectively, may be able to build better systems to improve outcomes for both the individuals and the public.

How the City meets its obligation to house misdemeanor prisoners in coming years is a critical issue that needs immediate attention. The City jail remains an old, inefficiently designed facility that is nearing the end of its useful life. Building upgrades scheduled for 2016 may open possibilities for additional improvements.

Program Budget Overview

The 2016 budget reflects the upward trend in jail medical costs. An increasing number of inmates require significant medical and psychological treatment. Training and travel expenses have also increased, reflecting years of reduced training that now must be addressed.

Future Challenges and Opportunities

The City may be able to expand its programs for options to incarceration. Options, such as electronic home monitoring and work crew assignment, can help individuals to stay connected to their support systems, to stay employed, and can often mitigate the long-term negative consequences to incarceration. At the same time, they are usually more cost-effective for the City than housing an inmate. The Corrections Division will be exploring whether the use of alternatives to incarceration can be increased.

How the City meets its obligation to house misdemeanor prisoners in coming years is a critical issue that needs immediate attention. The viability of the City jail should be examined in depth and policy decisions made about its future. The City jail remains an old, inefficiently designed facility. A more contemporary, serviceable design could present opportunities to save money and to reduce the City's reliance on contracted jail beds.

Recent Accomplishments

The Correction Division took the lead on revising the policies and practices for determining who would be held in the City Jail. The goal of the new philosophy has several dimensions: It emphasizes crimes against people over property crimes; it leaves beds available for people committing minor, or "nuisance" crimes who need to be removed from their environment to interrupt their behavior; it reduces the number of criminals who come back to Olympia from other jurisdictions. Our decisions about who spends time in Jail are now based on the needs of the community, the needs of the individual, and the goals we are trying to reach.

Key Result Measures - Corrections Services	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
City Jail % of Operational Capacity	≤ 100%	82%	85%	85%
Contract Jail % of Budgeted Capacity	≤ 100%	100%	100%	100%

Service Profiles - Corrections Services	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Average Daily Population (City Jail)*	22	23	23
Average Daily Population (Contract)	21	22	22

*The use of all 28 local jail beds is limited by the number of mentally ill offenders who must be isolated in a cell. Since the majority of cells have multiple bunks, some beds are unused if a prisoner must be isolated. The average use of 23 beds per day reflects full capacity.



Melnic, Olympia's most famous police officer poses for his photoshoot.





Parks, Arts & Recreation





Parks, Arts and Recreation



Mission

We provide opportunities for meaningful life experiences through extraordinary parks, arts, and recreation.

Vision

To make a difference by enriching Olympia's quality of life, being good environmental stewards, strengthening community connection, creating neighborhood identity, fostering artistic expression, and beautifying our City. In short, to touch the life of every Olympian in a positive way.

Parks, Arts and Recreation

<i>Department Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Administration and Communications	\$ 753,726	\$ 775,903	\$ 801,711	\$ 25,808
Facility and Support Services	918,860	984,024	998,639	14,615
Recreation	923,187	973,994	1,011,120	37,126
Arts and Events	140,619	163,534	169,728	6,194
Parks Maintenance	2,121,377	2,327,552	2,429,800	102,248
Planning and Development	103,104	110,438	308,783	198,345
Total Expenditures	\$ 4,960,873	\$ 5,335,445	\$ 5,719,781	\$ 384,336
Recap of Expenditures				
Personnel Services	\$3,462,157	\$3,779,124	\$4,068,896	\$289,772
Supplies & Services	1,121,552	1,211,944	1,271,228	59,284
Capital Outlay	4,659	24,500	24,500	-
Interfund Payments	372,505	319,877	355,157	35,280
Total Expenditures	\$ 4,960,873	\$ 5,335,445	\$ 5,719,781	\$ 384,336
Program Revenues	947,591	929,713	1,027,127	97,414
Funding from General Revenues	\$ 4,013,282	\$ 4,405,732	\$ 4,692,654	\$ 286,922

Setting the Stage for the Future

Rebuilding the Department

After several years of reductions and trade-offs the Olympia Parks, Arts and Recreation Department (OPARD) budget appears to be stabilized and received minimal funding for enhancements in 2015. With that funding OPARD has been able to restore some of the previously cut seasonal positions, increase security support at The Olympia Center and Percival Landing, and been able to modestly increase programming and maintenance support at the Artesian Commons. Although we have been able to address some of our critical needs, we still struggle to meet basic service levels in Parks and Arts Maintenance, and we have maximized the existing capacity of our Recreation Program staff.

Rising Costs of Services

The Parks, Arts and Recreation Department is currently charged with the oversight of nearly 1,000 acres of park land, 16 miles of trails, and 23,466 lineal feet of waterfront. The Department manages the operation and maintenance of a 56,000 square foot community center, and provides a wide variety of recreation programs for the community to enjoy. We have also accumulated a diverse public art collection totaling 100 individual pieces of public art throughout the City of Olympia.

Our citizens enjoy an extraordinary inventory of parks, arts and recreation services and the costs associated with maintaining those services continue to increase on an annual basis. As we restore previously cut positions with our seasonal staff, our department experiences increased costs associated with fleet and supplies to support those staff. We also continue to be challenged with increased costs of utilities, as we anticipate a 7% increase in the costs of our irrigation water in 2016. This increased cost of water is matched by extraordinarily hot summers, which have required us to begin irrigating earlier in the season and at a higher level throughout the year.

The recently adopted Municipal Art Plan means increased workload for a program that has experienced a staff reduction of 50% from their former capacity. In the Recreation Division,

we estimate that we are currently in our second year of record-breaking program revenue. This is a positive trend, as more people are accessing our programs than ever before. The negative aspect of that trend is that increased participation also leads to increased costs in credit card fees, contracted program expenses, and part-time staffing levels.

The Resource Challenge of Meeting Community Expectations

OPARD staff received a high amount of community feedback through the extensive public process to update the Parks, Arts & Recreation Plan. Throughout this process citizens expressed strong support for expanding the existing park system through a variety of significant capital projects. They also expressed strong support for providing a well maintained park system that is both safe and accessible. At current funding levels the City is very limited in its ability to expand the park system in any way that increases the demand on operations and maintenance. Similarly, the reduced staffing capacity in both Arts & Recreation limits the City's ability seize some new program opportunities for the community.

Other Budget Changes Include

- Following two years of record breaking levels we are anticipating an increase of \$29,750 in added recreation program registrations. When those registration figures are combined with a 3% increase to cover the rising costs of services the total anticipated increase to program revenue is \$66,750. In addition to program revenues increasing, the department anticipates an increase in revenue for athletic fields, the Harbor House, Percival Landing moorage and park shelters. With these increases, combined with some minor reductions in revenue at The Olympia Center, the overall department forecast is for an increase in revenue of \$70,487.
- OPARD will reduce operational expenses from the Voted Utility Tax by 211,000. This funding will be largely made up by an increase of support from the General Fund in the Planning & Design Division.

Future Trends and Challenges

Updating the Parks, Arts & Recreation Plan

The good news is that Olympia is a community that supports their parks and values the services provided by the Parks, Arts and Recreation Department. The update of our 10-year Parks, Arts and Recreation Plan in 2016 will provide an opportunity to outline public priorities moving forward. Our recent investments in Asset and Workforce Management will also provide good data for estimating the resources needed to operate and maintain an expanded park system.

Learning Resources Network Program Review

In 2015, the Recreation Division contracted with a nationally based agency called the "Learning Resources Network" to provide a thorough audit of existing Recreation Division business practices. This audit utilized program registration data and marketing practices, and compared those results to national benchmarks. The summary of the report is that the OPARD Recreation Division is operating at a very high level, and that there are clear opportunities for growth in terms of expanded marketing and a focus on new programs.

Safe & Secure Parks

It is essential that our citizens feel safe and secure while utilizing our public parks and facilities, and the department has been working to develop and implement strategies to achieve that goal. Data collected demonstrates increased levels of illegal drug dealing and use, homeless encampments on park property, and occasional acts of violence. Recognizing these trends the following strategies already implemented –

- Increased security at The Olympia Center and Percival Landing.
- Installation of Sharps Containers at all permanent park restrooms.
- Development and implementation of a loose needle collection policy.
- Updated Access Policies to Parks and The Olympia Center.
- Installation of cameras and fencing at the Artesian Commons Park.

The strategies above have resulted in an improvement, but have not solved all of the safety and security issues our community is facing. In the future the Department plans to continue to evaluate and improve the previously implemented strategies, and focus on increasing resources to support pro-active enforcement in our parks.

Continued Focus on Grants & Partnerships

We will continue to seek grants, establish new partnerships in providing services, and will continue to seek and implement efficiencies throughout our operation.

Department Efficiencies

A Business Oriented Focus

As we look to 2016 and beyond the department will place a strong emphasis on making data driven decisions utilizing the new Work Force and Asset Management Tools. These tools have provided an ability to develop maintenance management plans for individual parks, and allow us to provide better cost estimates for replacing the infrastructure within our park system. Utilizing these tools OPARD will be better positioned to identify operational efficiencies, develop predictable replacement schedules for parks infrastructure, and will also be able to provide more accurate cost estimates for expanded or enhanced services.

Implementing Learning Resources Network Recommendations

The audit performed by Learning Resources Network outlined a variety of strategies to be implemented over several years. These strategies are designed to build capacity through efficiencies, increase program revenue through marketing, and keep services relevant by evaluating, expanding, and in some cases eliminating. The bulk of these strategies will be implemented between 2015-2019 and will likely change the daily operation of the Recreation and, to a lesser extent, Facilities Divisions.

Administration Moves to City Hall

In 2015, the Director, Associate Director, and Planning and Design Division relocated offices from The Olympia Center to City Hall. This strategic move will provide efficiencies through enhanced interactions amongst the various City Departments. This will also result in less travel time between The Olympia Center and City Hall. This move places OPARD in a much better position moving forward.

Administration

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 448,866	\$ 448,341	\$ 461,792	\$ 13,451
Supplies & Services	114,028	178,028	181,128	3,100
Interfund Payments	190,832	149,534	158,791	9,257
Total Expenditures	\$ 753,726	\$ 775,903	\$ 801,711	\$ 25,808
Program Revenue	1	15	5	(10)
Funding from General Revenues	\$ 753,725	\$ 775,888	\$ 801,706	\$ 25,818

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Assoc. Line of Business Director	2.00	2.00	2.00
Director	1.00	1.00	1.00
Total	3.00	3.00	3.00

Highlights of Department Budget Changes

Previous budgets allocated a portion of general administration to the various programs. In 2015, those costs were centralized into the administration budget.

- \$ 5,530 - Liability and property insurance assessment paid to Risk Management fund.
- \$ 2,035 - Payments to Information Services for office automation equipment.

Program Description

Administration provides Department leadership in creating a work place that promotes productivity, creativity, and accountability. Core services include emergency management, labor relations, communications, policy development and implementation, and budget development.

Trends

The Department continues to make connections in the community to educate people about the services that can improve their quality of life. As budgets have historically declined, people volunteer to continue services—and a philosophy of encouraging the community to help itself emerges.

The 2016 Parks, Arts and Recreation Plan update will be a tool that leads policy and budget decision-making in the future. As City leadership and community priorities change, it becomes increasingly more important to use the Plan as a tool while remaining open and flexible to emerging opportunities and priorities.

The implementation of Activenet to support program registration and facility booking has provided positive results. Our community values the online service, and the convenience of registering from home. The Department has had to work to fund the increase in service fees associated with Activenet and will keep a close eye on industry trends related to service fees, credit card security compliance issues, and end-user satisfaction to make sure the current software is the best choice for Olympia.

Program Budget Overview

Olympia Parks, Arts and Recreation Department is dedicated to the business of parks, arts and recreation. Whether it's pulling weeds, coordinating a league schedule or managing a public meeting, the employees all know that what they do improves the lives of others. The 2015 administration program will continue to inspire staff to do the work that brings so much joy to the community.

Future Challenges and Opportunities

As we look to the future, we need to implement fiscal strategies that match the community expectations. This can occur in part by implementing strategic actions and efficiencies, but will likely require new sources of revenue through grants, partnerships, and potentially a voted ballot measure.

Recent Accomplishments

- Formed Artesian Commons Leadership Committee and Action Teams.
- Implementation of Safe and Secure Parks Initiative Strategies.
- Administered LERN Program Review.
- Developed Maintenance Management Plans for all Parks.
- Full launch of Asset Management & Work Management Programs.
- Development of an At-Risk Youth Employment Program with Community Youth Services.
- Completed an extensive seven-month public process to update the Parks, Arts & Recreation Plan.

Facility Operations

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance	Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Expenditures					Maintenance Worker I (Oly Center)	3.50	3.50	3.50
Personnel Services	\$ 727,731	\$ 770,654	\$ 786,478	\$ 15,824	Maintenance Worker II	1.00	1.00	1.00
Supplies & Services	191,129	213,370	212,161	(1,209)	Program Specialist	0.40	0.65*	0.65
Interfund Payments	-	-	-	-	Public Service Representative	3.00	3.00	3.00
Total Expenditures	\$ 918,860	\$ 984,024	\$ 998,639	\$ 14,615	Supervisor II	1.00	1.00	1.00
Program Revenue	149,432	153,956	149,125	(4,831)	Total	8.90	9.15	9.15
Funding from General Revenues	\$ 769,428	\$ 830,068	\$ 849,514	\$ 19,446	*Added .25 FTE for 2015			

Program Description

The Facility Operations team is responsible for the scheduling and use of key public facility assets in the Department inventory. This includes room rentals at The Olympia Center, park shelters, transient moorage, Artesian Commons and the Harbor House at Percival Landing. In addition, the team is responsible for scheduling games, tournaments, and practices on City and Olympia School District athletic fields. This team also provides for the coordination of unique facility requests throughout the park system. Facility Operations staff provides support to community service partners that include Senior Services for South Sound, the Olympia Farmers Market, and the Sandman Foundation.

Trends

The Department continued to spend a significant amount of time working on the operations of the Artesian Commons in 2015. Building relationships with partners to keep this space active has been a priority and weekly programming has increased to 20 special events and 250 total hours of active programming.

Facility use of City-operated ball fields continued a strong trend of bookings in 2015. South Sound Baseball, Thurston County Fastpitch, and a variety of tournament directors keep ballfields at LBA Park, Stevens Field and Yauger Park vibrant and active.

Program Budget Overview

The 2016 Operating Budget is essentially the same as 2015.

Future Challenges and Opportunities

The Parks, Arts and Recreation Department continues to adapt to new uses in Department managed facilities. A list of public rental facilities and amenities with associated rental fees is available. Continuing to refine the list and fees is important for staff effectiveness and customer service.

The tournament quality facilities at the Regional Athletic Complex (RAC) has raised the standard expectation for many participants in team sports like softball and soccer. Yauger Park, Stevens Field, and LBA Park remain important facilities for Olympia, as the RAC cannot accommodate all needs in the area. Continued investment is critical to meet the expectations of our users.

The addition of the Harbor House on Percival Landing, a beautiful amenity for small retreats, receptions, and meetings adjacent to the waterfront, continues to be a popular draw throughout the year.

Recent Accomplishments

- Retained number of games scheduled by local user groups on City-owned fields.
- Increased programming hours at Artesian Commons.

Service Profiles - Facility Operations	FY 14 Actual	FY 15 Actual	FY 16 Budget
Number of League Games Scheduled at Yauger, Stevens, and LBA Parks	1,560	1,550	1,600
Number of Community Use Hours Scheduled on Olympia School District Fields	8,596	7,750	8,000
Number of Community Rental Hours at The Olympia Center	2,772	2,700	2,500
Number of Parks, Arts & Recreation Hours at The Olympia Center	4,300	4,300	4,500
Number of Senior Services for South Sound Rental Hours at The Olympia Center	4,688	4,700	4,700
Transient Moorage Nights at Percival Landing	264	300	325
Park Shelter Hours Reserved for Picnics, Weddings, and Educational Programs	2,239	2,700	2,600
Program/Facility Transactions Performed by Customer Service Team	15,562	16,000	16,000
Number of Community Rental Hours at The Harbor House	695	775	775

Recreation

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 654,736	\$ 718,507	\$ 714,870	\$ (3,637)
Supplies & Services	258,247	246,565	285,481	38,916
Interfund Payments	10,204	8,922	10,769	1,847
Total Expenditures	\$ 923,187	\$ 973,994	\$ 1,011,120	\$ 37,126
Program Revenue	662,756	658,210	724,960	66,750
Funding from General Revenues	\$ 260,431	\$ 315,784	\$ 286,160	\$ (29,624)

Highlights of Department Budget Changes

Revenue increase from expanded offerings of recreational programs.

\$ 30,000 - Increase to contracted services to provide recreational programs.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Lead Recreation Specialist	0.60	0.60	0.60
Program Specialist	1.60	1.60	1.60
Recreation Specialist	3.42	3.42	3.42
Supervisor I	2.00	2.00	2.00
Total	7.62	7.62	7.62

Program Description

The Recreation Team provides a wide variety of programs for the community, including athletics, fitness and enrichment classes, outdoor adventures, youth camps and clinics, and teen camps/trips.

Trends

The Recreation program continues to return strong numbers in youth and outdoor camps, adult athletics and enrichment/continuing education classes. In addition, outdoor skill development camps (kayak, sailing, etc.) are as popular as ever. This reflects a high value that citizens place on active recreation as their participation requires full cost recovery. Common feedback from participants discussing the value of these programs include motivation to learn and recreate with friends, as well as an interest in developing new social opportunities.

Program Budget Overview

Recreation programs, with few exceptions, generate the revenue required to support the operational expenses of the program and in most cases, include the supervisor's time.

Future Challenges and Opportunities

The Department continues to be an active advocate for reducing childhood obesity, with hope that encouraging the development of healthier children will result in healthier adults. A current focus for the Parks, Arts and Recreation Department is to provide opportunities that promote a mentally and physically active lifestyle that includes healthy food choices. Citizens see this commitment by the programming offered during the year. Resources have been historically committed to feeding community youth through the federally subsidized Summer Nutrition Program. The department also hosts community gardens at Sunrise Park and Yauger Park and seasonal cooking and food production classes.

Recreation and Parks Maintenance, through the Parks Stewardship Program, has implemented the vision for environmental education programs, classes and tours that teach outdoor recreation skills and increase the public's understanding and appreciation of the natural environment. Many of these values are integrated into our

standard camp and class offerings as the department leverages its relationship with the community and nature.

There is opportunity in the community to engage segments of the population in a more active manner. A compelling area for consideration is in the event/performance category. While the Department is aware of these interests by community organizers/performers, limited staff resources hinder a full commitment to this type of program.

The department is exploring opportunities for camp expansion in future years as this is an area that continues to show extremely strong registration interest. Timing for such expansion is important as the market must be able to support additional staffing, facility and transportation needs. Opportunities that appear to be on the horizon exist within our summer outdoor programming such as sailing, kayaking and destination camps (camps that take youth to outdoor locations outside of Thurston County.)

Recent Accomplishments

- Conducted a consultant led program review of the recreation program and began implementation of recommendations.
- Participation in national "Let's Move" initiative.
- Increased online registration by 5%
- Maintained or increased participation and revenue in league, youth camp, and outdoor programs. Many programs are at their limit, prohibiting growth.

Key Result Measures - Recreation	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Did the Experience in Our Program Enrich or Add to Your Life in a Meaningful Way? (% yes)	95%	95%	95%	95%
Percentage of Participants Self-Registering Online for Recreation Programs	33%	38%	40%	45%

Service Profiles - Recreation	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Special Interest Class Participation*	4,700	4,425	4,450
Number of Sports Teams/Participants	394/3,125	413/3,195	413/3,195
Number of Summer Camp Participants	1,050	1,130	1,130
Number of Meals Served During Summer Nutrition	7,815	5,904	6,000
Outdoor Adventure Camp Participation	555	555	650

* Some special interest class operational adjustments have changed the frequency a customer must register, making the participation look reduced while attendance actually remains the same.



Arts and Events

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 124,552	\$ 134,002	\$ 140,196	\$ 6,194
Supplies & Services	14,067	29,532	29,532	-
Interfund Payments	2,000	-	-	-
Total Expenditures	\$ 140,619	\$ 163,534	\$ 169,728	\$ 6,194
Program Revenue	23,185	23,642	23,260	(382)
Funding from General Revenues	\$ 117,434	\$ 139,892	\$ 146,468	\$ 6,576

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Program Manager	1.00	1.00	1.00*
Office Specialist II	0.25	- *	-
Program Specialist	-	0.25**	0.25
Total	1.25	1.25	1.25

* Position eliminated.
** 0.25 FTE added.

Program Description

Olympia Arts and Events brings Arts Walk to the community twice a year, manages the City's collection of public art, provides arts education and technical support to the greater community, participates in design team efforts within Parks, Arts and Recreation and serves as staff to the Olympia Arts Commission.

Trends

Public voting (in person) for the purchase prize winner of the annual Percival Plinth Project has turned out to be a fun, thoughtful, educational opportunity. In 2015, 131 designs for (temporary, 2-3 year) Traffic Box Wraps were made available to the public for an online vote, and 26,048 votes were received. While this process is certainly not appropriate for every public art project the City considers, it is an opportunity to engage the public in a direct decision-making process. Placing information about the Waterfront Public Art collection on the Stqry app facilitated by the Visitor and Convention Bureau is yet another way to engage the community with their own public art collection. Also new this year, social media alerts (#tidyartday) allow the public to follow along as we conduct regular art maintenance.

Program Budget Overview

The 2016 budget continues the suspension of the \$1 per Capita for funding public art.

Future Challenges and Opportunities

The Olympia Arts Commission is in its 25th year and there is demonstrated interest in branching out in new directions. An increased awareness of the economic contributions of music in our community is paired with an increased interest in City investment

in music under the umbrella of public art. An additional variety of new public art opportunities punctuate the Arts Commission's work plan, and there is great community interest in an artist live/work housing facility in Olympia.

With 100 pieces of art in the City's collection, maintenance is an increasing staffing issue. Not every artwork needs attention every year, but tasks as simple as washing and/or resealing become a large component of summer work to protect the City's investment in public art. The Arts program is working to follow Parks Maintenance in tracking arts maintenance tasks and time through the VueWorks asset management program.

Recent Accomplishments

- Arts Walk voted the Best Arts Event for 2014 and 2015 by readers of the Weekly Volcano.
- Arts and Events Program Manager voted Arts MVP for 2014 and 2015 by readers of the Weekly Volcano.
- Increasing Percival Plinth Project exhibition to 15 sculptures.
- Inaugural Traffic Box Wrap Design Public Art Project with online voting.
- Dedication of *Walking on Land by Water* by Carolyn Law and Lucia Perillo.
- Council approval of the 2015 Municipal Art Plan.
- Celebration of 50 Arts Walks, including launch of an in-house designed Arts Walk app to complement the physical map.
- Partnership with the Visitor and Convention Bureau on the Stqry app, which includes the City's Waterfront public art collection in addition to other collections and stories around the community.

Key Result Measures - Arts and Events	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Condition Reports on Public Art Pieces that Result in a Positive Rating	80%	85%	90%	90%

Service Profiles - Arts and Events	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Special Events Attendance			
ArtsWalk Spring	15,000	15,000	15,000
ArtsWalk Fall	10,000	10,000	10,000
Arts Digest Readers Receiving Weekly Local Arts News	881	900	933

Parks Maintenance

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance	Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Expenditures								
Personnel Services	\$ 1,404,047	\$ 1,600,066	\$ 1,660,081	\$ 60,015	Electrician	0.75	0.75	0.75
Supplies & Services	543,202	541,565	559,622	18,057	Field Crew Leader	1.00	1.00	1.00
Capital Outlays	4,659	24,500	24,500	-	Lead Worker	2.00	2.00	2.00
Interfund Payments	169,469	161,421	185,597	24,176	Maintenance Worker I	2.00	2.00	2.00
Total Expenditures	\$ 2,121,377	\$ 2,327,552	\$ 2,429,800	\$ 102,248	Maintenance Worker II	10.00	8.00*	8.00
Program Revenue	112,217	93,890	102,850	8,960	Program & Planning Supervisor	1.00	1.00	1.00
Funding from General Revenues	\$ 2,009,160	\$ 2,233,662	\$ 2,326,950	\$ 93,288	Program Assistant	1.00	1.00	1.00
Highlights of Department Budget Changes					Program Specialist	0.50	0.50	0.50
<p>\$24,580 - Increase in fleet equipment repair and maintenance (interfund payment).</p> <p>\$22,600 - Increase in City utility costs.</p>					Senior Program Specialist	1.00	1.00	1.00
					Supervisor III	1.00	1.00	1.00
					Total	20.25	18.25	18.25
					* Two positions eliminated. One position was an unfunded position.			

Program Description

The Parks Maintenance team is responsible for keeping over 40 parks totaling 1,014 acres safe, clean, and accessible. Maintenance responsibilities include park restrooms and picnic shelters, playground equipment, three ballfield complexes, Artesian Commons, Heritage Park Fountain, park trails, neighborhood parks, Percival Landing, and school fields.

The Park Ranger and Stewardship Program are also funded in the Park Maintenance Program. This program combines environmental education with a multi-tiered volunteer program providing people an opportunity to become stewards and contribute to their community in a positive way. The program also encompasses a Ranger program that focuses on deterring unwanted behaviors through education and warning park code violators. The Ranger works closely with partners such as Animal Services and the Olympia Police Department to provide enforcement.

Trends

The Parks Maintenance division is steadily escalating a maintenance system that is data-driven and performance-based. The goal is to create a workforce where work is scheduled and less demand-based. Under a workforce management approach, maintenance tasks are limited to a Service Level standard for each park. The desired outcome is to perform maintenance to achieve the desired Service Level. This way of doing business will create a more efficient and predictable level of park maintenance. Recent public outreach conducted for the 2016 Parks, Arts and Recreation Plan underscored “maintain what we have” as a priority. In fact, in a random sample survey of Olympia residents, respondents were asked how the City should allocate resources between maintaining existing parks, improving existing parks, developing new parks, and buying land for new parks. While there results were relatively close, the highest priority went to maintaining existing parks.

Safety in our parks is also a critical trend. Many of the parks are experiencing greater questionable use. The Department is now employing private security staff to patrol both Percival Landing and the Artesian Commons in an effort to make them safe and accessible to all.

Keeping parks safe, clean and operational requires outside services such as utilities (water, power, sewer and garbage) and supplies. As the cost for these increases, the Department must either seek additional funding to cover the increase, make cuts in other areas of the budget, or reduce the Service Level of the park.

Program Budget Overview

The Parks Maintenance division benefitted from several 2015 budget adjustments that increased the number of seasonal employees from 9 to 16 and supplemented the water utility budget. The 2016 budget is similar to 2015 with minor changes to balance line item spending.

Fund 134 Voted Utility Tax (VUT) Expenditures for Park Maintenance

	2014	2015	2016
Expenditures			
Personnel Services	\$ 386,627	\$ 388,322	\$ 417,522
Supplies & Services	\$ 46,765	\$ 62,425	\$ 63,551
Total Expenditures	\$ 433,092	\$ 450,747	\$ 481,073

Future Challenges and Opportunities

The Parks Maintenance division has invested heavily in Workforce Management. As the inventory of park land and developed parks increases, the Department must have a mechanism in place to increase maintenance funding as new parks are acquired and developed.

The Department recently developed a measurement on the condition of Olympia parks. This measurement is the cost of repairs over current replacement values, or Facility Condition Index (FCI). The 2015 FCI rating for park facilities was .014 or “Fair”. This rating is just above “Poor”. There is opportunity for Park Maintenance to improve the FCI moving forward. This will take capital investment to make bigger repairs, but improved park maintenance can also help the FCI by extending the life of facilities.

Parks Maintenance (continued)

Recent Accomplishments

- Established an Asset and Workforce Management Program.
- Established Service Levels for park maintenance.
- Developed Maintenance Management Plans for each park.
- Implemented a partnership with Community Youth Services to utilize at-risk youth in the workforce.
- Under the Safe and Secure Initiatives:
 - Developed a needle collection policy.
 - Installed Sharp's containers in parks.
 - Developed a park gate operations policy.
 - Developed emergency shutdown procedures for Heritage Fountain.
- Received a grant from REI to develop and implement a trail stewardship program at Watershed Park and Ellis Cove Trail in Priest Point Park.
- Completed a Volunteer Power Equipment Use Agreement.
- Secured grant funding to construct the bike pump track at Yauger Park.
- Installed improvements at Artesian Commons Park (basketball hoop, tables/chairs, lighting).
- Installed improvements at HUB Junction, a small plaza at the intersection of the Olympia and Lacey Woodland Trails and the Chehalis Western Trail.



Key Result Measures - Recreation	Target or Goal	FY 14 Actual	FY 15 Actual	FY 16 Budget
Volunteer Hours	7,000	6,100	6,500	6,500

Service Profiles - Recreation	FY 14 Actual	FY 15 Actual	FY 16 Budget
Developed Neighborhood Park Sites Maintained	12	12	12
Interim Use Park Sites Maintained	5	5	5
Developed Community Park Sites Maintained	13	13	13
Developed Open Space Park Sites Maintained	10	10	10
Developed Park Acreage	795	795	795
Undeveloped Park Acreage	193	193	193
Street Trees Maintained	2,700-	2,700	2,700
Olympia School Fields Maintained (Baseball/Softball)*	24	24	24
Olympia School Fields Maintained (Soccer)*	20	20	20
* Some of these fields are used for both soccer and baseball.			

Parks Planning and Design

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 102,225	\$ 107,554	\$ 305,479	\$ 197,925
Supplies & Services	879	2,884	3,304	420
Total Expenditures	\$ 103,104	\$ 110,438	\$ 308,783	\$ 198,345
Program Revenue	-	-	26,927	26,927
Funding From General Revenues	\$ 103,104	\$ 110,438	\$ 281,856	\$ 171,418

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Associate Planner	0.75	0.75	0.75
Engineering Project Manager	-	1.00*	1.00
Office Specialist III	1.00	- *	-
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	-	1.00*	1.00
Project Engineer II	1.00	- *	-
Total	3.75	3.75	3.75

* Position reclassified

Program Description

The Parks Planning and Design team is responsible for implementing the adopted Parks, Arts and Recreation Plan. This involves acquiring, planning, designing, and constructing a variety of parks and open spaces to meet citizens' recreation, leisure, and wellness needs.

Trends

Olympians have a robust appetite for parks! In 2015, the Park Planning and Design team initiated the process to update Olympia's Parks, Arts and Recreation Plan. From the extensive neighborhood outreach effort and household survey some very clear and strong trends emerged. They are:

- 95% of survey respondents visited an Olympia park in the last year
- Completing Percival Landing, demolishing the Capital Center building and completing the Olympia Woodland Trail ranked 1-2-3 in the survey
- Trails, open space, and improved maintenance ranked as highest priority for new projects in the survey
- LBA Woods acquisition ranked the highest priority from the public meetings and web-based outreach
- Neighborhood parks were ranked as the most needed park type in Olympia

Before the end of 2016, the Plan will come before the Olympia City Council for approval. At that point, trends will evolve into actions, and actions into specific projects or programs that will require future funding commitments.

In 2016 or earlier, the community may need to consider a voted measure to increase funding to pursue new parks and trails as proposed in the 2016 Parks, Arts and Recreation Plan.

Program Budget Overview

The program budget is used to plan, acquire, design, and construct Olympia's park lands and facilities. The program's core services are policy analysis, park master planning, land acquisition, land management, site and facility design, infrastructure inspection and assessment, contract management, and construction administration.

Fund 134 Voted Utility Tax (VUT) Expenditures for Park Planning and Design			
Expenditures	2014	2015	2016
Personnel Services	\$ 246,796	\$ 262,687	\$ 92,875
Supplies & Services	\$ 5,687	\$ 7,510	\$ 7,180
Total Expenditures	\$ 252,483	\$ 270,197	\$ 100,055

Future Challenges and Opportunities

Completing, then implementing, a new Parks, Arts and Recreation Plan will be the main focus in 2016. Acting on the parks and recreation needs of the community brought forward with the Plan will create some exciting challenges.

In addition, other needs include managing the upkeep of current facilities through the Condition Assessment Major Maintenance Program (CAMMP). Maintaining the public's prior investments in parks is an essential public service. In 2015, the Planning and Design staff created the Facility Condition Index (FCI). That is a finding on the overall condition of our park assets as a measure of project cost of repairs over current replacement value. Currently the FCI is .014 which is a "Fair" rating, but only slightly above "Poor." There is opportunity to improve on that score if additional resources become available for major maintenance.

Recent Accomplishments

- Percival Landing F-Float and vessel pump-out replacement.
- Percival Landing E-Float utilities.
- Artesian Commons Park improvements including: basketball hoop, chairs and tables, cameras and lighting, and gates and fencing.
- Community Park Feasibility Study.
- Artesian Commons Evolving Design Action Team.
- Acquisition of former Zabel's Rhododendron Garden site.
- Percival Landing "No Further Action" clean-up on north site declared by Department of Ecology.
- Priest Point Park Shelter #4 construction.
- Margaret McKenny Park Master Plan.
- GHB and Little DaNang building demolition.
- Sunrise Park playground replacement.
- Action Plan support.
- Recreation and Conservation Office (RCO) Youth Athletic Facility grant application.
- Heritage Fountain rehabilitation project.

Planning and Design (continued)

Service Profiles - Planning & Design	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Land Acquisition, Leases, Easements and Licenses	6	1	-
Park Design Projects	4	3	1
Park Small Capital Projects	-	4	1
Park Construction Projects	3	3	5
Percival Landing Annual Inspection/Maintenance	2	1	1
Annual CAMMP Inspection & Projects	3	4	6
Park Master Plans & Special Studies	6	4	-
Grant Applications	3	1	2

Planning & Design Current & Proposed Projects	2015 Projects	2016 Projects
Land Acquisition, Leases, Easements, and Licenses	Springwood Drive, 3 Acre Donation	
Park Design Projects	Margaret McKenny Playground Design Yauger Park Skate Court Remodel Design Priest Point Park Shelter #1 Design	Splash pad in a neighborhood park design
Park Small Capital Projects	LBA ½ Court Basketball Kettle View Tennis Court Backboard Percival Landing Bike Racks Yauger Park Maintenance Enclosure	PPP Neighborhood Access Trail
Park Construction Projects	Percival Landing E Float Utilities Olympia Woodland/Chehalis Western Trail "Hub Junction" Project Artesian Commons Enhancements	Yauger Park Skate Court Remodel Project Grass Lake Phase I Trail Improvements Artesian Commons Enhancements Margaret McKenny Playground Construction Kettle View Park Bike Shelter
Percival Landing Annual Inspection & Maintenance	Percival Landing F-Float and Vessel Pump-out Replacement Annual Boardwalk and Float Inspection Percival Landing Major Maintenance Project	Annual Boardwalk and Float Inspection
Annual Condition Assessment and Major Maintenance Program (CAMMP) Inspection & Projects	PPP Shelter #1 Design Design Heritage Fountain Renovation – Phase I Priest Point Park Carpenter Shop Repairs	Priest Point Park Sewer System Upgrade Olympia Center Alley Resurfacing Project Yauger Park field Lighting Project Priest Point Park Shelter #1 Construction (Rose Garden) Bigelow Restroom/Shelter Replacement
Interim Use & Management Plans	None	None
Park Master Plans & Special Studies	2014-2015 PAR Plan Update (continued) Watershed Park BMX Feasibility Study Margaret McKenny Park Concept Plan Kettle View Park Glacial Interpretation	None
Grant Applications	Recreation and Conservation Office (RCO) Youth Athletic Facilities Grant	RCO Land Acquisition Grant RCO Local Parks Grant

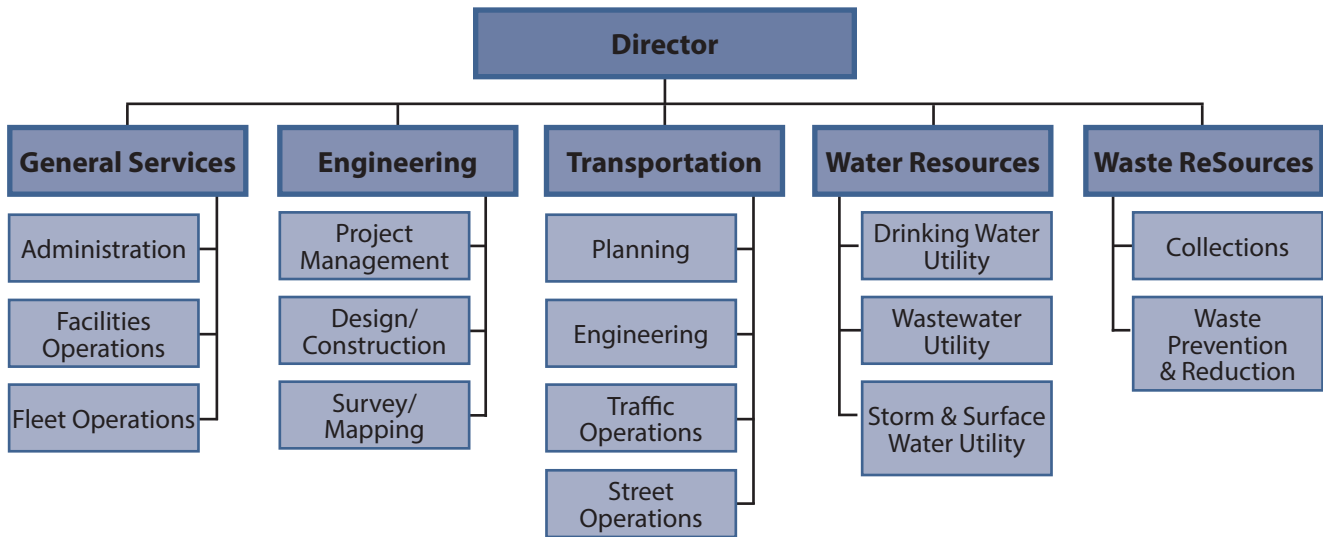


Public Works





Public Works



Mission

We build and maintain the foundation of our extraordinary Olympia.

Vision

A healthy environment. A thriving economy. A vibrant community.

Public Works Department Overview

<i>Department Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
General Services	\$ 4,089,305	\$ 4,173,994	\$ 4,313,616	\$ 139,622
Engineering	3,249,762	3,434,817	3,607,339	172,522
Transportation	5,026,364	5,406,051	5,590,751	184,700
Water Resources	31,569,922	34,560,222	36,459,452	1,899,230
Waste Resources	9,491,490	10,194,640	10,528,483	333,843
Total Expenditures	\$ 53,426,843	\$ 57,769,724	\$ 60,499,641	\$ 2,729,917
<i>Recap of Expenditures</i>				
Personnel Services	\$ 15,875,374	\$ 17,347,324	\$ 18,049,554	\$ 702,230
Supplies & Services	25,703,026	28,087,588	29,265,016	1,177,428
Capital Outlay	101,473	-	-	-
Debt Service	346,000	776,707	917,258	140,551
Interfund Payments	6,542,264	6,948,916	7,616,078	667,162
Interfund Transfers	4,858,706	4,609,189	4,651,735	42,546
Total Expenditures	\$ 53,426,843	\$ 57,769,724	\$ 60,499,641	\$ 2,729,917
Program Revenues	50,190,143	52,855,719	55,312,345	2,456,626
Funding From General Revenues or Use of Reserves	\$ 3,236,700	\$ 4,914,005	\$ 5,187,296	\$ 273,291

Department Overview

The Public Works Department serves our community by providing and maintaining foundational services — safe water, sewer, stormwater, solid waste collection, transportation, and sound public buildings. We strive to provide these services in a way that makes our community extraordinary — a place where people love to live, raise families, and do business. We do this by integrating sustainability into our work and providing services that benefit our local economy, environment, and citizens.

In 2016, the Public Works Department will continue to:

- Provide safe and reliable drinking water to more than 60,000 residents.
- Maintain 12 City-owned buildings and manage capital repairs on an additional six City-owned buildings.
- Maintain a fleet of over 230 vehicles.
- Provide solid waste, recycling, and organics disposal services to over 45,000 residents.
- Maintain 209 miles of streets, 36 miles of bike lanes and many miles of sidewalks across the City.
- Ensure safe delivery of millions of gallons of wastewater per day to the LOTT treatment plant.
- Reduce flooding, improve water quality and protect/enhance our aquatic habitat in 11 watershed basins.

Future Trends and Opportunities

A key challenge for Public Works will be to continue to deliver critical services to the community and to advance sustainability at a time when expenditures are outpacing our revenues. We must continue to innovate and find more opportunities for increased citizen involvement. We need to optimize our investments by ensuring we maintain our existing infrastructure, while integrating new infrastructure as our community grows.

Asset management, defined as “providing agreed upon customer and environmental services at the lowest lifecycle cost” is key to our success. It is imperative that we understand the condition of our infrastructure, set clear levels of service, and understand the risks of infrastructure failure to make the best decisions in the investment of limited funds. Public Works is using a new GIS-based asset management software program that will help set priorities for maintenance and in making decisions about repair and replacement of infrastructure. Adequately maintaining our infrastructure will save more in the long run.

We continue to look for opportunities that will allow us to operate at a higher level of efficiency, while realizing a minimal impact on our resources and reducing our environmental footprint.

Examples include:

- Conversion of all City-owned streetlights to LED technology.
- Transitioning to an automated meter reading system.
- Requiring residents to place all solid waste and recycle containers on a designated side of the road or street.
- Anti-idling efforts at all traffic signals.
- Waste reduction.
- Water conservation.
- Supporting alternative modes of transportation.

General Services

<i>General Services Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Administration	\$ 585,003	\$ 632,492	\$ 653,218	\$ 20,726
Facilities Operations	1,825,076	1,869,314	1,916,311	46,997
Fleet Operations	1,679,226	1,672,188	1,744,087	71,899
Total Expenditures	\$ 4,089,305	\$ 4,173,994	\$ 4,313,616	\$ 139,622
<i>Recap of Expenditures</i>				
Personnel Services	\$ 2,019,901	\$2,062,909	\$ 2,083,566	\$20,657
Supplies & Services	1,362,653	1,403,723	1,423,477	19,754
Interfund Payments	706,751	707,362	806,573	99,211
Total Expenditures	\$ 4,089,305	\$ 4,173,994	\$ 4,313,616	\$ 139,622
Program Revenues	2,320,532	2,739,918	2,782,320	42,402
Funding From General Revenues	\$ 1,768,773	\$ 1,434,076	\$ 1,531,296	\$ 97,220

Line of Business Overview

General Services functions as an internal service provider to assist the other Public Works lines of business and other City Departments in achieving their missions. We provide vital professional services and expertise in the areas of Facility Operations, Fleet Operations, Contract Administration, Grants Management, Energy Management, Customer Service and Dispatch, and Safety.

The Facilities Operations Program operates and maintains 12 City-owned buildings to sustain a safe, healthy, and productive environment. These buildings provide space for approximately 500 City employees and over 4,500 visitors daily. The Facilities Program is also responsible for the long-term capital repair and replacement for 18 City-owned buildings.

The Fleet Operations Program provides a fleet of over 230 reliable, safe, well-maintained, and fuel-efficient vehicles and equipment for all City Departments.

The Safety Program ensures a safe and healthy workplace for employees by promoting a culture of safety through education and technical assistance. The Safety Program provides services for all City employees, with the exception of Fire and Police.

The staff that manages our grants program coordinates, researches, applies for and tracks various Public Works grants. They also facilitate a Citywide interdepartmental grant team to research and apply for grants that advance the overall Comprehensive Plan and Council priorities.

The energy management program tracks Citywide energy costs and seeks innovative ways to find efficiencies which ultimately reduce the City's energy costs and greenhouse gas emissions.

Another key program in General Services focuses on customer service and dispatch. The program enables our community to contact Public Works directly to report problems, inquire about utility services, and obtain general information about Public Works programs and projects.

Budget Overview

The General Services line of business allocates costs for the Public Works Director, Deputy Director, Program Assistant, and Senior Program Specialist. These costs are reallocated to the other lines of business throughout Public Works as overhead administrative costs. FTEs associated with the Contract Administration program are funded by the Engineering line of business. Therefore, these FTEs are accounted for in the Engineering line of business program staffing.

General Services - Administration

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 547,285	\$ 568,997	\$ 586,793	\$ 17,796
Supplies & Services	30,008	50,840	51,300	460
Interfund Payments	7,710	12,655	15,125	2,470
Total Expenditures	\$ 585,003	\$ 632,492	\$ 653,218	\$ 20,726
Program Revenue	645,494	670,671	653,218	(17,453)
Funding from General Revenues	\$(60,491)	\$(38,179)	\$ -	\$ 38,179

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Director	1.00	1.00	1.00
Line of Business Director	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Program Specialist	1.00	- *	-
Public Service Representative	1.00	1.00	1.00
Safety Officer	1.00	1.00	1.00
Senior Program Specialist	-	1.00 *	1.00
Total	6.00	6.00	6.00
* Reclassification			

Program Description

General Services Administration includes Contracts Management and Project Support, (which is budgeted within Engineering) Grants Management, Energy Management, Customer Service, and Safety.

Contract management provides guidance and expertise in developing contracts for Council approval. Staff also ensures the City's bidding and procurement process is fair, competitive, and inclusive to those who want to provide services to the City. Project Management Support provides assistance in design, permitting, and public communication and involvement for City-owned construction projects.

The staff that manages our grants program coordinates, researches, applies and tracks various Public Works grants. They also facilitate a Citywide interdepartmental grant team to research and apply for grants that advance the overall Comprehensive Plan and Council priorities.

Our energy management program tracks Citywide energy consumption and costs and seeks innovative ways to reduce the City's energy bills and greenhouse gas emissions.

Customer Service is another key program in General Services. The program enables our community to contact Public Works directly to report problems, inquire about utility services, and obtain general information about Public Works programs and projects.

The Safety Program ensures a safe and healthy workplace for employees by promoting a culture of safety through education and technical assistance. The Safety Program provides services for all City employees, with the exception of Fire and Police.

Trends

Contract & Project Management Support

Although the number of contracts is trending slightly downward due to a decrease in capital projects for 2015, the number of new contracts may increase as the support for contracts, Request for Qualifications (RFQ), Request for Proposals (RFP) and Professional Services Agreements expands Citywide and is no longer exclusive to Public Works.

In 2015, Contract Administration and Project Support will process over 85 new contracts, contract change orders and amendments, professional services agreements and service agreements, and accepted bids and proposals for over 50 projects. General Services also processed approximately 65 public record requests for Public Works.

New tools and resources are available to municipalities to provide more efficient and effective ways to purchase materials and supplies. In 2015, the Municipal Research and Services Center (MRSC) established a vendor roster. The City uses this roster for purchasing. In 2016, staff will continue to educate local businesses on how to join the roster.

One of the most visible trends in contract management is the consolidation of contracts and services. Service contract consolidation results in an increase in productivity, efficiency, and lower cost. The City's Janitorial Services and Cleaning Supplies Services are now under one contract and one vendor provides this service Citywide, except for the Fire Department. General office supplies and paper supplies are now being serviced Citywide by one agreement.

Staff established an On-Call Architectural and Engineering Services Contract to eliminate the need for a separate selection process every time the need for a contract arises. With this contract, formal solicitation, selection, negotiation of basic rates, and contracting have already occurred, allowing for a more streamlined process.

Grants

The number of grants available to local governments remains lower than in previous years and the application process is very competitive. Staff continues to explore opportunities to apply for non-traditional types of funding, such as foundation grants. Staff continues to seek opportunities to collaborate across Departments and with outside agencies to maximize funding opportunities and leverage existing funding for City projects, programs and initiatives.

Energy Management

The City spends over \$500,000 a year on energy. This number will increase as energy costs rise in the future. Advancements in energy efficient equipment continue to improve. The City is working with Puget Sound Energy in the Resource Conservation Management Program to identify energy reduction strategies in 13 City buildings and 10 City pump stations. Staff assembled Energy Advisory Teams for City Hall, our largest energy consumer,

and the Maintenance Center to assist with occupant engagement and implementation of energy reduction strategies. These teams will help reduce overall energy consumption at the facilities, resulting in reduced costs and greenhouse gas emissions.

Safety

The Safety Program is responsible for implementing and coordinating over 200 training and certification classes. The Safety Program also tracks compliance of over 2,000 required training and certification classes to ensure compliance with OSHA and WISHA regulations. In 2015, staff began providing online training options. This program improvement has increased the training flexibility and compliance, as well as decreased the expenses directly incurred from purchasing training materials.

In 2015 Public Works Departments nationwide were identified as "high risk" work groups through the Occupational Safety and Health Administration (OSHA). Due to this status, the City of Olympia was added to The Washington State Department of Labor and Industries' compliance "target list." To remain proactive in our safety program we scheduled and completed complete safety compliance consultations at our Maintenance Center and in our Parks Department. The identified safety hazards from these consultations were corrected to meet OSHA standards. Not only did this improve our employee's safety, it also removed the City from the "target list" for the duration of one year.

For 2016 a major focus will be to perform a complete cover to cover evaluation and update of the current Accident Prevention Program within the City. This will confirm complete compliance in all categories in the plan as well as update the safety standards for our staff.

Program Budget Overview

The budget reflects the Energy Management, Grants, and Safety Programs. The Contract and Project Management Support Program is budgeted in the Public Works Engineering Line of Business.

Recent Accomplishments

Contract & Project Management Support

Contract Administration and Project Management Support Services continue to lead the annual State Audit and Federal Project Management Review (PMR) Audit for Public Works. Staff provides manual and electronic process documentation in accordance with City, State and Federal policies and guidelines. The group has successfully passed audits with no findings from the State Auditor's Office for five consecutive years.

Like most local governmental agencies in Washington State, the City is doing its best to deliver required services with existing or diminished resources. The Contract Administration and Project Management Support group collaborated with Engineering Services at a three day LEAN event facilitated by the State Auditor's Office. During the event, staff identified areas for improvement and selected the "Engineer Project Estimate-Pay Estimate" process as their first project. The LEAN event revealed potential annual savings of up to \$180,000 in soft costs and 1,200 labor hours.

Energy Management

In late 2014, the City Hall solar array went online producing clean, renewable energy for use at City Hall. The City Hall project is the second solar project in the last two years for the City. The Olympia Timberland Library is also generating renewable energy through a solar array installed in late 2013. The City is committed to reducing energy consumption and associated greenhouse gases and adding solar and producing clean, renewable energy is an innovative way to help achieve these goals.

Safety

Staff worked with a Bio-medical Supplier to create a low-cost cost needle safety kit. Staff were trained on the proper use of needle safety and provided a kit for their vehicle. Staff also created a "Regional Safety Committee" with the City of Lacey, LOTT, and Thurston County safety officers. The group meets monthly with the goal of sharing resources and expertise.

Key Result Measures - Administration	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Accident Claims	0	14	12	12
Injury Claims	0	34	31	31

General Services - Facilities Operations

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 739,667	\$ 796,316	\$ 809,926	\$ 13,610
Supplies & Services	808,177	767,086	779,240	12,154
Interfund Payments	277,232	305,912	327,145	21,233
Total Expenditures	\$ 1,825,076	\$ 1,869,314	\$ 1,916,311	\$ 46,997
Program Revenue	207,079	382,882	384,335	1,453
Funding from General Revenues	\$ 1,617,997	\$ 1,486,432	\$ 1,531,976	\$ 45,544

Highlights of Program Budget Change

Major increases in interfund payments:

- \$ 12,866 - Graduated increase in Maintenance Center rent. Rental rate increased from \$8 to \$10 per square feet. Plan is to increase rent \$2 per year until rent reaches \$16 per square feet. (2014 projection of actual cost to be reimbursed through rent.)
- \$ 3,895 - Increase in property insurances assessment.
- \$ 3,677 - Increase in charges for department administration.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Electrician	1.00	1.00	1.00
Facilities Systems Technician	1.00	1.00	1.00
Lead Worker	1.00	1.00	1.00
Maintenance Worker II	4.00	4.00	4.00
Office Specialist II	0.50	0.50	0.50
Program & Planning Supervisor	0.50	0.50	0.50
Total	8.00	8.00	8.00

Program Description

Facilities Operations operates and maintains 12 City-owned buildings comprising over 325,098 square feet. This program is also responsible for managing the capital repair and replacement for 18 City-owned buildings.

Trends

The facility profession is integrating its role into the overall mission of the organization. Studies show that good building design and operations that support employees' work behaviors can improve productivity and satisfaction. Facility changes can be made that target employee performance, making a positive contribution to the organization. Common examples of facility design that positively affect employees include adequate space and privacy, current technology, and close location to coworkers.

Facility management is integral to the City's sustainability efforts. Utilities are typically the largest expense in the operating budget. As a result, rising utility costs are becoming the driver for intelligent building technologies. Automated systems enable better management and use of energy, improve indoor air quality, and control security, as well as aid in the amount of time staff spends troubleshooting issues. Investing in intelligent building technologies has proven to save money, reduce greenhouse gases, and create a more comfortable environment for employees and visitors.

Leadership in Energy and Environmental Design (LEED) is one of the best-known environmental initiatives and is becoming more widespread. LEED is a management tool that guides sustainable design, construction, and the ongoing operation and maintenance of buildings. The City Hall building was awarded the LEED Gold Standard in 2011 and the Hands on Children's Museum was awarded the LEED Silver Standard rating in 2013.

Asset Management is another relevant trend. Understanding the optimal lifecycle for major assets allows facility managers to plan both strategically and financially for their replacement. The foundation is a computerized maintenance management system

that allows for improved efficiencies and operational performance. The system enables us to collect data on equipment, such as, time to repair, cause of failure, parts, and other important information. We track and analyze work orders to measure performance and plan for capital replacement.

Program Budget Overview

There are three current City-owned buildings scheduled and funded for demolition in late 2015. This will allow maintenance staff to focus its efforts on improving building condition for key facilities such as Olympia Timberland Library, Family Support Center, and Public Works Maintenance Center. Additionally, savings in utility costs will be reallocated to increase available maintenance funds.

The 2016 Facilities Operations budget reflects a \$12,750 decrease in gas and electricity expenses. This reduction is attributed to new equipment, including new HVAC equipment and solar panels installed at City Hall and Olympia Timberland Library. Property insurance rates declined slightly.

Coupled with savings in other areas, Facility Operations was able to increase its 2016 repair and maintenance budget by 4.5% over 2015 numbers. These critical dollars can be spent on small projects to improve and modernize building systems and finishes.

Future Challenges and Opportunities

Operating and maintaining City Hall, combined with implementing the asset management program, creates great opportunity. The asset management program will help manage maintenance and long-term capital repairs. The challenge will be collecting, entering, and analyzing the data. Staff will provide maintenance management plans for all City facilities and will build the system database over time.

Further analysis and evaluation of our existing building systems throughout 2015 will enable us to provide more accurate budgeting for lifecycle replacement or system upgrades.

It is important to remember that we continue to maintain an aging portfolio; Lee Creighton Justice Center, Maintenance Center, The Olympia Center, Family Support Center, Washington Center for the Performing Arts, and Olympia Timberland Library. In September 2013, an updated comprehensive Facility Condition Assessment was completed on 17 sites including 22 City-owned buildings. Our four newest buildings (Olympia City Hall, Hands On Children's Museum, Fire Station 4, and Mark Noble Regional Fire Training Center) were included in the analysis to identify potential issues and determine lifecycles.

This analysis revealed that only 33% of our buildings meet a condition rating of 2.0 or better (1.0 is Superior and 5.0 is Beyond its Useful Life). The estimated cost of improvements to City buildings in need of repair is in excess of \$18 million over a 10-year period.

Results indicate that maintenance programs are successfully extending building life, but numerous systems are due or overdue for replacement. Our older and mid-range aged buildings have the most systems that will require replacement in the next six years.

In October 2014, the City in collaboration with Puget Sound Energy, embarked on a Resource Conservation Management Program for select City buildings and Water Resources' pump stations. The program is designed to benchmark and track energy use in the participating City facilities and identify energy conservation measures with the goal of energy use reduction and the reduction of greenhouse gas emissions from City operations. The program set reduction targets for the City, which if we meet or exceed, we will earn grant money from PSE. This is an opportunity for the City to conserve energy, reduce greenhouse gas emissions, earn grant funding and save money on our energy bills.

Recent Accomplishments

Using State Department of Commerce grant monies and general funds, the City installed a 25 kilowatt solar array on the City Hall roof. Savings for this array are estimated at \$3,000 dollars annually. This project, in addition to the recent Olympia Timberland Library solar demonstration array are reducing power demand, paying production incentives and providing an example of renewable solar energy for Olympia citizens.

Key Result Measures - Facilities Operations	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Improve Building Condition Rating	Rating of 2 or lower	2.2	2.0	2.0
Improve Building Energy Efficiency	5% annually	5%	5%	5%

Service Profiles - Facilities Operations	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Square Footage of Facilities for which We Perform Electrical, Plumbing, Carpentry, Painting, HVAC, and General Maintenance Tasks	325,000	325,000	319,000
Labor Hours for Corrective Maintenance Tasks and Customer Service	3,700	3,600	3,400
Labor Hours for Preventative Maintenance Tasks	1,850	2,000	2,200

General Services - Fleet Operations

Program Cost Summary	2014 Actual	2015 Actual	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 732,949	\$ 697,596	\$ 686,847	\$ (10,749)
Supplies & Services	524,468	585,797	592,937	7,140
Interfund Payments	421,809	388,795	464,303	75,508
Total Expenditures	\$ 1,679,226	\$ 1,672,188	\$ 1,744,087	\$ 71,899
Program Revenue	1,467,959	1,686,365	1,744,767	58,402
Use of (or Additions to) Reserves	\$ 211,267	\$ (14,177)	\$ (680)	\$ 13,497

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Inventory Control Specialist II	1.00	0.75*	0.75
Master Mechanic	3.00	3.00	3.00
Office Specialist II	0.50	0.50	0.50
Program & Planning Supervisor	0.50	0.50	0.50
Senior Master Mechanic	1.00	1.00	1.00
Service Specialist	1.00	- *	-
Total	7.00	5.75	5.75

* Reorganization to Fire

Highlights of Program Budget Change

Major increases in interfund payments:

- \$ 19,374 - Graduated increase in Maintenance Center rent. Rental rate increased from \$8 to \$10 per square feet. Plan is to increase rent \$2 per year until rent reaches \$16 per square feet. (2014 projection of actual cost to be reimbursed through rent.)
- \$ 57,060 - Increase in vehicle maintenance charges related to State of Washington vehicles maintained by City. As repairs are made an internal charge is made to this Fund which then bills the State for the repairs.

Program Description

Fleet Operations provides reliable, safe, well maintained, and environmentally friendly vehicles and equipment to all City Departments so they may efficiently and effectively perform their services for the City of Olympia. We also perform preventive and corrective maintenance on City vehicles and equipment, coordinate the purchase and disposal of fleet assets, and manage the purchase and distribution of fuel, parts, and inventory.

Trends

Fuel prices continue to be unstable. Fleet Operations staff continues to pursue alternative methods for reducing Citywide vehicle and equipment fuel consumption.

There is increasing pressure from federal, state, and local government, as well as the community to find ways to reduce greenhouse gas emissions, which are known to affect climate change. The new fleet vehicles, trucks, and equipment we purchase have advanced computerized and electronic systems that aid in the reduction of greenhouse gases. In addition, the number of electric and hybrid vehicles in our fleet continues to grow.

Program Budget Overview

In 2014 and 2015, we realized significant savings in maintenance costs due to the replacement of aging vehicles like police patrol vehicles, refuse trucks, a street sweeper, and two vacuum trucks. The improved preventive maintenance program coupled with the replacement of aging vehicles decreased the number of major repairs resulting in an increased capacity for our ASE certified master mechanics. The increased capacity allows Fleet to in-source work from the State Department of Enterprise Services (DES) and provide staffing to support Olympia Fire Department's fleet parts management.

Future Challenges and Opportunities

As a community leader in the pursuit of reduced greenhouse gas emissions, Fleet continues to explore methods that will reduce emissions and fuel use, save money through technology and alternative fuels, and change how City employees operate City vehicles and equipment. Fleet continues to explore ways to expand the integration of electric vehicles into the fleet. The City currently has six Nissan LEAFs in the fleet and will look for opportunities to replace suitable gas powered vehicles with electric vehicles.

Washington legislature mandated that all public vehicles (except emergency response) purchased after 2018 be either electric or biofuel powered. This presents a challenge for the City as both biofuel and electric vehicle technologies are still developing. In looking towards 2018, the City added five electric vehicles (EVs) to the fleet in 2013. Additionally, Nissan donated four double-head EV charging stations to the City. Two of the chargers are available for public use and two are exclusively for Fleet use. This will enable us to continue to add EV technology to the Fleet and focus on greenhouse gas and fuel reduction, as well as save money on fuel and vehicle maintenance costs. The City will continue to keep abreast of evolving EV technology and seek out opportunities to add EVs to the fleet as well as strengthen the EV charging network within the City.

Biodiesel use continues to be a great option for fleets to reduce greenhouse gas emissions, lessen dependence on foreign oil, and improve engine performance. In early 2013, we began using B5 (5% biodiesel, 95% diesel). In 2014, we increased to B10 biodiesel. We continue to research and evaluate viable alternative fuel vehicles within the Fleet. The addition of these vehicles will save the City money in decreased fuel costs, maintenance, and greenhouse gas emissions.

We ensure Fleet staff remains up-to-date on technological changes associated with Fleet vehicles and equipment through education and training. This expedites repair and maintenance service times, and in turn decreases interruptions to City operations. We

continue to evaluate our replacement parts acquisition process in an effort to improve fleet availability and reduce costs without compromising quality. Current initiatives include focusing on right-sizing the parts room inventory and reducing processed invoices.

We will continue to evaluate the optimal lifecycle for various classes of equipment. This is important so we can make sure we are paying the lowest possible lifetime cost to operate our vehicles and equipment.

Fleet entered a contract with Chevin to install a modern fleet management information system. This new software will streamline fleet's day-to-day operations, key performance metrics tracking, and vehicle procurement and disposal functions. Olympia Fire Department will also utilize the software to manage their growing in-sourced maintenance operations. The software will be fully functioning by December 31, 2015. Continuing maintenance costs for the software will be offset by savings provided by operational efficiencies.

Recent Accomplishments

In 2015, Fleet Operations was honored as the #24 Public Sector Fleet in North America by the 100 Best Fleets Program. This honor is a result of a highly dedicated staff that is focused on running an efficient and transparent fleet operation. Additionally, the City was honored by Western Washington Clean Cities for "Outstanding Performance: Small Fleet." Major accomplishments for both of these honors included Fleet's insourcing efforts, electric vehicle introduction, GPS integration, and stellar customer service.

Key Result Measures - Fleet Operations	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Fuel Consumed (gallons)	2% decrease each year	179,000	175,400	171,900
CO2 Emissions (tons)	2% decrease each year	1,736	1,700	1,660
Available for Operation— Heavy Duty Vehicles	95%	97%	96%	97%
Available for Operation—Light Duty Vehicles	95%	98%	98%	98%

Service Profiles - Fleet Operations	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Vehicles and Equipment in City Fleet	235	235	237
Preventive Maintenance Inspections Conducted	600	600	600
Vehicles and Equipment Purchased and Placed in Service	22	22	22
Vehicles and Equipment Disposed of	20	22	20



Engineering

<i>Engineering Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$2,954,540	\$3,140,646	\$3,266,763	\$126,117
Supplies & Services	117,404	126,810	154,872	28,062
Interfund Payments	177,818	167,361	185,704	18,343
Total Expenditures	\$3,249,762	\$3,434,817	\$3,607,339	\$172,522
Program Revenue	3,868,286	4,194,188	4,070,169	(124,019)
Revenues (Excess) of Direct Costs	\$(618,524)	\$(759,371)	\$(462,830)	\$296,541

Highlights of Program Budget Changes

Revenue reduction is due to change from budgeting project-related revenue from 100% of expected time for project work to 90%. Due to vacancies and extended leaves in the past we do not reach the 100% goal. In 2014 92% of expected revenue was generated and in 2013 96% was generated.

<i>Program Staffing - Contracts & Admin</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Engineering Tech II	-	3.00*	3.00
Program Specialist	-	1.00**	1.00
Supervisor III	-	1.00*	1.00
Total	-	5.00	5.00

* Reorganization ** Reclassification

<i>Program Staffing - Engineering</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
City Engineer	1.00	1.00	1.00
City Surveyor	1.00	1.00	1.00
Construction Inspector	3.00	4.00*	4.00
Engineering Program Manager	1.00	1.00	1.00
Engineering Project Coordinator	1.00	1.00	1.00
Engineering Project Manager	4.00	4.00	4.00
Engineering Tech II	8.50	4.00*	4.00
Project Engineer I	2.00	3.00**	3.00
Project Engineer II	4.00	3.00**	3.00
Supervisor III	1.00	-*	-
Survey/Mapping Coordinator	1.00	1.00	1.00
Total	27.50	23.00	23.00

* Reorganization ** Reclassification

Line of Business Overview

The Engineering Line of Business is responsible for development of the Public Works portion of the City's Annual Capital Facilities Plan (CFP), updating the Engineering Design and Development Standards (EDDS), delivering projects identified in the CFP, enforcing erosion and sediment control regulations for new construction, inspecting private development construction in the right of way, utility locating, surveying, and mapping the City's infrastructure.

Engineering provides professional engineering, surveying, and inspection services to Public Works and other City Departments to support City utilities, facilities, and transportation systems, consistent with our community's vision.

Engineering is made up of three programs: Project Management, Design/Construction, and Survey/Mapping.

The Project Management program is responsible for the successful completion of projects identified in the City's CFP. Core services include:

- Scope, schedule and budget management.
- Ensuring compliance with funding requirements.
- Ensuring compliance with local, state and federal permitting requirements.

The Design/Construction program is responsible for designing and constructing capital projects consistent with established standards, enforcing erosion and sediment control regulations

for new construction and inspecting private development construction in the right of way. Core services include:

- Developing engineering plans and specifications.
- Developing cost estimates.
- Inspecting and documenting work completed by the City's contractors.
- Ensuring compliance with plans and specifications.
- Enforcing erosion and sediment control regulations for new construction.
- Inspecting and documenting work completed by private development contractors.

The Survey/Mapping Program is responsible for survey, Geographic Information System (GIS) mapping, utility locating and right of way acquisition. Core services include:

- Plat reviews.
- Design survey and construction staking.
- Mapping updates.
- Easement and property acquisition.
- Utility locating for public and private construction.

Trends

Inspection efforts associated with erosion and sediment control, for both public and private project, continues to increase. Requirements associated with the Western Washington Phase II Municipal Stormwater Permit, Department of Ecology-issued Construction Stormwater General Permit, and City of Olympia Drainage Design and Erosion Control Manual, continue to be defined, clarified, and then implemented by engineering and

inspection staff, to ensure that they are being consistently implemented, inspected, documented, and enforced.

The cost and time associated with permitting continues to impact project schedules and budgets. In an effort to reduce these factors and provide customers with an enhanced level of service, we will continue working in collaboration with Community Planning and Development, as well as training staff in permitting processes and procedures.

An increasing number of projects are funded by grants and loans, which often times have very specific compliance conditions. To successfully execute the requirements of the grant/loan and maintain eligibility for future funding, staff must be up-to-date with the applicable standards. Investing in training of our staff ensures that we are able to maintain our stellar reputation with the State of Washington Auditor's Office.

Costs for construction materials, labor, and the purchase of right-of-way are increasing by approximately 5% this year. We continue to monitor economic trends as we estimate costs for our CFP projects, which requires increased efforts by staff to ensure that our customers have reliable estimates, as well as cost estimates that are current and accurate over the six-year life of the CFP.

Development of Low Impact Development (LID) design standards will shape the design and construction of the City's infrastructure. Innovative construction methods (e.g., trenchless technologies) and materials (e.g., glass aggregate and microsurfacing) that are more efficient and sustainable will continue to be explored and used where feasible. CFP project planning and preliminary design efforts within Engineering will expand the use of holistic planning tools that analyze and rate the community, economic and environmental benefits of our infrastructure projects.

To reach citizens more effectively, we are relying on social media tools, including Twitter, to deliver real-time traffic updates, construction milestones and engage the public. The Construction News web pages are another tool used to provide clear and easy to understand information regarding Olympia's major capital projects as is our annual construction brochure.

Program Budget Overview

While the actual number of new CFP projects will be about the same in 2016, the overall value for planned projects will be less. A look at future CFPs reveals a trend towards fewer projects, with a focus on maintenance.

In order to keep abreast of new technology, materials, and processes, as well as meet our community's expectation of sustainable projects amidst mounting budget restraints, we are taking advantage of local classes and online webinars to provide low-cost options for staff training.

Future Challenges and Opportunities

Our responsibility is to provide the information and essential expertise our customers need to achieve their mission. Evolving standards, guidelines and regulations related to LID give us an opportunity to be innovative and to use technology, education, and training to develop new ways of designing and constructing our projects.

Changes to the City's Comprehensive Plan will provide the opportunity to further refine Olympia's Engineering Design and Development Standards to ensure that we are providing the guidance that will meet state and federal regulations and help us achieve our vision of a sustainable community.

In 2016 we will continue our evaluation of the use of Envision as a tool to guide development of sustainable projects. We will also continue our LEAN approach to service delivery to ensure we are providing these services in the most efficient and effective manner.

Recent Accomplishments

Washington State Department of Transportation invited the City to partner on development of a Transition Plan for ADA Improvements in the right of way. The partnership will help the City complete the task, and WSDOT gain experience to help guide other cities.

In 2015, Engineering managed the construction of 19 projects, totaling approximately \$28.5 million. Use of new and innovative methods and materials, including trenchless technology, reflect our commitment to sustainable solutions.

Completed projects, including an investment of over \$1 million in Downtown, include:

- Isthmus Demolition – Former Health Building
- Alley Lighting Project State Avenue @ Columbia Street Pedestrian Improvements Water Main Replacement on 18th Avenue, Myrtle Place and Swanee Place
- State Avenue Paving – Phase II, Paving and Striping
- Parks and Pathways Neighborhood Pathways - Moore Street, Decatur Street and Fairview Avenue Pedestrian Pathways
- Crack Sealing and Pavement Marking Replacement
- LEAN event to streamline project development
- Utilizing Twitter to communicate up-to-the-minute information related to construction projects
- Integrating into Public Works inspection services associated with the construction of public infrastructure by private developers
- Assisted CP&D with private utility permitting and engineering plan review

Key Result Measures - Engineering	Target or Goal	FY 14 Actual	FY 15 Actual	FY 16 Budget
Percentage of Projects' Final Cost at or below 5% of Planning Level Estimate	90%	83%	85%	85%

Service Profiles - Engineering	FY 14 Actual	FY 15 Actual	FY 16 Budget
Design and Construction Projects Identified in the Annual Project List	34	38	36



Transportation

<i>Transportation Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Planning & Engineering	\$ 1,068,787	\$ 1,184,979	\$ 1,207,627	\$ 22,648
Traffic Operations	1,857,405	1,976,042	2,049,922	73,880
Street Operations	2,100,172	2,245,030	2,333,202	88,172
Total Expenditures	\$ 5,026,364	\$ 5,406,051	\$ 5,590,751	\$ 184,700
<i>Recap of Expenditures</i>				
Personnel Services	\$ 2,889,285	\$ 3,067,465	\$3,143,955	\$ 76,490
Supplies & Services	1,493,139	1,609,896	1,615,897	6,001
Capital Outlays	22,118	-	-	-
Interfund Payments	621,822	728,690	830,899	102,209
Total Expenditures	\$ 5,026,364	\$ 5,406,051	\$ 5,590,751	\$ 184,700
Program Revenues	1,644,327	1,493,242	1,593,284	100,042
Funding From General Revenues	\$ 3,382,037	\$ 3,912,809	\$ 3,997,467	\$ 84,658

Line of Business Overview

The mission of the Transportation line of business is making your trip safe, efficient, and inviting. We further this mission through our four programs:

Transportation Planning—Develop plans, policies, and programs that increase walking, biking, and transit use, and promote the safe movement of motor vehicles.

Transportation Engineering—Manage, monitor, develop, and implement complete transportation systems for today and into the future.

Traffic Operations—Efficiently and effectively maintain traffic control devices.

Street Operations—Repair, maintain, and improve streets and rights-of-way.

Budget Overview

The 2016 budget maintains current levels of service with no new programs.

Future Trends and Challenges

Policy Development - Implement the policy guidance of the Regional Transportation Plan (RTP), Transportation Mobility Strategy (TMS), and the Comprehensive Plan. Emphasis areas for implementation include development of bus corridors, improving street and pathway connectivity, integration of land use and transportation strategies, and revising our approach to system capacity to accommodate all modes of travel.

Downtown - Look for opportunities to implement the Comprehensive Plan vision by focusing capital investments downtown. These include improvements such as sidewalk repair, crossing enhancements, and pavement preservation.

Energy Use - We continue to look for opportunities to reduce our carbon footprint using technology. Commute Trip Reduction (CTR) programs will help us continue to reduce fuel consumption, as

well as improve air quality in the community. Smart Corridors, a signal priority system for transit, will keep buses moving in traffic on our major corridors.

Work Orders and Efficiencies - With rising costs and aging infrastructure, it is increasingly important to try to maintain our current level of service. We are evaluating methods of capturing data to help us understand where there are opportunities for increased efficiencies. This data is also used to determine the true cost of the services we provide.

Asset Management - We continue implementation of an asset management system to more efficiently maintain the City's transportation infrastructure (pavement, traffic signals, streetlights, traffic control signs, and markings). Asset management systems predict maintenance needs, allowing maintenance activities to be more cost-effective. We will ultimately be more proactive in addressing maintenance needs through lifecycle analysis, predictive maintenance, and condition rating of assets.

Geographic Information Systems (GIS) - We are continuing to expand our use of GIS for asset management, project planning, and communication with the public. Continued training and dedicated staff resources will allow GIS to become a greater tool in our work and will fundamentally change our approach to transportation planning and budgeting.

Transportation Planning and Engineering

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 910,916	\$ 987,070	\$ 1,002,704	\$ 15,634
Supplies & Services	31,815	66,715	66,592	(123)
Interfund Payments	126,056	131,194	138,331	7,137
Total Expenditures	\$1,068,787	\$1,184,979	\$1,207,627	\$22,648
Program Revenues	279,086	250,000	250,000	-
Funding from General Revenues	\$ 789,701	\$ 934,979	\$ 957,627	\$22,648

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
Engineering & Planning Supervisor	1.00	1.00	1.00
Engineering Designer	1.00	1.00	1.00
Engineering Technician II	1.00	1.00	1.00
Line of Business Director	1.00	1.00	1.00
Program Assistant	0.80	1.00*	1.00
Project Engineer II	2.00	2.00	2.00
Senior Planner	1.00	1.00	1.00
Senior Program Specialist	1.00	1.00	1.00
Total	8.80	9.00	9.00

* Reorganization from Public Works Street Operations

Transportation - Planning Program

Program Description

The Transportation Planning Program develops plans, policies, and programs that increase walking, biking, and transit use and promote the safe movement of motor vehicles.

Core services include:

- Develop plans and programs to implement the Comprehensive Plan, Transportation Mobility Strategy, and Regional Transportation Plan.
- Conduct studies that identify improvements to the transportation system.
- Plan bicycle, pedestrian, motor vehicle, and overall roadway safety projects.
- Develop strategies and policies to reduce congestion and pollution.
- Develop bicycle and pedestrian education and encouragement programs.
- Respond to public concerns and create opportunities for greater public input.
- Work with the Bicycle and Pedestrian Advisory Committee (BPAC) on their Council-approved work program items.

Trends

We continue to make progress in retrofitting our major streets to be more complete by adding sidewalks, bike lanes, and pedestrian crossing improvements.

Program Budget Overview

This budget maintains current staffing levels, however, there are multiple planning projects scheduled for the next six years that are pending staff availability. Education and encouragement activities are dependent on grant opportunities.

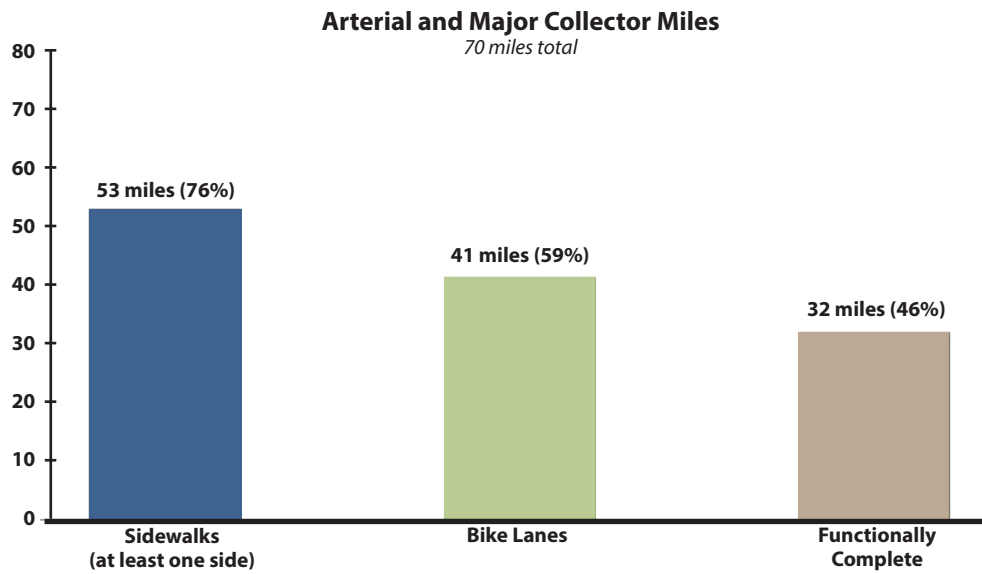
Future Challenges and Opportunities

- Continue to implement the Neighborhood Pathways Program. This program invites residents to identify priority pathways in their neighborhoods and provides grant funds to improve these pathways for biking and walking.
- Begin work to update the 2003 Sidewalk Program and the Bicycle Program with the involvement of the Bicycle and Pedestrian Advisory Committee.
- Continue development of Bike Corridors – low volume streets that are modified to support a wide range of bicyclists.
- Expand the use of GIS for capital facilities planning and sharing information with the public.
- Look for ways to share and receive input from the public on transportation planning and project priorities.
- Explore more new programs for encouraging walking, biking, and transit.
- Identify and draft needed updates to the Engineering Design and Development Standards as a result of the new Comprehensive Plan goals and policies.

Recent Accomplishments

- We are collaborating with neighborhood associations to complete three pathways projects in the Neighborhood Pathways Program.
- We are updating the Olympia Walking Map with lodging tax funding.
- We have identified a Bike Corridors pilot project for implementation in 2016.

Key Result Measures - Planning	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Actual
Percent of arterials and major collectors that are "Functionally Complete," serving all modes. Functionally Complete streets have bike lanes on both sides and sidewalks on at least one side.	All arterials and major collectors have bike lanes on both sides and sidewalks on at least one side.			
				See graph below



Service Profiles - Transportation Planning	FY 14 Actual	FY 15 Estimate	FY 16 Actual
Major planning projects or studies	5	6	6

Transportation - Engineering Program

Program Description

The Transportation Engineering Program manages, monitors, develops, and implements complete transportation systems for today and into the future.

Core services include:

- Respond to transportation requests and concerns from the public
- Collect and evaluate transportation system data, including collisions and volumes
- Identify transportation system needs and implement improvement projects
- Develop funding strategies for transportation projects using grants, impact fees, and City revenues
- Review and advise on transportation improvements associated with development
- Develop and guide street standards
- Collect and analyze pavement condition data

Trends

- Grant funds are needed to augment current funding for capital projects.
- Funding for capital projects to pave streets is not sufficient to meet current street repair needs.
- Identifying system improvements that can result in safer streets for all users and potentially reduce collisions

Program Budget Overview

The 2016 program budget maintains our core services at their current level of service.

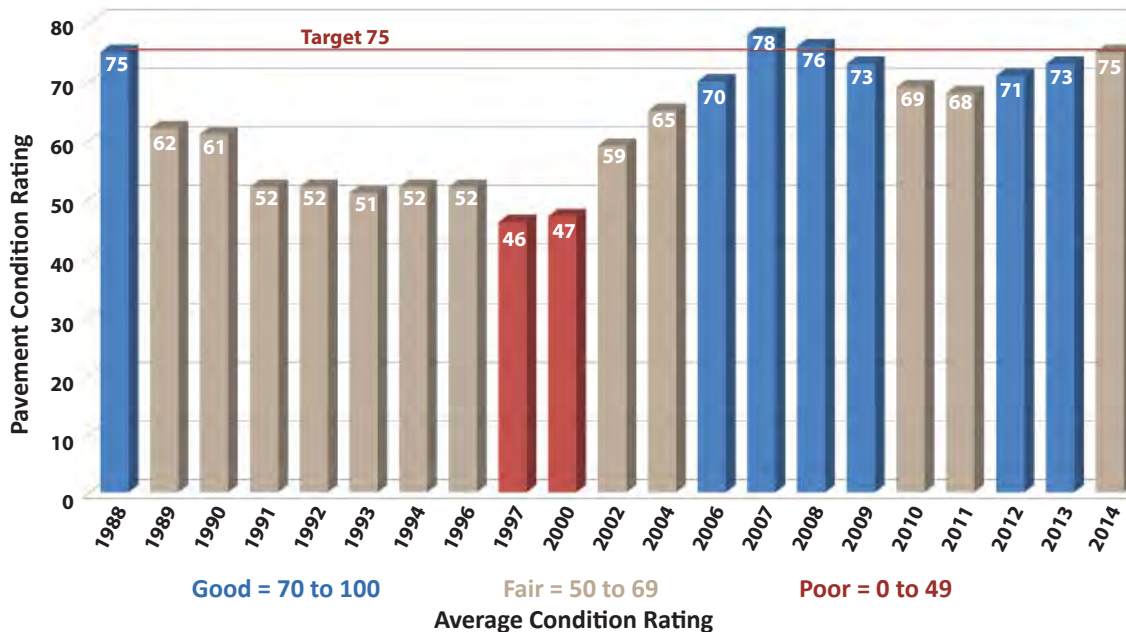
Future Challenges and Opportunities

- Continue to retrofit our street network with street designs that work for all modes of transportation.
- Complete the Interchange Justification Report related to modifying access to US 101 near Kaiser Road and Yaeger Way.
- Develop Low Impact Development standards for our streets which will reduce and more effectively manage stormwater run-off.
- With the elimination of the Neighborhood Traffic Management Program (NTMP), we continue to look for opportunities and innovative ways to address traffic calming requests through neighborhood involvement.
- Pursue funding for system improvements.
- Research and pursue ways to meet transportation capacity needs by funding standalone transit, biking, and walking projects. This is especially needed in the densest parts of our City where streets cannot be widened further.

Accomplishments

- Grant Applications - We received grant funding for pedestrian crossing improvements on Pacific Avenue at Devoe Street and Lansdale Road.
- Smart Corridors - We are participating in a regional project to upgrade traffic signals, which will allow transit buses to have priority at intersections and stay on schedule.

The table below describes the street pavement condition on a scale of 0-100



<i>Key Result Measures - Transportation Engineering</i>	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Actual</i>	<i>FY 16 Budget</i>
Pavement Condition Rating	75	75	75	75

<i>Service Profiles -Transportation Engineering</i>	<i>FY 14 Actual</i>	<i>FY 15 Actual</i>	<i>FY 16 Budget</i>
Public Request Responses	1,020	1,020	1,030
Grants Received	3	2	2



Transportation - Traffic Operations

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 866,319	\$ 874,962	\$ 923,043	\$ 48,081
Supplies & Services	835,708	952,932	949,568	(3,364)
Capital Outlays	22,118	-	-	-
Interfund Payments	133,260	148,148	177,311	29,163
Total Expenditures	\$ 1,857,405	\$ 1,976,042	\$ 2,049,922	\$ 73,880
Program Revenues	38,672	28,854	28,854	-
Funding from General Revenues	\$ 1,818,733	\$ 1,947,188	\$ 2,021,068	\$ 73,880

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Data Control Specialist	0.50	0.50	0.50
Lead Worker	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Sign Technician	2.50	3.00*	3.00
Sr. Traffic Signal Technician	1.00	1.00	1.00
Traffic Signal Technician	2.00	2.00	2.00
Total	8.00	8.50	8.50

* Added .50 FTE

Highlights of Program Budget Changes

Major increases in interfund payments:

- \$16,256 - Graduated increase in maintenance center rent. Rental rate increased from \$8 to \$10 per square feet. Plan is to increase rent \$2 per year until rent reaches \$16 per square feet. (2014 projection of actual cost to be reimbursed through rent.)
- \$11,753 - Vehicle maintenance charges.

Program Description

The **Traffic Operations** Program efficiently and effectively maintains traffic control devices.

Core services include:

- Maintain traffic signals and streetlights
- Maintain signs and pavement markings
- Ensure all signs, pavement markings, traffic signals, and streetlights within the City are fully operational and meet current standards

Trends

We are developing asset management systems for more cost-effective and predictable maintenance of traffic control devices.

Program Budget Overview

Current levels of service will be maintained with a focus on preventative maintenance for traffic signals and replacement of pavement markings.

Future Challenges and Opportunities

- Due to the age and critical function of our signal systems, we are rating their condition in order to systematically address future repair and capital replacement needs.
- We will continue to support special events in the community by installing holiday lights, banners and flags on streetlight poles, and providing temporary street closures.
- Graffiti continues to be a major issue and expense. Graffiti removal is important to the viability of Downtown businesses and the livability of our neighborhoods. Partnering with neighborhoods and other departments has helped improve response times for removal.

Accomplishments

4,500 streetlights citywide were converted to LED technology. This is saving the City over \$200,000 annually and reducing energy consumption by 50 to 60 percent.

Key Result Measures - Transportation Traffic Operations	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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Traffic Signal Condition Under Development

Traffic Operations is developing a new key result measure regarding the condition of our traffic signal systems. This information will help staff develop a strategy for scheduling and funding routine maintenance as well as capital replacement projects.

Service Profiles - Transportation Traffic Operations	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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Signalized Intersections	95	95	95
Streetlights	4,500	4,500	4,500
Traffic Control Signs	11,900	12,000	12,100
Lane Miles Striped	232	232	232
Lighted Crosswalk Systems	29	30	31

Transportation - Street Operations

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 1,112,050	\$ 1,205,433	\$ 1,218,208	\$ 12,775
Supplies & Services	625,616	590,249	599,737	9,488
Interfund Payments	362,506	449,348	515,257	65,909
Total Expenditures	\$2,100,172	\$2,245,030	\$ 2,333,202	\$ 88,172
Program Revenues	1,326,569	1,214,388	1,314,430	100,042
Funding from General Revenues	\$ 773,603	\$1,030,642	\$ 1,018,772	\$(11,870)

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Data Control Specialist	0.50	0.50	0.50
Field Crew Leader	1.00	1.00	1.00
Lead Worker	1.00	1.00	1.00
Maintenance Worker II	8.00	8.00	8.00
Operations Supervisor	1.00	1.00	1.00
Program Assistant	0.20	- *	-
Total	11.70	11.50	11.50

* Reorganization to Public Works Transportation Planning & Engineering

Highlights of Program Budget Changes

Program Revenue:

- \$111,300 - Increase in shared vehicle fuel tax received from the State.
- \$(11,258) - Decrease in street cleaning services reimbursed by the Stormwater Utility.

Major increases in interfund payments:

- \$ 6,628 - Graduated increase in maintenance center rent. Rental rate increased from \$8 to \$10 per square feet. Plan is to increase rent \$2 per year until rent reaches \$16 per square feet. (2014 projection of actual cost to be reimbursed through rent.)
- \$59,166 - Vehicle maintenance charges.

Program Description

The **Street Operations** Program is responsible for repairing, maintaining, and improving our streets and rights-of-way.

Core services include:

- Roadway maintenance and repair
- Street sweeping
- Shoulder and alley grading
- Bridge maintenance and repair
- Sidewalk repair
- Bicycle facility maintenance
- Snow and ice control
- Vegetation control
- Roadside mowing

Trends

We continue to meet our commitment of repairing reported potholes by the end of the work day, or within two hours if reported after working hours. This proactive response to potholes minimizes liabilities, as well as slows the deterioration of the street surface.

While there is an ordinance requiring property owners to repair their sidewalks, we make some repairs downtown and in areas with heavy pedestrian use to remove trip hazards. However, there is a long list of sites needing repair.

The Snow and Ice Program continues to be a success, since we returned to a more proactive approach of applying de-icer prior to freezing roadway conditions.

Program Budget Overview

The 2016 budget maintains current levels of service. However, maintenance costs continue to be adversely affected by rising material costs, progressively aging infrastructure and the damaging effects of winter weather.

Future Challenges and Opportunities

- The program has a backlog in needed sidewalk repair and pavement maintenance. In addition, there is an increased demand for services resulting from our aging infrastructure and the additional number of streets maintained.
- Each year, Thurston County adds new plant species to the list of noxious weeds that the City is mandated to control. This requires additional staff time to monitor and eradicate these weeds.
- Disposal of sweeper spoils continues to be a challenge, as regulations change. This has a significant effect on our disposal budget.
- We are developing reports from our work order data collection system and are using them to help prioritize our work.

Accomplishments

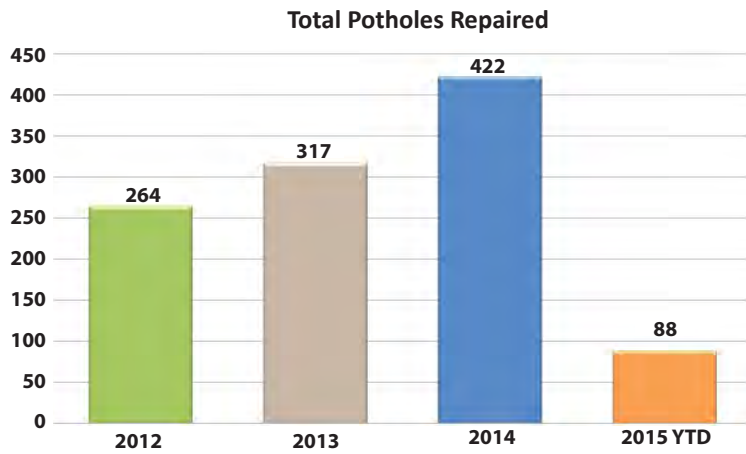
- Building on previous success, we'll continue to rent a large asphalt grinder for two months. This enables us to perform asphalt patching in more locations in a shorter amount of time.
- We received one-time funding for sidewalk repair, which is helping us make some progress.

Transportation - Street Operations (continued)

Key Result Measures - Transportation Traffic Operations	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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Reported potholes are repaired by the end of the day. Potholes reported after business hours are repaired within two hours.

	100%	100%	100%	100%
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Service Profiles - Transportation Traffic Operations	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Miles of Street Maintained	216	216	217
Miles of Bike Lanes Maintained	34.5	34.5	34.5
Miles of Street Prepped for Least Capital Projects	3.7	4.5	5
Total Lane Miles Mowed	81.7	63	64
Hours of Noxious Weed Control	194	70	70

Public Works - Water Resources

<i>Water Resources Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Drinking Water Utility	\$ 10,874,612	\$ 11,692,168	\$ 12,328,250	\$ 636,082
Wastewater Utility	16,504,090	18,047,323	18,939,515	892,192
Storm & Surface Water Utility	4,191,220	4,820,731	5,191,687	370,956
Total Expenditures	\$ 31,569,922	\$ 34,560,222	\$ 36,459,452	\$ 1,899,230
Recap of Expenditures				
Personnel Services	\$ 5,562,146	\$ 6,409,617	\$6,721,126	\$ 311,509
Supplies & Services	17,358,895	19,261,903	20,248,027	986,124
Capital Outlays	62,961	-	-	-
Debt Service	346,000	776,707	917,258	140,551
Interfund Payments	3,393,714	3,515,306	3,921,306	406,000
Interfund Transfers	4,846,206	4,596,689	4,651,735	55,046
Total Expenditures	\$ 31,569,922	\$ 34,560,222	\$ 36,459,452	\$ 1,899,230
Program Revenues	32,824,300	34,419,843	36,319,209	1,899,366
Use of (or Additions to) Reserves	\$ (1,254,378)	\$ 140,379	\$ 140,243	\$ (136)

Line of Business Overview

The Water Resources line of business includes Olympia's Drinking Water, Wastewater, and Storm and Surface Water utilities. The mission of the Water Resources line of business is to provide and protect nature's water for a healthy community. Through a management structure focused on a long-term, holistic view of water, we provide services in a comprehensive and integrated way.

Key services include operations and maintenance of infrastructure, long-term planning, capital facility development, water quality monitoring, and public involvement and education. Residents, businesses, and institutions provide funding through monthly or bi-monthly utility rates. The purpose statements for the three Water Resources utilities are:

Drinking Water—Provide the public with safe and sustainable drinking water and reclaimed water, and to ensure a sufficient water supply for firefighting needs.

Wastewater—Ensure the long-term management of the sewer infrastructure so that wastewater is collected, conveyed, and treated with minimal risk to public health and the environment.

Storm and Surface Water—Provide environmental management services to the public so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced.

Future Trends and Challenges

The Drinking Water utility began using its new water supply in the fall of 2014. The transfer of our water supply from the surface waters of McAllister Springs to the deep, well-protected groundwater supply at the new McAllister Wellfield is the result of many years of work and coordination. We are proud to say Olympia's water supply is secure and adequate at least until the year 2058.

Drinking Water utility staff is updating the six-year Water System Plan to better reflect future needs. The updated version was

available for consideration by our community and City Council in 2015. The Plan is being implemented in 2016. In addition to addressing water demand needs, conservation, water quality, capital improvements, and financial scenarios, this update emphasizes the need to comprehensively understand the condition and integrity of our extensive water distribution system. This work will shape the future of the utility.

Wastewater utility staff is implementing a new six-year Wastewater Management Plan that was adopted in late 2013. The Plan builds upon the health of the current Wastewater program by refining existing policies and practices. The issue of providing cost-effective sanitary sewer service for infill and outlying development continues to be a challenge and is addressed in the Plan. The Plan lays out a program of proactive system maintenance and timely upgrades.

Responding to new State and Federal regulatory requirements will continue to be a focus for the Storm and Surface Water utility. The evolving National Pollutant Discharge Elimination System (NPDES) Phase II stormwater permit creates new regulatory obligations for the City. Expanding the use of Low Impact Development techniques Citywide and implementation of an aquatic habitat protection strategy are focus areas in 2016. Work on a comprehensive update to our Storm and Surface Water Management Plan will also begin in 2016.

If predictions regarding global climate change hold true, the Water Resources utilities will be affected. Increasing sea levels would result in increased downtown flooding. Hotter and drier summers could increase water demand. The utilities are working to understand the impacts of global climate change and are developing adaptation strategies.

Water Resources - Drinking Water Utility

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 2,848,567	\$ 3,115,683	\$ 3,227,627	\$ 111,944
Supplies & Services	3,405,343	3,777,051	3,944,920	167,869
Capital Outlay	33,753	-	-	-
Debt Service	242,352	671,064	812,535	141,471
Interfund Payments	1,659,405	1,700,531	1,871,379	170,848
Interfund Transfers	2,685,192	2,427,839	2,471,789	43,950
Total Expenditures	\$10,874,612	\$11,692,168	\$ 12,328,250	\$636,082
Program Revenue	11,097,734	11,630,610	12,328,250	697,640
Use of (or Additions to) Reserves	\$ (223,122)	\$ 61,558	\$ -	-\$ (61,558)

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
AMR Meter Technician	-	2.00*	2.00
Engineering & Planning Supervisor	-	0.34**	0.34
Inventory Control Specialist I	0.75	0.75	0.75
Lead Worker	2.00	2.00	2.00
Line of Business Director	0.52	0.52	0.52
Maintenance Technician	2.00	2.00	2.00
Maintenance Worker II	11.00	11.00	11.00
Office Specialist III	0.52	0.52	0.52
Operations Supervisor	1.50	1.50	1.50
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	1.52	1.52	1.52
Project Engineer I	1.00	1.00	1.00
Project Engineer II	0.50	0.50	0.75+
Remote Systems Technician	1.25	1.25	1.25
Senior Planner	0.34	0.34	0.34
Senior Program Specialist	1.75	1.75	1.75
Water Meter Reader	2.00	- *	-
Water Monitoring Assistant	1.00	1.00	1.00
Water Quality Specialist	1.00	1.00	1.00
Total	29.65	29.99	30.24
* Retitled			
** Reorganization			
+ Added 0.25 FTE			

Highlights of Program Budget Changes

- Revenues:**
- \$ 149,350 - Regular Water Services base revenue with 1% customer growth.
 - \$ 730,000 - 6% rate increase.
 - \$(267,780) - Decrease in wholesale water sales the PUD discontinued purchasing water from Olympia in 2015 and the City of Lacey will discontinue mid 2016. Lacey projected revenue for 2016 is 101,700.
 - \$114,170 - Increase in projected antenna lease revenue.
- Expenditures:**
- \$ 139,821 - Increase in interfund transfers for debt service related to State of Washington loans. The increase for loan repayments is being phased in. Projected total amount required by 2017 is \$750,000.
 - \$ 125,823 - Increase in City and State Utility taxes.
 - \$ 50,000 - Increase in transfer to the Water Utility Capital Improvement Fund.
 - \$ 90,871 - Increase in interfund indirect overhead and engineering charges.
 - \$ 47,520 - Increase in vehicle rent and maintenance.
 - \$ 38,700 - Increase in services provided by the street maintenance section.

- Funded Critical Needs:**
- \$ 10,758 - Increase in mapping and asset management
 - \$ 25,000 - Funding for antenna lease management
 - \$ 25,068 - Additional .25 FTE to assist with engineering needs

Program Description

The Drinking Water utility provides the public with safe and sustainable drinking water and reclaimed water. It ensures a sufficient water supply for our growing community. The Utility serves as a steward of Olympia's water resources. Program areas include: operation and maintenance, water quality monitoring, cross-connection control, groundwater protection, water conservation, water source development, reclaimed water, and capital facility development. The 2015-2020 Water System Plan (approved by the State Department of Health and adopted by the Olympia City Council) guides the activities of the Drinking Water utility. Drinking Water utility staff recently completed a draft update of the Plan and anticipates a public hearing and City Council review in Fall 2015.

Trends

Trends that significantly affect the Drinking Water utility and its budget include:

- The work to develop additional sources of water supply have been successful in recent years, requiring engineering evaluations, construction of new facilities, and mitigation associated with new water rights. Olympia has sufficient water for many years.
- Water conservation efforts are paying off. For example, since 2009, the number of active water connections increased while per connection water use decreased by nine percent.

- A major new water reservoir is being designed for Southeast Olympia. The project will be constructed in 2016 and 2017 with a low-interest loan from the State of Washington.
- Automated meters were installed throughout the City in 2014-2015. The meters have improved efficiency of operations, saved staff time, and more accurately record water usage.
- New regulations related to water quality and water use efficiency are increasing capital costs and placing more demands on staff.
- Increased development and ongoing landowner practices in Olympia's Drinking Water (Wellhead) Protection Areas requires efforts to ensure that our water supplies are adequately protected. Groundwater monitoring efforts, land use regulations, land acquisition, and education with area residents are helping us protect our water sources long-term.
- The ongoing replacement of aging infrastructure, especially small diameter water pipe, is critical to the utility's long-term viability. Additionally, seismic retrofits for two reservoirs will ensure our community has water in the event of a catastrophic earthquake.

Program Budget Overview

The goal of the Drinking Water utility is to implement the policy direction set forth in the 2015-2020 Water System Plan. Investments in water supply, system reliability, water use efficiency, ground

water protection, and efficient operations continue to receive high priority. Staffing levels in 2016 will be the same as in 2015.

The 2016 budget includes increased expenses related to salaries, benefits, and other inflationary and overhead costs. Major projects identified next year include construction of the McAllister Wellfield corrosion control treatment facility, engineering design for the proposed Log Cabin reservoir and engineering, design and construction of the Fones Road Booster Pump Station.

Future Challenges and Opportunities

The 2015-2020 Water System Plan places top priority on ensuring that the community's water supply is understood and managed proactively. The following challenges face the Drinking Water Utility for the planning period 2015-2020:

- Aging infrastructure
- Changing water quality regulations
- Keeping pace with development
- Protecting groundwater from contamination
- Equitable and predictable rates and fees
- Public education and involvement

In 2012, the goal of providing a 50-year supply was achieved with the approval of Olympia's application to transfer its water rights from McAllister and Abbott Springs to the McAllister Wellfield. This source is Olympia's new primary source for drinking water. In addition to new supply development, the 50-year water supply strategy includes efforts to maximize current water supplies by continuing our aggressive water conservation program, investing in an ongoing leak detection and repair program, and considering opportunities for advancing reclaimed water.

Olympia made formal commitments through intergovernmental agreements to develop new sustainable supplies and protect water resources long-term. Due to increasing development and ongoing landowner practices in Olympia's Wellhead Protection Areas, the utility will also need to scrutinize and respond accordingly to potential impacts to our drinking water supplies. State and Federal water quality mandates will require continued improvements to our water infrastructure.

Following Council's direction, the utility will ensure that "growth pays for growth" and will also work with new development on reclaimed water issues and landscaping practices. The utility will seek to keep construction costs low by "piggybacking" with transportation and other types of construction projects.

Recent Accomplishments

- Completed connection to the City's new water source the McAllister Wellfield replacing McAllister Springs as the City's primary supply of drinking water.
- Upgraded 19,000 water meters across the City to receive water usage information via radio/wireless signals. This has streamlined customer service, operations and maintenance response, improved customer equity by ensuring customers are paying for water they are using, and enhanced water conservation by identifying and notifying customers of possible water leaks. This resulted in the reduction of two staff positions.
- Initiate a formal maintenance program for valve, hydrant and distribution system pressure regulating valves (PRV) under the tenets of asset management. This program will help staff understand and evaluate assets and make repair and replacement decisions.
- Preparing for a new, major water reservoir in Southeast Olympia in 2016.
- Enhanced work to better understand the structural integrity of our extensive pipe systems. A detailed asset management strategy is being developed to support the long-term work effort.
- Exceeded the five percent per connection water conservation goal between 2009 and 2014, with a reduction per connection consumption of 8.7 percent.
- Participated in the National Mayor's Challenge for water Conservation. Olympia was ranked ninth in the nation (population 30,000-99,999).

Key Result Measures - Drinking Water Utility	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Water Quality Samples Meeting Standards	100%	100%	100%	100%
High-Risk Connections with Adequate Backflow Protection	100%	100%	100%	100%
Indoor Water Use Reduction, 2015 – 2020 of 100,000 gallons per day*	100,000 GPD	N/A	20,000 GPD	20,000 GPD
Outdoor Water Use Reduction 2015 – 2020 of 5%*	5%	N/A	1%	1%

Service Profiles - Drinking Water Utility	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Total Number of Water Service Connections	19,699	20,000	20,300
Miles of Water Mains Maintained	275	285	330
Water Sources Maintained	9	9	9
Water Quality Compliance Samples Collected**	1,405	970	980
Backflow Devices Tested/Inspected	2,425	2,500	2,900
Water Conserving Devices/Rebates Distributed	1,832	1,500	1,200
Groundwater Protection Area Residents Reached with Information, Training and Technical Assistance	8	200	20
Reclaimed Water Service Connections	5	5	5

Notes:

* The water conservation key result measure changed in 2015 to a new indoor and outdoor measure as noted above.

**McAllister Springs, a surface water source, required more sampling than McAllister Wellfield, a groundwater source. McAllister Springs is no longer being used as of November 20, 2014.

Water Resources - Waste Water Utility

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 1,252,717	\$ 1,486,954	\$ 1,471,519	\$ (15,435)
Supplies & Services	13,027,608	14,297,694	15,086,621	788,927
Capital Outlay	21,859	-	-	-
Debt Service	105,021	105,643	104,723	(920)
Interfund Payments	840,468	902,683	1,009,337	106,654
Interfund Transfers	1,256,417	1,254,349	1,267,315	12,966
Total Expenditures	\$16,504,090	\$18,047,323	\$18,939,515	\$ 892,192
Program Revenue	17,131,574	18,047,323	18,853,133	805,810
Use of (or Additions to) Reserves	\$ (627,484)	\$ -	\$ 86,382	\$ 86,382

Highlights of Program Budget Changes

Revenues:

- \$ 13,885 - Increase in collection system base revenue, no rate increase.
- \$ 791,125 - Increase in treatment-related revenue including a 3% rate increase assessed by LOTT.
- \$ 50,000 - State grant to fund a portion of mapping and asset management.

Expenditures:

- \$ 791,125 - Increase in payments to LOTT for sewage treatment.
- \$ 53,096 - Increase in interfund indirect overhead and engineering charges.
- \$ 45,915 - Increase in vehicle rent and maintenance.

Critical Needs Funded:

- \$ 10,758 - Increase in mapping and asset management.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Data Control Specialist	0.375	0.375	0.375
Engineering & Planning Supervisor	0.50	0.33*	0.33
Inventory Control Specialist I	0.125	0.125	0.125
Lead Worker	0.50	1.25**	1.25
Line of Business Director	0.24	0.24	0.24
Maintenance Technician	2.00	2.00	2.00
Maintenance Worker I	0.50	1.00+	1.00
Maintenance Worker II	5.50	4.50**	4.50
Office Specialist III	0.24	0.24	0.24
Operations Supervisor	1.00	1.00	1.00
Program Assistant	0.24	0.24	0.24
Project Engineer II	1.25	1.25	1.25
Remote Systems Technician	0.75	0.75	0.75
Senior Planner	0.33	0.33	0.33
Total	13.55	13.63	13.63

* Funding Change - Split between three utilities
 ** Reclassification of 0.75 FTE (0.25 FTE in Stormwater)
 + Added 0.50 FTE

Program Description

The Wastewater utility ensures the long-term management of the sewer infrastructure so that wastewater is collected, conveyed, and treated with minimal risk to public health and the environment. All wastewater collected by the utility is conveyed downtown to the LOTT Clean Water Alliance facility for treatment. The City contracts with LOTT for this service. Utility activities include operation and maintenance of pipe and pumping infrastructure, long-term planning, infrastructure analysis, capital facility development, odor control, technical assistance and septic system oversight. The activities of the Wastewater utility are guided by the 2013-2018 Wastewater Management Plan.

Trends

Trends affecting the Wastewater utility and its budget:

- Growth in Olympia and its Urban Growth Area (UGA) necessitate costly, privately-funded sewer extensions. Costs can be high, especially for infill and outlying development. Alternative methods are needed to keep sewer costs manageable.
- Condition rating of sewer pipe and manholes highlight the need for numerous repairs and replacements. Thirty-two percent of the utility infrastructure was installed prior to 1960. Repairs are needed before acute pipe failures occur. Fortunately, repairs are being completed in a timely manner.
- In response to needed pipe repairs, the City utilizes new trenchless repair technologies to line existing pipes

without costly excavation of the street. The City maximizes the use of these technologies.

- On-site septic systems are being linked to water quality impacts in Budd and Henderson Inlets and other sensitive areas in the City and its Urban Growth Area. Approximately 4,200 on-site septic systems are used within the City limits and UGA. We are supporting the conversion of on-site septic systems to City sewer.
- The number of sewer spills and overflows continues to decline due to increased preventative maintenance by City crews.
- The 2013 Wastewater Management Plan emphasizes the need to cost-effectively provide sewer service, ensure that utility rates are equitable, and incorporate new technologies into our management program. The Wastewater program is increasingly linked to the environmental protection work of the Storm and Surface Water and Drinking Water utilities.

Program Budget Overview

The Wastewater utility continues work on sewer system cleaning and operations, condition rating, preventive maintenance, long-range planning, and capital improvements—with few changes in the last several years. The Wastewater utility is implementing refinements outlined in the 2013-2018 Wastewater Management Plan. Goals of the Plan support various community-wide efforts including reconstruction of aging pipe systems, pump station retrofits, system extensions, and onsite septic system conversions. The 2016 operating budget reflects various inflationary cost and no new initiatives or costs.

Future Challenges and Opportunities

Many of the trends highlighted create both challenges and opportunities for the utility. Coordination and partnership with the development community can create effective sewer extension into new areas of the City and UGA. These extensions, while often into areas topographically difficult for sewer service, can allow for conversion from on-site septic to public sewer service. Increasing costs heighten the need to incorporate these modifications into existing and future construction projects. Additionally, the utility is revising regulations to better facilitate infill development.

Efforts to reduce bacteria and nitrogen discharges to surface and ground waters reinforce the need to prevent wastewater discharges from both pipe and on-site systems. The Wastewater utility will continue to play a role in environmental protection work.

The Capital Facilities Plan focuses on proactive actions that minimize future unanticipated construction costs. The City will continue to retrofit costly pump stations on a timely schedule.

Recent Accomplishments

- The Wastewater Utility recently completed a major capital and program development effort that was initiated in 2006-2007. Several major pipe extensions were constructed and regional pump stations were upgraded.
- Considerable progress has been made with pipe repairs. The repair work builds upon pipe televising and condition rating of the pipe system. All major repairs have been televised and their structural integrity documented.
- Capital facility planning under a 20-year horizon suggests that the utility can continue to cost-effectively and proactively respond to system needs.
- Staff continues to take on the larger and more complex construction projects, using new technologies such as cured in place pipe and oxygen-based odor control.

Key Result Measures - Waste Water Utility	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Rated Sewer Pipes in Fair or Better Condition	90%	93%	94%	94%
City and Urban Growth Area (UGA) Residents with Gravity Sewer Service (Excludes Septic and STEPS)	100%	72%	72%	72%

Service Profiles - Waste Water Utility	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Sewer Connections	15,800	15,900	16,000
STEP Customers	1,777	1,776	1,780
Miles of Sewer Pipe Maintained	224	224	225
Pump Stations Maintained	34	34	35
Septic Systems (City and UGA)	4,150	4,155	4,155

Water Resources - Storm and Surface Water Utility

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 1,460,862	\$ 1,806,980	\$ 2,021,980	\$ 215,000
Supplies & Services	925,944	1,187,158	1,216,486	29,328
Capital Outlay	7,349	-	-	-
Debt Service	(1,373)	-	-	-
Interfund Payments	893,841	912,092	1,040,590	128,498
Interfund Transfers	904,597	914,501	912,631	(1,870)
Total Expenditures	\$ 4,191,220	\$ 4,820,731	\$ 5,191,687	\$ 370,956
Program Revenue	4,594,992	4,741,910	5,137,826	395,916
Use of (or Additions to) Reserves	\$ (403,772)	\$ 78,821	\$ 53,861	\$(24,960)

Highlights of Program Budget Changes

Revenues:

- \$ 45,000 - Base revenue with 1% customer growth.
- \$278,000 - Additional revenue from 6% rate increase
- \$ 50,000 - State grant to fund a portion of mapping and asset management.

Expenditures:

- \$ 88,269 - Increase in interfund indirect overhead and engineering charges.
- \$31,131 - Increase in vehicle rent and maintenance.

Critical Needs Funded:

- \$71,516 - Increase in mapping and asset management.

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Associate Planner	1.00	2.00*	2.00*
Data Control Specialist	0.375	0.375	0.375
Engineering & Planning Supervisor	0.50	0.33**	0.33
Inventory Control Specialist I	0.125	0.125	0.125
Lead Worker	0.50	0.75+	0.75
Line of Business Director	0.24	0.24	0.24
Maintenance Worker I	0.50	1.00++	1.00
Maintenance Worker II	4.50	4.50	4.50
Office Specialist III	0.24	0.24	0.24
Operations Supervisor	0.50	0.50	0.50
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	0.24	0.24	0.24
Program Specialist	-	1.25^	2.25^^
Project Engineer II	1.00	1.00	1.00
Senior Planner	0.33	0.33	0.33
Senior Program Specialist	5.00	5.00	5.00
Total	16.05	18.88	19.88

- * Addition of one two-year project-funded position
- ** Reorganization
- + Reclassification
- ++ Added .50 FTE
- ^ Added 1.25 FTE, project-funded
- ^^ Added 1.00 FTE

Program Description

The Storm and Surface Water utility provides environmental management services so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced. Over its 25-year history, the utility has played an important role in helping the City understand and reduce its impact on the local environment and in advancing its goals for sustainability.

Trends

The Storm and Surface Water utility continues to address the issues outlined in its 2003 Management Plan with its 2011 refinements, as well as respond to population and economic trends. Some trends include:

- Challenges in managing stream and wetland health due to increasing urbanization. While acknowledging these hard to beat impacts, stream quality in Olympia is relatively good for an urban area.
- State and Federal stormwater regulations are increasing and require additional work efforts. Work is under way in concert with Olympia's Community Planning and Development Department to comprehensively evaluate City development codes for implementation of Low Impact Development techniques. Development code revisions can be expected in 2016.
- Approximately 50% of our many stormwater pipes have been televised and evaluated for needed repairs. While the list of repairs is long, progress is being made.

- New pilot programming for greater management, high-priority aquatic habitats was initiated in 2014. The habitat work provides environmental stewardship services on public and private land.
- Rapid urban growth in Olympia is pushing development into areas with challenging stormwater and environmental constraints. Careful analysis and regulation is needed to minimize impacts.
- State and regional efforts to improve water quality in Budd Inlet are under way with the Storm and Surface Water Utility playing an important role.
- Staff will update the Storm and Surface Water Management Plan in 2016. The Plan will guide the utility in its work for years to come. Community input regarding utility goals and responsibilities will be a key dynamic in the planning process.

Program Budget Overview

The 2016 budget continues to follow the policy direction outlined in the 2003 Storm and Surface Water Master Plan with recent refinements, placing increased focus on protecting and improving water quality, as well as aquatic habitats. Evaluating the condition of aging pipe systems and investing capital funds on necessary replacement projects is also under way. Public education and outreach for local environmental concerns continues on a daily basis. Implementation of an aquatic habitat enhancement and protection strategy will shift some resources within the utility.

The 2016 operating budget reflects inflationary increases, but no new expenses. Increased emphasis on aquatic habitat work is being funded with existing resources in the Capital Facilities Plan.

Future Challenges and Opportunities

Managing and protecting our environmental resources in Olympia is expected to remain challenging as our community grows and becomes more densely populated. Opportunities also increase. Examples include:

- Design and construction using new Low Impact Development techniques is promising, yet requires expertise and time for effective design, inspection, and maintenance.
- Environmental education needs to keep pace with ever-changing social trends. Our communication tools must become more effective if we are to change behaviors that influence the local environment.
- Efforts are under way to begin addressing climate change and sea level rise in Olympia. The Storm and Surface Water utility will play a key role in developing an effective City program to address these long-term problems.
- Televising and condition rating our stormwater pipe continues to identify many needed repairs. Overall, the pipe system is in relatively good condition.
- Utility staff launched regional work efforts for lawn care management best-practices. The work demonstrates the ability to maintain a pleasing lawn with minimal chemical use.
- With support from Olympia's Utility Advisory Committee and City Council, the utility is implementing an aquatic habitat enhancement and protection strategy. The strategy offers many opportunities to improve environmental resources in the community while interacting with neighborhoods.

Recent Accomplishments

- The Storm and Surface Water utility continues to be in full compliance with State and Federal regulations.
- Considerable progress has been made to improve our inventory of stormwater systems, more accurately map underground pipes, clean/televise high-priority pipes to determine their structural integrity, and increase our understanding of the long-term needs of our systems.
- We have expanded work efforts to retrofit existing arterial streets with water quality treatment technologies.
- The utilities success at receiving grants and low-interest loans for the construction of water quality retrofits and other work efforts remain high.

Key Result Measures - Waste Water Utility	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Flooding Problems Resolved in a Timely Manner (Minor Problems Within One Year and Major Problems Within Three Years)	90%	100%	100%	100%
Maintenance Compliance — Private Storm Systems (2005 - Newer)	100%	100%	100%	100%

Service Profiles - Waste Water Utility	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Customer Accounts	15,601	15,709	15,829
Miles of Storm Pipe	155	154	155
Miles of Storm Pipe Televised	11	11	11
City-Owned Treatment and Flow Control Facilities Maintained	73	75	78
Number of Education/Outreach Events (including Classroom Programs)	83	100	100
Number of Participants Attending Education/Outreach Events	3,042	3,500	3,500
Stream Team Volunteer Hours	761	800	800
Illicit Discharge Investigations	55	50	50
Private Storm Systems Inspected (Sites)	200	200	200
Public Storm Systems Inspected (Sites)	41	41	41
Vegetation Management (Acres Maintained) (Public Storm Facility properties)	140	140	140
Noxious Weed Monitoring/Abatement (Acres)	310	310	310
Rain Gardens Built (Incentive Program)	3	5	5
Number of Businesses Contacted (Business Pollution Prevention Program)	80	150	300
Acres Enrolled in Habitat Stewardship Program	80	150	300
Number of Sites Enrolled in Habitat Stewardship Program	4	10	20
Acres of Habitat Restored (in process)	80	160	300

Public Works - Waste ReSources Overview

<i>Waste ReSources Recap</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
Collections	\$ 9,002,846	\$ 9,782,403	\$ 10,105,352	\$ 322,949
Waste Prevention & Reduction	488,644	412,237	423,131	10,894
Total Expenditures	\$ 9,491,490	\$ 10,194,640	\$ 10,528,483	\$ 333,843
<i>Recap of Expenditures</i>				
Personnel Services	\$ 2,449,502	\$ 2,666,687	\$ 2,834,144	\$ 167,457
Supplies & Services	5,370,935	5,685,256	5,822,743	137,487
Capital Outlays	16,394	-	-	-
Interfund Payments	1,642,159	1,830,197	1,871,596	41,399
Interfund Transfers	12,500	12,500	-	(12,500)
Total Expenditures	\$ 9,491,490	\$ 10,194,640	\$ 10,528,483	\$ 333,843
Program Revenues	9,532,698	10,008,528	10,547,363	538,835
Use of (or Additions to) Reserves	\$ (41,208)	\$ 186,112	\$ (18,880)	\$ (204,992)

Highlights of Program Budget Changes

Revenues:

Projected Revenues from rate increases

- \$ 63,400 - Drop Box service rate increase, 3%.
- \$ 165,600 - Residential service rate increase, 5.5%.
- \$ 130,500 - Commercial service rate increase, 4%.
- \$ 72,200 - Organic service rate increase, 9%.

Expenditures:

- \$ 81,925 - Disposal fee increases.
- \$ 58,823 - Increase in City and State taxes.
- \$ 21,000 - Increase in interfund in direct overhead and engineering charges.

Critical Needs Funded:

- \$ 56,000 - Rent for additional collection vehicle.
- \$ 22,000 - Additional FTE, additional funding also funded with reduction in temporary worker budget.

Line of Business Overview

Waste ReSources is a utility line of business that is funded through customer service fees. Our focus is on collecting and transporting solid waste and recyclables discarded by residents, businesses, and visitors so the community remains clean and safe. Ever-growing solid waste per capita, a vulnerable disposal system, and landfills nearing capacity have intensified the need for overall solid waste reduction, recycling, and composting. The focus is shifting from solid waste collection and disposal to solid waste recovery.

With a vision of Zero Waste and the goal of a sustainable City, Waste ReSources developed a mission to "lead and inspire our community toward a waste-free future." Our strategic role is to "create opportunities to eliminate waste."

Two programs within Waste ReSources work closely together to deliver on the mission and strategic role: Collections, and Waste Prevention and Reduction.

Future Trends and Challenges

City Council adopted the 2015-2020 Waste ReSources Management Plan in August 2015. The Plan coincided with the completion of a waste sort at the end of 2014. The results of the waste sort suggest that our waste diversion programs are working. However, a significant amount of recyclables are still being disposed of in the waste stream, even though over 99% of our residential customers have at least one traditional recycle cart at their residence, and nearly 60% of the residents subscribe to the organic collection service. The 2014 waste study shows that residents discarded a total of 8,657 tons of material into the garbage. Of that, 4,004 tons could have been diverted to recycling in our current programs.

Commercial diversion increased 14% over the 2008 study. However, the commercial solid waste stream has a much larger potential for diversion. Out of 17,338 tons of commercial garbage in 2014, 42.6% or 7,378 tons of the materials discarded as garbage could have been diverted from the landfill by using current diversion programs. The waste sort and our Plan suggest that, in order to increase waste diversion, we begin looking at alternative approaches to our already established recycle or diversion programs.

The Plan addresses many strategic issues that could improve our diversion programs. These include:

- Providing commercial recycling.
- Increasing construction and demolition recycling.
- Increasing both the residential and commercial organics programs.
- Deciding whether to continue collecting glass mixed with other recyclables.
- Consider an alternative rate structure to encourage waste diversion.
- Collecting every other week along with our new practice of one-side road collection, still proves to be leading edge in collection efficiencies. We collect all three streams of materials (garbage, recycle, and organics) with the same truck and the same driver in every-other-week collection (four routes, four trucks, and four drivers). However, it is important to note that annexations and new residential development created the need for an additional residential collection truck. Current trends show the addition of 1,000 single-family residential customers by year end 2017. Restructuring and balancing residential routes is a high priority for Operations staff.
- Recycle commodity values have not yet stabilized and processing and handling fees are projected to increase 35% over 2015 rates.

Key Result Measures - Waste ReSources	2006 Baseline	FY 12 Actual	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Budget
Increase Recycling to 65%		58%	60%	62%	62%	63%
Reduce Per Capita Waste by 5%	* 5.11	4.39	4.34	4.28	4.25	4.17

* Pounds per person per day



Waste ReSources - Collections

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance	Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Expenditures					Accounting Technician 1.00 1.00 1.00			
Personnel Services	\$ 2,161,587	\$ 2,363,756	\$ 2,522,755	\$ 158,999	Associate Line of Business Director 1.00 1.00 1.00			
Supplies & Services	5,175,402	5,582,792	5,720,341	137,549	Lead Worker 2.00 2.00 2.00			
Debt Service	16,394	-	-	-	Maintenance Worker I 1.00 1.00 2.00*			
Interfund Payments	1,636,963	1,823,355	1,862,256	38,901	Maintenance Worker II 1.00 1.00 1.00			
Interfund Transfers	12,500	12,500	-	(12,500)	Operations Supervisor 1.00 1.00 1.00			
Total Expenditures	\$9,002,846	\$9,782,403	\$10,105,352	\$ 322,949	Program Assistant 1.00 1.00 1.00			
Program Revenue	9,044,054	9,596,291	10,124,232	527,941	Refuse/Recycle Collector 16.00 16.00 16.00			
Use of (or Additions to) Reserves	\$ (41,208)	\$ 186,112	\$ (18,880)	\$(204,992)	Total 24.00 24.00 25.00			
					* Added 1.0 FTE			

Program Description

The Collections Program provides garbage, recycling, and organics collection services to residents, businesses, and the public.

It uses three different collection methods:

- Curbside collection of carts and containers for both residential and commercial customers.
- Drop box service for large quantity generators of garbage, recyclables and organics.
- Self-haul of yard waste, metals, and traditional recycling materials to our Saturday drop-off site.

We provide carts to City residents for all three waste streams. Garbage service is mandatory at a minimum level. Recycling and organics collection services are a subscribed service. Residents with these services can recycle plastic and glass containers, aluminum and tin cans, paper, and cardboard all in one recycling cart and all organics, such as food, food-soiled paper, yard debris, and some other organic materials in another. Commercial customers have options for container size and collection frequency, ranging from half-yard containers to 30-yard drop boxes. The yard waste drop-off site is now located at the old fire training pad behind the Lee Creighton Criminal Justice Center. It is open on Saturdays, from March through mid-November.

Trends

The following trends are major focus areas for the Collections Program:

- Annexations and new residential development created the need for restructuring and balancing existing residential routes. The addition of 1,000 single family residential customers is projected by year end 2017.
- One-side road collection is now an operational norm and is a practice we are continuing to expand into all areas where it is feasible and safe. The efficiency gains allow us to balance routes and absorb some new residential customers.
- Residential organics customers continue to grow and so does their "set-out" rate. The weight of the organic material remains an issue. Organic material is dense and heavy (especially during the spring and summer), which causes our drivers to make frequent trips to the Thurston

County Waste and Recovery Center (WARC) to ensure the trucks stay within their legal weight limits.

- One additional residential truck will be added to the fleet, in order to begin route adjustments and service to additional customers over the next two years.
- The three commercial front-load trucks are scheduled for replacement in 2016.
- In 2015, we added a second day of organics collection to the commercial program. In 2016, we will need to make this same adjustment for our residential organics program.

Program Budget Overview

The top three expenditure categories in the Collections Program are:

- Labor (wages, salaries and benefits).
In 2016, salaries will increase approximately 2.6% with benefits increasing by approximately 10.8%.
- Disposal (per ton cost of disposing).
- Equipment (maintenance, fuel, replacement).

In 2016, tipping fees for garbage and organics will remain the same. In 2010, tipping fees at the WARC went from \$84 per ton to \$110 per ton. In 2012, tipping fees for garbage increased to \$119 per ton, and organics increased to \$37 per ton. Thurston County is expecting to increase tipping fees for both garbage and organics in 2019. Fuel prices are down 4.3% or \$13,000 from 2015. Costs for operating and maintaining the fleet are also decreasing by \$18,402. New residential trucks, routing efficiencies and lower fuel prices are the contributing factors.

Future Challenges and Opportunities

The commercial sector generates about 60% of all solid waste in Olympia. The Organics Collection Program should have the most significant impact in reducing expenditures related to garbage collection, bringing us closer to meeting the objectives set in the Plan.

Results from Thurston County's contract with a new organics hauler and processor, as well as consistency throughout the county on acceptable items, enabled us to grow our organics customer base.

Space for additional commercial containers continues to be our biggest challenge. Limited space in downtown makes it difficult for customers to add containers to their account. Some core areas sport a maze of carts and containers. Some buildings and blocks share garbage and recycling containers to reduce the number of containers. A pilot project for a shared garbage compactor in a downtown area is set to begin in late 2015. The goal is to minimize the amount of carts and containers in certain areas of downtown. The City of Vancouver implemented this in early 2014 with great success.

Recent Accomplishments

- All new Refuse/Recycle Collectors received International Academy of Professional Driving (IAPD) certification. Recertification of all other drivers continues. All aspects of driver training continues to be provided for all operators, including drop box, commercial front-load, commercial rear-load, and residential side-load.
- Four new residential trucks were placed in operation in late 2013. The extra time and effort put into selecting the best truck and body style paid off by lowering our operation and maintenance costs for 2016.

- Commercial collections emphasis has been on safety improvements, specifically container placement, enclosure specifications, and staff risk factors dealing with collection areas. Collections staff is now working with customers who have the potential to move from a two-person manual rear-load collection system to automated front-load collection. The design of the downtown core with narrow alleys is only accessible with a two-person rear-load collection vehicle.
- One-side road collection was approved by City Council as a standard operating practice in 2013. As of September 2015, 37 areas totaling 2,907 customers are on the one-side road collection program. This results in an annual savings of 222 hours of route time and 1,474 less miles driven. Staff continues to identify new areas for one-side road collection each month.

Key Result Measures - Collections

Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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See Line of Business Overview.

Service Profiles - Collections	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Drop Box/Compactor Hauls Garbage	2,585	2,630	2,650
Drop Box/Compactor Hauls Organics/Recycle/C&D	226	280	220
Drop Box/Compactor Garbage Tons*	7,035	6,790	6,800
Drop Box/Compactor Organics/Recycle Tons	285	285	290
Commercial Garbage Containers Serviced Per Year	1,319	1,330	1,340
Commercial Organics Containers Serviced Per Year	166	175	180
Commercial Garbage Tons*	8,800	8,950	9,000
Commercial Organics Tons	680	690	700
Residential Garbage Carts in Service	14,200	14,300	14,600
Residential Recycle Carts in Service	14,653	14,750	14,900
Residential Organics Carts in Service	7,650	7,700	7,800
Residential Garbage Tons – Single-family	6,640	6,300	6,500
Residential Recycle Tons – Single-family	3,920	3,900	3,950
Residential Organics Tons – Single-family	4,935	4,650	4,800
Residential Garbage Tons – Multi-family*	4,250	4,280	4,350
Residential Recycle Tons – Multi-family	820	810	830
Garbage (Landfill) Tons	26,730	26,300	26,650
Recycle Tons	4,740	4,710	4,780
Organics Tons	6,025	5,600	5,790
Fuel Consumed (All Waste ReSources Vehicles)	71,945	62,486	63,000
Miles Driven (All Waste ReSources Vehicles)	253,060	254,122	255,000
Miles Driven (All Waste ReSources Vehicles)	247,009	254,783	250,000

*Multi-family sector tons hauled and counted through drop box and commercial garbage tons.

Waste ReSources - Waste Prevention and Reduction

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
Expenditures				
Personnel Services	\$ 287,915	\$ 302,931	\$ 311,389	\$ 8,458
Supplies & Services	195,533	102,464	102,402	(62)
Interfund Payments	5,196	6,842	9,340	2,498
Interfund Transfers	-	-	-	-
Total Expenditures	\$ 488,644	\$ 412,237	\$ 423,131	\$ 10,894
Program Revenue	488,644	412,237	423,131	10,894
Use of (or Additions to) Reserves	\$ -	\$ -	\$ -	\$ -

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Program Specialist	1.00	1.00	1.00
Senior Program Specialist	2.00	2.00	2.00
Total	3.00	3.00	3.00

Program Description

The Waste Prevention and Reduction Program provides planning, education and technical assistance to residents, businesses and other users in our community. In congruence with our mission and strategic role, program staff are the visionaries, promoters, and technical advisors for our solid waste reduction programs. They work closely with Collections staff to ensure efficient collection and separation of solid waste and recyclables. They work directly with citizens, businesses, schools, organizations, and other program participants to look for opportunities to eliminate waste.

Waste Prevention and Reduction Program staff are responsible for presentations to resident and neighborhood groups, as well as classroom lectures and field trips to all Olympia School District third grade classes. Program staff is also responsible for designing and implementing creative solid waste reduction programs, such as the GrassCycling, Waste-Free Lawn Care and Zero Waste Event Recycling programs.

This Program is also responsible for the following:

- Education and assistance to residents and businesses wishing to have Zero Waste Events.
- Solid waste assessments and technical assistance for diversion in businesses.
- Data collection and analysis.
- Financial analysis and projections throughout the year.
- Developing and implementing policies.
- Presentations and responses to Council and the Utility Advisory Committee.
- Planning and implementing new programs, as well as maintaining existing programs.
- Technical assistance to residents about solid waste reduction and recycling.

Trends

- Customer interest in creating Zero Waste Events within their organizations continues to grow.
- The economic climate continues to motivate both the residential and commercial sectors in the pursuit of ways to reduce costs of disposal.
- The request for commercial organic collection is growing for businesses and schools.
- Residential customers subscribing to curbside organics continues at a slow pace. However, set out rates and

tonnages during the spring, summer, and fall continue to increase.

- Peak season demand for organics collection impacts the Utility's resources. Our focus on front-end solid waste reduction, such as GrassCycling, is a way to mitigate this trend.
- Increase in food scrap and organics diversion from tenants of apartments and condominiums is moving forward, as awareness improves.

Program Budget Overview

The Program's main expenses are salaries and benefits. In 2016, salaries will increase approximately 2.6%, with benefits increasing by approximately 10.8%.

Future Challenges and Opportunities

- The commercial organics collection program will help divert material and bring us closer to our diversion goals. Two of the biggest challenges continue to be working with some businesses and multi-family customers where the property owners are not local or are larger companies with multiple management layers. In order to encourage more recycling and better diversion of waste, continued outreach to these property owners, managers, and businesses is necessary.
- The Plan identifies new opportunities for waste reduction. Program staff will be the lead on all new programs.
- In 2014, the Spring Recycle Days program was eliminated. It will be replaced with a program defined through the Plan.

Recent Accomplishments

- Received Award of Excellence for Digital Interactive Electronic Newsletters for the GrassCycling workshop.
- Purchased nine new recycle containers for downtown with grant funding from the Department of Ecology, bringing the total to 15.
- Expanded commercial organics customers and tonnages, which led to collection twice weekly.
- Successful in getting Capital High School, St. Peter Hospital, and Group Health to divert their organics.
- Finalized cost of service study and the 2015-2020 Waste ReSources Management Plan.

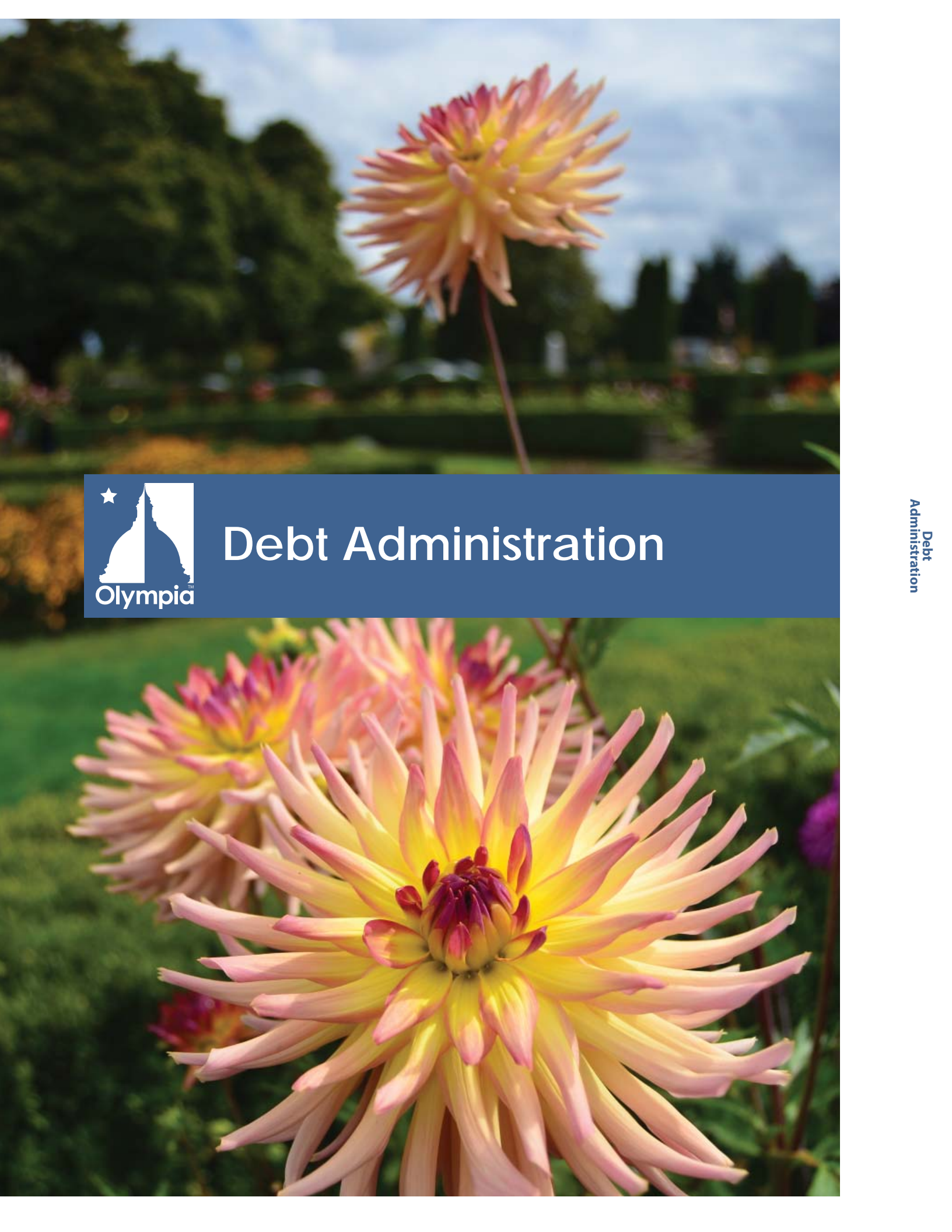
- Continued participation on the Site Plan Review Committee to ensure functionality of commercial container enclosures on commercial and multi-family development.
- Provided outreach to all customers within the new one-side road collection areas with letters, maps and instructions. This enabled almost 3,000 customers to be served on one-side road collection, resulting in an annual savings of 600 gallons of fuel and 222 employee and equipment hours.

Key Result Measures - Waste Prevention & Reduction	Target or Goal	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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See Line of Business Overview.

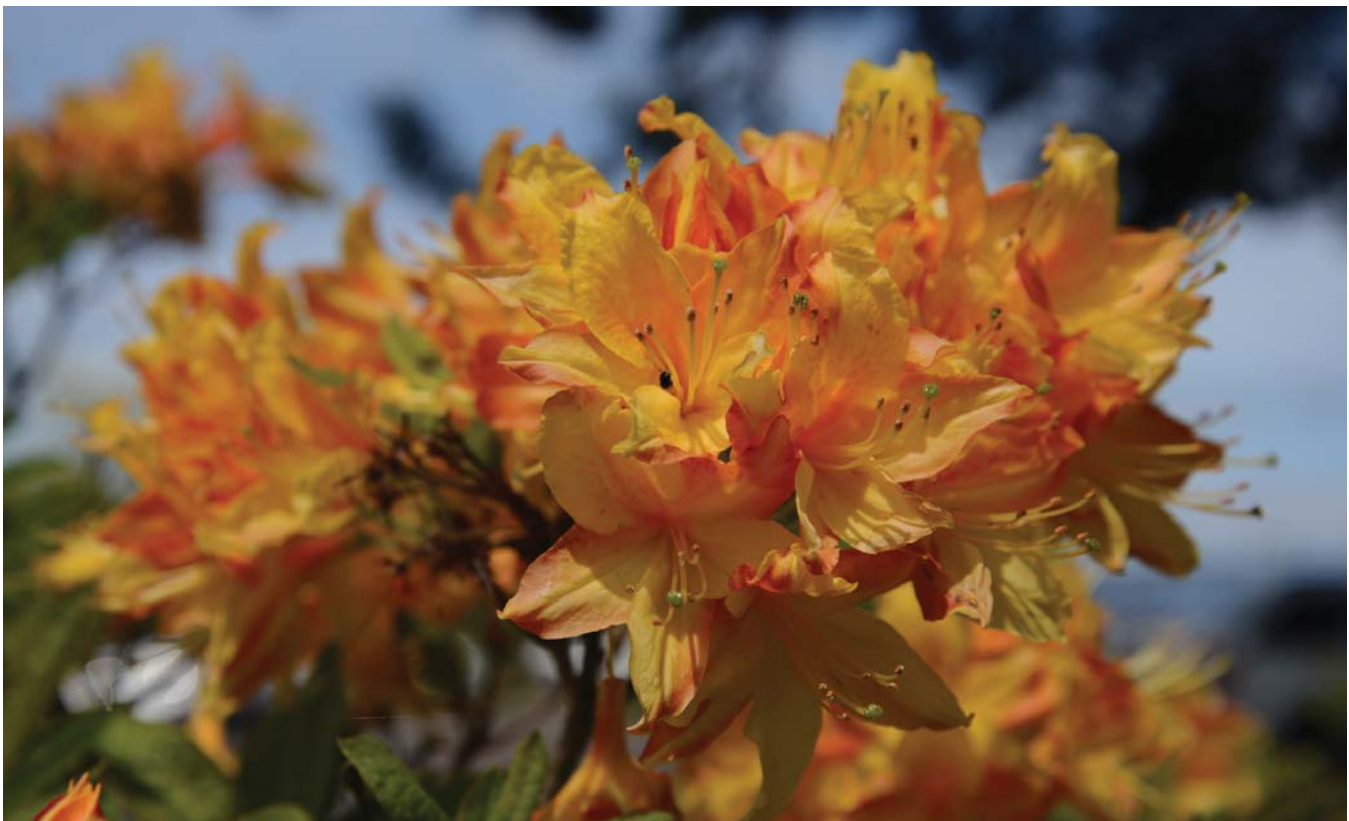
Service Profiles - Waste Prevention & Reduction	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Saturday Drop-off Site			
Customers Utilizing the Site	940	920	1,000
Tons of Material Collected	125	100	125
School Education			
Number of Presentations	28	30	30
Number of Field Trips	15	17	17
Special Recycle Events—Tons Collected			
Christmas Tree Curbside Collection	30	30	30
Commercial Organics			
Number of Participants (Accounts)	128	145	168
Waste Assessments	44	80	50
Events			
Zero Waste Events Supported	39	40	40
Permitted and Public Events	28	35	40
Residential/Multi-family Outreach			
Multi-family Properties with Recycle	136	137	140
Residential/Multi-family Outreach Events	2	5	20





Debt Administration





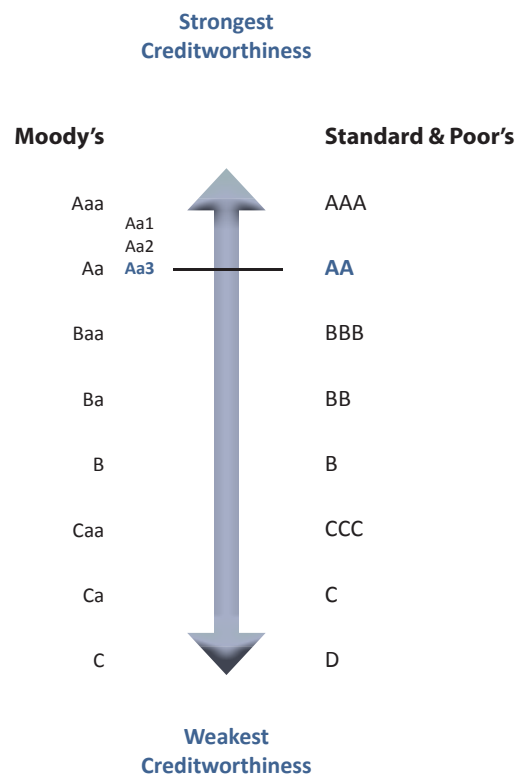
Debt Administration

As the demand for public sector investment and infrastructure continues to grow, the issuance of debt has become an increasingly important component of state and local government capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects at the local level, it also entails careful monitoring of such issuances to ensure that an erosion of the government’s credit quality does not result. The City of Olympia currently has an “Aa3” rating for its general obligation debt from Moody’s and AA from Standard & Poor’s rating agencies.

The City’s bond ratings reflect the investment community’s faith in Olympia’s financial management and its ability to repay outstanding debt. Higher rated bonds indicate less risk to prospective buyers, translating to lower interest costs to the City. The ratings are from 2013 Bond issues. The rating agency stated that the ratings reflect the City’s sustained strong debt service coverage and good liquidity levels, coupled with good financial policies and practices.

Two basic types of municipal debt are short-term and long-term debt. Short-term debt is generally used by municipalities to even out cash flows. Two basic forms of long-term debt are general obligation and revenue bonds. The basic difference between these two types of bonds is that general obligation issues are backed by the full faith and credit, i.e., taxes of a municipality, and for revenue bonds, the income of a specific utility or activity is pledged for repayment. Olympia has utilized both short and long-term types of debt in its operations, as well as general obligation and revenue debt.

In addition to issuing bonds, the City has several general obligation and revenue loans through various State of Washington programs. The loans carry an interest rate lower than issuance of revenue bonds.

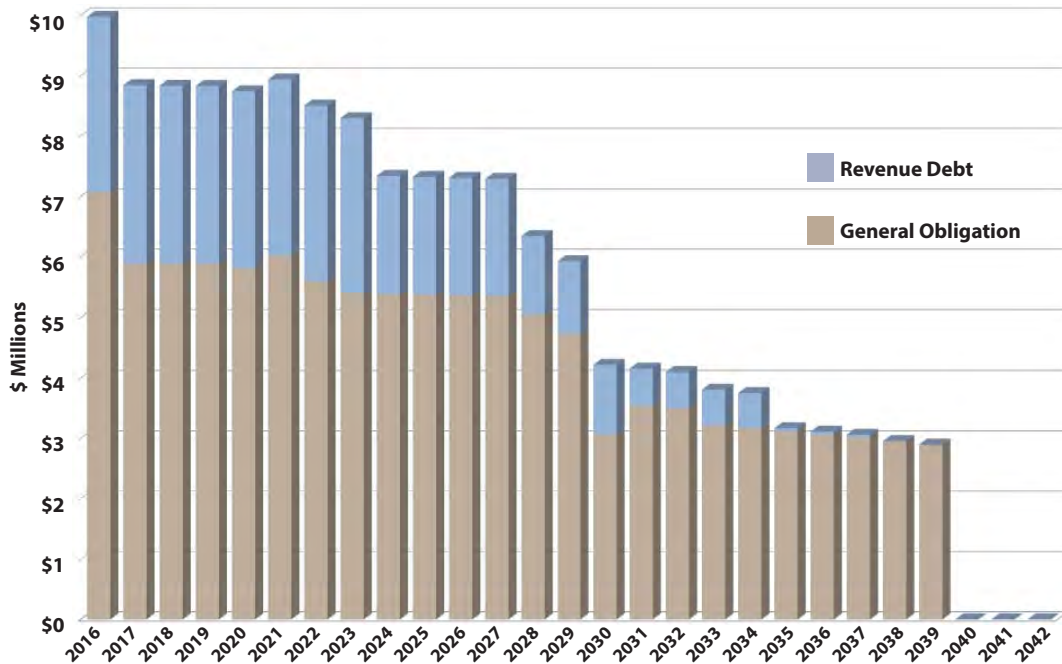


General Obligation Debt and Revenue Debt

The table below presents a summary of City debt, both principal and interest. It distinguishes between General Obligation debt and debt payable from City-operated utilities (revenue debt).

General Obligation and Revenue Debt*

Debt Service to Maturity (includes State Loans)



Future Debt Planning

The 2016-2021 Capital Facilities Plan (CFP) does not anticipate additional general obligation debt.

There are currently \$18.5 million in projects approved in the Drinking Water utility and \$3.3 million in the Wastewater (sewer) utility which are anticipated to be funded by debt. \$10.9 million of the Drinking Water utility projects to be funded by debt will be from a loan from the State of Washington lending programs.

The CFP calls for rate increases for Drinking Water, Wastewater, and Storm and Surface Water to implement the comprehensive plans. The Comprehensive Plan calls for a shift to more cash financing, rather than the issuance of debt, therefore the City is building higher cash reserves in anticipation of greater reliance on cash financing.

Conclusions

Council and management have set policies to be sure the City meets its debt payments in a timely manner. The policies also state that new debt will be issued only after careful consideration. Council incorporates these policies into the Financial and Management Policies. Briefly summarized, the policies include:

- Conservative revenue projections.
- Rate increases based on related cost of services provided and the impact of inflation on those services.
- Lease purchase of equipment and real property when practical and prudent.
- Accumulation of adequate reserves to protect the City from uncontrollable expenditures or unforeseen reductions in revenues.
- Issuance of debt only after rigorous review.

The City tries to communicate with other governmental entities to be sure that their debt issues, as well as the City's, remain at conservative levels. This will help control the resulting overlapping debt that may become a burden on taxpayers.

The City's overall financial health is positive. The Council and management, through the financial and management policies, emphasize continued effort toward maintaining and improving the City's financial performance.

Debt Limitation

State law limits bonded debt to 2.5% of assessed value of taxable property. Of this limit, up to 1.5% of assessed value of taxable property may be non-voter approved debt (Councilmanic bonds). **However, the amount of non-voted, plus voter-approved, may not exceed the 2.5% of assessed value limit.**

Taxable Assessed Value \$5,956,778,495

General Indebtedness Without a Vote of the People:

Legal Limit, 1.5% of property value: \$89,351,680
 G.O. Bond Liabilities -53,187,970

Remaining non-voted debt capacity \$35,738,710

General Indebtedness with a Vote of the People:

Legal Limit, 2.5% of property value: \$148,919,460
 Outstanding voted debt - 12,535,000
 Outstanding non-voted debt (excluding 2014 principal payments) - 53,612,970
 Remaining voted debt capacity \$ 82,771,490

In addition to these limits, the City has debt authority with a vote of the people of 2.5% each for parks and utility purposes. Olympia has not utilized this authority.

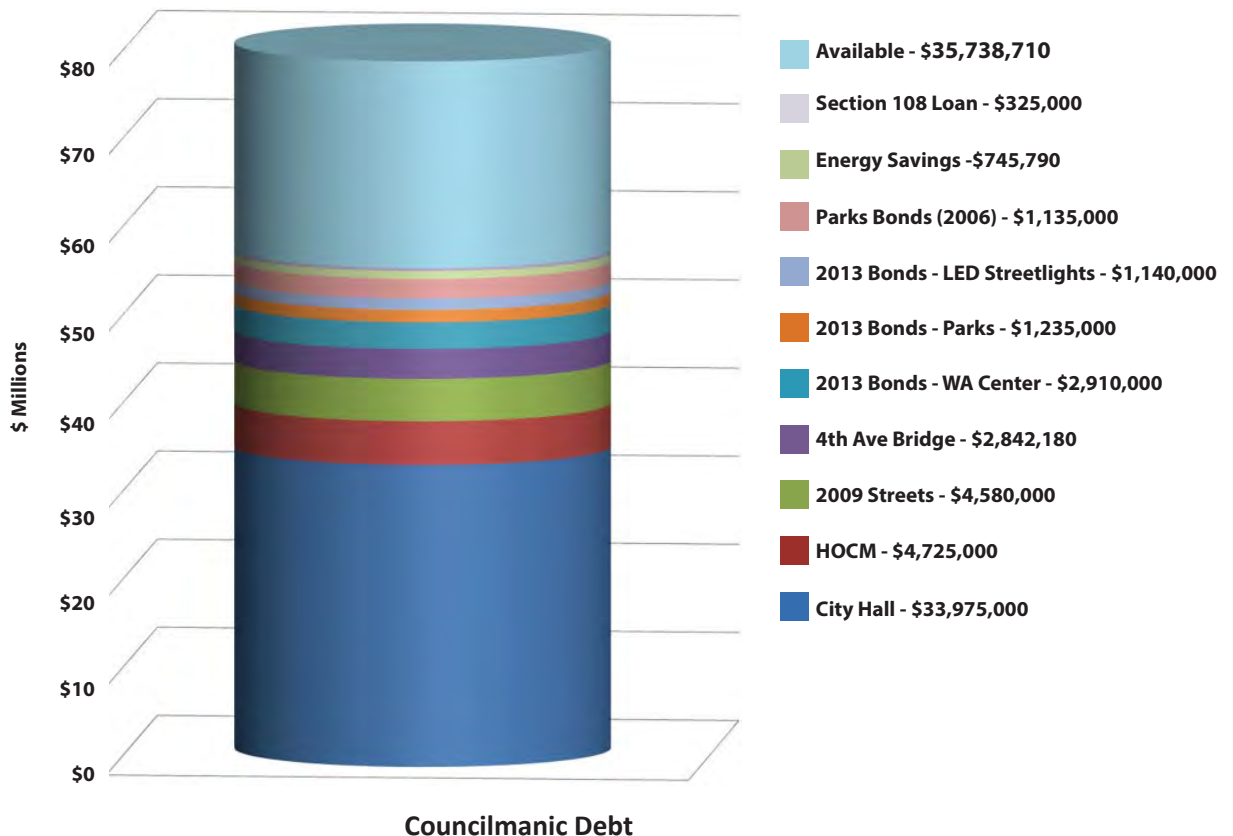
The goal of Olympia’s debt policy is to maintain the ability to provide high quality, essential City services in a cost effective manner. Council members weigh this goal against maintaining the ability to borrow at the lowest possible rates. The City uses the following guidelines before financing projects with long-term debt:

- Management staff and elected officials conservatively project the revenue sources to pay off the debt.
- The financing of the improvement will not exceed its useful life.
- The benefits of the improvement must outweigh its costs, including the interest costs of financing.

Olympia uses debt only to provide financing for essential and necessary capital projects. Through debt planning and the Capital Facilities Plan, the City integrates its capital projects. The services that the City determines necessary to its residents and visitors form the basis for all capital projects.

Allocation of Debt

Not Requiring Voter Approval - As of 1/1/2016



Schedule of Debt Obligations

General Obligations	Payment From	Type*	Year Issued	Final Payment	Interest Rate	Total Issue	Outstanding 1-1-16	Principal Payments 2016	Interest Payments 2016
Bridge/Corridor Street Improvements	Debt Service Fund 216	PWTF	2000	2020	0.5 - 1.00%	\$ 9,996,144	\$ 2,842,180	\$ 533,759	\$ 23,220
Park Acquisition & Improvements	Debt Service Fund 223	LTGO	2006	2016	5.0%	\$ 9,385,000	1,135,000	1,135,000	\$56,750
Fire Station & Training Facility	Debt Service Fund 224	ULTGO	2009	2029	3.00 - 4.25%	\$ 16,180,000	12,535,000	685,000	508,731
City Hall Construction	Debt Service Fund 225	LTGO	2009	2039	4.2%	\$ 35,210,000	33,975,000	275,000	2,146,118
Street Improvements	Debt Service Fund 226	LTGO	2010	2029	3.00 - 4.25%	\$ 5,865,000	4,580,000	255,000	183,663
Facility Energy Improvements	Debt Service Fund 227	LOCAL	2010	2020	2.97%	\$ 1,534,496	745,787	157,285	20,997
Hands On Children's Museum	Debt Service Fund 228	LTGO	2010	2028	3.00 - 4.25%	\$ 5,670,000	4,725,000	235,000	185,688
WA Center, LED Conv., & Percival Landing	Debt Service Fund 229	LTGO	2013	2032	3.00 - 5.00%	\$ 6,345,000	5,285,000	445,000	226,675
Total General Obligation							\$65,822,967	\$3,721,044	\$ 3,351,841
Utility Operations									
Combined Drinking Water and Wastewater:									
W/S Refunding & Construction	Drinking & Wastewater	Revenue	2001	2021	3.55 - 5.20%	\$ 7,525,000	\$ -	\$ -	\$ -
W/S Refunding & Construction	Drinking & Wastewater	Revenue	2013	2023	4.10%	\$ 7,780,000	\$ 6,435,000	\$ 710,000	\$ 265,950
Drinking Water:									
Drinking Water System Improvements	Drinking Water	Revenue	2007	2027	4.00 - 4.13%	\$ 8,000,000	\$ 5,690,000	\$ 340,000	\$ 230,444
McAllister Well Development	Drinking Water	DWSRF	2011	2034	1.50%	\$ 10,871,640	\$ 9,975,861	\$ 525,045	\$ 306,065
Reservoir Development **	Drinking Water	DWSRF	2014	2037	1.50%	\$ 11,983,650	\$ 963,020	\$ -	\$ -
Wastewater (Sewer) :									
General System Improvements	Wastewater	Revenue	2010	2030	2.0 - 4.375%	\$ 6,485,000	\$ 5,260,000	\$ 265,000	\$ 214,138
Sleater-Kinney Sewer Line	Wastewater	PWTF	2009-2010	2028	0.50%	\$ 1,803,375	\$ 1,195,302	\$ 91,946	\$ 5,977
Septic to Sewer Conversion	Wastewater	DOE	2010-2011	2031	3.10%	\$ 250,000	\$ 90,136	\$ 4,251	\$ 2,779
Storm & Surface Water:									
Yauger Park Retention Improvements	Storm & Surface Water	DOE	2010-2011	2031	2.90%	\$ 1,219,756	\$ 982,041	\$ 55,009	\$ 28,253
State Avenue Stormwater Retrofit ***	Storm & Surface Water	DOE	2014	2035	2.30%	\$ 619,485	\$ 542,797	\$ 5,709	\$ 14,339
Log Cabin Road drainage improv.	Storm & Surface Water	PWTF	1997	2015	1.0%	\$ 169,740	\$ -	\$ -	\$ -
North Percival basin improvements	Storm & Surface Water	PWTF	1996	2013	3%	\$ 1,492,830	\$ -	\$ -	\$ -
Total Utility Operations							\$31,134,158	\$ 1,996,961	\$ 1,067,945
Total General Obligation & Revenue External Indebtedness							\$96,957,125	\$ 5,718,005	\$ 4,419,787

Notes:*** Type Acronym: Definition:**

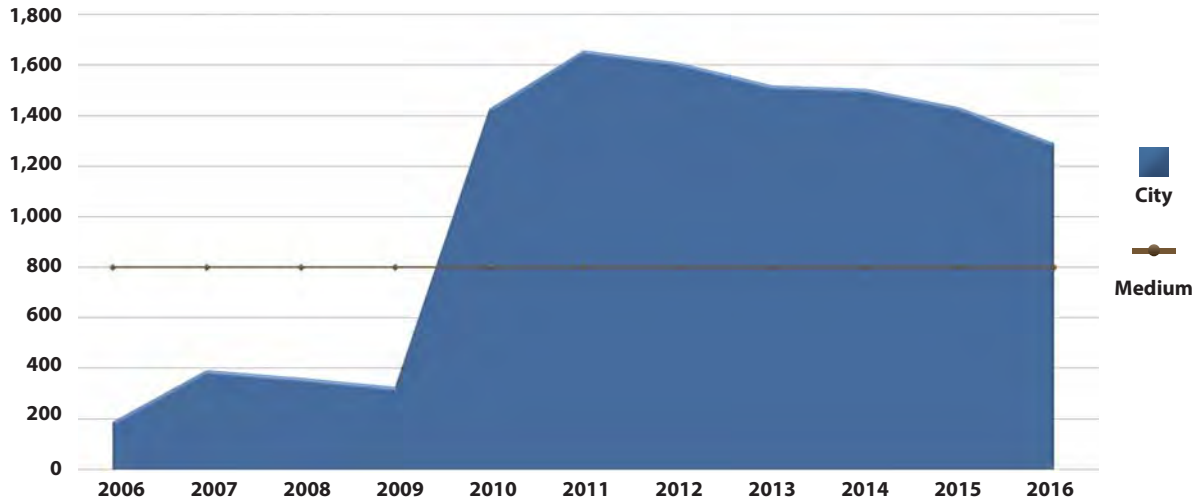
Revenue	Revenue bonds
PWTF	State of Washington, Public Works Trust Fund loan
LTGO	Limited Tax General Obligation bond (non-voter approved)
ULTGO	Unlimited Tax General Obligation bond (voter approved)
LOCAL	State of Washington, Local Option Capital Asset Lending program. This is an obligation of the State of Washington in which the City participates.
DOE	State of Washington, Department of Ecology
DWSRF	State of Washington, Drinking Water Revolving Fund loan

** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is for \$11,983,650 of which the City began drawing down mid-2014. Repayments are not being estimated at this time. Required payments to begin on October 1, 2018.

*** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is \$619,485 which the City began drawing down in 2015. Repayments are being estimated at this time. Required payments will begin on December 31, 2016.

General Debt per Capita

Includes General Obligation Bonds and Bridge Corridor Public Works Trust Fund Loans



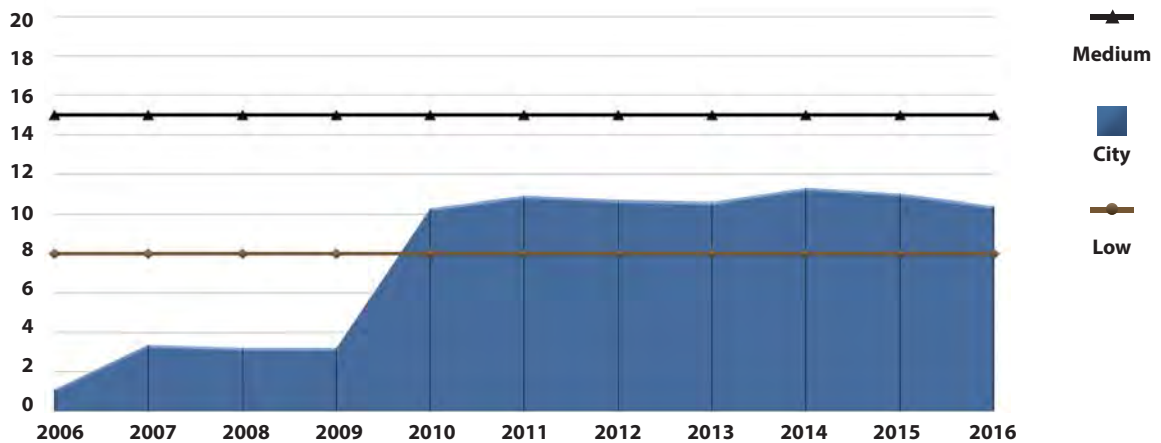
Use of Ratios to Assess Credit Quality

Measurement per Capita for Cities	Low	Medium	Above Average	High
	<500	500 - 800	800 - 1,200	> 1,200

Source: Standard & Poor's Corporation

Ratio of General Debt Service to General Fund Expenditures

Includes General Obligation Bonds and Bridge Corridor Public Works Trust Fund Loans



Debt Service as a Percentage of Budget Guideline

Measurement	Low	Medium	High
State	0 - 2	2 - 6	> 6
County	0 - 7	7 - 12	> 12
Schools	0 - 10	10 - 20	> 15
Cities	0 - 8	8 - 15	> 15

Source: Standard & Poor's Corporation

Debt Service Funds

	2014 Actual	2015 Budget	2016 Budget	Variance
Bridge/Corridor P WTF Loans (1)	\$ 565,921	\$ 561,450	\$ 556,979	\$ (4,471)
2006 Park Bonds (2)	1,197,750	1,196,000	1,191,750	(4,250)
Fire Station & Training Facility (3)	1,195,531	1,195,131	1,193,731	(1,400)
City Hall Bonds (4)	2,421,918	2,421,718	2,421,118	(600)
Street Improvement Bonds (5)	438,213	436,013	438,663	2,650
Energy Project Debt (6)	178,281	178,282	178,282	-
Hands On Children's Museum (7)	405,063	413,688	420,688	7,000
2013 General Obligation Bonds (8)	672,325	674,725	671,675	(3,050)
Water/Sewer Bonds (9)	2,005,461	2,019,257	2,013,281	(5,976)
Stormwater Debt Service (10)	155,826	83,262	103,219	19,957
Total	\$ 9,236,289	\$ 9,179,526	\$ 9,189,386	\$ 9,860

Note: All other debt paid directly from various other funds and is included in the budget of those funds.

- (1) State of Washington Public Works Trust Fund loans to fund the 4th/5th Avenue Bridge & Corridor improvements. Final payment will be in 2020. These bonds are paid with general levy property tax.
- (2) These bonds were issued to pay for Park acquisition and improvements. Final payment will be in 2016. These bonds are paid with voter-approved utility tax.
- (3) Bonds issued to pay construction of a Fire Station, Fire Training Facility, and Vehicle purchases. Final payment will be in 2029. These bonds are paid from voter-approved excess property tax levy.
- (4) Bonds issued to pay construction of City Hall. Final payment will be in 2039. These bonds are paid with general levy property tax.
- (5) Bonds issued to pay transportation system improvements. Final payment will be in 2029. These bonds are paid from the following revenues sources, in order: Transportation Impact Fees, State shared gas tax revenue, and general levy property tax.
- (6) Bonds issued by the State of Washington, Local Option Capital Asset Lending program. The City has contracted with the State to pay the State the City's share of the bond issue. Final payment will be in 2020. The City obligation is paid with general levy property tax. Savings from energy savings are estimated to be about the same as the debt service on this debt.
- (7) Bonds issued to pay for the construction of a museum, which will be managed and operated by the "Hands On Children's Museum" non-profit organization. Final payment will be in 2028. Debt service is paid from funds received from the Capital Area Regional Public Facilities District.
- (8) Bonds issued for improvements to the Washington Center for the Performing Arts, street light conversion to LED lighting and redemption of Bond Anticipation Notes (BANs) issued in 2011 for the Percival Landing Project. The BANs were issued with the intent to convert them to longer term debt by April of 2014. Final payment will be in 2021 for the Parks portion, 2022 for the LED street light conversion and 2032 the Washington Center portion. The Parks portion is repaid from voter-approved utility tax, the LED Streetlight portion from power savings within the General Fund, and the Washington Center portion from funds set aside for facilities major repair.
- (9) A: The budget on this schedule will vary from information on the Schedule of Debt Obligations. That schedule indicates actual payment made, where this schedule is on an accrual basis.
B: 2007 Bonds issued to fund water improvements will be fully paid in 2027. Bonds issued in 2010 for sewer improvement will be fully paid in 2030.
- (10) This Fund was created in 2014 to pay debt service of the Stormwater Utility on loans from the State of Washington. Final payment will be in 2031.



Supplementary Information



2016 FTEs by Classification

Position Title	Bargaining Unit	2016 Pay Grade	Step					Number of FTEs		
			Step 1	Step 2	Step 3	Step 4	Step 5	2014 Actual	2015 Estimate	2016 Budget
Accountant		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	5.00	5.00	6.00
Accounting Technician		44	\$3,905	\$4,099	\$4,300	\$4,520	\$4,744	9.00	9.00	8.00
Administrative Secretary		50	\$4,435	\$4,659	\$4,892	\$5,139	\$5,394	3.00	3.00	3.00
Administrative Services Director		230					\$11,965	1.00	1.00	1.00
AMR Meter Technician	AFSCME	440	\$3,563	\$3,743	\$3,930	\$4,125	\$4,320	0.00	2.00	2.00
Assistant City Attorney		80	\$7,099	\$7,456	\$7,826	\$8,219	\$8,628	0.60	0.60	0.60
Assistant City Manager		237					\$11,235	1.00	1.00	1.00
Assistant City Prosecutor		72	\$6,390	\$6,707	\$7,044	\$7,392	\$7,766	1.00	0.00	0.00
Assistant Fire Chief	IAFF	96	\$8,775	\$9,212	\$9,673	\$10,158	\$10,671	2.00	2.00	2.00
Assistant Planner		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	0.00	1.00	1.00
Assistant Prosecutor II		72	\$6,390	\$6,707	\$7,044	\$7,392	\$7,766	0.0	1.00	1.00
Associate Line of Bus. Director		82	\$7,278	\$7,641	\$8,023	\$8,428	\$8,846	4.00	4.00	3.00
Associate Planner		60	\$5,328	\$5,591	\$5,873	\$6,163	\$6,471	6.50	5.75	6.75
Battalion Chief	IAFF	760			\$8,719	\$8,859	\$9,000	3.00	3.00	3.00
Billing Specialist		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	2.00	2.00	2.00
Building Inspector		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	3.00	3.00	3.00
Building Plans Examiner		58	\$5,146	\$5,392	\$5,676	\$5,959	\$6,258	2.00	3.00	3.00
Chief Prosecutor		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199	0.00	1.00	1.00
City Attorney		236					\$12,263	1.00	1.00	1.00
City Engineer		86	\$7,630	\$8,014	\$8,412	\$8,837	\$9,276	1.00	1.00	1.00
City Manager		500					\$12,772	1.00	1.00	1.00
City Prosecutor		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199	1.00	0.00	0.00
City Surveyor		72	\$6,390	\$6,707	\$7,044	\$7,392	\$7,766	1.00	1.00	1.00
Code Enforcement Officer (CP&D)		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	3.00	3.00	2.00
Computer Support Specialist	Teamsters	659	\$5,269	\$5,529	\$5,805	\$6,096	\$6,400	1.00	1.00	1.00
Computer Systems Technician		60	\$5,328	\$5,591	\$5,873	\$6,163	\$6,471	3.00	3.00	3.00
Construction Inspector		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	3.00	4.00	4.00
Corrections Officer	Teamsters	648	\$4,300	\$4,513	\$4,739	\$4,977	\$5,227	9.00	9.00	9.00
Councilmember		103					\$1,387	5.00	5.00	5.00
Court Operations Supervisor		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	1.00	1.00	1.00
CP&D Director		228					\$11,597	1.00	1.00	1.00
Crime Analyst	Teamsters	656	\$5,019	\$5,265	\$5,528	\$5,806	\$6,096	1.00	1.00	1.00
Data Control Specialist	AFSCME	444	\$3,928	\$4,116	\$4,321	\$4,538	\$4,766	1.75	1.75	1.75
Deputy City Attorney		88	\$7,811	\$8,201	\$8,610	\$9,038	\$9,492	1.00	1.00	1.00
Deputy Fire Chief		97	\$9,125	\$9,580	\$10,059	\$10,563	\$11,097	1.00	1.00	1.00
Economic Development Coordinator		82	\$7,278	\$7,641	\$8,023	\$8,428	\$8,846	1.00	1.00	1.00
Electrical Plans Examiner		58	\$5,146	\$5,392	\$5,676	\$5,959	\$6,258	1.00	1.00	1.00
Electrician	AFSCME	454	\$4,813	\$5,056	\$5,305	\$5,573	\$5,847	1.75	1.75	1.75
Engineering & Planning Supervisor		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199	2.00	2.00	2.00
Engineering Designer		54	\$4,795	\$5,031	\$5,282	\$5,547	\$5,824	1.00	1.00	1.00
Engineering Plans Examiner		58	\$5,146	\$5,392	\$5,676	\$5,959	\$6,258	2.00	2.00	2.00
Engineering Program Manager		78	\$6,921	\$7,267	\$7,630	\$8,013	\$8,412	1.00	1.00	1.00
Engineering Project Coordinator		66	\$5,855	\$6,150	\$6,460	\$6,780	\$7,119	1.00	1.00	1.00
Engineering Project Manager		72	\$6,390	\$6,707	\$7,044	\$7,392	\$7,766	4.00	5.00	5.00
Engineering Technician II		50	\$4,436	\$4,659	\$4,892	\$5,139	\$5,394	9.50	9.00	9.00

2016 FTEs by Classification (Continued)

Position Title	Bargaining Unit	2016 Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Number of FTEs		
								2014 Actual	2015 Estimate	2016 Budget
Evidence Custodian	Teamsters	650	\$4,478	\$4,704	\$4,938	\$5,188	\$5,445	1.00	1.00	1.00
Executive Assistant		58	\$5,146	\$5,392	\$5,676	\$5,959	\$6,258	0.00	1.00	1.00
Executive Secretary		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	1.00	0.00	0.00
Facilities Systems Technician	AFSCME	454	\$4,813	\$5,056	\$5,305	\$5,573	\$5,847	1.00	1.00	1.00
Field Crew Leader	AFSCME	449	\$4,306	\$4,519	\$4,747	\$4,985	\$5,235	2.00	2.00	2.00
Fire Captain	IAFF	761			\$8,719	\$8,859	\$9,000	3.00	3.00	3.00
Fire Chief		232					\$12,230	1.00	1.00	1.00
Fire Inspector/Firefighter	IAFF	720	\$6,328	\$6,680	\$7,031	\$7,383	\$7,734	2.00	2.00	2.00
Fire Inspector Lieutenant	IAFF	735				\$8,086	\$8,438	1.00	1.00	1.00
Fire Lieutenant	IAFF	730				\$7,878	\$8,016	21.00	21.00	21.00
Fire Lieutenant Paramedic	IAFF	745				\$8,086	\$8,227	3.00	0.00	0.00
Fire Paramedic Training Officer	IAFF	745				\$8,086	\$8,227	0.00	3.00	3.00
Fire Medical Services Officer	IAFF	761			\$8,719	\$8,859	\$9,000	0.00	1.00	1.00
Firefighter	IAFF	710	\$5,625	\$5,977	\$6,328	\$6,680	\$7,031	38.00	38.00	38.00
Firefighter Paramedic	IAFF	725	\$6,328	\$6,680	\$7,031	\$7,383	\$7,734	15.00	14.00	14.00
GIS Analyst		66	\$5,855	\$6,150	\$6,460	\$6,780	\$7,119	1.00	1.00	1.00
Inventory Control Specialist I	AFSCME	446	\$4,101	\$4,304	\$4,521	\$4,748	\$4,986	1.00	1.00	1.00
Inventory Control Specialist II	AFSCME	450	\$4,454	\$4,679	\$4,917	\$5,158	\$5,418	1.00	1.00	1.00
IT Support Specialist		50	\$4,436	\$4,659	\$4,892	\$5,139	\$5,394	2.00	2.00	2.00
Jail Manager		78	\$6,921	\$7,267	\$7,630	\$8,013	\$8,412	1.00	1.00	1.00
Jail Sergeant	Teamsters	662	\$5,554	\$5,831	\$6,123	\$6,429	\$6,751	3.00	3.00	3.00
Lead Recreation Specialist		30	\$2,639	\$2,797	\$2,934	\$3,082	\$3,234	0.60	0.60	0.60
Lead Worker	AFSCME	454	\$4,813	\$5,056	\$5,305	\$5,573	\$5,847	11.00	12.00	12.00
Lead Worker	Teamsters	654	\$4,840	\$5,078	\$5,332	\$5,600	\$5,879	0.00	1.00	1.00
Legal Assistant		48	\$4,260	\$4,470	\$4,694	\$4,930	\$5,177	1.00	0.00	0.00
Line of Business Director		86	\$7,630	\$8,014	\$8,412	\$8,837	\$9,276	9.00	9.00	9.00
Maintenance Technician	AFSCME	453	\$4,677	\$4,913	\$5,163	\$5,416	\$5,689	4.00	4.00	4.00
Maintenance Worker I	AFSCME	438	\$3,385	\$3,554	\$3,732	\$3,919	\$4,114	4.00	5.00	6.00
Maintenance Worker I (Oly Center)	AFSCME	438	\$3,385	\$3,554	\$3,732	\$3,919	\$4,114	3.50	3.50	3.50
Maintenance Worker II	AFSCME	446	\$4,101	\$4,304	\$4,521	\$4,748	\$4,986	45.00	42.00	42.00
Master Mechanic	AFSCME	460	\$5,411	\$5,682	\$5,966	\$6,264	\$6,578	3.00	3.00	3.00
Master Mechanic		60	\$5,328	\$5,591	\$5,873	\$6,163	\$6,471	2.00	2.00	2.00
Master Mechanic - Fire		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905	1.00	1.00	1.00
Mayor		101					\$1,664	1.00	1.00	1.00
Mayor Pro-Tem		102					\$1,525	1.00	1.00	1.00
Municipal Court Judge		105					\$11,786	1.00	1.00	1.00
Network Analyst		66	\$5,855	\$6,150	\$6,460	\$6,780	\$7,119	5.00	5.00	5.00
Office Specialist I		36	\$3,194	\$3,355	\$3,522	\$3,700	\$3,883	0.25	0.25	0.25
Office Specialist II		40	\$3,551	\$3,727	\$3,914	\$4,108	\$4,315	3.56	2.56	3.56
Office Specialist II	AFSCME	442	\$3,743	\$3,930	\$4,125	\$4,332	\$4,547	1.00	1.00	1.00
Office Specialist III		44	\$3,905	\$4,099	\$4,300	\$4,520	\$4,744	13.00	10.00	9.00
Operations Supervisor	IUOE	364	\$5,746	\$6,037	\$6,339	\$6,654	\$6,990	6.00	6.00	6.00
Paralegal		48	\$4,260	\$4,470	\$4,694	\$4,930	\$5,177	1.00	1.00	1.00
Paralegal II		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	0.00	1.00	1.00
Parking Services Field Rep	AFSCME	440	\$3,563	\$3,743	\$3,930	\$4,125	\$4,320	6.00	6.00	6.00

2016 FTEs by Classification (Continued)

Position Title	Bargaining Unit	2016 Pay Grade								Number of FTEs		
			Step 1	Step 2	Step 3	Step 4	Step 5	2014 Actual	2015 Estimate	2016 Budget		
Parks, Arts & Rec Director		224						\$10,793	1.00	1.00	1.00	
Permit Specialist		50	\$4,436	\$4,659	\$4,892	\$5,139	\$5,394	\$5,394	3.00	2.00	3.00	
Personnel Analyst		56	\$4,969	\$5,220	\$5,482	\$5,751	\$6,040	\$6,040	1.00	1.00	1.00	
Personnel Assistant		48	\$4,260	\$4,471	\$4,964	\$4,930	\$5,177	\$5,177	1.00	1.00	1.00	
Police Cadet		26	\$2,307	\$2,423	\$2,546	\$2,667	\$2,804	\$2,804	0.50	0.50	0.50	
Police Chief		238						\$13,273	1.00	1.00	1.00	
				Step 4	Step 5	Step 6	Step 7					
Police Deputy Chief		93		\$11,737	\$12,270	\$11,972	\$12,516	\$12,516	1.00	1.00	1.00	
				Step 4	Step 5	Step 6	Step 7					
Police Lieutenant*		73		\$9,732	\$10,670	\$9,926	\$10,883	\$10,883	4.00	4.00	4.00	
Police Officer	Police Guild	810	\$5,919	\$6,242	\$6,588	\$6,868	\$7,328	\$7,328	44.00	44.00	44.00	
			Step 6	\$7,474								
Police Officer Recruit	Police Guild	800	\$5,327	\$5,593					7.00	7.00	7.00	
Police School Resource Officer	Police Guild	810	\$5,919	\$6,242	\$6,588	\$6,868	\$7,328	\$7,328	2.00	2.00	2.00	
			Step 6	\$7,474								
				Step 4	Step 5	Step 6	Step 7					
Police Sergeant**	Sgt. Assoc.	65		\$7,987	\$8,647	\$8,147	\$8,820	\$8,820	1.00	1.00	1.00	
				Step 8	Step 9	Step 10	Step 11					
Police Sergeant**	Sgt. Assoc.	65		\$8,110	\$8,892	\$8,272	\$9,069	\$9,069	8.00	8.00	8.00	
Police Services Specialist	Teamsters	644	\$3,942	\$4,138	\$4,343	\$4,563	\$4,788	\$4,788	6.40	5.90	5.90	
Probation Officer I		48	\$4,260	\$4,470	\$4,694	\$4,930	\$5,177	\$5,177	2.00	2.00	2.00	
Probation Services Supervisor		70	\$6,212	\$6,524	\$6,846	\$7,190	\$7,548	\$7,548	1.00	1.00	1.00	
Probation Work Crew Leader		44	\$3,905	\$4,099	\$4,300	\$4,520	\$4,744	\$4,744	2.00	2.00	2.00	
Program & Planning Supervisor		72	\$6,390	\$6,707	\$7,044	\$7,392	\$7,766	\$7,766	10.00	8.00	8.00	
Program Assistant		46	\$4,083	\$4,286	\$4,502	\$4,727	\$4,961	\$4,961	10.00	12.00	12.00	
Program Manager		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905	\$6,905	2.00	2.00	2.00	
Program Specialist		48	\$4,260	\$4,470	\$4,694	\$4,930	\$5,177	\$5,177	6.50	9.25	10.25	
Project Engineer I		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905	\$6,905	3.00	4.00	4.00	
Project Engineer II		68	\$6,035	\$6,337	\$6,656	\$6,985	\$7,335	\$7,335	9.75	7.75	8.00	
Public Defense Coordinator		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199	\$8,199	0.00	0.50	0.50	
Public Service Representative		40	\$3,551	\$3,727	\$3,914	\$4,108	\$4,315	\$4,315	6.25	7.00	7.00	
Public Works Director		234						\$12,215	1.00	1.00	1.00	
Records Analyst		50	\$4,436	\$4,659	\$4,892	\$5,139	\$5,394	\$5,394	3.00	3.00	3.00	
Recreation Specialist		26	\$2,307	\$2,423	\$2,546	\$2,667	\$2,804	\$2,804	3.42	3.42	3.42	
Refuse/Recycle Collector	AFSCME	446	\$4,101	\$4,304	\$4,521	\$4,748	\$4,986	\$4,986	16.00	16.00	16.00	
Remote Systems Technician	AFSCME	456	\$5,053	\$5,309	\$5,570	\$5,851	\$6,140	\$6,140	2.00	2.00	2.00	
Safety Officer		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	\$5,610	1.00	1.00	1.00	
Secretary	Teamsters	646	\$4,121	\$4,326	\$4,545	\$4,772	\$5,008	\$5,008	2.00	3.00	3.00	
Senior Accountant		62	\$5,502	\$5,780	\$6,068	\$6,372	\$6,689	\$6,689	1.00	1.00	1.00	
Senior Master Mechanic	AFSCME	462	\$5,628	\$5,909	\$6,205	\$6,515	\$6,841	\$6,841	1.00	1.00	1.00	
Senior Personnel Analyst		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199	\$8,199	2.00	2.00	2.00	
Senior Planner		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905	\$6,905	3.00	5.00	5.00	
Senior Program Specialist		56	\$4,969	\$5,220	\$5,482	\$5,751	\$6,040	\$6,040	11.75	11.75	12.75	

* Steps 4 & 5 apply to those hired April 1, 1986 and after; Steps 6 & 7 apply to those hired prior to April 1, 1986.

** Steps 4 & 5 apply to those with an Associate's Degree; Steps 6 & 7 apply to those with a Bachelor's Degree.

2016 FTEs by Classification (Continued)

Position Title	Bargaining Unit	2016 Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Number of FTEs		
								2014 Actual	2015 Estimate	2016 Budget
Senior Program Specialist - RPN		56	\$4,969	\$5,220	\$5,482	\$5,751	\$6,040	0.25	0.25	0.25
Senior Program Specialist	Teamsters	656	\$5,019	\$5,265	\$5,528	\$5,806	\$6,096	1.00	1.00	1.00
Senior Traffic Signal Technician	AFSCME	456	\$5,053	\$5,309	\$5,570	\$5,851	\$6,140	1.00	1.00	1.00
Service Specialist	AFSCME	444	\$3,928	\$4,116	\$4,321	\$4,538	\$4,766	1.00	0.00	0.00
Service Specialist		44	\$3,905	\$4,099	\$4,300	\$4,520	\$4,744	0.00	0.00	0.00
Sign Technician	AFSCME	448	\$4,283	\$4,493	\$4,718	\$4,952	\$5,199	2.50	3.00	3.00
Strategic Communications Director		220					\$8,527	1.00	1.00	1.00
Supervisor I		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	3.00	2.00	2.00
Supervisor II		56	\$4,969	\$5,220	\$5,482	\$5,751	\$6,040	1.00	1.00	1.00
Supervisor III		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905	3.00	4.00	4.00
Supervisor IV		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199	6.00	8.00	9.00
Survey Mapping Coordinator		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610	1.00	1.00	1.00
Systems & Application Specialist		66	\$5,855	\$6,150	\$6,460	\$6,780	\$7,119	5.00	5.00	5.00
Traffic Signal Technician	AFSCME	454	\$4,813	\$5,056	\$5,305	\$5,573	\$5,847	2.00	2.00	2.00
Victim Assistance Coordinator		50	\$4,436	\$4,659	\$4,892	\$5,139	\$5,394	1.00	1.00	1.00
Water Meter Reader	AFSCME	440	\$3,563	\$3,743	\$3,930	\$4,125	\$4,320	2.00	0.00	0.00
Water Monitoring Assistant	AFSCME	444	\$3,928	\$4,116	\$4,321	\$4,538	\$4,766	1.00	1.00	1.00
Water Quality Specialist	AFSCME	454	\$4,813	\$5,056	\$5,305	\$5,573	\$5,847	1.00	1.00	1.00
Total FTEs in Budget								536.33	543.08	547.33



Capital Facilities Plan



The Capital Facilities Plan

What Are Capital Facilities and Why Do We Need to Plan for Them?

Capital facilities are all around us. They are the public facilities we all use on a daily basis. They are our public streets and transportation facilities, our City parks and recreation facilities, our public buildings such as libraries, fire stations, and community centers, our public water systems that bring us pure drinking water, and the sanitary sewer systems that collect our wastewater for treatment and safe disposal. Even if you don't reside within the City, you use capital facilities every time you drive, eat, shop, work, or play here.

While a CFP does not cover routine maintenance, it does include renovation and major repair or reconstruction of damaged or deteriorating facilities. Capital facilities do not usually include furniture and equipment. However, a capital project may include the furniture and equipment clearly associated with a newly constructed or renovated facility.

The planning period for a CFP is six years. Expenditures proposed for the first year of the program are incorporated into the Annual Budget as the Capital Budget (adopted in December of each year).

One of the most important aspects of the CFP process is that it is not a once-a-year effort, but an important ongoing part of the City's overall management process. New information and evolving priorities require continual review. Each time the review is carried out, it must be done comprehensively.

All of these facilities should be planned for years in advance to assure they will be available and adequate to serve all who need or desire to utilize them. Such planning involves determining not only where facilities will be needed, but when, and not only how much they will cost, but how they will be paid for. It is important to note that the CFP is a planning document that includes timeline estimates based on changing dynamics related to growth projections, project schedules, or other assumptions.

City of Olympia Capital Facilities

- Public Buildings
- Public Street Systems
- Public Parks
- Public Water Systems
- Public Sewer Systems

The State Growth Management Act and Its Effect on the Capital Facilities Planning Process

In response to the effect of unprecedented population growth on our State's environment and public facilities, the Washington State Legislature determined that "uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in the conservation and wise use of our lands, pose a threat to the environment, sustainable economic development, and to the health, safety, and high quality of life enjoyed by the residents of this state," and that "it is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning." The State of Washington Growth Management Act (GMA) was adopted by the Legislative body in the early 1990s to address these concerns.

The GMA requires that all jurisdictions located within counties that (a) have a population of 50,000 or more people and have experienced a population increase of 10% or more over the last ten years, or (b) regardless of current population, have experienced a population increase of 20% or more over the last ten years, must write, adopt, and implement local comprehensive plans that will guide all development activity within their jurisdictions and associated Urban Growth Areas (UGA) over the next twenty years. Each jurisdiction is required to coordinate its comprehensive plan with the plans of neighboring jurisdictions, and unincorporated areas located within designated Urban Growth Areas must be planned through a joint process involving both the city and the county.

The GMA requires that comprehensive plans guide growth and development in a manner that is consistent with the following 13 State planning goals, plus a shoreline goal:

1. Encouragement of urban density growth within designated urban growth management areas;
2. Reduction of urban sprawl outside of designated urban growth management areas;
3. Encouragement of efficient transportation systems, including alternate systems of travel;
4. Encouragement of affordable housing availability to all economic segments;
5. Encouragement of economic development;
6. Just compensation for private property obtained for public use;
7. Timely processing of governmental permits;
8. Enhancement of natural resource-based industries and encouragement of productive land conservation;
9. Encouragement of open space retention for recreational opportunities and wildlife habitat;
10. Protection of the environment, including air and water quality;
11. Encouragement of citizen participation in the planning process;
12. Provision of adequate public facilities to support development without decreasing current service standards below locally established minimum standards; and
13. Encouragement of the preservation of lands, sites, and structures that have historical or archaeological significance;
14. Protection of shorelines, including preserving natural character, protecting resources and ecology, increasing public access and fostering reasonable and appropriate uses.

The Capital Facilities Plan as an Element of Olympia’s Comprehensive Plan

The Growth Management Act requires inclusion of mandatory planning elements in each jurisdiction’s comprehensive plan, and suggests the inclusion of several optional elements. The mandatory elements required by the GMA are:

1. Six-year Capital Facilities Plan Element
2. Land Use Element
3. Housing Element
4. Utilities Element
5. Transportation Element
6. Rural Element (counties only)
7. Park and Recreation Element

Olympia’s Comprehensive Plan includes additional elements (Chart 2.1).

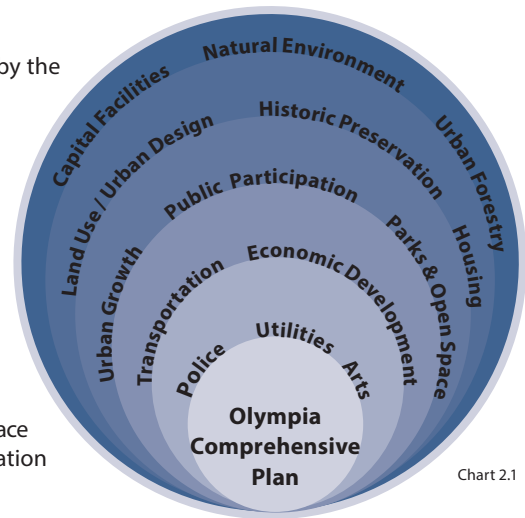


Chart 2.1

Concurrency and Levels-of-Service Requirements

The Growth Management Act requires jurisdictions to have capital facilities in place and readily available when new development occurs or a service area population grows. This concept is known as concurrency. Specifically, this means that:

1. All public facilities needed to serve new development and/or a growing service area population must be in place at the time of initial need. If the facilities are not in place, a financial commitment must have been made to provide the facilities within six years of the time of the initial need; and
2. Such facilities must be of sufficient capacity to serve the service area population and/or new development without decreasing service levels below locally established minimum standards, known as levels-of-service.

Levels-of-service are quantifiable measures of capacity, such as acres of park land per capita, vehicle capacity of intersections, or water pressure per square inch available for the water system. Minimum standards are established at the local level. Factors that influence local standards are citizen, City Council and Planning Commission recommendations, national standards, federal and state mandates, and the standards of neighboring jurisdictions.

The GMA stipulates that if a jurisdiction is unable to provide or finance capital facilities in a manner that meets concurrency and level-of-service requirements, it must either (a) adopt and enforce ordinances which prohibit approval of proposed development if such development would cause levels-of-service to decline below locally established standards, or (b) lower established standards for levels-of-service.

Determining Where, When, and How Capital Facilities Will Be Built

In planning for future capital facilities, several factors have to be considered. Many are unique to the type of facility being planned. The process used to determine the location of a new park is very different from the process used to determine the location of a new sewer line. Many sources of financing can only be used for certain types of projects. Therefore, this capital facilities plan is actually the product of many separate but coordinated planning documents, each focusing on a specific type of facility. Future sewer requirements are addressed via a sewer plan, parks facilities through a parks and recreation plan, urban trail facilities through an urban trails plan, etc.

Some capital facilities projects are not included in the Comprehensive Plan. Nonetheless, many of the projects are vital to the quality of life in Olympia. These projects meet the growth management definition of capital facilities but do not fall into one of the standard growth management chapters. The Farmers Market and City Hall are examples of this. In addition, the recommendations of local citizens, advisory boards, and the Olympia Planning Commission are considered when determining types and locations of projects. Chart 2.2 illustrates how the City’s Comprehensive Plan directly impacts the other plans, and ultimately the CFP. The various elements of the Comprehensive Plan affect the type and required capacities of capital facilities required.

How Citizens Can Get Involved in the Capital Facilities Plan

The City of Olympia strives to create a CFP which truly responds to the needs of our community. Citizens, community groups, businesses, and other stakeholders can maximize the attention and consideration paid to their suggestions by working with staff and the Olympia Planning Commission to merge their suggestions into major City planning processes. Projects and policies are continually monitored and modified by updates to long-term plans, usually via a public process with associated City boards and commissions. See the [2016-2021 Capital Facilities Plan Calendar of Events](#), on our website for public hearing dates.

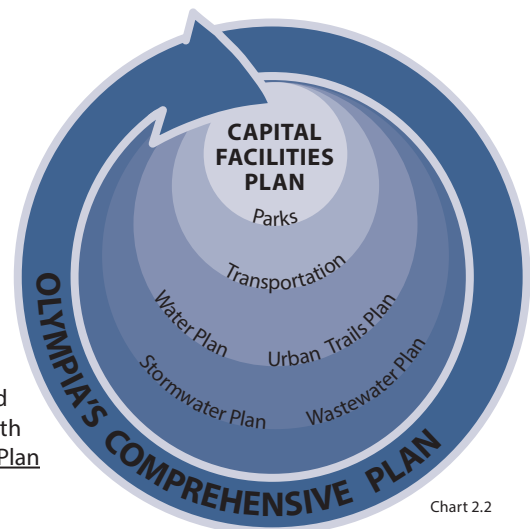


Chart 2.2

Population Forecasts for Olympia's Urban Growth Management Area (UGMA)

The GMA mandates that capital facility plans be structured to accommodate projected population growth within a jurisdiction's UGMA planning area. The Thurston Regional Planning Council (TRPC) anticipates growth of roughly 17% in the City's population between 2010 and 2020, or from approximately 46,500 to 54,600 persons. The fastest growing parts of the City will continue to be the West and Southeast sides. Each of the capital project category sections of this CFP demonstrates how the facilities listed under that section have been planned to accommodate the additional growth.

Joint Projects and Projects by Other Jurisdictions

Several of the projects listed within this document will be undertaken jointly with other jurisdictions or agencies. A stormwater project, for instance, may address a drainage problem that ignores City or UGMA boundaries. A transportation project may involve the upgrading of a roadway that crosses in and out of the city and the county. On such projects, joint planning and financing arrangements have been detailed on the individual project's worksheet.

Thurston County has several "county only" parks or transportation projects planned within Olympia's unincorporated UGMA. Under the joint planning agreement established between the City and Thurston County, initial financing and construction of these projects falls under County coordination. County projects have been listed for reference purposes in the Project Funding Reports. For more detail, please refer to the Thurston County CFP.

Capital Facilities Not Provided by the City

In addition to planning for public buildings, streets, parks, trails, water systems, wastewater systems, and storm drainage systems, the GMA requires that jurisdictions plan for 1) public school facilities, 2) solid waste (garbage) collection and disposal facilities, and 3) wastewater treatment. These facilities are planned for and provided throughout the UGMA by the various school districts, the Thurston County Department of Solid Waste, and the LOTT Alliance, respectively. Additionally, Solid Waste may have capital costs for equipment that could be included in the CFP. The City of Olympia charges school impact fees on behalf of the Olympia School District. The District's CFP is included starting on page 127 of this document.

Early in 2000, the LOTT partners (Lacey, Olympia, Tumwater, and Thurston County) signed an agreement to provide a new governance structure to carry out a plan which anticipates development of additional treatment capacity for the LOTT partners through innovative wastewater reclamation and management facilities. The LOTT Wastewater Alliance functions as a regional agency providing wholesale wastewater resource treatment and management services in the public's interest. Therefore, the LOTT Alliance capital facilities are not included in this document.

What is Not Included in This CFP Document?

This Capital Facilities Plan does not provide a status update on previously funded capital projects still in progress. If the project is currently active and requires additional funding in the future, it is included in this plan. Otherwise, it is simply listed in the Active Project list in the Miscellaneous Reports section.

The Capital Facilities Plan - Funding Sources

In an attempt to stretch the money as far as it will go, the CFP incorporates many different funding sources. Those sources may include current revenues, bonds backed by taxes or utility revenues, state and federal grants, special assessments on benefiting properties, as well as donations. A complete list of funding sources for the 2016-2021 is:

2016 - 2021 Funding Sources	
Current Revenues	
<ul style="list-style-type: none"> Wastewater Rates Drinking Water Rates Storm & Surface water Rates General Facilities Charges 1% Non-Voted Utility Tax 	<ul style="list-style-type: none"> Utility Tax (3% voted and 1% non-voted) Motor Vehicle Fuel Tax Interest Real Estate Excise Tax (REET) (0.5%)* <p>* REET funds must be spent on Parks or Transportation.</p>
Debt	
<ul style="list-style-type: none"> The City has \$80 million of voter-approved debt capacity. Of this, \$34 million may be issued by the Council without a vote of the people. 	<ul style="list-style-type: none"> Public Works Trust Fund Loans (from State of Washington) Utility Revenue Bonds
Grants	
<ul style="list-style-type: none"> Federal Surface Transportation Program Funds State Transportation Improvement Board Funds Federal Community Development Block Grant 	<ul style="list-style-type: none"> Federal Highways Administration Washington State Department of Transportation State Recreation Conservation Office
Other	
<ul style="list-style-type: none"> Impact Fees Transportation Benefit District fees Local Improvement Districts 	<ul style="list-style-type: none"> SEPA Mitigation Fees

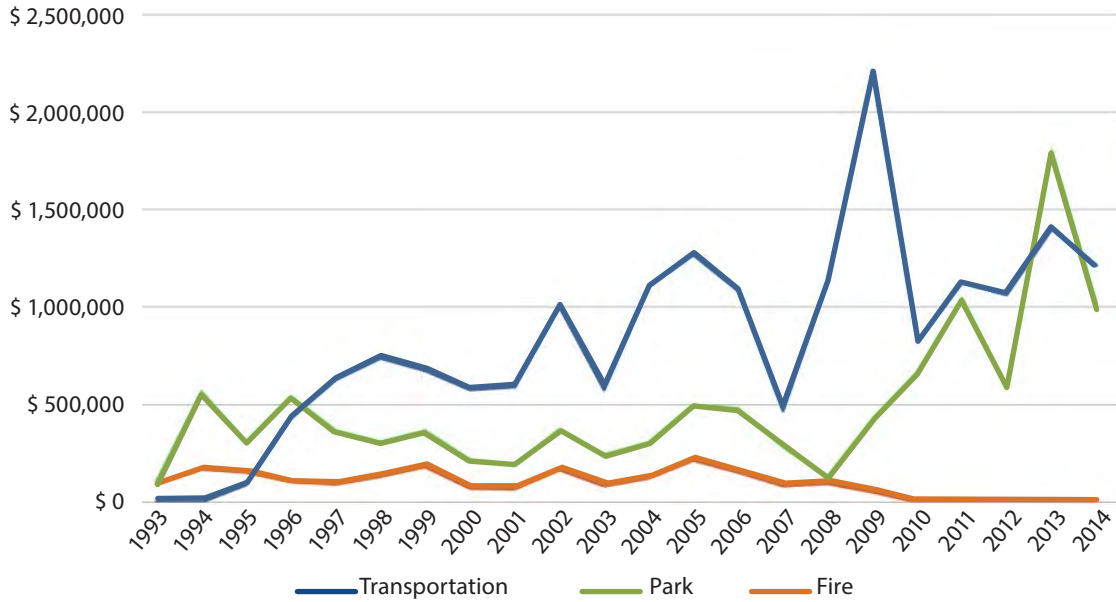
Revenues Dedicated to the CFP

Impact Fees

Impact Fees are one time charges imposed on development activity to raise revenue for the construction or expansion of public facilities needed to serve new growth and development. Impact fees are assessed and dedicated primarily for the provision of additional roads and streets, parks, schools, and fire protection facilities. Currently the City does not collect Fire Impact Fees.

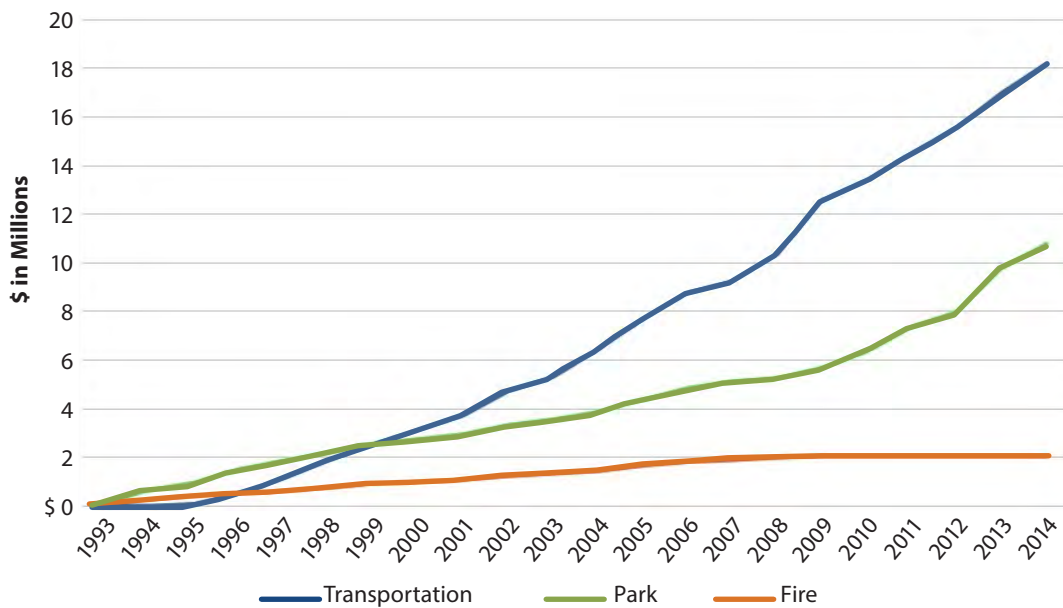
Annual Impact Fee Collections

22 Year Period - 1993 to 2014



Cumulative Impact Fee Collections

22 Year Period - 1993 to 2014



Revenues Dedicated to the CFP (continued)

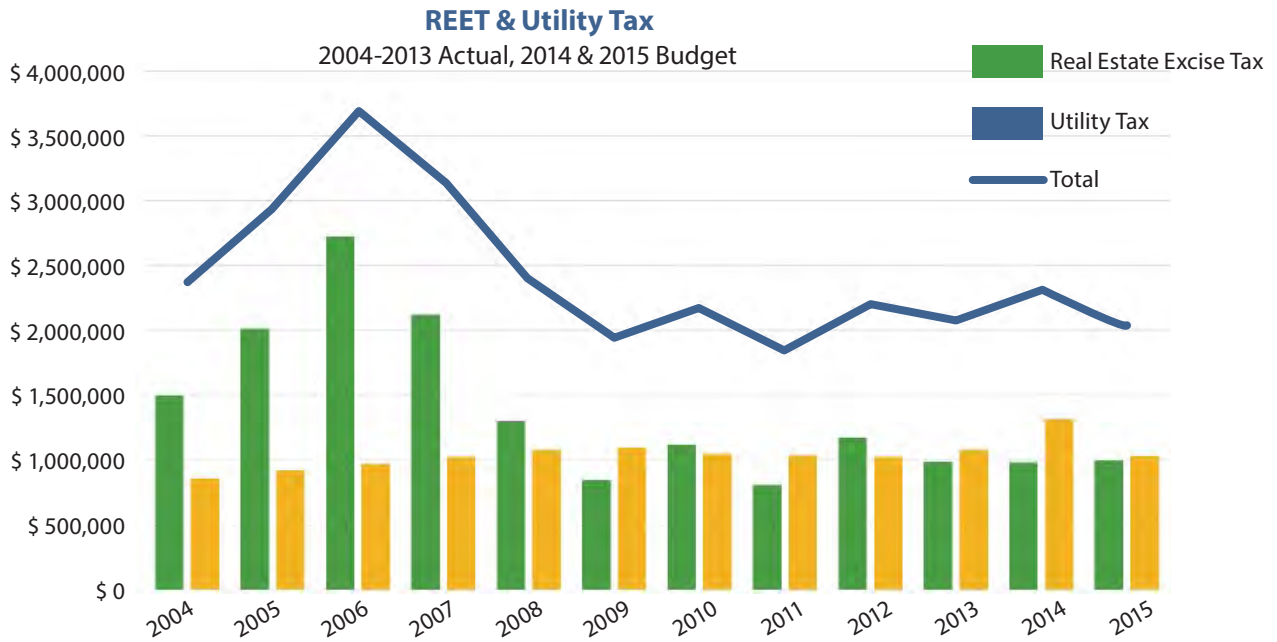
Real Estate Excise Tax (REET)

A tax upon the sale of all residential and commercial property within the City of Olympia at a rate of one-half of 1% of the purchase price. This tax is restricted by State law to Transportation and Parks capital projects. In 2011, the State Legislature authorized up to one-third of REET to be used for maintenance of existing capital projects. This provision expires December 31, 2016.

Generally, this tax is used for capital transportation projects. For the 2015 Budget, the Council authorized \$300,000 for Parks maintenance. All REET tax for 2016 has been allocated to the Capital Program.

Utility Tax

Of the 6% Non-Voted Utility Tax upon electric, natural gas and telecommunications utilities, one-sixth (1% tax) is allocated by Council policy to the CFP. This tax is a general revenue and can be used for any purpose determined by the Council. The Council authorized \$874,000 of the 1% utility budget to be allocated to the General Fund in 2009. This was due to the downturn in General Fund revenues as a result of the recession. A portion of the proceeds have been used for building repair/replacement since 2011.



CALENDAR OF EVENTS

Review Status of Existing Projects in CFP	April
Proposed CFP Projects due from Departments	May 2
Present Preliminary CFP to City Council	July 21
Planning Commission Public Hearing on Preliminary CFP (City and School District)	August 3 (Monday)
City Council Public Hearing and Discussion on Preliminary CFP	October 13
First Reading on Capital Budget	December 9
Second and Final Reading and Adoption of Operating and Capital Budgets	December 16

Project Funding Reports - General Government Projects

Project Funding Reports - General Government Projects: Parks

Parks Projects	Funding	2016	2017-2021	TOTAL
Community Park Expansion	Grant	\$ 151,000	\$ -	\$ 151,000
	Impact Fees	\$ 732,500	\$ -	\$ 732,500
Condition Assessment and Major Maintenance Program (CAMMP)	CIP Fund	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Neighborhood Park Development	Impact Fees	\$ 473,000	\$ 750,000	\$ 1,223,000
Open Space Acquisition and Development	Grants	\$ 500,000	\$ -	\$ 500,000
	Impact Fees	\$ 1,143,500	\$ 820,000	\$ 1,963,500
Parks Bond Issue Debt Service	Voted Utility Tax (V.U.T.)	\$ 1,435,150	\$ 1,210,600	\$ 2,645,750
Parks Land Acquisition	Voted Utility Tax (V.U.T.)	\$ -	\$ 5,000,000	\$ 5,000,000
Percival Landing Major Maintenance and Reconstruction	CIP Fund	\$ 357,000	\$ -	\$ 357,000
	Grant	\$ 921,500	\$ -	\$ 921,500
Small Capital Projects	SEPA Fees	\$ 5,000	\$ 125,000	\$ 130,000
Total Parks		\$ 6,218,650	\$ 10,405,600	\$ 16,624,250

Funding Recap	Funding	2016	2017-2021	TOTAL
	CIP Fund	\$ 857,000	\$ 2,500,000	\$ 3,357,000
	Grant	\$ 1,572,500	\$ -	\$ 1,572,500
	Impact Fees	\$ 2,349,000	\$ 1,570,000	\$ 3,919,000
	SEPA Fees	\$ 5,000	\$ 125,000	\$ 130,000
	Voted Utility Tax (VUT)	\$ 1,435,150	\$ 6,210,600	\$ 7,645,750
Total Parks		\$ 6,218,650	\$ 10,405,600	\$ 16,624,250

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.

Project Funding Reports - General Government Projects (continued)

Project Funding Reports - General Government Projects: Transportation

Transportation Projects	Funding	2016	2017-2021	TOTAL
Access and Safety Improvements	CIP Fund	\$ 200,000	\$ -	\$ 200,000
Bike Improvements	CIP Fund	\$ 100,000	\$ -	\$ 100,000
Sidewalks and Pathways	CIP Fund	\$ 20,000	\$ -	\$ 20,000
	Stormwater Utility Rates	\$ 186,500	\$ 932,500	\$ 1,119,000
	Voted Utility Tax - Parks	\$ 25,000	\$ 125,000	\$ 150,000
	Voted Utility Tax - Sidewalks	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
Street Repair and Reconstruction	CIP Fund	\$ 1,437,000	\$ 6,445,000	\$ 7,882,000
	Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
	Transportation Benefit District (TBD)	\$ 870,000	\$ 3,500,000	\$ 4,370,000
Total Transportation		\$ 4,113,500	\$ 17,377,500	\$ 21,491,000

Funding Recap	Funding	2016	2017-2021	TOTAL
	CIP Fund	\$ 1,757,000	\$ 6,445,000	\$ 8,202,000
	Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
	TBD	\$ 870,000	\$ 3,500,000	\$ 4,370,000
	Storm Water Utility Rate	\$ 186,500	\$ 932,500	\$ 1,119,000
	Voted Utility Tax-Parks	\$ 25,000	\$ 125,000	\$ 150,000
	Voted Utility Tax-Sidewalk	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
Total Transportation		\$ 4,113,500	\$ 17,377,500	\$ 21,491,000

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Project Funding Reports - General Government Projects (continued)

Project Funding Reports - General Government Projects: Transportation with Impact Fees

Transportation Impact Fee Projects	Funding	2016	2017-2021	TOTAL
2010 Transportation Stimulus Project Repayment	Impact Fees	\$ 438,663	\$ 2,181,862	\$ 2,620,525
Boulevard Road - Intersection Improvements (Program #0628)	Grant	\$ -	\$ 1,944,273	\$ 1,944,273
	Impact Fees	\$ -	\$ 3,057,057	\$ 3,057,057
	SEPA	\$ 46,398	\$ -	\$ 46,398
Cain Road & North Street - Intersection Improvements	Grant	\$ -	\$ 1,266,568	\$ 1,266,568
	Impact Fees	\$ -	\$ 1,580,823	\$ 1,580,823
	SEPA	\$ 7,553	\$ -	\$ 7,553
Fones Road—Transportation (Program #0623)	Grant	\$ -	\$ 7,256,890	\$ 7,256,890
	Impact Fees	\$ -	\$ 9,057,437	\$ 9,057,437
	SEPA	\$ 23,385	\$ -	\$ 23,385
Henderson Boulevard & Eskridge Boulevard - Intersection Improvements	Grant	\$ -	\$ 1,560,265	\$ 1,560,265
	Impact Fees	\$ -	\$ 1,947,391	\$ 1,947,391
	SEPA	\$ 2,897	\$ -	\$ 2,897
Log Cabin Road Extension - Impact Fee Collection (Program #0616)	Impact Fees	\$ -	\$ 4,038,097	\$ 4,038,097
	SEPA	\$ 18	\$ -	\$ 18
Wiggins Road and 37th Ave Intersection Improvements	Grant	\$ -	\$ 2,996,176	\$ 2,996,176
	Impact Fees	\$ -	\$ 3,739,573	\$ 3,739,573
	SEPA	\$ 83,187	\$ -	\$ 83,187
Total Transportation with Impact Fee		\$ 602,101	\$ 40,626,412	\$ 41,228,513

Funding Recap	Funding	2016	2017-2021	TOTAL
	Grant	\$ -	\$ 15,024,172	\$ 15,024,172
	Impact Fees	\$ 438,663	\$ 25,602,240	\$ 26,040,903
	SEPA	\$ 163,438	\$ -	\$ 163,438
Total Transportation with Impact Fees		\$ 602,101	\$ 40,626,412	\$ 41,228,513

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.

Project Funding Reports - General Government Projects (continued)

Project Funding Reports - General Government Projects: General Capital Facilities

General Capital Facilities Projects	Funding	2016	2017-2021	TOTAL
Building Repair and Replacement	CIP Fund	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
Total General Capital Facilities		\$ 1,330,000	\$ 7,000,000	\$ 8,330,000

Funding Recap	Funding	2016	2017-2021	Total
	CIP Fund	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
Total General Capital Facilities		\$ 1,330,000	\$ 7,000,000	\$ 8,330,000

Summary of Funding Sources for General Government Projects

Funding Sources	2016	2017-2021	TOTAL
CIP Fund	\$ 3,944,000	\$ 15,945,000	\$ 19,889,000
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
Grant	\$ 1,572,500	\$ 15,024,172	\$ 16,596,672
Impact Fees	\$ 2,787,663	\$ 27,172,240	\$ 29,959,903
SEPA	\$ 168,438	\$ 125,000	\$ 293,438
Stormwater Utility Rates	\$ 186,500	\$ 932,500	\$ 1,119,000
TBD	\$ 870,000	\$ 3,500,000	\$ 4,370,000
Voted Utility Tax	\$ 1,435,150	\$ 6,210,600	\$ 7,645,750
Voted Utility Tax - Parks	\$ 25,000	\$ 125,000	\$ 150,000
Voted Utility Tax - Pathways/Sidewalks	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
Total General Government	\$ 12,264,251	\$ 75,409,512	\$ 87,673,763

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.

Project Funding Reports - Utilities Projects

Project Funding Reports - Utilities Projects: Drinking Water

Drinking Water Projects	Funding	2016	2017-2021	TOTAL
Asphalt Overlay Adjustments—Water (Program # 9021)	Rates	\$ 11,000	\$ 55,000	\$ 66,000
Groundwater Protection—Water (Program #9701)	Rates	\$ 158,000	\$ 889,000	\$ 1,047,000
Infrastructure Pre-Design and Planning—Water (Program #9903)	Rates	\$ 22,000	\$ 110,000	\$ 132,000
Reclaimed Water (Program #9710)	General Facility Charges	\$ -	\$ -	\$ -
	Rates	\$ -	\$ 418,000	\$ 418,000
Small Diameter Water Pipe Replacement—Water (Program #9408)	Rates	\$ 525,000	\$ 2,625,000	\$ 3,150,000
Transmission and Distribution Projects—Water (Program #9609)	General Facility Charges	\$ -	\$ 199,500	\$ 199,500
	Rates	\$ 3,863,000	\$ 7,641,500	\$ 11,504,500
Water Source Development and Protection (Program #9700)	General Facility Charges	\$ 1,140,500	\$ 293,000	\$ 1,433,500
	Rates	\$ 2,710,500	\$ 240,000	\$ 2,950,500
Water Storage Systems (Program #9610)	General Facility Charges	\$ -	\$ -	\$ -
	Rates	\$ -	\$ 3,600,000	\$ 3,600,000
Water System Planning (Program #9906)	General Facility Charges	\$ -	\$ 157,500	\$ 157,500
	Rates	\$ -	\$ 157,500	\$ 157,500
Total Drinking Water		\$ 8,430,000	\$ 16,386,000	\$ 24,816,000

Project Funding Reports - Utilities Projects: Wastewater

Wastewater Projects	Funding	2016	2017-2021	TOTAL
Asphalt Overlay Adjustments - Sewer (Program #9021)	Rates	\$ 11,000	\$ 55,000	\$ 66,000
Infrastructure Predesign and Planning - Sewer (Program #9903)	Rates	\$ 39,000	\$ 195,000	\$ 234,000
Lift Stations—Sewer (Program #9806)	General Facility Charges	\$ -	\$ 1,890,500	\$ 1,890,500
	Rates	\$ 630,000	\$ 1,228,500	\$ 1,858,500
Onsite Sewage System Conversions - Sewer (Program #9813)	General Facility Charges	\$ 158,000	\$ 1,840,000	\$ 1,998,000
Replacement and Repair Projects - Sewer (Program #9703)	Rates	\$ 405,000	\$ 2,220,000	\$ 2,625,000
Sewer Systems Extensions - Sewer (Program #9809)	General Facility Charges	\$ 788,000	\$ -	\$ 788,000
Sewer System Planning - Sewer (Program #9808)	Rates	\$ 22,000	\$ 110,000	\$ 132,000
Total Wastewater		\$ 2,053,000	\$ 7,539,000	\$ 9,592,000

Project Funding Reports - Utilities Projects: Stormwater

Stormwater Projects	Funding	2016	2017-2021	TOTAL
Aquatic Habitat Improvements - Stormwater (Program #9024)	Rates	\$ 250,000	\$ 625,000	\$ 875,000
Flood Mitigation & Collection - Stormwater (Program #9028)	General Facility Charges	\$ -	\$ 2,371,650	\$ 2,371,650
	Rates	\$ 519,500	\$ 5,119,650	\$ 5,639,150
Infrastructure Pre-Design & Planning - Stormwater (Program #9903)	Rates	\$ 28,400	\$ 142,000	\$ 170,400
Water Quality Improvements - Stormwater (Program #9027)	Grants	\$ 570,975	\$ 1,617,750	\$ 2,188,725
	Rates	\$ 190,325	\$ 539,250	\$ 729,575
Total Stormwater		\$ 1,559,200	\$ 10,415,300	\$ 11,974,500

Additionally: Included in the Transportation Section are Projects funded by transfers from the Stormwater Utility as follows:

Project	Funding	2016	2017-2021	Total
Sidewalks and Pathways—Transportation Section	Stormwater Utility Rates	\$ 186,500	\$ 932,500	\$ 1,119,000
	Total	\$ 186,500	\$ 932,500	\$ 1,119,000

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.

Project Funding Reports - Summary of Funding Sources

Summary of Funding Sources for Utilities Projects

Funding Sources	2016	2017-2021	TOTAL
General Facility Charges	\$ 2,086,500	\$ 6,752,150	\$ 8,838,650
Rates	\$ 9,384,725	\$ 25,970,400	\$ 35,355,125
Stormwater Grants or Loans	\$ 570,975	\$ 1,617,750	\$ 2,188,725
Total Utilities	\$ 12,042,200	\$ 34,340,300	\$ 46,382,500

Combined Summary of Funding Sources for Both General Government and Utilities Projects

Funding Sources	2016	2017-2021	TOTAL
CIP Fund	\$ 3,944,000	\$ 15,945,000	\$ 19,889,000
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
General Facility Charges	\$ 2,086,500	\$ 6,752,150	\$ 8,838,650
Grant	\$ 1,572,500	\$ 15,024,172	\$ 16,596,672
Impact Fees	\$ 2,787,663	\$ 27,172,240	\$ 29,959,903
Rates	\$ 9,384,725	\$ 25,970,400	\$ 35,355,125
SEPA	\$ 168,438	\$ 125,000	\$ 293,438
Stormwater Grants or Loans	\$ 570,975	\$ 1,617,750	\$ 2,188,725
Stormwater Utility Rates	\$ 186,500	\$ 932,500	\$ 1,119,000
TBD	\$ 870,000	\$ 3,500,000	\$ 4,370,000
Voted Utility Tax	\$ 1,435,150	\$ 6,210,600	\$ 7,645,750
Voted Utility Tax - Parks	\$ 25,000	\$ 125,000	\$ 150,000
Voted Utility Tax - Pathways/Sidewalks	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
Total	\$ 24,306,451	\$ 109,749,812	\$ 134,056,263

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.

County Funded Projects in Olympia Urban Growth Area

Project	2016	2017-2021	Total
Buildings			
3400 Building Tenant Improvements	\$ -	\$ 6,175,000	\$ 6,175,000
Buildings #2 & #3 Security Projects	50,000	450,000	500,000
Building #2 Renovations	-	6,500,000	6,500,000
Building #3 Renovations	-	6,300,000	6,300,000
Building #3 Jail Demolition	-	1,250,000	1,250,000
Building #3 Work Release Facility Demolition	150,000	-	150,000
Building #1 Renovations and Integration	-	1,915,000	1,915,000
Energy Saving Upgrades, Air Handling Systems, LED Lighting & Solar Panels	75,000	475,000	550,000
Energy Savings Implementing Automation & Metering Solutions	-	325,000	325,000
Courthouse Complex Geotechnical Report	-	150,000	150,000
County Wide Security Upgrade	-	1,450,000	1,450,000
Building #3 Cabling Upgrade	80,000	-	80,000
Purchase Additional Campus Buildings or Property	-	10,000,000	10,000,000
McLane Building Preparations for Sale/Disposal	20,000	-	20,000
10-year Facility and Capital Building Plan	-	300,000	300,000
Storm & Surface Water Utility			
Donnelly Drive - Infiltration Gallery		467,000	467,000
Stuart Place - Conveyance & Treatment		335,000	335,000
Woodard Creek Retrofit - Site 11	145,000	330,000	475,000
Roads & Transportation			
Cooper Pt. Rd and Kaiser Rd.		20,000	20,000
Ellis Creek Fish Passage		1,500,000	1,500,000
Evergreen Parkway/Mud Bay Rd Interchange Improvements		50,000	50,000
Parks			
Chehalis Western Trail	275,000	415,000	690,000
Total:	\$ 795,000	\$38,407,000	\$39,202,000





Appendix





Appendix - Community Profile

History of Olympia, Washington

Located on the southernmost point of Puget Sound, the peninsula known as Olympia was “Cheetwoot” (the black bear place) to the Coastal Salish who occupied the site for many generations before the American settlement was established.

The end of what we now know as Budd Inlet was a favorite shellfish gathering site for many Coastal Salish tribes, including the Nisqually, Duwamish, and Squaxin. Evidence exists that potlatches, the Northwest tribal custom in which tribal leaders shared their wealth with neighboring tribal groups, were held both east and west of the Inlet near Olympia.

The falls of the Deschutes River at Tumwater called “Stehtsasamish” by the Nisqually Indians may have been occupied as a permanent village site for shellfish and salmon harvesting for 500 years or more before the coming of white settlers. (From *Lacey, Olympia, and Tumwater, A Pictorial History* by Shanna B. Stevenson, published by The Donning Company/Publishers, 1985)

History of European Settlement

Peter Puget and a crew from the British Vancouver Expedition visited the site in 1792. The U.S. Exploring Expedition under Lt. Charles Wilkes came to the site in 1841 and named the waterfront bay Budd Inlet, after Midshipman Thomas A. Budd, a member of that expedition.

The first American settlers were Levi Lathrop Smith and Edmund Sylvester who claimed the town site in 1846. The town was officially platted in 1850 by Sylvester. The Maine native laid out a town in a New England style with a town square, tree lined streets, land for schools, a Masonic Hall, and Capital grounds.

The name of Olympia was selected by Isaac N. Ebey, a local resident, and reflected the view of the majestic Olympic mountains on a clear day.

Drawn to the small peninsula as the first access to Puget Sound from the Columbia River on the Cowlitz Trail, American settlers numbered 996 in the area by 1853. Olympia welcomed the first Custom House on Puget Sound in 1851, and by 1852 was the county seat for the newly organized Thurston County.

Soon after the first Americans settled Olympia in the mid-1840s, Chinese immigrants arrived in the City. Olympia’s first Chinatown was on 4th Avenue between Columbia and Main (Capitol Way) where several buildings housed a hand laundry, stores and lodging for residents.

In 1854, Daniel Bigelow, an attorney, and his wife, Ann Elizabeth White Bigelow built their home in Olympia overlooking Budd Inlet (900 Glass Street). Today it is a Museum, and remains one of the oldest frame buildings in the State of Washington.

Olympia’s first fire fighting unit, Barnes’ Hook and Ladder Brigade, was organized in the early 1850s. Columbia Number 1, the first fire engine company to be established in Washington Territory, was formed in Olympia in 1865.

Olympia residents elected the town’s first Mayor in 1873—William Winlock Miller.

In 1890, one year after statehood, Olympia City Marshal, George Savidge, was the first in City history to be officially referred to as Chief of Police. In the years from 1889-1892, the Olympia Police Department was comprised of the chief, a captain and six patrolmen.



Olympia as the Territorial and State Capital

When Washington Territory was formed in 1853, Olympia was named the provisional territorial capital by Isaac Stevens, Washington's first territorial governor. In 1855, the designation was confirmed by the territorial legislature. Olympia's incorporation as a town occurred on January 28, 1859.

In the mid-1850s, Olympia developed around the waterfront and quickly became a hub of maritime commerce. Federal officers and those seeking the opportunities of the capital flocked to the City which, at one time, boasted the largest population of any town on Puget Sound.

In 1856, the territorial legislature appointed a board of commissioners to oversee construction of a new bridge connecting downtown Olympia with the westside. Lack of funds held up the project until 1868 when Thurston County loaned the City of Olympia \$1,500. The first westside bridge was built the following year.

An especially difficult blow fell when Olympia was bypassed by mainline railroads in the 1870s. City residents had to build their own line to connect with the Northern Pacific mainline at Tenino—15 miles to the south.

Olympia's title of capital was often contested during the early years, but townspeople fought challenges by Vancouver, Steilacoom, Seattle, Port Townsend and Tacoma for location of the territorial seat of and later, State government.

In early 1889, Olympia resident and jeweler, Charles Talcott, was commissioned to create a State seal in time for the convening of the first State legislature in November of the same year. The simple round design with a copy of the Gilbert Stuart portrait of George Washington in the center and the words "The Seal of the State of Washington, 1889" is still the official seal of Washington State.

Washington was given statehood designation on November 11, 1889, as the forty-second state to enter the Union.

When Washington became a state in 1889 with Olympia as the capital, the City grew and prospered adding amenities such as an opera house, City water system, street car line, street lamps, and a new hotel to accommodate visiting legislators. State government has been housed in a series of buildings in Olympia, including the former county courthouse in downtown.

Twentieth Century Growth

Changes were made to the topography of the City in 1911-12, when almost 22 blocks were added to the downtown area in a gigantic dredging and filling effort to create a deep water harbor and fill the sloughs to the north and east of the City.

In 1919, the City awarded a contract to Union Bridge Company to build a more reliable concrete bridge connecting downtown Olympia with the westside. The amount of the contract was \$132,750.

With increased growth in State government and the economic stimulus of World War I, the City began to grow in population and development. Olympia became a center of lumber processing and the City boasted as new smokestacks went up on the waterfront. Downtown buildings were constructed and residential areas south and west of the City developed. By the time of the completion of the grand domed legislative building in 1927, the City had become a fitting setting for such an imposing structure.

A devastating earthquake in 1949 damaged or destroyed many historic downtown buildings, which were quickly rebuilt. Today, downtown Olympia is a charming mix of historic, mid-century, and contemporary architecture.

State government grew rapidly in Olympia after World War II, but many State offices were moving to other parts of the State. A Washington State Supreme Court decision in 1954 mandated that Olympia was the seat of government and that State office headquarters must locate here.





The 1950s ushered in construction of a new freeway through Olympia and her neighboring communities of Tumwater and Lacey. Interstate 5, which runs from the southern tip of California to the Washington State/Canadian border, is a vital transportation link for Olympia and the Puget Sound region.

Long time residents still mention the “Columbus Day” storm which hit the northwest on October 12, 1962, with seventy-eight mile per hour winds. Two people were killed in the Olympia area and extensive damage was caused to buildings and trees.

In the 1960s, the time of smokestacks and plywood mills drew mostly to an end along Olympia’s waterfront when the Simpson, Georgia Pacific, and St. Regis mills closed, victims of changing markets.

A new era began at the close of the 1960s when The Evergreen State College was authorized by the State legislature on Cooper Point Road at the site of historic Athens University, just west of the Olympia City limits. The institution has changed and enlivened the Capital City’s cultural and social climate.

In recent years, Olympia, with its neighbors of Lacey and Tumwater, have witnessed phenomenal growth. The small, muddy, bustling village of the 1850s is only a memory, but the tenacious spirit of Olympians over more than a century echoes through the vibrant City of Olympia.

Twenty-First Century Vision

On May 16, 2004 the Olympia community dedicated a new bridge and gateway corridor spanning the same location as the old 4th Avenue Bridge. The Olympia City Council named the new bridge

the Olympia-Yashiro Friendship Bridge in honor of Olympia’s Sister City, Yashiro, Japan (now reincorporated as Kato City, Japan).

The bridge is much more than a transportation corridor. With public art incorporated in the structure, dramatic accent lighting, and spacious pedestrian walkways and overlooks, the new bridge symbolizes Olympia as a community and expresses the City’s relationship to the surrounding natural environment.

In 2009, the City of Olympia celebrated its 150th birthday of incorporation. The year began with several hundred residents celebrating the City’s birthday on January 17, 2009 at The Washington Center for the Performing Arts in downtown Olympia. It ended with publication of a commemorative book edited by local historian Drew Crooks, *Olympia, Washington: A People’s History*.

New City Hall

On March 26, 2011 the City of Olympia opened the door to its new City Hall. The building combined employees and services from five departments previously housed in eight different buildings. The move greatly improved the ease in which citizens can access their City government.

Percival Landing

On August 25, 2011 the City completed Phase I of substantial reconstruction of Percival Landing. This popular park and tourist destination is in the heart of downtown and is a hub for gatherings, social interaction and public celebrations. The Landing includes a 0.9-mile scenic boardwalk, playground, picnic areas, public art, boat moorage, restaurants, shops and more.



Beautiful Site

Olympia sits on a low flat at the southern end of Puget Sound on the shores of Budd Inlet's two bays, between Seattle and the Olympic Mountains to the north, Mt. Rainier to the northeast, and Mt. Saint Helens to the south. The City is further divided by Capitol Lake.

The City and the surrounding area experience fair-weather summers and the grey, wet overcast winters of the Pacific Northwest. Tempered by the Japanese trade current, the mild northwest climate favors lushly forested landscapes replete with ferns and mosses. Rainfall tends to be spread out over a large number of days. With about 52 clear days out of the year, Thurston County residents live under some form of cloud cover 86 percent of the year, with more than a trace of rain falling on almost half of the days of the year.

Area: 19.74 square miles

Average Temperatures: January, 37.9° F; July, 63.2° F; annual average, 49.9° F

Average Annual Precipitation: 50.59 inches

Government

Olympia was named the capital city of Washington Territory on November 28, 1853 and was incorporated as a town on January 28, 1859.

The governing body elected in 1859 was a five-member Board of Trustees, and the office of mayor was not created until November 11, 1873. At that time, a mayor and six-member Council (from three wards) were elected for one-year terms.

On November 16, 1925, the City government body was changed to a three-member elected commission composed of the mayor, commissioner of finance, and commissioner of public works. The commission began as three-year terms, but increased to four years in 1950.

On May 18, 1982, the voters of Olympia approved the Council-Manager form of government. A new, seven-member Council was elected on November 2, 1982 and assumed office on November 18, 1982. The first meeting of the newly elected City Council was November 23, 1982. The mayor was selected by the Councilmembers for a two-year term in January of each even numbered year.

In 1991, the voters approved the selection of the Mayor through election by the citizens, rather than through appointment by the Council. The Mayor is elected to serve a four-year term.

Olympia is a Council/Manager City as authorized by Washington State law, RCW 35A.13. The Council/Manager form of government is different than the Mayor-Council form in Seattle, the Commission form at Thurston County, or the Town form in many East Coast communities.

According to the International City-County Management Association, under the Council/Manager form, power is concentrated in the elected council, which hires a professional administrator to implement its policies. The Mayor and Council as a collegial body are responsible for setting policy, approving the budget, and determining the tax rate. The manager serves as the Council's chief advisor. The Council provides legislative direction, while the manager is responsible for day-to-day administrative operations of the City, based on the Council's decisions.

In Olympia, the City Council makes policy and serves as the legislative group responsible for approving City ordinances and establishing City policy. Councilmembers are part-time employees, although Olympia's Councilmembers estimate that, on average, they devote from 25-40 hours per week to Council business. Many Councilmembers hold full-time jobs in addition to their duties on the City Council.

Olympia's City Council positions are nonpartisan, are elected for four-year terms, and represent the community at-large rather than designated districts. The seven positions are staggered, with positions ending for three members at one time and four members the next.

The Mayor presides at all meetings of the Council and is recognized as the head of the City for ceremonial purposes and by the Governor for purposes of military law. The Council selects another member to serve a two-year term as Mayor Pro Tem. State law requires that Councilmembers reside within the City limits and be registered voters, 18 years of age or over.



Population

The age of the population in Thurston County as a whole is getting older. Census figures show that the median age of the county's population was 38.5 years in 2010, up from 36.5 years in 2000 and 33.6 years in 1990. Some interesting distinctions in median age, however, do exist between different areas of the county. For example, Yelm has the youngest population of Thurston County cities. Its median age (29.0 years) was lower than the county's median age (38.5), and the proportion of its population under age 18 (36 percent) was higher than the county average (27 percent).

Individuals aged 65 and over are a growing segment of the population in Thurston County, and migration plays a key role in this population growth. Amenities that an older population finds attractive, such as advanced health care and retirement facilities, draw many retirement-aged people to Thurston County. In 2010, persons age 65 and older constituted 13% of the total County population. This percentage of residents age 65 and older is expected to climb to roughly 17% by 2020 and should reach 20% by 2030. The first of the "baby boomers" turned 65 in 2011.

Population forecasts for Olympia project growth of 19% by 2025 (population 60,750) and 34% by 2035 (population 68,410).

Population

Year	Olympia	Thurston County	Olympia % Increase
2015	51,020	267,410	2.7
2014	49,670	264,000	2.5
2013	48,480	260,100	2.1
2012	47,500	256,800	1.5
2011	46,780	254,100	0.6
2010	46,478	252,264	0.8
2009	46,109	249,336	1.3
2008	45,538	244,853	1.0
2007	45,087	239,570	1.9
2006	44,260	234,083	1.1
2005	43,777	229,286	0.9

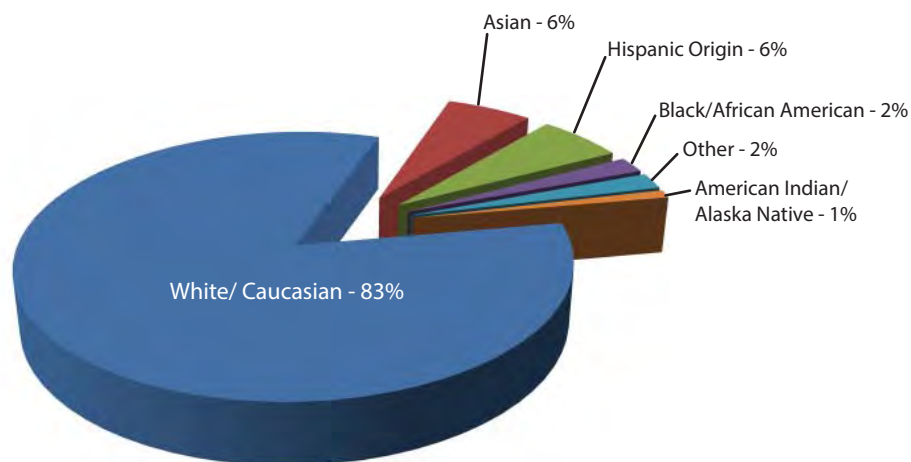
Source: State of Washington, Office of Financial Management, April 1, 2015

Households by Family Type

	1970	%	1980	%	1990	%	2000	%	2010	%
Average Household Size, Olympia	2.54		2.32		2.22		2.21		2.18	
Thurston County - Total Households	25,186		46,375		62,150		81,625		100,650	
Married-Couple Families	18,045	72%	28,383	61%	35,433	57%	43,352	53%	50,237	50%
One Parent Families	2,097	8%	4,992	11%	7,903	13%	11,599	14%	15,924	16%
One-Person Families and Non-Family Households	5,044	20%	13,000	28%	18,814	30%	26,674	33%	34,489	34%

Source: TRPC's *The Profile*, December 2013, *Demographics* (from US Census data - decennial)

Population by race in Olympia



Source: TRPC's *The Profile*, December 2013, Table II-15 (from US Census data - decennial)

Urban Cost of Living Index

The Olympia-Lacey-Tumwater area cost of living generally hovers around the national average of approximately 300 cities that participate in the C2ER (The Council for Community and Economic Research) survey. In the second quarter of 2013, the area was 1.6% higher than the national average.

Employment:

Annual Average Thurston County	2014	2015*
Civilian Labor Force	123,105	123,680
Employed Persons	114,962	116,950
Unemployed Persons	8,143	6,730

Source: WA State Employment Security Dept., Labor Market and Performance Analysis, Labor Area Summaries

*Through July 2015

Unemployment Rates:

	2012	2013	2014	2015*
Olympia	7.4%	6.8%	6.1%	5.3%
Thurston County	7.8%	7.0%	6.7%	6.2%
Washington States	8.3%	7.0%	6.2%	5.6%
United States	8.1%	7.4%	6.2%	5.4%

Source: U.S. Department of Labor, Bureau of Labor Statistics

*Through July 2015

Economic Indicators

Median Household Income, Thurston County (In current dollars)
(Source: WA State Office of Financial Management, Feb 2015)

2012	2013 est.	2014 Proj.
\$ 62,009	\$ 62,855	\$ 63,714

Poverty Rate, Thurston County (Five Year Averages)
(Source: US Census Bureau: American Community Survey, May 2014)

2006-2010	2007-2011	2008-2012
10.3%	10.5%	11.1%

Home Ownership, Olympia
(Source: U.S. Census Bureau, Oct. 2014)

	2013
Own Home	63.2%
Rent/Other	36.8%

Housing Average Sales Price (Adjusted for Inflation to 2013 Dollars)
(Source: Northwest Multiple Listing Service, 08/2014)

	Olympia	Thurston County
2011	\$277,184	\$241,712
2012	\$258,907	\$235,713
2013	\$257,150	\$237,959

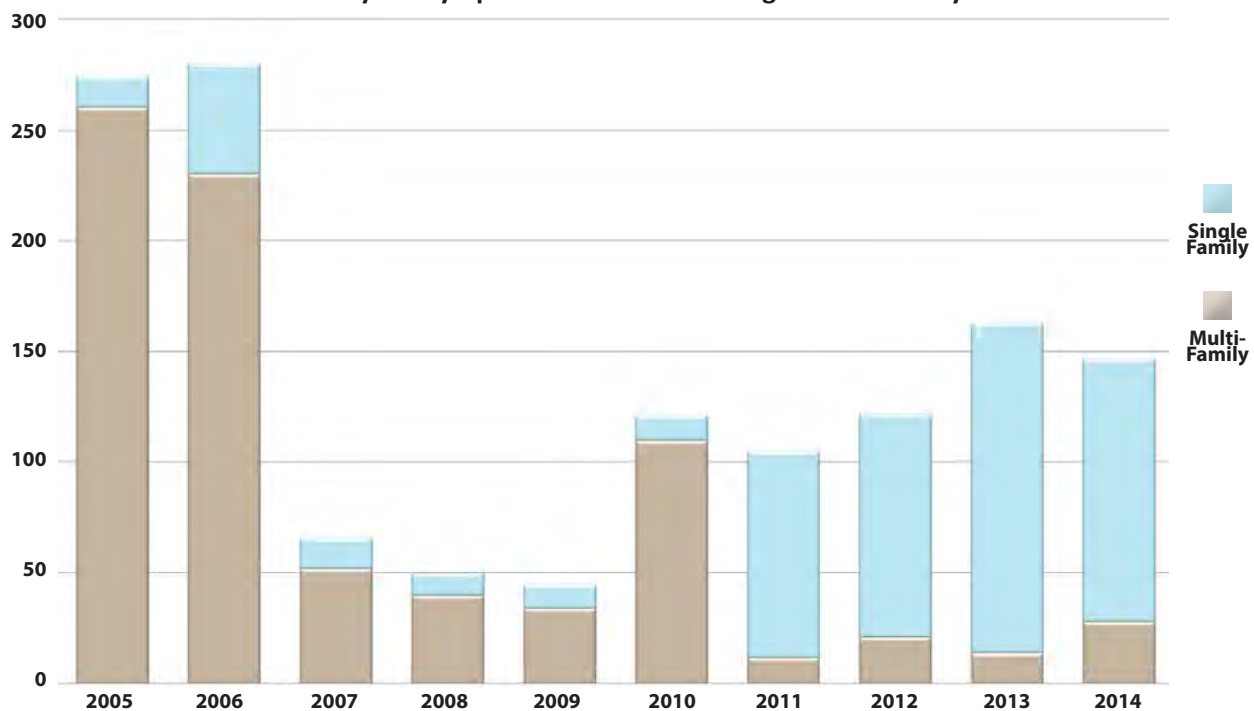
Apartment Rental Rates, Thurston County
(Source: WA Center for Real Estate Research, 12/2014)

	2013	2014
Average 1 Bedroom Apartment Rental	\$ 736	\$ 739
Average 2 Bedroom Apartment Rental	\$ 816	\$ 832

Building Permits Issued, Olympia
(Source: City of Olympia, CP&D)

	Through 9/28/2015
Single Family	90
Multi Family	11
Commercial	9

City of Olympia - Residential Building Permit Activity



Education

Thurston County has a variety of educational opportunities available to the students and adults of the community. These include both private and public primary, secondary, and higher education institutions.

Eight school districts provide primary and secondary education to most of Thurston County's students. These school districts offer a wide variety of services and opportunities for students, including the Head Start Program for preschoolers, advanced placement services for high school students, and numerous community-based learning experiences for all grade levels.

South Puget Sound Community College is the largest institution of higher education in Thurston County, with an enrollment of approximately 6,500 students. The college offers day and evening classes, continuing education courses, basic education, job skills training, and personal enrichment courses. While about 47% of the College's students are enrolled in academic programs in preparation for transfer to four-year colleges, South Puget Sound's historic foundation of technical training continues, with more than 30 professional-technical programs currently offered. The college also cooperates with private companies and public agencies to provide customized training and professional development.

The Evergreen State College is a public college of liberal arts and sciences with a national reputation for innovation in teaching and learning. Founded in 1967, Evergreen opened its doors in 1971 and now enrolls more than 4,800 students. While most of Evergreen's students are enrolled at the Olympia campus in full-time undergraduate programs, the College also provides an evening and weekend studies program. In addition, Evergreen also offers educational programs at its Tacoma site, a tribal program at reservation sites, a program in Gray's Harbor County, and three graduate programs in Environmental Studies, Public Administration, and Teaching.

Saint Martin's University is a four-year coeducational, comprehensive university with a strong liberal arts foundation. It offers 20 undergraduate programs in the liberal arts and professions, six graduate programs and numerous pre-professional and certification programs. Established in 1895 by the Roman Catholic Benedictine Order, Saint Martin's is located on a 300-acre campus in Lacey. More than 1,500 students attend the University's main campus, about 650 students are enrolled in courses at extension campuses at Joint Base Lewis-McChord, and at Centralia Community College, Tacoma Community College, and Olympic College in Bremerton. The University and Abbey employ about 450 people.

Thurston County College Enrollment 2004-2014

Enrollment		South Puget Sound Community College	St. Martin's University	The Evergreen State College
Fall 2004	Head Count	6,160	1,084	4,410
	FTE	3,722	906	4,292
Fall 2005	Head Count	6,426	1,268	4,470
	FTE	3,773	1,085	4,364
Fall 2006	Head Count	6,974	1,256	4,416
	FTE	3,964	1,035	4,294
Fall 2007	Head Count	7,458	1,270	4,586
	FTE	4,015	1,093	4,483
Fall 2008	Head Count	8,361	1,228	4,696
	FTE	4,404	1,063	4,616
Fall 2009	Head Count	7,133	1,272	4,891
	FTE	4,672	1,073	4,835
Fall 2010	Head Count	7,110	1,335	4,833
	FTE	4,857	1,122	4,779
Fall 2011	Head Count	6,558	1,392	4,794
	FTE	4,309	1,161	4,811
Fall 2012	Head Count	6,308	1,416	4,509
	FTE	N/A	1,163	4,794
Fall 2013	Head Count	6,154	1,443	4,170
	FTE	4,200	1,181	4,794
Fall 2014	Head Count	-	-	3,989
	FTE	-	-	3,985

Source: TRPC Survey and WA State Board of Community and Technical Colleges, October 2014

Explanation: Includes only those persons enrolled at campuses located in Thurston County. Head count includes both full- and part-time persons. FTE is full-time equivalent.

Educational Attainment

	Olympia	Thurston County	Washington State	U.S.
High School Graduate or Higher	93.9%	92.9%	90%	85.7%
Bachelor's Degree or Higher	42.9%	32%	31.6%	28.5%

Source: U.S. Census Bureau, 2006-2010 American Community Survey five year estimates, September 2014 2008-2012

Racial and Ethnic Distribution of Thurston County Public School Students 2013-2014

	Olympia		Thurston County	
	Total	%	Total	%
American Indian	56	0.5	596	1.4
Asian	703	7.3	2,088	5.0
Black / African American	211	2.2	1,303	3.1
Hispanic	940	9.9	5,432	13.1
Pacific Islander	34	0.3	422	1.0
Two or More Races	848	8.9	4,012	9.7
White	6,737	70.7	27,493	66.5

Source: WA State Superintendent of Public Instruction, September 2014

Business and Industry

The City's early development was based on its port facilities and lumber-based industries, and later oyster farming and dairying. During the mid-twentieth century, the decline of the local timber industry resulted in the loss of many of the local associated milling and secondary operations. During the 1970s, Olympia expanded as a center of offices and homes for State employees, military personnel, and their respective families.

In the late 1960s and early 1970s, the State legislature approved and financed construction of the Evergreen State College. The four-year public institution became an economic and cultural fixture in Thurston County with faculty, staff, and students contributing to the local housing and retail sectors. On a smaller scale, South Puget Sound Community College and Saint Martin's University in nearby Lacey also drove the housing demand. In the late 1980s, the Olympia waterfront and downtown were revitalized, and an effort began to draw new businesses to the area.

Manufacturing continued to be a major economic segment in the early 2000s, though a setback was experienced with the closure of the Miller Brewing plant in June 2003. Wood and food processing segments stagnated, while plastics, industrial supplies, and machinery experienced growth.

Agriculture, another industry traditional to Olympia, also wanes, although production is still higher than in nearby counties. The size of farms continues to decrease, while the number of farms is actually increasing. On the same lines as agriculture, the timber industry is dominated by smaller, family-owned operations.

As the capital of the State of Washington, Olympia relies on the State government to be a stabilizing factor for the local economy. In addition to the jobs it supports directly, state government also supports the economy by attracting tourists, as does the region's gambling industry.

The annual sessions of the State legislature in the winter and spring mark the first tourist season of the year, with summertime recreation and attractions, including tours of State buildings. Compared to other regions in the state, Olympia and Thurston County are home to a relatively small number of technology companies. To attract them, economic development officials promote the area's telecommunication infrastructure, low property price, and educated workforce.

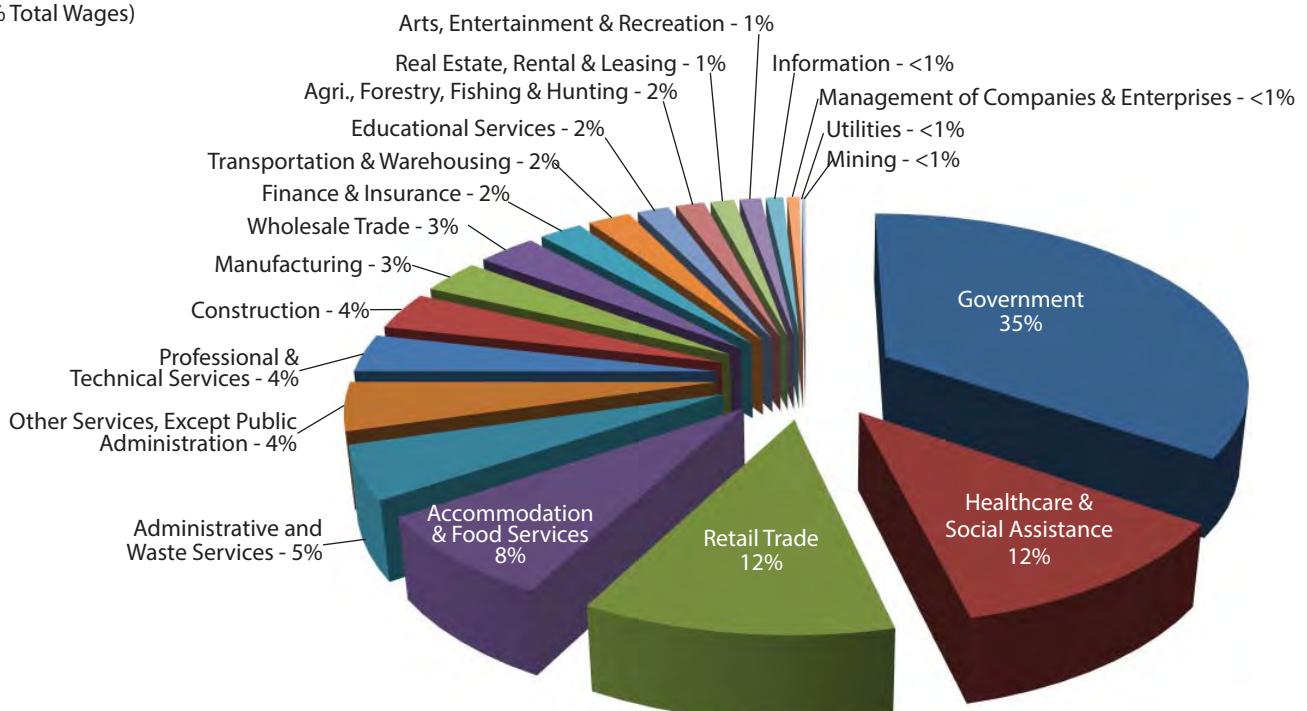
Top Employers in Thurston County - 2014

Employer	Employees
State Government, including education	25,600
Local Government, including education	16,500
Providence St. Peter Hospital	1,600
WalMart	1,023
Safeway	876
South Puget Sound Community College	780
Xerox	650
Capital Medical Center	600
Macy's	600
Nisqually Red Wind Casino	600
Lucky Eagle Casino	600
Weyerhaeuser Company	565
YMCA	551
Evergreen State College	550
Great Wolf Lodge	500
Washington State Employees Credit Union	499

Source: Thurston Economic Development Council, September 2014

Average Employment* by Industry, Thurston County - 2013

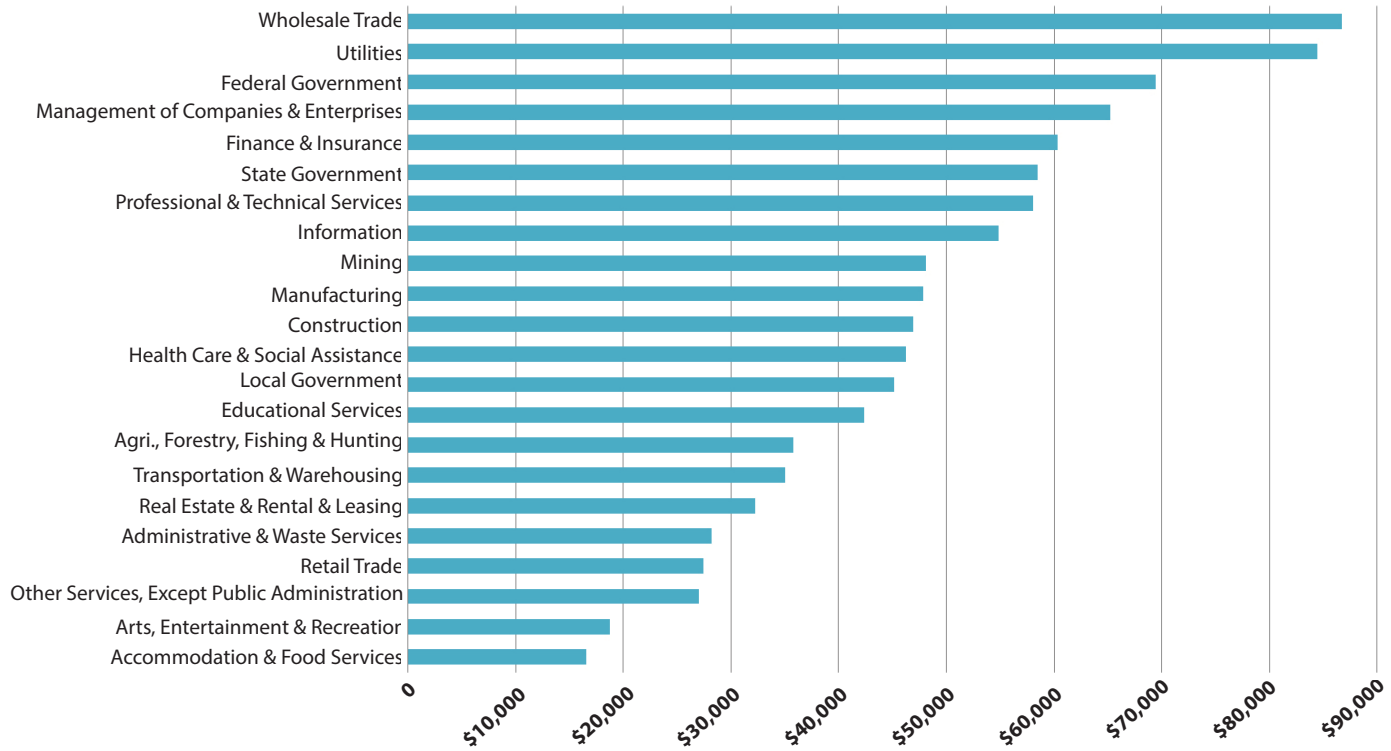
(% Total Wages)



* Employment of Persons Covered by Unemployment Insurance

Source: TRPC's *The Profile*, Employment by Sector, May 2014

Average Yearly Wages - Thurston County - 2013



Source: TRPC's *The Profile*, Covered Employment Wages by Industry, November 2014

Top Taxpayers for Tax Year 2014

Rank	Taxpayer	Taxable Assessed Value
1	Capital Mall	\$113,789,650
3	Puget Sound Energy	71,103,930
2	Vine Street Investors	63,239,400
6	Pf I Olympia Square LLC	41,081,550
5	Washington State Employees CU	32,909,300
4	Columbia / Capital Medical Ctr	27,742,550
8	Continental Cambridge	26,331,000
7	Group Health Coop Of Puget S	25,760,500
9	Black Lake Apartments	22,468,506
10	Woodland Apartment Associates II LLC	22,065,150
11	MGP X Properties LLC	21,641,250
12	Overlake Mngmt Co	20,341,550
13	Cafaro Northwest Partnership	19,870,400
14	Bowen Properties LLC	18,860,700
15	Bellwether #215 LLC	18,260,300
16	Lowe's HIW Inc	18,257,600
17	Apple Park MI II LP	17,748,700
18	Olympia Orthopedic Properties LLC	16,847,100
19	Qwest Corp	15,797,692
20	CFS Investments LLC	14,880,500

Using taxable values within the City of Olympia as of 11/25/14
Source: City of Olympia

Olympia Taxable Retail Sales - 2013

Employer	Sales
Retail Trade	\$ 954,489,415
Construction	211,894,160
Accommodations & Food Services	168,077,634
Wholesale Trade	130,811,275
Information	83,994,341
Professional, Scientific & Technical Services	56,504,017
Other Services	49,900,646
Management, Education & Health Services	40,720,807
Manufacturing	32,687,970
Real Estate, Rental/leasing	31,157,491
Finance, Insurance	14,129,091
Arts, Entertainment & Recreation	12,131,130
Public Administration, Other	5,282,101
Transportation & Warehousing	1,275,401
Agriculture, Forestry, Fishing	298,398
Utilities	152,613
Mining	19,853
Total:	\$ 1,793,526,343

Source: TRPC's *The Profile*, Taxable Retail sales

Thurston County as a whole is an attractor of retail sales (and select services), and captures more retail sales than are supported by people that live within the County.

Public Transportation

Communities throughout the Thurston region have adopted comprehensive strategies to meet the mobility needs of people, goods, and services well into the future. These strategies address all aspects of the region's transportation system, including streets and roads, public transportation, rail, bicycle and pedestrian facilities, and marine and aviation facilities.

Transportation alternatives—like public transportation, bike lanes, sidewalks, and rail—provide more people with feasible options for getting from Point A to Point B. These alternatives also improve the quality of life for neighborhoods, downtown core areas, and busy corridors linking important activity centers.



Utilities

Through a combination of public and private enterprises, Olympia offers first-rate utility services. The City of Olympia maintains an aggressive capital program to improve and maintain facilities for drinking water, stormwater, and wastewater utilities. The use of reclaimed water can be used by agencies and businesses for irrigation, commercial processes, decorative fountains and ponds, pressure washing, dust control, toilet flushing, groundwater recharge and streamflow, and wetland enhancement. The City also provides a Waste ReSources utility which offers a wide range of solid waste, recycling and organic services. Natural gas and electricity is provided for most residents by Puget Sound Energy, and local telephone service is provided by several different providers, with Century Link being the major provider.

Neighborhood Recognition Program



Olympia's Neighborhood Recognition Program was started in 1989 as a way to foster ongoing communication between City government and neighborhood associations. Neighborhoods voluntarily choose to participate in the Olympia program and all neighborhoods located within the City of Olympia and its Urban Growth Area are eligible to apply.

Benefits of the program are:

- Notification of certain zoning and land use proposals
- As-needed meetings with City staff and other associations to discuss issues and learn about City programs and services
- Authorize street closure for up to two neighborhood block parties per year

Participating associations are also eligible to bi-annually apply to the City for a neighborhood matching grant of up to \$4,000 to initiate an activity to benefit the neighborhood in general. In recent years, neighborhoods have used the matching grants to landscape common areas, construct entrance signage, develop emergency response programs, maintain stormwater retention ponds, create neighborhood walking paths, and publish a neighborhood history.

Culture that Supports our Mission: Working Together to Make a Difference

The City of Olympia champions its mission in meaningful ways to ensure our City is a great place to live, work and play. One of the most visible ways is through our Public Art program, City-owned park land, and our partnerships with private organizations. Creative uses of our resources allow us to create an environment where we fuel our citizens' minds and creativity; provide spaces to be physically active, enjoy nature, and the companionship of other community members; and promote activities and events that bring our community together through shared experiences.

Public Art

In 1990, the City of Olympia passed an ordinance setting aside one dollar per person and one percent of major City construction projects for public art. Projects range from small local artist projects in neighborhood parks to major installations and design teams. In 1998, the Olympia Arts Commission created a long-range plan for public art in Olympia. The vision for the future states:

We envision a public art program that is inspiring-thought provoking and functional, inclusive and diverse. We envision a public art program that is woven into the community and our daily lives-our neighborhoods, parks, buildings, infrastructure and public spaces. We invite all segments of our community to work with the City to sustain the current vitality of the arts and embrace new challenges.

Guided walking tours are available in the summer and our entire collection may be viewed [online](#). For citizens and visitors who prefer a self-guided approach to art appreciation, we offer [walking maps](#) marked with public art locations. Not all pieces are on display year-round.

Parks

The City of Olympia proudly owns over 900 acres of park land that consists of neighborhood, community, and open space, as well as recreational facilities. We have picnic shelters, playgrounds, skate parks, basketball courts, tennis courts, running tracks, athletic fields, a sand volleyball court, horseshoe pits, bicycle/pedestrian paths, community gardens, and nature trails. We also have 171 acres devoted to wildlife protection, viewing, and education. At any given time you may find these spaces host to parties, weddings, baseball and soccer games, football and cross-country practices, field trips, child care groups, and of course, families of all shapes and sizes. Our park spaces are well-loved and well-used, providing places for our citizens to explore and appreciate nature, to be active, and to engage with one another.



"Ad Astra" Artist: Sylvia Perle

Partnerships

The City of Olympia cultivates a sense of belonging and cohesiveness in the community by creating opportunities for citizens to share experiences. Citizens look forward to annual events such as the City-sponsored Arts Walk and Procession of the Species Parade. We devote resources and partner with private organizations for events such as the Capital Lakefair Festival and Parade, Dragon Boat Festival, Capital City Marathon, Pet Parade, Olympia Harbor Days, Sand in the City, Toy Run Motorcycle Rally and more! For these particular events, the City provides event space and in-kind services.

The City also provides space for some of our City's best-loved places. We own the buildings at the Farmers Market, the buildings housing the Hands On Children's Museum and the Olympia Timberland Regional Library, and the Washington Center for the Performing Arts – all places our citizens can go to learn new things, appreciate the arts, and gather with friends old and new.



Do We Make a Difference?

We believe so. There is a reason property prices are higher in Olympia than surrounding Thurston County cities and towns. Scarcity is one obvious economic factor. But also, as Olympia residents know, there is a feeling associated with living here – a palpable sense of belonging to something bigger, something important, something that is growing and changing to help direct our future in positive ways. The things we do to support our mission – Working Together to Make a Difference – make Olympia a great place to live, work, and play. Olympia is a wonderful example of Aristotle's famous quote, "The whole is greater than the sum of its parts," and the City of Olympia is proud to be a contributing part.

Acronyms

Term	Stands for	Term	Stands for
AEGIS	City's Police Information System	LOTT	Lacey-Olympia-Tumwater-Thurston County
AFSCME	American Federation of State, County, & Municipal Employees	LTFS	Long Term Financial Strategy
ASE	Automated Service Excellence	LTGO	Long Term General Obligation
AWC	Association of Washington Cities	MRT	Moral Reconation Therapy
BARS	Budget & Accounting Reporting System	MNRFTC	Mark Noble Regional Fire Training Center
CAFR	Comprehensive Annual Financial Report	MOU	Memorandum of Understanding
CAPCOM	Thurston County Communications	MVET	Motor Vehicle Excise Tax
CDBG	Community Development Block Grant	NLC	National League of Cities
CFP	Capital Facilities Plan	NPDES	National Pollutant Discharge and Elimination System
CIP	Capital Improvement Program	O&M	Operations & Maintenance
CIPP	Cured in Place Pipe	ODA	Olympia Downtown Association
CNA	Coalition of Neighborhood Associations	OFD	Olympia Fire Department
COLA	Cost of Living Adjustment	OPD	Olympia Police Department
CPI	Consumer Price Index	OSHA	Occupational Safety and Health Administration
CPTED	Crime Prevention Through Environmental Design	PBIA	Parking & Business Improvement Area
DRC	Day Reporting Center	PC	Personal Computer
DRS	Department of Retirement Systems	PFD	Public Facilities District
DUI	Driving under the Influence	PPACA	Patient Protection & Affordable Care Act
EDC	Economic Development Council	PPP	Priest Point Park
EDDS	Engineering and Developmental Design Standards	PRAC	Parks and Recreation Advisory Committee
EHM	Electronic Home Monitoring	PREA	Prison Rape Elimination Act
EMS	Emergency Medical Services	PSE	Plans, Specs and Estimates
EOC	Emergency Operations Center	PWTF	Public Works Trust Fund
ERU	Equivalent Residential Unit	RCW	Revised Code of Washington
FDCARES	Fire Dept. Community Assistance Referrals & Education Service	SAAS	Software as a Service
FEMA	Federal Emergency Management Act	SAFER	Staffing for Adequate Fire & Emergency Response
FTE	Full Time Equivalent	SCBA	Self Contained Breathing Air Bottles
GAAP	Generally Accepted Accounting Principles	SEPA	State Environmental Policy Act
GASB	Government Accounting Standards Board	SRO	School Resource Officer
GFC	General Facility Charge	STEP	Septic Tank Effluent Pump
GFOA	Government Finance Officers Association	STEP	Strategic Technology Enhanced Policing
GMA	Growth Management Act	TBD	Transportation Benefit District
GO	General Obligation	TCTV	Thurston Community Television Board
HUD	Housing and Urban Development	TRPC	Thurston Regional Planning Council
HVAC	Heating, Ventilation, and Air Conditioning	UGA	Urban Growth Area
ISP	Intensive Supervisor Training	VAC	Victims' Assistance Coordinator
IT	Information Technology Line of Business	VCB	Visitor and Convention Bureau
IUOE	International Union of Operating Engineers	VIP	Volunteers in Parks
LEED	Leadership in Energy and Environmental Design	WAC	Washington Administrative Code
LED	Light Emitting Diode	WARC	Waste and Recovery Center
LEOFF	Law Enforcement Officers and Fire Fighters	WCIA	Washington Cities Insurance Authority
LID	Local Improvement District and/ or Low Impact Developments	WISHA	Washington Industrial Safety and Health Act
LOS	Level of Service	WPR	Waste Prevention and Reduction
		WSDOT	Washington State Department of Transportation
		WTSC	Washington Traffic Safety Commission

Glossary of Terms

Accrual Basis of Accounting - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

American Federation of State, County, and Municipal Employees (AFSCME) - A bargaining unit covering Parks and Public Works maintenance employees and Parking Enforcement employees.

Agency Funds - A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds.

Allocation - To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

Appropriation - An authorization made by the legislative body of a government, which permits officials to incur obligations against, and to make expenditures of, governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriation Ordinance - An official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Assessed Value (AV) - The fair market value of both real (land and building), and personal property as determined by the Thurston County Assessor's Office for the purpose of setting property taxes.

Assets - Property owned by a government, which has monetary value.

Audit - A systematic examination of resource utilization concluded in a written report. It is a test of management's internal accounting controls and is intended to: ascertain whether financial statements fairly present financial position and results of operations; test whether transactions have been legally performed; identify areas for possible improvements in accounting practices and procedures; ascertain whether transactions have been recorded accurately and consistently; and ascertain the stewardship of officials responsible for governmental resources.

Baseline - The cost to repeat the current level of service. Baseline includes inflation costs. They do not reflect increased levels of service.

Bond - A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s) along with periodic interest at a specified percentage of the principal (interest rate).

Bond Anticipation Notes (BANs) - Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Budget (Operating) - A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which a government and its departments operate.

Budget 365 - City's year round budget process designed to inform and educate citizens about how to get involved in the City's budget decision making process.

Budget Calendar - The schedule of key dates or milestones which a government follows in the preparation and adoption of the budget.

Capital Budget - A plan of proposed major capital improvements, which are beyond the routine operation of the City, and the means of financing them. The capital budget is enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on a Capital Facilities Plan (CFP).

Capital Facilities Plan (CFP) - A six-year plan for capital expenditures that identifies the expected beginning and ending date for each project, the amount to be expended in each year on each project, and the method of financing those expenditures. Only expenditures and revenues proposed for the first year of a project are incorporated into the Annual Operating Budget as the Capital Budget.

Capital Outlays (Expenditures) - Expenditures for the acquisition of, or addition to, fixed assets not included in the Capital Facilities Plan. The useful life of these expenditures must be two years or more with a value of at least \$5,000. Examples include construction projects, land acquisition, major renovations or repairs to existing grounds or facilities, and equipment purchases.

Capital Projects - Projects which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a new building or facility, with a life expectancy of more than 10 years. It may also include major maintenance or renovation of a current asset.

Cash Basis - The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

Collective Bargaining Agreement - A legal contract between employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, benefits, and matters affecting health and safety of employees).

Constrained Prioritization - Budget-setting process where priority setting survey is used to categorize general fund services into four quadrants. The highest priority services are assigned to Quadrant Level 1, the next important services to Level 2, etc. Only a specific number of services can be assigned to each level, thus creating a constrained prioritization process. Then it is decided whether the general fund budget for the different quadrants should be increased, maintained at the current level, or reduced.

Glossary of Terms (continued)

Consumer Price Index (CPI) - A statistical description of price levels provided by the United States Department of Labor. The index is used as a measure of change in the cost of living.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost of Living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

Council Priorities - Each year the Olympia City Council develops target issues which are a set of priority topics to be addressed by the Council and staff during the upcoming year. Target issues may extend beyond the current operating budget. Also referred to as Council Emphasis Areas or Target Issues.

Debt Service - Payment of interest and repayment of principal to holders of a government's debt instruments.

Deficit - 1. The excess of an entity's liabilities over its assets (see Fund Balance). 2. The excess of expenditures or expenses over revenues during a single accounting period.

Depreciation - 1. Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence. 2. That portion of the cost of a capital asset, which is charged as an expense during a particular period.

Double Budgeting - The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

Equipment Rental - The Equipment Rental Fund operates as a self-sufficient motor and equipment pool. Customer departments pay for the equipment used through charges billed monthly. These charges include a form of depreciation, which is accumulated as a sinking fund for future asset replacement, a factor for maintenance of the equipment, and charges for fuel (if applicable).

Expendable Trust Fund - Fund where the money in the fund (principal) and the interest may be spent as designated by the donor.

Expenditures - Where accounts are kept on the accrual or modified basis of accounting, the cost of goods received or services rendered, whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when cash payments for the above purposes are made.

Fiduciary Funds - Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. This includes pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fiscal Year - A twelve-month period designated as the operating year by an entity. For Olympia, The fiscal year is the same as the calendar year (also called budget year).

Full Faith and Credit - A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

Fund Balance - The excess of an entity's assets over its liabilities. The City's policy is to maintain a fund balance of at least 10% of the general operating revenues.

General Fund - This fund is used to pay the expenses and liabilities of the City's general services and programs for citizens that are not separately accounted for in special revenue funds.

General Obligation Bonds - When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are General Obligation (GO) Bonds. Sometimes the term is also used to refer to bonds, which are to be repaid from taxes and other general revenues.

Government Finance Officers Association (GFOA) - Association that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Governmental Funds - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Grant - A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

Infrastructure - The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends (e.g., streets, roads, sewer, and water systems).

Insurance 1 - Medical insurance plan offered to non-represented, AFSCME, IUOE, and Teamsters employees hired prior to January 1, 2013.

Insurance 2 - Medical insurance plan offered to non-represented, AFSCME, IUOE, and Teamsters employees hired on or after January 1, 2013.

Interdepartmental Charges - A revenue similar to program revenues but paid by other units of the City of Olympia.

Glossary of Terms (continued)

Interfund Services/Revenue - The term "interfund" refers to transactions between individual Funds of the City of Olympia (rather than transactions between the City and private companies, other receiver must budget and pay for service received. The service provider will budget for the cost of providing the service and receive a revenue in the form of a payment from the service receiver. Interfund revenues can be either payment for intracity services or contributions of revenue from one City organization to another. Prime examples would be equipment rental charges, self-insurance premiums, and contributions for debt service obligations. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as "double budgeting." (The term interfund is also referred to as intracity.)

Internal Control - A plan of organization for purchasing, accounting, and other financial activities, that includes, but is not limited to:

- Employees' duties are assigned so that no single employee handles a financial action from beginning to end.
- Proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed.
- Records and procedures are arranged appropriately to facilitate effective control

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

Investment - Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

International Union of Operating Engineers (IUOE) - Union covering Public Works operating supervisors.

LEAN - A production philosophy that considers the expenditure of resources in any aspect other than the direct creation of value for the end customer to be wasteful, and thus a target for elimination.

Liability - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

LOTT Alliance - A nonprofit corporation established by an interlocal cooperation agreement by the cities of Lacey, Olympia, Tumwater, and Thurston County. The Alliance is responsible for regional sewage treatment.

Modified Accrual Basis - The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred, and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

Non-expendable Trust Funds - Funds where only the interest earned on the principal may be spent as designated by the donor.

Object of Expenditure - Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditure include:

- Personnel services (salaries and wages)
- Contracted services (utilities, maintenance contracts, travel)
- Supplies and materials
- Capital outlays

Operating Budget - The annual appropriation to maintain the provision of City services to the public.

Operating Transfer In - Transfer (payment) from other funds, which are not related to rendering of services.

Optiview - The document management software used to image and organize the City's documents.

Personnel Services - Includes total wages and benefits.

Program - A specific and distinguishable unit of work or service performed.

Program Enhancement - Programs, activities or personnel requested to improve or add to the current baseline services.

Program Revenue - These are revenues which are produced as a result of an activity of a program and are dependent upon the quantity of services provided to the public or governmental units (e.g., permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (e.g., grants, taxes or debt funds).

Proprietary Funds - Recipients of goods or services pay directly to these funds. Revenues are recorded at the time services are provided, and all expenses incurred in earning the revenues are recorded in the same period.

Real Estate Excise Tax (REET) - A tax upon the sale of all residential and commercial property within the City of Olympia a rate of 1/2 of 1% of the purchase price. This tax is restricted by state law to Transportation and Park capital projects.

Reclaimed Water - Recycled municipal wastewater that has been cleaned and treated in order to remove pollutants and contaminants so that the water can be safely reused for a variety of approved uses, such as irrigation.

Reserve - An account used to indicate that a portion of Fund Equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

Revenue - The term designates an increase to a fund's assets that:

- Does not increase a liability (e.g., proceeds from a loan)
- Does not represent a repayment of an expenditure already made
- Does not represent a cancellation of certain liabilities
- Does not represent an increase in contributed capital (e.g., taxes, grants, fines)

Glossary of Terms (continued)

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund.

Service Profiles - Specific quantitative measures of work performed within an activity or program (e.g., total miles of streets cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program). Also referred to as Service Measures.

Special Revenue Funds - Funds that are dedicated for a specific purpose (e.g., roads, surface water, etc.), require an additional level of accountability, are collected in a separate account, and are not part of the General Fund.

Step Sewer Systems - Sewage treatment effluent pump systems are an alternative to the traditionally gravity flow sewage system.

Supplies and Services - All supplies and services such as office supplies, professional services, and intergovernmental services.

Tax Anticipation Notes (TANs) - Notes issued in anticipation of taxes that are retired, usually from taxes collected (typically used by school districts).

Tax Rate Limit - The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

Teamsters - Chauffeurs, Teamsters, and Helpers Union covers Police Support employees and jail corrections staff.

Transfers - Interfund activity with and among the three fund categories (governmental, proprietary, and fiduciary).

Transportation Benefit District (TBD) - is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving and funding transportation improvement with in the City.

VueWorks - The web-enabled, integrated GIS, enterprise asset management solution software the City uses.

Warrant - An order drawn by a municipal officer(s) directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current date or some future date.



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2016 Budget Balancing



Study Session & Council Other Business
November 24, 2015



- ❧ Loss of single largest sales tax payee
- ❧ Another 2% increase in PERS costs
- ❧ Short term financing for land acquisition options
- ❧ Inability to use REET for operating expenses
- ❧ Police and Fire labor contracts
- ❧ Implementation of Cadillac tax
- ❧ Police training costs/body cameras
- ❧ No funding for equipment replacement/
maintenance costing less than \$50,000
- ❧ Maintenance Center replacement
- ❧ Implementation of plans
 - ❧ Downtown strategy
 - ❧ Trees
 - ❧ CRA



- ❧ Sea Level Rise – January 2016 Study Session
- ❧ Percival Landing Repairs – Report in early 2016
- ❧ East Bay Erosion – Report in 2016
- ❧ Body Camera Program – Pending Ad Hoc Committee Work
- ❧ Street Light upgrades



- ⌘ Display Cases - \$2000
- ⌘ Downtown Welcome Center Lease - \$20,000
- ⌘ Urban Forestry Assessment (Grant) - \$10,000
- ⌘ Renewable energy credits
- ⌘ 2015 Nighttime Downtown Patrol - \$20,000
(11/10/15)



- ❧ Narcan – Opiate Overdose
- ❧ Downtown Sanitation Plan- full council discussion with our partners and with data
- ❧ Council Direction on Bike Path Connections
- ❧ Ambassador Program Enhancements
- ❧ Volunteers in Parks
- ❧ Parking lot signage for nights & weekends
- ❧ Bike Connections



- ❧ Police Training – Range of Costs
- ❧ Downtown/Nighttime Walking Patrol (Jan – Dec) - \$10,000 per month
- ❧ Ambassador Program Enhancements
- ❧ Historic Society - \$50,000
- ❧ Hazard tree abatement
- ❧ Other Critical Needs (see list)
 - ❧ Prosecution Support - \$50, 000
 - ❧ Downtown Strategy - \$250,000
 - ❧ Emergency Management - \$77,000
 - ❧ Police - \$432, 800
 - ❧ Parks Ambassador/Ranger - \$40,200
 - ❧ Parks – Temp Support Staff - \$31,268
 - ❧ Parks Utility Increase - \$20,275
 - ❧ Parks – Increased Security - \$33,500



Revenue Adjustments



☞	General Fund Adjustments		\$280,424
☞	Property Taxes	106,996	
☞	B & O Taxes	150,000	
☞	Motor Vehicle Fuel Tax	(28,982)	
☞	Marijuana Money	53,476	
☞	Public Defender grant	(1,425)	
☞	Other expense adjustments	359	
☞	2015 Council Goal Money		\$116,428
☞	Use of REET in general fund		\$420,000