



Meeting Agenda

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Tuesday, November 17, 2015

7:00 PM

Council Chambers

1. ROLL CALL

1.A ANNOUNCEMENTS

1.B APPROVAL OF AGENDA

2. SPECIAL RECOGNITION - None

3. PUBLIC COMMUNICATION

(Estimated Time: 0-30 Minutes) (Sign-up Sheets are provided in the Foyer.)

During this portion of the meeting, citizens may address the City Council regarding items related to City business, including items on the Agenda. In order for the City Council to maintain impartiality and the appearance of fairness in upcoming matters and to comply with Public Disclosure Law for political campaigns, speakers will not be permitted to make public comments before the Council in these three areas: (1) on agenda items for which the City Council either held a Public Hearing in the last 45 days, or will hold a Public Hearing within 45 days, or (2) where the public testimony may implicate a matter on which the City Council will be required to act in a quasi-judicial capacity, or (3) where the speaker promotes or opposes a candidate for public office or a ballot measure.

Individual comments are limited to three (3) minutes or less. In order to hear as many people as possible during the 30-minutes set aside for Public Communication, the City Council will refrain from commenting on individual remarks until all public comment has been taken. The City Council will allow for additional public comment to be taken at the end of the meeting for those who signed up at the beginning of the meeting and did not get an opportunity to speak during the allotted 30-minutes.

COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

4. CONSENT CALENDAR

(Items of a Routine Nature)

4.A [15-1112](#) Approval of November 10, 2015 Meeting Minutes

Attachments: [Minutes](#)

4.B [15-1055](#) Approval of McAllister Wellfield Water Right and Easement Agreements with the Nisqually Tribe

Attachments: [Quit Claim Deed](#)
[Easement Agreement](#)

4.C [15-1076](#) Adoption of Council Resolution Declaring a Substantial Need for Property Tax

Attachments: [Resolution](#)

4. SECOND READINGS - None

4. FIRST READINGS

4.D [15-1077](#) Approval of Ordinance to Create a Development Fee Revenue Fund

Attachments: [Ordinance](#)

4.E [15-1078](#) Approval of Ordinance to Create a Parking Fund

Attachments: [Ordinance](#)

5. PUBLIC HEARING

5.A [15-0130](#) Public Hearing on the 2017-2022 Six-year Transportation Improvement Program

Attachments: [2017 TIP Project Summary 2017-2022](#)
[2017-2022 TIP ProjectMaps](#)
[TIP WSDOT Report 2017 to 2022](#)

5.B [15-0956](#) Public Hearing on the 2016-2021 Capital Facilities Plan (CFP)

Attachments: [Hyperlink to 2016-2021 Preliminary CFP](#)
[Hyperlink to 2016-2021 OSD Draft CFP](#)
[OPC Letter](#)
[BPAC Letter](#)
[PRAC Letter](#)
[UAC Letter](#)

5.C [15-1075](#) Public Hearing and 1st Reading of the 2016 Ad Valorem Tax Ordinance

Attachments: [Ordinance](#)

5.D [15-1084](#) Public Hearing on the 2016 City of Olympia Operating Budget

Attachments: [Link to 2016 Preliminary Operating Budget](#)
[Proposed Utility Rate Increases](#)
[Lodging Tax Letter of Recommendations](#)
[LTAC Recommendations Chart](#)

6. OTHER BUSINESS

6.A [15-1083](#) Review of Draft 2016 Parks, Arts and Recreation Plan

7. CONTINUED PUBLIC COMMUNICATION

(If needed for those who signed up earlier and did not get an opportunity to speak during the allotted 30 minutes)

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

8.B CITY MANAGER'S REPORT AND REFERRALS

9. 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 Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8447

City Council

Approval of November 10, 2015 Meeting Minutes

Agenda Date: 11/17/2015
Agenda Item Number: 4.A
File Number: 15-1112

Type: minutes **Version:** 1 **Status:** Consent Calendar

Title

Approval of November 10, 2015 Meeting Minutes



Meeting Minutes - Draft

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8447

Tuesday, November 10, 2015

7:00 PM

Council Chambers

1. ROLL CALL

Present: 7 - Mayor Stephen H. Buxbaum, Mayor Pro Tem Nathaniel Jones, Councilmember Jim Cooper, Councilmember Julie Hankins, Councilmember Steve Langer, Councilmember Jeannine Roe and Councilmember Cheryl Selby

1.A ANNOUNCEMENTS

Mayor Buxbaum noted November 11 is Veteran's day and discussed events occurring throughout the community to honor the service of our nation's Veterans.

1.B APPROVAL OF AGENDA

The agenda was approved.

2. SPECIAL RECOGNITION

2.A [15-1080](#) Special Recognition -- TCTV Executive Director Deborah Vinsel for 25 Years of Service

The recognition was received.

3. PUBLIC COMMUNICATION

The following people spoke: Mary Corso, Connie Phegley, Vida Zvirzdys-Farler, Dean Jones, Ken Adney, Stacey Grigsby, Ron Nesbitt, Camille Frate, Jeffery Trinin, Liz Atkins-Pattenson, Anvilagui Nguyen, Bob Jacobs, Allan Miller, Tony Aguimatory, Rachel Perry, Ember Cossette, Marcus Reaum, Chris Barrows, and Patrick Seifert.

COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

City Manager Steve Hall shared the work that has been done in support of the Olympia Commons Project.

4. CONSENT CALENDAR

4.A [15-1046](#) Approval of October 27, 2015 Special Study Session Meeting Minutes

The minutes were adopted.

- 4.B [15-1047](#) Approval of October 27, 2015 City Council Meeting Minutes

The minutes were adopted.

- 4.C [15-1064](#) Approval of Special Valuation for 301 Maple Park Avenue SE

The decision was adopted.

- 4.D [15-0974](#) Approval of Interlocal Agreement Between the City of Olympia and Washington State Department of Enterprise Services (DES) for Fire Protection Services

The decision was adopted. Mayor Pro Tem Jones abstained from voting on this item because it is related to his employment.

- 4.E [15-1017](#) Approval of Interlocal Agreement between the City of Olympia and Washington State Consolidated Technology Services (WaTech) for Fire Protection Services

The decision was adopted.

- 4.F [15-1054](#) Approval to Surplus the City's "Drain Dare" Stormwater Education Trailer

The decision was adopted.

- 4.G [15-1052](#) Approval of Funding Request from Capital Recovery Center (CRC) for \$9,000 for Ambassador Program

The decision was adopted.

- 4.H [15-1072](#) Approval of Bills and Payroll Certification

Payroll check numbers 88199 through 88232 and Direct Deposit transmissions:
Total: \$1,898,377.94; Claim check numbers 3665755 through 3666572: Total:
\$4,778,161.27.

The decision was adopted.

Approval of the Consent Agenda

Councilmember Langer moved, seconded by Councilmember Hankins, to adopt the Consent Calendar. Mayor Pro Tem Jones abstained from voting on item 4D. The motion carried by the following vote:

Aye: 7 - Mayor Buxbaum, Mayor Pro Tem Jones, Councilmember Cooper, Councilmember Hankins, Councilmember Langer, Councilmember Roe and Councilmember Selby

4. SECOND READINGS - None

4. FIRST READINGS - None

5. PUBLIC HEARING

5.A [15-0997](#) Public Hearing on 2015 Engineering Design and Development Standards (EDDS) Updates

Assistant City Engineer Steve Sperr reviewed the purpose of the Engineering Design and Development Standards (EDDS) and proposed updates to those Standards. Councilmembers asked clarifying questions.

Mayor Buxbaum opened the public hearing at 8:24 p.m. There were no commenters. Public Hearing closed at 8:24 p.m.

6. OTHER BUSINESS

6.A [15-1058](#) Continued Discussion of the 2016 Operating Budget

City Manager Steve Hall reminded Councilmembers the Operating Budget presentation is informational. A public hearing regarding the budget will occur on November 17 and balancing of the budget will occur on November 24.

Councilmember Cooper shared his views as Finance Committee Chair.

Councilmember Hankins shared funding recommendations from the Lodging Tax Advisory Committee.

Water Resources Line of Business Director Andy Haub presented proposed 2016 utility rate recommendations. Councilmembers asked clarifying questions.

Mr. Hall discussed 2016 impact fees, reviewed public safety sales tax funding recommendations, and General Fund critical needs summary. Councilmembers asked clarifying questions.

Councilmembers discussed items they would like added to the budget to include expanded displays for Kato sister city gifts, police training, Olympia Police field staff carrying Naloxone, downtown restrooms, investment in historic resources, sea level rise programmatic investments, bicycle boulevards to link neighborhood centers, downtown street lighting needs, Percival Landing and East Bay project implementation, downtown parking, evening walking patrols, funds for the Ambassador Center, and a sanitary services plan for downtown.

Mayor Buxbaum moved to use Council Goal funds to complete weekend and evening walking patrols through the end of the year. The Council agreed.

Police Chief Ronnie Roberts shared training needs for the Olympia Police Department. Councilmembers asked clarifying questions.

City Manager Steve Hall shared changes to the Capital Budget Plan.

Administrative Services Director Jane Kirkemo discussed revenues.

7. CONTINUED PUBLIC COMMUNICATION

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

Councilmembers reported on meetings and events attended.

Mayor Buxbaum shared a referral to the Arts Commission regarding the creation of an Olympia Poet Laureate.

8.B CITY MANAGER'S REPORT AND REFERRALS

Mr. Hall asked that Councilmember Cooper's referral regarding a temporary ordinance for marijuana retailer zones be forwarded to the Land Use Committee. The Council agreed.

9. ADJOURNMENT

The meeting adjourned at 11:07 p.m.



City Council

Approval of McAllister Wellfield Water Right and Easement Agreements with the Nisqually Tribe

Agenda Date: 11/17/2015
Agenda Item Number: 4.B
File Number: 15-1055

Type: decision **Version:** 1 **Status:** Consent Calendar

Title

Approval of McAllister Wellfield Water Right and Easement Agreements with the Nisqually Tribe

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Move to authorize the Mayor to sign the water right deed and easement agreement with the Nisqually Tribe.

Report

Issue:

Whether or not to deed a portion of the McAllister Wellfield water rights and convey an easement to the Nisqually Tribe consistent with a prior agreement.

Staff Contact:

Andy Haub, Public Works Water Resources Director, 753.8475

Rich Hoey, Public Works Director, 753.8495

Presenter(s):

None. Consent calendar item.

Background and Analysis:

In May 2008, the City and the Nisqually Tribe signed a historic Memorandum of Agreement (MOA) to jointly develop the McAllister Wellfield, implement joint mitigation efforts, and permanently protect the McAllister Springs property (see Exhibit C of Attachment 1). Upon final approval of the McAllister Wellfield water rights by the State of Washington, and completion of required mitigation and other actions by the Tribe, the MOA calls for the City to deed a specified portion of the McAllister Wellfield water rights to the Tribe (see Attachment 1). These conditions under the MOA have been satisfied. Per the MOA, the water rights to be conveyed amount to just over 2,100 gallons per minute and 3,395 acre-feet per year. The deed is subject to the Tribe's on-going mitigation performance related to the McAllister Wellfield water rights.

At the time of issuance of the water right deed, the City is also obligated to simultaneously convey a perpetual 2-acre easement at the Wellfield property to the Tribe (see Attachment 2). The easement allows the Tribe to develop water supply infrastructure on the property. City and Tribal staff have coordinated on the location of the Tribe's future facilities in order to avoid potential conflicts (see Exhibit C map in Attachment 2). The easement agreement states that the City and Tribe will also work in good faith on a future pipeline easement across City property. In the future, this will allow the Tribe to construct a pipeline from the Wellfield to SR 510 (for ultimate conveyance of water to the reservation).

In summary, the agreements follow through on commitments made in the 2008 MOA between the City and Tribe. Both agreements are consistent with the approved McAllister Wellfield water right and its mitigation requirements. Consistent with the MOA, the City and Tribe are also engaged in discussions regarding the future of the McAllister Springs property. This will separately come to City Council for consideration most likely in early 2016.

Neighborhood/Community Interests (if known):

None known.

Options:

1. Sign the two agreements (Quit Claim Deed and Easement Agreement) with the Nisqually Tribe consistent with the 2008 MOA and approved water rights.
2. Modify one or both agreements to reflect Council needs.

Financial Impact:

None at this time.

Attachment(s):

Quit Claim Deed for Water Right Transfer
Easement Agreement for Water Infrastructure

RETURN ADDRESS:

City of Olympia
City Clerk's Office
PO Box 1967
Olympia, WA 98507

WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.04)

DOCUMENT TITLE(S) (or transactions contained therein): Quitclaim Deed
REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: N/A <input type="checkbox"/> Additional reference #s on page ___ of document(s)
GRANTOR(S) (Last name first, then first name and initials) CITY OF OLYMPIA , a non-charter, optional municipal code city of the State of Washington <input type="checkbox"/> Additional names on page ___ of document
GRANTEE(S) (Last name first, then first name and initials) NISQUALLY INDIAN TRIBE , a federally recognized Indian tribe <input type="checkbox"/> Additional names on page ___ of document
LEGAL DESCRIPTION (abbreviated: i.e., lot, block, plat or section, township, range) [To be inserted; description of Easement Area] <input checked="" type="checkbox"/> Additional legal is on Exhibit A of document
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER 21829230100 <input type="checkbox"/> Assessor Tax # not yet assigned

The covenants and conditions set forth in this Deed shall run with the Water Rights and shall be binding on successors and assigns of GRANTEE. Without limiting the foregoing, by taking title to the Water Rights any successor owner of the Water Rights acknowledges that no conveyance of the Water Rights shall affect the Nisqually Indian Tribe's continuing obligation to perform the Mitigation Obligations under the MOA, and any transferee of the Water Rights acknowledges that, pursuant to the terms of this Deed, the Nisqually Indian Tribe's failure to perform such Mitigation Obligations may affect such transferee's title to or right to use the Water Rights.

DATED this _____ day of _____, 2015.

GRANTOR:

CITY OF OLYMPIA, a non-charter, optional
municipal code city of the State of Washington

By: _____
Name: _____
Its: _____

GRANTEE:

NISQUALLY INDIAN TRIBE, a federally
recognized Indian tribe

By: _____
Name: _____
Its: _____

EXHIBIT A TO QUITCLAIM DEED

**Department of Ecology Report of Examination on Change Application No. CS2-SWP10191, dated October 21, 2011
(Legal Description on Page 1)**

DATED this _____ day of _____, _____.

GRANTOR:

CITY OF OLYMPIA, a non-charter, optional
municipal code city of the State of Washington

By: _____

Name: _____

Its: _____

STATE OF WASHINGTON)

: ss.

COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is
the person who appeared before me, and said person acknowledged that s/he signed this
instrument, on oath stated that s/he was authorized to execute the instrument and
acknowledged it as the _____ of the City of Olympia, to be the free and
voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, _____.

[Signature of Notary]
(seal or stamp)

[Print Name of Notary]

Notary Public in and for the State of
Washington, residing at _____,
My appointment expires: _____.

EXHIBIT C TO QUITCLAIM DEED

**Memorandum of Agreement Between the City of Olympia, Washington and the
Nisqually Indian Tribe, dated May 14, 2008**

**MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF OLYMPIA, WASHINGTON
AND THE NISQUALLY INDIAN TRIBE**

THIS MEMORANDUM OF AGREEMENT ("Agreement") is entered by and between the City of Olympia, a non-charter, optional municipal code city of the State of Washington ("Olympia") and the Nisqually Indian Tribe, a federally recognized Indian tribe ("Nisqually Tribe"). Olympia and the Nisqually Tribe are each a "Party" and are collectively referred to as the "Parties."

WHEREAS, the Nisqually Indian Tribe is the successor descendent entity of the Nisqually Nation signatory to the Treaty of Medicine Creek of 1854 (10 Stat. 1132), and unto this day has retained and maintained its Tribal identity, its governing body, and its sovereign powers; and

WHEREAS, the City of Olympia, Washington is a noncharter code city existing under and by virtue of Washington state law, and possesses all the rights, privileges and powers granted thereunder; and

WHEREAS, Olympia owns real property in Thurston County, Washington, in an area known as McAllister Springs and is currently utilizing the Springs for a significant portion of its water supply and is in the process of developing a wellfield to replace its existing water supply at McAllister Springs; and

WHEREAS, Olympia will be changing the points of withdrawal of some municipal purpose water rights from McAllister Springs and Abbot Springs to the new McAllister Wellfield; and

WHEREAS, Olympia is seeking to develop the McAllister Wellfield as a more protected source of water supply; and

WHEREAS, Olympia is required under the federal Safe Drinking Water Act to either install costly ultraviolet light disinfection treatment at McAllister Springs by October, 2012 or develop a replacement water source; and

WHEREAS, time is of the essence for Olympia to develop the McAllister Wellfield since it will take an extensive period of time to design, obtain regulatory approval, and construct an ultraviolet disinfection treatment system; and

WHEREAS, the City of Olympia has expressed its desire, through its City Council, to work cooperatively with the Nisqually Indian Tribe on the shared issues of water conservation and availability; and

WHEREAS, the Nisqually Indian Tribe, through its Tribal Council, has also expressed a similar desire to collaborate with the City of Olympia; and

NOW THEREFORE in consideration of the foregoing recitals, incorporated herein, and mutual covenants and promises contained herein, the Parties hereby agree as follows:

1. Effective Date. This Agreement shall take effect on the first date ("Effective Date") when all of the following events have occurred: (i) the Nisqually Tribe has duly executed the Agreement pursuant to the authorizing resolution of the Tribal Council, which resolution will be attached hereto as Exhibit A, and (ii) Olympia has duly executed the Agreement pursuant to the authorizing resolution of the City Council, which resolution will be attached hereto as Exhibit B.

2. Defined Terms.

(a) "Wellfield Water Rights" means the water rights approved for change or transfer by the Washington State Department of Ecology ("Ecology") from McAllister Springs and Abbot Springs to the McAllister Wellfield. The final decision(s) of Ecology relating to the Wellfield Water Rights will be added to this Agreement as Exhibit G.

(b) "Groundwater Wells" means all of the wells associated with the McAllister Wellfield that are authorized points of withdrawal under the Wellfield Water Rights and that may be authorized in the future.

(c) "MGD" means million gallons per day.

(d) "Mitigation Plan" means the McAllister Wellfield Mitigation Plan submitted in support of Olympia's McAllister Springs and Abbot Springs water right change/transfer applications and approved by Ecology. Once approved, the final Mitigation Plan will be attached to this Agreement as Exhibit F.

(e) "McAllister Springs Municipal Water Right" means water right certificate number 8030, authorizing withdrawal of up to 25 cubic feet per second ("cfs"), and water right certificate number S2-001105C, authorizing an additional withdrawal of up to 5.33 cfs.

(f) "Abbot Springs Municipal Water Right" means water right permit number 10191, authorizing the development of a water source with a maximum withdrawal rate of 10 cfs.

(g) "McAllister Wellfield" means a collection of wells that will be the

authorized points of withdrawal for the Wellfield Water Rights and which will be located approximately 0.8 miles southeast of McAllister Springs within Township 18 North, Range 1 East, Section 29.

(h) "Ecology" means the Washington State Department of Ecology, and any successor agency, department or unit of the State of Washington.

3. Water Transfer Application.

(a) Within 45 days of the Effective Date, Olympia shall submit to Ecology an update of the applications (the "Application") to change and transfer both the McAllister Springs Municipal Water Right and the Abbott Springs Municipal Water Right to the new McAllister Wellfield.

(b) The Application shall request transfer to the McAllister Wellfield of thirty and thirty-three hundredths (30.33) cfs (19.6 MGD) under the McAllister Springs Municipal Water Right and ten (10) cfs (6.46 MGD) under the Abbot Springs Municipal Water Right, which quantities are to be fully additive (as defined in Dept. of Ecology Policy No. 1040, dated March 9, 2006) → 7,240 AFY

(c) The Parties intend to allocate quantities available under the Abbot Springs Municipal Water Right so that Olympia shall receive 53.1% and the Nisqually Tribe shall receive 46.9%, and the Application shall request this allocation. If Ecology in deciding the Application establishes an annual quantity limit on the Abbot Springs Municipal Water Right, this annual quantity will be divided between the Parties according to foregoing percentages. The Nisqually Tribe's share of the Abbot Springs Municipal Water Right as provided in this paragraph is referred to herein as the Nisqually Tribe's "Water Allocation."

(d) Each Party shall be responsible for identifying its proposed use(s) of water, for preparing and submitting all necessary information in support of same, and for all costs and expenses.

(e) The Parties agree to jointly develop a Mitigation Plan in support of the Application, and to submit the Mitigation Plan to Ecology no later than 75 days from the date of submittal of the Application.

(f) The Nisqually Tribe's responsibility for performing mitigation of the Application's potential impacts on the Nisqually River will be met primarily through the following three steps.

(i) "Stream Restoration Element" means restoration work on Ohop Creek and Muck C

$$6.46 \text{ MGD} \times 53.1\% = 3.43 \text{ MGD}$$

$$6.46 \text{ MGD} \times 46.9\% = 3.03 \text{ MGD}$$

base flows in the creeks and the Nisqually River. Description of the work shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date. The Nisqually Tribe shall describe the base flow benefits, which shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date.

(ii) "Tribal Wells Element" means discontinuation of certain groundwater wells that currently draw groundwater in hydraulic continuity with the Nisqually River and discontinuing ground water withdrawals in the vicinity of said wells. The Nisqually Tribe will map and identify the land area and aquifer(s) where ground water withdrawals will be discontinued (the "No Well Zone"), describe the scope and effect of a Nisqually Tribal Code provision to be adopted to implement the No Well Zone, model the flow benefits to the Nisqually River resulting from the well discontinuation action, and propose an implementation schedule (more fully described in paragraph 3(h) below). Said work shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date. Within ninety (90) days from the Effective Date, the Nisqually Tribe will complete a draft of a No Well Zone regulation as an amendment to the Nisqually Tribal Code that will prohibit the drilling or use of ground water wells in the identified area and aquifer(s) ("Tribal Code Provision"), as well as a schedule for adoption. The Nisqually Tribe will adopt the Tribal Code Provision in accordance with the approved schedule and within 15 days after its adoption, the Tribal Code Provision will be submitted by the Nisqually Tribe to Ecology in support of the Application.

(iii) "Tacoma Element" means a written agreement between the Nisqually Tribe and Tacoma City Light. The Agreement between the Nisqually Tribe and Tacoma City Light shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date. The provisions in the agreement between the Nisqually Tribe and Tacoma City Light that ensure mitigation of the Application's potential impacts on the

Nisqually River shall automatically apply as needed and shall be subject to Ecology oversight.

The Parties intend for all of the above "Elements" and their components identified above to become a part of Exhibit F after Ecology approval. The Tribal Wells Element and the Tacoma Element are continuing mitigation obligations on the part of the Nisqually Tribe, or its permitted successors and assigns. Nothing in the Nisqually Tribe's performance of the Tribal Wells Element, including enactment of the Tribal Code Provision, constitutes or shall be deemed to constitute a conveyance, encumbrance, or alienation of the Nisqually Tribe's federal reserved water rights.

(g) The "implementation schedule" in paragraph 3(f)(iii) above means that the Nisqually Tribe will propose a timetable for discontinuing use of the Tribal Wells, which entails the Nisqually Tribe's development and use of its Water Allocation at the McAllister Wellfield for drinking water supply.

(h) The Nisqually Tribe shall write a letter of support for the Application regarding the McAllister Springs Municipal Water Right and the Abbot Springs Municipal Water Right. This letter of support shall be submitted to Ecology along with the Mitigation Plan and express support for the Mitigation Plan and resulting mitigation requirements.

4. Water Rights Ownership. The Nisqually Tribe's share of water contemplated by this Agreement (i.e., Water Allocation) shall come from the Abbot Springs Municipal Water Right. After completion of all actions contemplated in Section 5 of this Agreement, Olympia shall retain ownership over the complete McAllister Springs Municipal Water Right and fifty three and one tenths percent (53.1%) of the Abbot Springs Municipal Water Right.

5. Water Right Lease and Conveyances.

a) In the event that the Application is finally approved by Ecology, is beyond the time for filing any appeal, is not subject to any appeals, any and all appeals have been finally resolved and are beyond the time for filing any further appeal, and the Nisqually Tribe has completed all of the mitigation Elements set forth in paragraph 3(f), the Parties shall enter a lease, substantially in form attached hereto as Exhibit C, for the Nisqually Tribe's Water Allocation ("Lease"). The Parties intend for the Lease to be entered and take effect in the event that US Approval has not yet been obtained; if US Approval has been obtained, then the Nisqually Tribe may elect to proceed or continue under the Lease or to request Deed conveyance as provided below. The Lease shall have an initial term of 99 years, subject to extension. The Lease shall contain a termination provision in the event that the Nisqually Tribe does not perform the continuing mitigation obligations (i.e., the Tribal Wells and Tacoma Elements), provided that Lease

termination shall take effect 180 days after written notice to the Nisqually Tribe.

b) In the event that the Application is finally approved by Ecology, is beyond the time for filing any appeal, is not subject to any appeals, any and all appeals have been finally resolved and are beyond the time for filing any further appeal, then Olympia, upon written request from the Nisqually Tribe, will convey title and ownership to the Water Allocation (*i.e.*, 46.9% of the Abbot Springs Municipal Water Right) to the Nisqually Tribe in two stages and subject to further preconditions as follows.

i) In the event that the Nisqually Tribe has completed (as of the date of the Nisqually Tribe's written request) the Stream Restoration Element of its mitigation obligations, and Ecology has confirmed satisfactory completion of the same consistent with requirements of the approval set forth in Exhibit F, Olympia will convey title and ownership of a portion of the Water Allocation equal to the proportional mitigation quantity achieved by the Stream Restoration Element as recognized by Ecology, up to a maximum of one and fifty-five hundredths (1.55) cfs (1 MGD). Conveyance shall be made by deed, which shall be substantially in the form attached hereto as Exhibit D ("Deed"). The Deed shall provide for a right of reversion of said Water Allocation to Olympia.

ii) In the events that this Agreement has been approved by the United States pursuant to Paragraph 24(b), the Nisqually Tribe is performing (as of the date of the Nisqually Tribe's written request) the Tacoma Element and the Tribal Wells Element of its mitigation obligations, and Ecology has confirmed satisfactory completion of the same consistent with requirements of the approval set forth in Exhibit F, Olympia will convey title and ownership of the balance of the Water Allocation. Conveyance shall be made by the Deed substantially in the form attached hereto as Exhibit D. The Deed shall provide for a right of reversion of said Water Allocation to Olympia.

(c) In the event the Nisqually Tribe fails to continue to perform one or more of its continuing mitigation obligations as provided under paragraph 10 and Olympia receives an order or directive from Ecology, or its successor or a court of competent jurisdiction, that restricts Olympia's ability to exercise its Wellfield Water Rights because of the failure of such mitigation, Olympia may seek to enforce its rights under this Agreement as follows. In such event, the Parties agree that the "public health, safety, or welfare" provision in Section 18(c) (*i.e.*, dispute resolution process) of this Agreement applies to Olympia's pursuit of the following remedies.

i) Restrictions on the pumping or use of the Wellfield Water Rights shall be applied to or enforced against the Nisqually Tribe's wells at the McAllister Wellfield (*i.e.*, to limit the Nisqually Tribe's exercise of its Water Allocation), such that Olympia may continue to exercise fully its

Wellfield Water Rights without limitation or restriction by such Ecology order or directive.

ii) Olympia may seek to enforce the remedies in lease, deed, or easement including without limitation the right of reversion in one or both of the Deeds.

iii) Olympia may seek any other remedies available at law or in equity.

6. New Water Application. In the event that Ecology's final decision approving the Application results a quantity less than ten (10) cfs (6.46 MGD) under the Abbot Springs Municipal Water Right, then both Parties agree to pursue, jointly, new water rights at the McAllister Wellfield in an amount equal to the reduction ("New Water Rights"). If Ecology's final decision on an application for New Water Rights results an appropriation of less than 1 MGD to the Nisqually Tribe and the Nisqually Tribe has performed the Stream Restoration Element, upon request by the Nisqually Tribe Olympia will provide partial cost reimbursement of costs incurred in performing the Stream Restoration Element. The amount of the partial cost reimbursement request will not exceed five hundred thousand dollars (\$500,000.00) per cfs of the quantitative mitigation value of the Stream Restoration Element recognized by Ecology, in its decision approving the Application (or of any reviewing tribunal in the event of an appeal). For illustration purposes only, if Ecology determines that the mitigation quantity of the Stream Restoration Element is 0.5 cfs, then the Nisqually Tribe's request for partial cost reimbursement could not exceed \$250,000.00. As an alternative to partial cost reimbursement, Olympia may at its option make up the Nisqually Tribe's water shortfall by supplying up to 1 MGD from Olympia's Wellfield Water Rights on terms and conditions to be negotiated in good faith.

7. Wellfield Development. City of Olympia and the Nisqually Tribe shall develop their respective shares of the McAllister Wellfield based on the quantities approved under the Application and any new water application submitted under paragraph 6 above. The Parties intend for the Nisqually Tribe to operate a waterworks at the McAllister Wellfield, either on its own or jointly with Olympia.

(a) Olympia and the Nisqually Tribe shall jointly develop a pre-design report that outlines the general design and location of facilities for the well field, further details of which may be agreed upon under a separate Memorandum of Agreement. The Parties agree to share the costs of the pre-design report on a pro-rata basis based on shares of water to be developed at the McAllister Wellfield.

(b) Based on the pre-design report, the parties will negotiate in good faith to determine how best to design, construct and operate the necessary facilities to exercise their respective shares of the Wellfield Water Rights. The good faith negotiations shall

take into account and make appropriate provision for the legal instrument under which the Nisqually Tribe holds its Water Allocation at that time (*i.e.*, Deed or Lease). If the Parties agree to exercise their respective water rights jointly, the Parties shall negotiate and execute a separate joint facilities agreement providing for payment of costs on a pro-rata basis and for other necessary and appropriate terms. If the Parties decide to exercise their respective water rights separately, the Parties shall cover their respective costs for the exercise of said rights.

(c) In any event, the Parties shall consult on the design and location of facilities in order to minimize any interference that will negatively affect the exercise of the water rights of either Party.

8. McAllister Wellfield.

(a) Olympia will retain ownership of the McAllister Wellfield property, subject to the Easement in the event it is granted under paragraph 9.

(b) The Nisqually Tribe shall be solely responsible for securing any and all necessary land rights, access rights, easements, or other rights or approvals regarding property not owned by Olympia.

(c) The Parties will identify and install any required joint security measures for the protection of the McAllister well field with costs shared on a pro-rata basis based on the shares of water to be developed at the Wellfield. Each Party will be responsible for additional, separate security systems for their individual waterworks operations, if applicable.

(d) The Parties shall negotiate in good faith to agree to develop an emergency mutual aid agreement to include an emergency intertie at the well field.

(e) The Nisqually Tribe agrees to comply with Department of Health sanitary controls and Olympia's Wellhead Protection Plan requirements on the well field property.

(f) The Parties agree to meter all water production from the well field and record source production data on a monthly basis or more often if required as a condition of the water right. The parties agree to share water production information upon request.

(g) The Parties agree to comply with all water right conditions as mandated by Department of Ecology or otherwise mandated by a court of law of competent jurisdiction.

9. Grant of Easement. Simultaneous with the Parties' execution of the Lease or with Olympia's issuance of the Deed under paragraph 5(b)(i), Olympia shall grant an exclusive, perpetual easement to the Nisqually Tribe for the sole purpose of construction and operation of water facilities and access to these facilities in order to exercise the Nisqually Tribe's Water Allocation in all manners conforming to public law ("Easement"). The Parties shall negotiate in good faith to determine the specific location and dimensions of the Easement area. The Easement area shall be a sufficient size only to exercise the Nisqually Tribe's Water Allocation, shall not exceed two (2) acres in size, and shall be located within the eastern portion of the Wellfield. Olympia will survey and record the Easement after negotiation with the Nisqually Tribe for its location and size, based upon the pre-design report. The Easement shall be substantially in the form attached hereto as Exhibit E. The Nisqually Tribe may transfer or convey the Easement to a governmental entity with the advance written consent of Olympia, which shall not be unreasonably withheld. Any transfer of the Easement by the Nisqually Tribe shall not affect the Nisqually Tribe's obligation to perform mitigation under this Agreement. As a condition to any transfer of the Easement, Olympia may require the transferee to execute a written acknowledgment that Nisqually Tribe's failure to perform mitigation obligations under this Agreement shall constitute a default under the Easement. In the event the Parties enter a joint facilities agreement and decide to exercise their respective Wellfield Water Rights together, then such joint facilities agreement shall provide for the termination or other appropriate disposition of the Easement.

10. Nisqually Tribe Mitigation Obligation. The Nisqually Tribe shall be responsible for all costs and all actions arising from or relating to implementation of or compliance with the Mitigation Plan as to the Nisqually River. The Parties acknowledge that portions of the Nisqually Tribe's responsibilities under the Mitigation Plan may be performed by agents of the Tribe. In accordance with Paragraph 3(f), the Nisqually Tribe shall execute an agreement, within ninety (90) days of the Effective Date, with Tacoma City Light for performance of mitigation in perpetuity as to the Nisqually River. The Nisqually Tribe's proposed mitigation for all impacts to the Nisqually River (*i.e.*, the Stream Restoration and Tribal Wells Elements) will be submitted to Olympia for its review and approval prior to its inclusion in the final Mitigation Plan to be submitted to Ecology as outlined in paragraph 3(e). All actions necessary to implement the Mitigation Plan for the Nisqually River must be completed by the Nisqually Tribe consistent with the requirements and timeframes set forth in the Mitigation Plan. The Nisqually Tribe's obligation to implement the Mitigation Plan and to satisfy all applicable requirements is a continuous and ongoing obligation. Specifically, but without limitation, repealing, suspending or failing to enforce the Tribal Code Provision would constitute a failure of the Tribal Wells Element.

11. Olympia Mitigation Obligation. Olympia shall be responsible for all costs and actions arising from or relating to implementation of or compliance with the Mitigation

Plan approved by Ecology as to Woodland Creek, Long Lake, Pattison Lake, Hicks Lake, Lake St. Clair and the Deschutes River. The Parties acknowledge that a portion of Olympia's responsibilities for mitigating potential impacts of the Application may be done by the agents of the City of Olympia and by the City of Lacey through a separate agreement between Olympia and the City of Lacey for performance of mitigation in perpetuity as to Woodland Creek, Long Lake, Pattison Lake and Hicks Lake. The Lacey Agreement will be included in Exhibit F. All actions necessary to implement the Mitigation Plan for these water bodies are the responsibility of Olympia and must be completed consistent with the requirements and timeframes set forth in the Mitigation Plan approved by Ecology. Olympia's obligation to implement the Mitigation Plan and to satisfy all applicable requirements is a continuous and ongoing obligation.

12. Woodland Creek. Olympia and the Nisqually Tribe resolve that it is a shared, long-term goal to improve the health of Woodland Creek and to restore Woodland Creek as continuously-viable fish habitat. The Parties agree to work cooperatively to protect Woodland Creek, including, but not limited to, working with Thurston County on land use designations along the creek.

13. Mutual Indemnity. Each Party indemnifies and holds harmless the other Party, its elected officials, officers, agents, and employees from and against any and all third-party claims, suits, or causes of action (including but not limited to damages, judgments, settlements, attorneys' fees, and costs) arising out of or relating to the performance of its obligations under this Agreement.

14. McAllister Springs and Abbot Springs Property. Olympia shall retain ownership of the McAllister Springs and Abbott Springs properties. Olympia and Nisqually Tribe shall negotiate in good faith to reach agreement regarding long-term use of the McAllister and Abbot Springs properties once the Wellfield is developed and McAllister Springs is no longer used as a waterworks. The Parties intend to negotiate an agreement to provide conservation restrictions, running with the land and recorded in the Thurston County Assessor records, for the benefit of the Nisqually Indian Tribe so as to ensure the perpetual state of conservation necessary for spiritual and healing ceremonies, and shall substantially limit access and structures on the properties. Prior to entry of such agreement, or in the event the Parties cannot reach such agreement, Olympia agrees to provide Nisqually Tribe reasonable access to the McAllister Springs property for spiritual and healing ceremonies or other activities that do not threaten water quality.

15. Stewardship Coalition. Olympia and the Nisqually Tribe agree to form a Stewardship Coalition, which shall include, but not be limited to:

(a) Water conservation commitments, joint aquifer protection, sharing of water use and quality data, monitoring of mitigation; and

(b) Funding for staffing and stewardship related projects.

The Stewardship Coalition is an open organization which contemplates other water purveyors joining the Coalition. Other agreements, which shall not supersede this Agreement, shall be made among the Coalition parties.

16. Notice. Unless otherwise specified, all notices hereunder shall be in writing and shall be effectively given when delivered personally, on the date of delivery or, if mailed, seven (7) days after deposit in the United States mail, first-class postage prepaid, certified or registered. For purposes of notice, the addresses of the Parties shall be:

To Nisqually Tribe:

Chairman
4820 She Nah Num Dr SE
Olympia WA 98513

To Olympia:

City Manager
900 Plum Street SE/P.O. Box 1967
Olympia WA 98507-1967

With a required copy to:

Office of the Tribal Attorney
4820 She Nah Num Dr SE
Olympia WA 98513

With a copy required to:

City Attorney
900 Plum Street SE/P.O. Box 1967
Olympia WA 98507-1967

17. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent preempted by federal law. Venue for any claim, dispute or action arising out of or relating to this Agreement shall lie in the Superior Court for the State of Washington at Thurston County or in the United States District Court for the Western District of Washington at Tacoma. Each Party agrees that venue will lie in the forum in which a claim or action arising from or relating to this Agreement is commenced and will remain in that forum until its ultimate resolution. Each Party further waives its right to seek removal or remand from the forum in which a claim or action arising from or relating to this Agreement is commenced.

18. Dispute Resolution.

(a) Step One - Negotiation. In the event of a dispute concerning any matter pertaining to this Agreement, the Parties involved shall attempt to adjust their differences by informal negotiation. The Party perceiving a dispute or disagreement persisting after informal attempts at resolution shall notify the other Party in writing of the general nature of the issues. The letter shall be identified as a formal request for negotiation and shall propose a date for representatives of the Parties to meet. The other Parties shall respond in writing within ten (10) business days. The response shall

succinctly and directly set out that Party's view of the issues or state that there is no disagreement. The Parties shall accept the date to meet or shall propose an alternate meeting date not more than ten (10) business days later than the date proposed by the Party initiating dispute resolution. The representatives of the Parties shall meet in an effort to resolve the dispute. If a resolution is reached the resolution shall be memorialized in a memorandum signed by all Parties which shall become an addendum to this Agreement.. Each Party will bear the cost of its own attorneys, consultants, and other Step One expenses. Negotiation under this provision shall not exceed 90 days. If a resolution is not reached within 90 days, the Parties shall proceed to mediation.

(b) Step Two - Mediation. If the dispute has not been resolved by negotiation within ninety (90) days of the initial letter proposing negotiation, any Party may demand mediation. The mediator shall be chosen by agreement. If the Parties are unable to agree they shall request a list of five (5) mediators from an entity that provides mediation services. If the Parties cannot agree to a name on the list, each Party (commencing with the initiating Party) shall strike a name in turn until only one name remains. The person whose name remains shall serve as mediator. In the event that the remaining person is removed for cause by one of the Parties or refuses the assignment, the Parties shall procure another list and proceed as in the first instance. Each Party will bear the cost of its own attorneys, consultants, and other Step Two expenses. The parties will share the cost of the mediator. A successful mediation shall result in a memorandum agreement which shall become an addendum to this Agreement. Mediation under this provision shall not exceed 90 days. If the mediation is not successful within 90 days, the Parties may proceed to litigation.

(c) Step Three - Litigation. Unless otherwise agreed by the Parties in writing, Step One and Step Two must be exhausted as a condition precedent to filing of any action in Thurston County Superior Court or the Federal District Court for the Western District of Washington in Tacoma. A Party may initiate an action without exhausting Steps One or Two if the statute of limitations is about to expire and the Parties cannot reach a tolling agreement, or if either Party determines the public health, safety, or welfare is threatened.

19. Waiver of Sovereign Immunity. So that the Nisqually Tribe and Olympia will be sure that each of them may enforce the terms and conditions of this Agreement, each of the Parties hereby covenants and agrees that each of them may sue or be sued to enforce or interpret the terms, covenants and conditions of this Agreement or to enforce the obligations or rights of the Parties under this Agreement in accordance with the terms and conditions set forth in this Section.

(a) Forum. Any dispute, claim, or action arising out of or relating to this Agreement, or any breach hereof, shall be brought in the State of Washington,

Thurston County Superior Court or the Federal District Court for the Western District of Washington at Tacoma. For such purpose, each of the Parties hereby irrevocably submits to the jurisdiction of such court, and the Parties agree that there is no jurisdiction over this Agreement in any Tribal Court or Tribal administrative proceeding.

(b) **Limited Waiver of Sovereign Immunity.** The Nisqually Tribe hereby specifically, expressly, and irrevocably waives its sovereign immunity as to Olympia as to any dispute arising out of or relating to this Agreement. The Nisqually Tribe irrevocably waives any claim of sovereign immunity as to actions at law and in equity and enforcement proceedings brought by Olympia to interpret or enforce the Agreement. The Nisqually Tribe expressly limits the waiver of immunity to the narrow purpose of interpreting or enforcing this Agreement (including any easement, lease, or deed granted or executed pursuant to the Agreement) or resolving a dispute relating to the foregoing, and said waiver shall not extend or apply to any other subject matter whatsoever.

(c) The Nisqually Tribe further consents to service of process out of such aforementioned courts by the mailing of copies thereof by certified or registered mail, postage prepaid, to the Nisqually Tribe at the address set forth in Section 10 above.

(d) Nothing contained in this Agreement shall be construed as waiving sovereign immunity in any suit for payment of damages from lands or funds held in trust for the Nisqually Tribe by the United States. Nothing contained in this Agreement shall be construed as waiving sovereign immunity in any suit by any party other than the City of Olympia.

20. Covenant Not to Sue. Other than suits brought under Section 19 above, each of the Parties agree, promise and covenant not to sue, or bring any claims or actions against, the other Party regarding the validity, priority, or exercise of the Wellfield Water Rights, or alleging impairment of other water rights caused by exercise of the Wellfield Water Rights, and not to appear in any legal proceeding to challenge the validity, priority, or exercise of the Wellfield Water Rights.

21. Mutual Support and Defense of Applications. This Agreement provides for the Parties to prepare and submit applications and supporting documentation for Ecology water rights decisions. Specifically, Section 3 herein addresses the "Application" for transfer of water rights to the McAllister Wellfield, and Section 6 herein addresses a potential application for "New Water Rights" in the event of a shortfall in the quantity approved for transfer to the McAllister Wellfield. The Parties hereby agree to support, defend, and make all reasonable efforts to secure the approval of said applications by Ecology and to defend affirmative Ecology decisions from and against any appeal. The

Parties agree to communicate, cooperate, and mutually support one another in such endeavor. Without limiting the generality of the foregoing, each Party shall bear lead responsibility for supporting and defending the elements of any application that it prepared. Each Party shall bear its own costs, and that of its consultants and attorneys, in support and defense of any application.

22. No Waiver. No waiver by any Party of any default in the performance of any other Party of any agreement contained herein shall be construed as a waiver of any subsequent default.

23. Time of the Essence. Time is of the essence in this Agreement.

24. Signature Authority. The Parties intend for all provisions of this Agreement to be fully effective and enforceable. Accordingly:

(a) Each signatory to this Agreement represents and warrants that he or she has full power and authority to execute and deliver this Agreement on behalf of the person or entity for whom he or she is signing, and that he or she will defend and hold harmless the other Parties and signatories from any claim that he or she was not fully authorized to execute this Agreement on behalf of the person or entity for whom he or she signed. Upon proper execution and delivery, this Agreement will have been duly entered into by the Parties, will constitute as against each Party a valid, legal, and binding obligation, and will be enforceable against each Party in accordance with the terms herein.

(b) The Parties intend for the United States, at the appropriate level of authority, to approve the Agreement and the Nisqually Tribe's entry into the Agreement so as to fully comply with federal law and regulation ("U.S. Approval"). Within 30 days after this Agreement's Effective Date, the Nisqually Tribe shall initiate a request for U.S. Approval and shall continue to pursue the approval with due diligence. Olympia is not required to carry out the water rights conveyance provided for in Section 5(b)(ii) until and unless the U.S. Approval is obtained. The Nisqually Tribe shall keep Olympia reasonably informed of the U.S. Approval status, process, and requirements, and shall invite Olympia to participate in relevant meetings and conferences. In the event that any amendments to this Agreement are required for U.S. Approval, the Parties shall promptly negotiate such amendments in good faith.

25. Entire Agreement, Binding Effect, and Relationship to Other Agreements. This Agreement contains the entire agreement among the Parties with respect to the subject matter hereof and shall not be modified or amended in any way, except in writing, signed by the Parties hereto, or their successors in interest. This Agreement shall be binding upon each Parties' successors and assigns except as expressly provided herein. All prior negotiations and draft written agreements are merged into and superseded by

this Agreement. The Parties contemplate and intend to enter other agreements necessary or useful to fulfill the intent of the Parties herein. Other such agreements may include, and shall not be limited to:

- a. Mutual Aid
- b. Well field Operations Agreement
- c. Access/Security Agreement
- d. Data sharing
- e. Stewardship Coalition
- f. McAllister/ Abbot Springs access agreement

Any such agreements entered by the Parties shall be separate and independent contracts that shall not supersede this Agreement in any respect whatsoever, unless the Parties expressly provide for amendment of any of the terms or conditions herein. The Parties' lack of agreement on any of the foregoing matters shall have no effect whatsoever on this Agreement, or the Parties' respective rights and obligations hereunder.

26. No Third Party Beneficiaries. The Parties expressly do not intend to create any right, obligation or liability, or promise any performance, to any third party. The Parties have not created, and do not intend to give rise to, any right for any third party to enforce this Agreement.

27. Assignment. A Party may not assign, convey, pledge or otherwise transfer this Agreement or any rights or obligations hereunder without the advance, written consent of the other Party, which consent may be granted or withheld in the latter Party's sole discretion unless otherwise allowed by this Agreement.

28. Severability; Survival After Termination. Should any provision(s) of this Agreement be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Agreement shall nonetheless remain in full force and effect unless the stricken provision is an essential part of the consideration supporting this Agreement or if the absence of the stricken provision would materially alter the intent of the Parties.

29. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.


28. Exhibits. The following exhibits are attached hereto and incorporated in this Agreement as if fully set forth herein.

- Exhibit A - Nisqually Tribe Resolution (to be attached after enactment)
- Exhibit B - City of Olympia Resolution (to be attached after enactment)
- Exhibit C - Lease
- Exhibit D - Deed
- Exhibit E - Easement
- Exhibit F - Mitigation Plan (to be attached after approval)
- Exhibit G - Final Decisions Regarding Wellfield Water Rights (to be attached after approval)

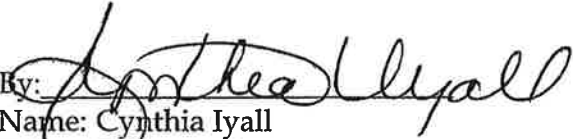
30. **Termination.** Either Party may terminate this Agreement if the Parties are unable to submit a final Mitigation Plan to Ecology as required in Paragraph 3(e).

IN WITNESS WHEREOF, the authorized representative of each Party has duly executed this Agreement as of the date stated below.


THE CITY OF OLYMPIA

By: 
 Name: Doug Mah
 Title: Mayor
 Date: 5-14-08

THE NISQUALLY TRIBE

By: 
 Name: Cynthia Iyall
 Title: Chairman
 Date: 5-14-08

Approved as to form


 By: Tom Morrill
 Title: City Attorney

Approved as to form


 By: Thor A. Hoyte
 Title: Tribal Attorney

Acknowledgements

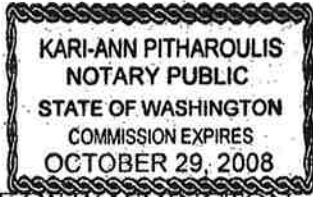
STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

This instrument was acknowledged before me on the 14th day of May, 2008 by DOUG MAH, as the MAYOR of THE CITY OF OLYMPIA.

Dated: May 14, 2008

Kari-Ann Pitharoulis

NOTARY PUBLIC in and for the State of
Washington, residing at Olympia
My appointment expires 10-29-08
Print Name Kari-Ann Pitharoulis



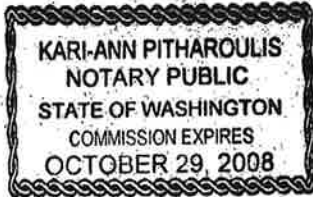
STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

This instrument was acknowledged before me on the 14th day of May, 2008, by CYNTHIA IYALL, as the CHAIRMAN of the NISQUALLY TRIBE.

Dated: May 14, 2008

Kari-Ann Pitharoulis

NOTARY PUBLIC in and for the State of
Washington, residing at Olympia
My appointment expires 10-29-08
Print Name Kari-Ann Pitharoulis



**Filed for Record by and
After Recording Return to:**

City of Olympia
City Clerk's Office
PO Box 1967
Olympia, WA 98507

EASEMENT AGREEMENT

Grantor: City of Olympia, a non-charter, optional municipal code city of the State of Washington

Grantee: Nisqually Indian Tribe, a federally recognized Indian tribe

Legal Description of Burdened Property: Portion of S $\frac{1}{2}$ of SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec 29, Twp 18 N, Range 1 E, Willamette Meridian.

Additional legal is on Exhibit A of document.

Tax Parcel Nos.: A portion of Tax Parcel No. 21829230100

Reference No.: None

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (the “**Agreement**”) is made this _____ day of _____, 2015, by and between the City of Olympia, a non-charter, optional municipal code city of the State of Washington (the “**City**”), and the Nisqually Indian Tribe, a federally recognized Indian tribe (the “**Nisqually Tribe**”); the City and the Nisqually Tribe are each sometimes referred to herein as a “**Party**” and collectively as the “**Parties**”), based upon the following:

RECITALS

A. WHEREAS, the City is the owner of that certain real property situate in Thurston County, Washington and more particularly described in attached Exhibit A (the “**Burdened Property**”); and

B. WHEREAS, the City and the Nisqually Tribe are parties to a Memorandum of Agreement dated as of May 14, 2008 (as amended to the date hereof and as it may hereafter be amended, the “**MOA**”), a copy of which is attached hereto as Exhibit B; and

C. WHEREAS, among other things, the MOA contemplates both a lease and one or more conveyances to the Nisqually Tribe of the Nisqually Tribe’s Water Allocation (as defined in the MOA); and

D. WHEREAS, in connection with its use of its Water Allocation, the Nisqually Tribe desires to construct or cause to be constructed or located on the Burdened Property production wells and related water system facilities to convey water to the Nisqually Indian Reservation, including a pipeline to convey water off the Burdened Property (the “**Pumping Facility**”); and

E. WHEREAS, the City and the Nisqually Tribe want to provide for an easement for the construction, operation, and maintenance of the Pumping Facility.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals, grants and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant.** The City grants to the Nisqually Tribe a perpetual, exclusive easement (the “**Facility Easement**”) for the sole purpose of the construction and operation of the Pumping Facility and access to the Pumping Facility in order to exercise the Nisqually Tribe’s Water Allocation, on, over, in and under that portion of the Burdened Property described as the “Nisqually Tribe Easement Area – 2 Acres” in attached Exhibit C (the “**Facility Easement Area**”).

2. **Grant of Access Easement.** The City hereby grants to the Nisqually Tribe a non-exclusive easement for vehicular and pedestrian ingress and egress to the Facility

Easement Area (“**Access Easement**”), as reasonably necessary for the construction, operation, and maintenance of the Pumping Facility, on, along, over, and across (a) the existing access road on the Burdened Property described as the “Existing 12’ Wide Paved Access Road” in attached Exhibit C (the “**Existing Paved Road**”) and (b) the thirty foot (30’) wide access corridor labeled “Nisqually Tribe Access Corridor” in attached Exhibit C (the “**Access Corridor**”).

The Nisqually Tribe acknowledges that the City uses the Existing Paved Road and the parties shall reasonably coordinate their use of the Existing Paved Road so as to minimize interference with each other’s activities. The Nisqually Tribe shall not alter the Existing Paved Road or perform any construction in or around the Existing Paved Road. The City may relocate the Existing Paved Road within the Burdened Property. The City is not required to maintain or improve the Existing Paved Road.

The Nisqually Tribe may construct a road in the Access Corridor from the Existing Paved Road to the Facility Easement Area. Prior to commencing construction of any road in the Access Corridor, the Nisqually Tribe shall submit plans to the City for the City’s review and approval, but any approval shall be for the City’s own purposes and shall not make the City responsible for the road. The City reserves the right to enter and use the Access Corridor, including any road constructed by the Nisqually Tribe, and the parties shall reasonably coordinate their use of the Access Corridor so as to minimize interference with the other’s activities.

3. **Grant of Pipeline Easement.** The City hereby grants to the Nisqually Tribe a non-exclusive easement for construction, operation, and maintenance of an underground water pipeline (“**Pipeline Easement**”, and together with the Facility Easement and the Access Easement, the “**Easements**”) under the 30-foot corridor described as the “30’ Pipeline Easement” in attached Exhibit C (the “**Pipeline Easement Area**”, and together with the Facility Easement Area, the Existing Paved Road, and the Access Corridor, the “**Easement Areas**”). The Nisqually Tribe shall not install any above-ground improvements in the Pipeline Easement Area. The City reserves the right to enter and use the Pipeline Easement Area and the parties shall reasonably coordinate their use of the Pipeline Easement Area so as to minimize interference with each other’s activities.

4. **As-Is Grant.** The Nisqually Tribe accepts the Easements on an as-is basis, and acknowledges that the City has made no representations whatsoever as to the condition of the Easement Areas.

5. **Pipeline Corridor.** The parties acknowledge that the Nisqually Tribe will need to extend the pipeline from the Pipeline Easement Area across other properties to the south of the Burdened Property to reach State Highway 510 and that the parties intend to work cooperatively to identify a route for such pipeline. However, this Section 5 does not impose any obligations on either party with respect to the pipeline route or such other properties.

6. **Use of Easement Areas.** The Nisqually Tribe, at its sole cost and expense, shall be responsible for the construction, operation, and maintenance of the Pumping Facility and

any road constructed by the Nisqually Tribe. Without limiting the foregoing, the Nisqually Tribe shall be solely responsible for establishing and paying for any utility services required in connection with the Pumping Facility. The Nisqually Tribe shall not permit waste, damage or injury to the Easement Areas, shall comply with all applicable laws, statutes, orders, regulations, codes, rules and permit requirements, and shall be solely responsible for any restoration or reconstruction of the Pumping Facility and Easement Areas if any damage occurs in connection with the Nisqually Tribe's use of the Easement Areas or the construction, operation, or maintenance of the Pumping Facility. The owner of the Burdened Property may post notices in accordance with applicable laws. The Nisqually Tribe shall secure all appropriate governmental approvals and permits for any construction on the Easement Areas, and shall complete all work with due diligence and in a good and workmanlike manner.

7. **Liens.** The Nisqually Tribe shall keep the Easement Areas and the Burdened Property free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by the Nisqually Tribe and shall indemnify, defend, and hold the owner of the Burdened Property harmless against the same.

8. **Indemnification; Release.** Each Party ("**Indemnitor**") shall indemnify, defend and hold the other party harmless from and against any and all liability, damages, claims, costs or expenses, including attorneys' fees, arising from any negligent or intentional act or omission of Indemnitor or its officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors in connection with this Agreement. With respect to all or any portion of the foregoing obligation that may be held to be within the purview of RCW 4.24.115, such obligation shall apply only to the maximum extent permitted by RCW 4.24.115. The foregoing indemnity is specifically and expressly intended to, constitute a waiver of Indemnitor's immunity under Washington's Industrial Insurance Act, RCW Title 51, if applicable, to the extent necessary to provide the other party with a full and complete indemnity from claims made by Indemnitor and its employees, to the extent provided herein. Except as otherwise provided in this **Section 8**, the Nisqually Tribe agrees to use and occupy the Easement Areas and the Pumping Facility at its own risk and hereby releases the owner of the Burdened Property, its agents and employees from all claims for any damage or injury to the fullest extent permitted by law.

9. **Insurance.** The Nisqually Tribe shall at all times, at its sole cost and expense, keep in full force and effect, and shall cause its prime contractor and subcontractors to maintain in full force and effect, a policy of commercial general liability insurance insuring against any and all claims or liability arising out of the construction, use or maintenance of the Easement Areas or the Pumping Facility, in an amount not less than One Million Dollars (\$1,000,000) per occurrence and not less than Five Million Dollars (\$5,000,000) in the aggregate, covering bodily injury to persons, including death, and damage to property, and including automobile liability coverage and contractual liability endorsement covering the indemnification covenant herein; and shall insure the hazards of the Easement Areas and the insured party's operations thereon, including the acts of its independent contractors. The Burdened Property owner may increase the required liability insurance limits each year to

reflect increased amounts of coverage then prevailing in the area for similar projects. In addition, the Nisqually Tribe shall at all times, at its sole cost and expense, keep in full force and effect what is commonly referred to as "Special Cause of Loss" or "Special" coverage insurance on the Pumping Facility in an amount equal to one hundred percent (100%) of the replacement value thereof with a coinsurance waiver. All such insurance shall (a) be issued by an insurance company rated at least A X by Best's insurance; (b) in the case of liability insurance, name the owner of the Burdened Property and its employees and agents as an additional insureds; (c) provide that it shall not be cancelled without at least thirty (30) days' prior written notice by the insurer to the owner of the Burdened Property; (d) in the case of liability insurance, include contractual liability coverage, including without limitation, the indemnification, defense and hold harmless agreements required by this Agreement; and (e) state that the insurance is primary over any policies carried by the owner of the Burdened Property with any policy carried by the owner of the Burdened Property excess and noncontributory. Prior to commencing any activity on or about the Easement Areas, the Nisqually Tribe shall provide a certificate of insurance (on an ACORD 27 form) evidencing that the foregoing policies are in full force and effect.

10. **Waiver of Subrogation.** Notwithstanding any other provision of this Agreement, the Nisqually Tribe hereby releases the owner of the Burdened Property, and waives its entire right of recovery for loss or damage to property located within or constituting a part or all of the Pumping Facility or the Easement Areas to the extent that the loss or damage is covered by (a) the Nisqually Tribe's insurance, or (b) the insurance the Nisqually Tribe is required to carry under this Agreement, whichever is greater. This waiver applies whether or not the loss is due to the negligent acts or omissions of the owner of the Burdened Property or the Nisqually Tribe, or their respective officers, directors, employees, agents, contractors, or invitees. The Nisqually Tribe shall have its insurers endorse the applicable insurance policies to reflect the foregoing waiver of claims.

11. **Access.** The owner of the Burdened Property shall have the right to enter the Facility Easement Area and the Pumping Facility at all reasonable times, and upon reasonable prior notice to the Nisqually Tribe, for the purpose of inspecting the Facility Easement Area and the Pumping Facility.

12. **Mitigation; Default; Termination.** The Nisqually Tribe hereby acknowledges that its performance of the mitigation measures required under Section 10 of the MOA (the "Mitigation Measures") at all times during the term of this Agreement is of critical importance to the Burdened Property owner. If the Nisqually Tribe shall violate or breach or fail to keep or perform any covenant, agreement, term or condition of this Agreement, or if the Nisqually Tribe shall fail to perform the Mitigation Measures under the MOA (even if the Nisqually Tribe has transferred its rights or obligations under this Agreement), such failure shall constitute a default by the Nisqually Tribe under this Agreement. In the event of a such a default or in the event of any dispute concerning any matter pertaining to this Agreement, the following procedures and remedies shall apply:

(a) Step One – Negotiation. The Parties shall attempt to adjust their differences by informal negotiation as described in Section 18(a) (“Dispute Resolution”) of the MOA. Section 18(a) of the MOA is hereby incorporated into this Agreement as if fully set forth herein.

(b) Step Two – Mediation. If the dispute has not been resolved by negotiation within ninety (90) days of the initial letter proposing negotiation, any Party may demand mediation, which shall be conducted as described in Section 18(b) (“Dispute Resolution”) of the MOA. Section 18(b) of the MOA is hereby incorporated into this Agreement as if fully set forth herein.

(c) Step Three – Litigation and Other Remedies. Unless otherwise agreed by the Parties in writing, Step One and Step Two must be exhausted as a condition precedent to filing of any action in Thurston County Superior Court or the Federal District Court for the Western District of Washington in Tacoma or exercising any of the other remedies described in this Section 12(c). A Party may initiate an action and/or exercise the remedy described below at clause (2) without exhausting Steps One or Two if the statute of limitations is about to expire and the Parties cannot reach a tolling agreement, or if either Party determines the public health, safety, or welfare is threatened. In the event of a default by the Nisqually Tribe, the Burdened Property owner may also exercise some or all of the following remedies (in addition to filing an action, as described above): (1) terminate this Agreement and all rights of the Nisqually Tribe hereunder, which termination shall take effect 180 days after written notice to the Nisqually Tribe, and recover from the Nisqually Tribe any damages caused by the Nisqually Tribe’s breach; or (2) if the default is a failure by the Nisqually Tribe to perform the Mitigation Measures under the MOA and the Burdened Property owner receives an order or directive from the Washington State Department of Ecology, or its successor or a court of competent jurisdiction, that restricts the Burdened Property owner’s ability to exercise its Wellfield Water Rights (as defined in the MOA) because of the failure of such Mitigation Measures, the Burdened Property owner may require that such restrictions be applied to or enforced against the Pumping Facility (i.e., to limit the holder of the Water Allocation’s exercise of its Water Allocation), such that the City may continue to exercise fully its Wellfield Water Rights without limitation or restriction by such order or directive. Following any termination of this Agreement, the Burdened Property owner may record a memorandum of such termination without the joinder of the Nisqually Tribe, or, at the request of the Burdened Property owner, the Nisqually Tribe shall execute a recordable memorandum of such termination within ten (10) days following a written request from the owner of the Burdened Property. All rights, options and remedies of the Burdened Property owner contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and the Burdened Property owner shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or by any other agreement to which the Burdened Property owner and the Nisqually Tribe are parties, whether or not stated in this Agreement.

13. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent preempted by federal law. Venue for any claim, dispute or action arising out of or relating to this Agreement shall lie in the Superior Court for the State of Washington at Thurston County or in the United States District Court for the Western District of Washington at Tacoma. Each Party agrees that venue will lie in the forum in which a claim or action arising from or relating to this Agreement is commenced and will remain in that forum until its ultimate resolution. Each Party further waives its right to seek removal or remand from the forum in which a claim or action arising from or relating to this Agreement is commenced. The Nisqually Tribe hereby acknowledges that the provisions of **Section 19** (“Waiver of Sovereign Immunity”) of the MOA shall apply to this Agreement as if fully set forth herein.

14. **Termination.** Upon a termination of this Agreement, the Burdened Property owner may either require the Nisqually Tribe to decommission the Pumping Facility in accordance with industry standards and to remove any other property of the Nisqually Tribe located on the Easement Area, or to leave the Pumping Facility in place. If the Burdened Property owner requires the Nisqually Tribe to leave the Pumping Facility in place, the Burdened Property owner shall pay the Nisqually Tribe the fair market value of the Pumping Facility at such time.

15. **Runs With the Land; Assignment.** This Agreement constitutes a covenant running with the Burdened Property and shall be binding upon and inure to the benefit of the owner of the Burdened Property and its successors and assigns. The Easement is “in gross” with respect to the Nisqually Tribe, meaning that the Nisqually Tribe’s benefits and burdens under this Agreement are personal to the Nisqually Tribe and do not run to the successors and assigns of any property owned by the Nisqually Tribe. The Nisqually Tribe shall not transfer any rights or obligations under this Agreement (including without limitation the Easement), except that the Nisqually Tribe may transfer its rights and obligations under this Agreement to a governmental entity with the advance written consent of the Burdened Property owner, which shall not be unreasonably withheld. No transfer by the Nisqually Tribe of any rights or obligations under this Agreement shall affect the Nisqually Tribe’s continuing obligation to perform the Mitigation Measures under the MOA, and any transferee of any rights or obligations hereunder acknowledges that the Nisqually Tribe’s failure to perform such Mitigation Measures shall constitute a default under this Agreement. As a condition to any transfer of any rights or obligations hereunder, the Burdened Property owner may require the transferee to execute a written acknowledgment of the foregoing.

16. **Integration; Amendments.** The parties hereto agree that this Agreement supersedes all prior and contemporaneous understandings and agreements with respect to the subject matter of this Agreement (but does not supersede or otherwise affect the MOA or any agreement contemplated by the MOA) and the provisions of this Agreement are intended by them as the final expression of their agreement. No provision of this Agreement may be amended except by an agreement in writing signed by the parties hereto or their respective successors in interest, whether or not such amendment is supported by new consideration.

17. **No Waiver of Covenants.** Failure of the Burdened Property owner to insist upon strict performance of any of the covenants and agreements of this Agreement, or to exercise any option herein conferred in any one or more instance, shall not be construed to be a waiver or relinquishment of any such, or other covenants or agreements, but the same shall be and remain in full force and effect.

18. **No Third Party Beneficiaries.** The Parties expressly do not intend to create any right, obligation or liability, or promise any performance, to any third party. The Parties have not created, and do not intend to give rise to, any right for any third party to enforce this Agreement.

DATED this ___ day of _____, 2015.

THE CITY:

CITY OF OLYMPIA, a non-charter, optional
municipal code city of the State of Washington

By: _____
Name: _____
Its: _____

THE NISQUALLY TRIBE:

NISQUALLY INDIAN TRIBE, a federally
recognized Indian tribe

By: _____
Name: _____
Its: _____

Acknowledgements

STATE OF WASHINGTON)

: ss.

COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____ of the City of Olympia, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2015.

[Signature of Notary]
(seal or stamp)

[Print Name of Notary]

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires: _____.

STATE OF WASHINGTON)

: ss.

COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the _____ of the Nisqually Indian Tribe, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2015.

[Signature of Notary]
(seal or stamp)

[Print Name of Notary]

Notary Public in and for the State of
Washington, residing at _____.
My appointment expires: _____.

EXHIBIT A

Legal Description of the Burdened Property

CITY OF OLYMPIA McALLISTER WELLFIELD PARCEL No. 21829230100

The South half of the Southwest Quarter of the Northwest Quarter of Section 29,
Township 18 North, Range 1 East, Willamette Meridian, Thurston County
Washington.

Containing twenty (20) acres, more or less.

EXHIBIT B

MOA

[Attached hereto]

**MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF OLYMPIA, WASHINGTON
AND THE NISQUALLY INDIAN TRIBE**

THIS MEMORANDUM OF AGREEMENT ("Agreement") is entered by and between the City of Olympia, a non-charter, optional municipal code city of the State of Washington ("Olympia") and the Nisqually Indian Tribe, a federally recognized Indian tribe ("Nisqually Tribe"). Olympia and the Nisqually Tribe are each a "Party" and are collectively referred to as the "Parties."

WHEREAS, the Nisqually Indian Tribe is the successor descendent entity of the Nisqually Nation signatory to the Treaty of Medicine Creek of 1854 (10 Stat. 1132), and unto this day has retained and maintained its Tribal identity, its governing body, and its sovereign powers; and

WHEREAS, the City of Olympia, Washington is a noncharter code city existing under and by virtue of Washington state law, and possesses all the rights, privileges and powers granted thereunder; and

WHEREAS, Olympia owns real property in Thurston County, Washington, in an area known as McAllister Springs and is currently utilizing the Springs for a significant portion of its water supply and is in the process of developing a wellfield to replace its existing water supply at McAllister Springs; and

WHEREAS, Olympia will be changing the points of withdrawal of some municipal purpose water rights from McAllister Springs and Abbot Springs to the new McAllister Wellfield; and

WHEREAS, Olympia is seeking to develop the McAllister Wellfield as a more protected source of water supply; and

WHEREAS, Olympia is required under the federal Safe Drinking Water Act to either install costly ultraviolet light disinfection treatment at McAllister Springs by October, 2012 or develop a replacement water source; and

WHEREAS, time is of the essence for Olympia to develop the McAllister Wellfield since it will take an extensive period of time to design, obtain regulatory approval, and construct an ultraviolet disinfection treatment system; and

WHEREAS, the City of Olympia has expressed its desire, through its City Council, to work cooperatively with the Nisqually Indian Tribe on the shared issues of water conservation and availability; and

WHEREAS, the Nisqually Indian Tribe, through its Tribal Council, has also expressed a similar desire to collaborate with the City of Olympia; and

NOW THEREFORE in consideration of the foregoing recitals, incorporated herein, and mutual covenants and promises contained herein, the Parties hereby agree as follows:

1. Effective Date. This Agreement shall take effect on the first date ("Effective Date") when all of the following events have occurred: (i) the Nisqually Tribe has duly executed the Agreement pursuant to the authorizing resolution of the Tribal Council, which resolution will be attached hereto as Exhibit A, and (ii) Olympia has duly executed the Agreement pursuant to the authorizing resolution of the City Council, which resolution will be attached hereto as Exhibit B.

2. Defined Terms.

(a) "Wellfield Water Rights" means the water rights approved for change or transfer by the Washington State Department of Ecology ("Ecology") from McAllister Springs and Abbot Springs to the McAllister Wellfield. The final decision(s) of Ecology relating to the Wellfield Water Rights will be added to this Agreement as Exhibit G.

(b) "Groundwater Wells" means all of the wells associated with the McAllister Wellfield that are authorized points of withdrawal under the Wellfield Water Rights and that may be authorized in the future.

(c) "MGD" means million gallons per day.

(d) "Mitigation Plan" means the McAllister Wellfield Mitigation Plan submitted in support of Olympia's McAllister Springs and Abbot Springs water right change/transfer applications and approved by Ecology. Once approved, the final Mitigation Plan will be attached to this Agreement as Exhibit F.

(e) "McAllister Springs Municipal Water Right" means water right certificate number 8030, authorizing withdrawal of up to 25 cubic feet per second ("cfs"), and water right certificate number S2-001105C, authorizing an additional withdrawal of up to 5.33 cfs.

(f) "Abbot Springs Municipal Water Right" means water right permit number 10191, authorizing the development of a water source with a maximum withdrawal rate of 10 cfs.

(g) "McAllister Wellfield" means a collection of wells that will be the

authorized points of withdrawal for the Wellfield Water Rights and which will be located approximately 0.8 miles southeast of McAllister Springs within Township 18 North, Range 1 East, Section 29.

(h) "Ecology" means the Washington State Department of Ecology, and any successor agency, department or unit of the State of Washington.

3. Water Transfer Application.

(a) Within 45 days of the Effective Date, Olympia shall submit to Ecology an update of the applications (the "Application") to change and transfer both the McAllister Springs Municipal Water Right and the Abbott Springs Municipal Water Right to the new McAllister Wellfield.

(b) The Application shall request transfer to the McAllister Wellfield of thirty and thirty-three hundredths (30.33) cfs (19.6 MGD) under the McAllister Springs Municipal Water Right and ten (10) cfs (6.46 MGD) under the Abbot Springs Municipal Water Right, which quantities are to be fully additive (as defined in Dept. of Ecology Policy No. 1040, dated March 9, 2006) $\rightarrow 7,240$ AFY

(c) The Parties intend to allocate quantities available under the Abbot Springs Municipal Water Right so that Olympia shall receive 53.1% and the Nisqually Tribe shall receive 46.9%, and the Application shall request this allocation. If Ecology in deciding the Application establishes an annual quantity limit on the Abbot Springs Municipal Water Right, this annual quantity will be divided between the Parties according to foregoing percentages. The Nisqually Tribe's share of the Abbot Springs Municipal Water Right as provided in this paragraph is referred to herein as the Nisqually Tribe's "Water Allocation."

(d) Each Party shall be responsible for identifying its proposed use(s) of water, for preparing and submitting all necessary information in support of same, and for all costs and expenses.

(e) The Parties agree to jointly develop a Mitigation Plan in support of the Application, and to submit the Mitigation Plan to Ecology no later than 75 days from the date of submittal of the Application.

(f) The Nisqually Tribe's responsibility for performing mitigation of the Application's potential impacts on the Nisqually River will be met primarily through the following three steps.

(i) "Stream Restoration Element" means restoration work on Ohop Creek and Muck C

$$6.46 \text{ MGD} \times 53.1\% = 3.43 \text{ MGD}$$

$$6.46 \text{ MGD} \times 46.9\% = 3.03 \text{ MGD}$$

base flows in the creeks and the Nisqually River. Description of the work shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date. The Nisqually Tribe shall describe the base flow benefits, which shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date.

(ii) “Tribal Wells Element” means discontinuation of certain groundwater wells that currently draw groundwater in hydraulic continuity with the Nisqually River and discontinuing ground water withdrawals in the vicinity of said wells. The Nisqually Tribe will map and identify the land area and aquifer(s) where ground water withdrawals will be discontinued (the “No Well Zone”), describe the scope and effect of a Nisqually Tribal Code provision to be adopted to implement the No Well Zone, model the flow benefits to the Nisqually River resulting from the well discontinuation action, and propose an implementation schedule (more fully described in paragraph 3(h) below). Said work shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date. Within ninety (90) days from the Effective Date, the Nisqually Tribe will complete a draft of a No Well Zone regulation as an amendment to the Nisqually Tribal Code that will prohibit the drilling or use of ground water wells in the identified area and aquifer(s) (“Tribal Code Provision”), as well as a schedule for adoption. The Nisqually Tribe will adopt the Tribal Code Provision in accordance with the approved schedule and within 15 days after its adoption, the Tribal Code Provision will be submitted by the Nisqually Tribe to Ecology in support of the Application.

(iii) “Tacoma Element” means a written agreement between the Nisqually Tribe and Tacoma City Light. The Agreement between the Nisqually Tribe and Tacoma City Light shall be completed by the Nisqually Tribe and be ready for inclusion in the Mitigation Plan no later than ninety (90) days from the Effective Date. The provisions in the agreement between the Nisqually Tribe and Tacoma City Light that ensure mitigation of the Application’s potential impacts on the

Nisqually River shall automatically apply as needed and shall be subject to Ecology oversight.

The Parties intend for all of the above "Elements" and their components identified above to become a part of Exhibit F after Ecology approval. The Tribal Wells Element and the Tacoma Element are continuing mitigation obligations on the part of the Nisqually Tribe, or its permitted successors and assigns. Nothing in the Nisqually Tribe's performance of the Tribal Wells Element, including enactment of the Tribal Code Provision, constitutes or shall be deemed to constitute a conveyance, encumbrance, or alienation of the Nisqually Tribe's federal reserved water rights.

(g) The "implementation schedule" in paragraph 3(f)(iii) above means that the Nisqually Tribe will propose a timetable for discontinuing use of the Tribal Wells, which entails the Nisqually Tribe's development and use of its Water Allocation at the McAllister Wellfield for drinking water supply.

(h) The Nisqually Tribe shall write a letter of support for the Application regarding the McAllister Springs Municipal Water Right and the Abbot Springs Municipal Water Right. This letter of support shall be submitted to Ecology along with the Mitigation Plan and express support for the Mitigation Plan and resulting mitigation requirements.

4. Water Rights Ownership. The Nisqually Tribe's share of water contemplated by this Agreement (i.e., Water Allocation) shall come from the Abbot Springs Municipal Water Right. After completion of all actions contemplated in Section 5 of this Agreement, Olympia shall retain ownership over the complete McAllister Springs Municipal Water Right and fifty three and one tenths percent (53.1%) of the Abbot Springs Municipal Water Right.

5. Water Right Lease and Conveyances.

a) In the event that the Application is finally approved by Ecology, is beyond the time for filing any appeal, is not subject to any appeals, any and all appeals have been finally resolved and are beyond the time for filing any further appeal, and the Nisqually Tribe has completed all of the mitigation Elements set forth in paragraph 3(f), the Parties shall enter a lease, substantially in form attached hereto as Exhibit C, for the Nisqually Tribe's Water Allocation ("Lease"). The Parties intend for the Lease to be entered and take effect in the event that US Approval has not yet been obtained; if US Approval has been obtained, then the Nisqually Tribe may elect to proceed or continue under the Lease or to request Deed conveyance as provided below. The Lease shall have an initial term of 99 years, subject to extension. The Lease shall contain a termination provision in the event that the Nisqually Tribe does not perform the continuing mitigation obligations (i.e., the Tribal Wells and Tacoma Elements), provided that Lease

termination shall take effect 180 days after written notice to the Nisqually Tribe.

b) In the event that the Application is finally approved by Ecology, is beyond the time for filing any appeal, is not subject to any appeals, any and all appeals have been finally resolved and are beyond the time for filing any further appeal, then Olympia, upon written request from the Nisqually Tribe, will convey title and ownership to the Water Allocation (*i.e.*, 46.9% of the Abbot Springs Municipal Water Right) to the Nisqually Tribe in two stages and subject to further preconditions as follows.

i) In the event that the Nisqually Tribe has completed (as of the date of the Nisqually Tribe's written request) the Stream Restoration Element of its mitigation obligations, and Ecology has confirmed satisfactory completion of the same consistent with requirements of the approval set forth in Exhibit F, Olympia will convey title and ownership of a portion of the Water Allocation equal to the proportional mitigation quantity achieved by the Stream Restoration Element as recognized by Ecology, up to a maximum of one and fifty-five hundredths (1.55) cfs (1 MGD). Conveyance shall be made by deed, which shall be substantially in the form attached hereto as Exhibit D ("Deed"). The Deed shall provide for a right of reversion of said Water Allocation to Olympia.

ii) In the events that this Agreement has been approved by the United States pursuant to Paragraph 24(b), the Nisqually Tribe is performing (as of the date of the Nisqually Tribe's written request) the Tacoma Element and the Tribal Wells Element of its mitigation obligations, and Ecology has confirmed satisfactory completion of the same consistent with requirements of the approval set forth in Exhibit F, Olympia will convey title and ownership of the balance of the Water Allocation. Conveyance shall be made by the Deed substantially in the form attached hereto as Exhibit D. The Deed shall provide for a right of reversion of said Water Allocation to Olympia.

(c) In the event the Nisqually Tribe fails to continue to perform one or more of its continuing mitigation obligations as provided under paragraph 10 and Olympia receives an order or directive from Ecology, or its successor or a court of competent jurisdiction, that restricts Olympia's ability to exercise its Wellfield Water Rights because of the failure of such mitigation, Olympia may seek to enforce its rights under this Agreement as follows. In such event, the Parties agree that the "public health, safety, or welfare" provision in Section 18(c) (*i.e.*, dispute resolution process) of this Agreement applies to Olympia's pursuit of the following remedies.

i) Restrictions on the pumping or use of the Wellfield Water Rights shall be applied to or enforced against the Nisqually Tribe's wells at the McAllister Wellfield (*i.e.*, to limit the Nisqually Tribe's exercise of its Water Allocation), such that Olympia may continue to exercise fully its

Wellfield Water Rights without limitation or restriction by such Ecology order or directive.

ii) Olympia may seek to enforce the remedies in lease, deed, or easement including without limitation the right of reversion in one or both of the Deeds.

iii) Olympia may seek any other remedies available at law or in equity.

6. New Water Application. In the event that Ecology's final decision approving the Application results a quantity less than ten (10) cfs (6.46 MGD) under the Abbot Springs Municipal Water Right, then both Parties agree to pursue, jointly, new water rights at the McAllister Wellfield in an amount equal to the reduction ("New Water Rights"). If Ecology's final decision on an application for New Water Rights results an appropriation of less than 1 MGD to the Nisqually Tribe and the Nisqually Tribe has performed the Stream Restoration Element, upon request by the Nisqually Tribe Olympia will provide partial cost reimbursement of costs incurred in performing the Stream Restoration Element. The amount of the partial cost reimbursement request will not exceed five hundred thousand dollars (\$500,000.00) per cfs of the quantitative mitigation value of the Stream Restoration Element recognized by Ecology, in its decision approving the Application (or of any reviewing tribunal in the event of an appeal). For illustration purposes only, if Ecology determines that the mitigation quantity of the Stream Restoration Element is 0.5 cfs, then the Nisqually Tribe's request for partial cost reimbursement could not exceed \$250,000.00. As an alternative to partial cost reimbursement, Olympia may at its option make up the Nisqually Tribe's water shortfall by supplying up to 1 MGD from Olympia's Wellfield Water Rights on terms and conditions to be negotiated in good faith.

7. Wellfield Development. City of Olympia and the Nisqually Tribe shall develop their respective shares of the McAllister Wellfield based on the quantities approved under the Application and any new water application submitted under paragraph 6 above. The Parties intend for the Nisqually Tribe to operate a waterworks at the McAllister Wellfield, either on its own or jointly with Olympia.

(a) Olympia and the Nisqually Tribe shall jointly develop a pre-design report that outlines the general design and location of facilities for the well field, further details of which may be agreed upon under a separate Memorandum of Agreement. The Parties agree to share the costs of the pre-design report on a pro-rata basis based on shares of water to be developed at the McAllister Wellfield.

(b) Based on the pre-design report, the parties will negotiate in good faith to determine how best to design, construct and operate the necessary facilities to exercise their respective shares of the Wellfield Water Rights. The good faith negotiations shall

take into account and make appropriate provision for the legal instrument under which the Nisqually Tribe holds its Water Allocation at that time (*i.e.*, Deed or Lease). If the Parties agree to exercise their respective water rights jointly, the Parties shall negotiate and execute a separate joint facilities agreement providing for payment of costs on a pro-rata basis and for other necessary and appropriate terms. If the Parties decide to exercise their respective water rights separately, the Parties shall cover their respective costs for the exercise of said rights.

(c) In any event, the Parties shall consult on the design and location of facilities in order to minimize any interference that will negatively affect the exercise of the water rights of either Party.

8. McAllister Wellfield.

(a) Olympia will retain ownership of the McAllister Wellfield property, subject to the Easement in the event it is granted under paragraph 9.

(b) The Nisqually Tribe shall be solely responsible for securing any and all necessary land rights, access rights, easements, or other rights or approvals regarding property not owned by Olympia.

(c) The Parties will identify and install any required joint security measures for the protection of the McAllister well field with costs shared on a pro-rata basis based on the shares of water to be developed at the Wellfield. Each Party will be responsible for additional, separate security systems for their individual waterworks operations, if applicable.

(d) The Parties shall negotiate in good faith to agree to develop an emergency mutual aid agreement to include an emergency intertie at the well field.

(e) The Nisqually Tribe agrees to comply with Department of Health sanitary controls and Olympia's Wellhead Protection Plan requirements on the well field property.

(f) The Parties agree to meter all water production from the well field and record source production data on a monthly basis or more often if required as a condition of the water right. The parties agree to share water production information upon request.

(g) The Parties agree to comply with all water right conditions as mandated by Department of Ecology or otherwise mandated by a court of law of competent jurisdiction.

9. Grant of Easement. Simultaneous with the Parties' execution of the Lease or with Olympia's issuance of the Deed under paragraph 5(b)(i), Olympia shall grant an exclusive, perpetual easement to the Nisqually Tribe for the sole purpose of construction and operation of water facilities and access to these facilities in order to exercise the Nisqually Tribe's Water Allocation in all manners conforming to public law ("Easement"). The Parties shall negotiate in good faith to determine the specific location and dimensions of the Easement area. The Easement area shall be a sufficient size only to exercise the Nisqually Tribe's Water Allocation, shall not exceed two (2) acres in size, and shall be located within the eastern portion of the Wellfield. Olympia will survey and record the Easement after negotiation with the Nisqually Tribe for its location and size, based upon the pre-design report. The Easement shall be substantially in the form attached hereto as Exhibit E. The Nisqually Tribe may transfer or convey the Easement to a governmental entity with the advance written consent of Olympia, which shall not be unreasonably withheld. Any transfer of the Easement by the Nisqually Tribe shall not affect the Nisqually Tribe's obligation to perform mitigation under this Agreement. As a condition to any transfer of the Easement, Olympia may require the transferee to execute a written acknowledgment that Nisqually Tribe's failure to perform mitigation obligations under this Agreement shall constitute a default under the Easement. In the event the Parties enter a joint facilities agreement and decide to exercise their respective Wellfield Water Rights together, then such joint facilities agreement shall provide for the termination or other appropriate disposition of the Easement.

10. Nisqually Tribe Mitigation Obligation. The Nisqually Tribe shall be responsible for all costs and all actions arising from or relating to implementation of or compliance with the Mitigation Plan as to the Nisqually River. The Parties acknowledge that portions of the Nisqually Tribe's responsibilities under the Mitigation Plan may be performed by agents of the Tribe. In accordance with Paragraph 3(f), the Nisqually Tribe shall execute an agreement, within ninety (90) days of the Effective Date, with Tacoma City Light for performance of mitigation in perpetuity as to the Nisqually River. The Nisqually Tribe's proposed mitigation for all impacts to the Nisqually River (*i.e.*, the Stream Restoration and Tribal Wells Elements) will be submitted to Olympia for its review and approval prior to its inclusion in the final Mitigation Plan to be submitted to Ecology as outlined in paragraph 3(e). All actions necessary to implement the Mitigation Plan for the Nisqually River must be completed by the Nisqually Tribe consistent with the requirements and timeframes set forth in the Mitigation Plan. The Nisqually Tribe's obligation to implement the Mitigation Plan and to satisfy all applicable requirements is a continuous and ongoing obligation. Specifically, but without limitation, repealing, suspending or failing to enforce the Tribal Code Provision would constitute a failure of the Tribal Wells Element.

11. Olympia Mitigation Obligation. Olympia shall be responsible for all costs and actions arising from or relating to implementation of or compliance with the Mitigation

Plan approved by Ecology as to Woodland Creek, Long Lake, Pattison Lake, Hicks Lake, Lake St. Clair and the Deschutes River. The Parties acknowledge that a portion of Olympia's responsibilities for mitigating potential impacts of the Application may be done by the agents of the City of Olympia and by the City of Lacey through a separate agreement between Olympia and the City of Lacey for performance of mitigation in perpetuity as to Woodland Creek, Long Lake, Pattison Lake and Hicks Lake. The Lacey Agreement will be included in Exhibit F. All actions necessary to implement the Mitigation Plan for these water bodies are the responsibility of Olympia and must be completed consistent with the requirements and timeframes set forth in the Mitigation Plan approved by Ecology. Olympia's obligation to implement the Mitigation Plan and to satisfy all applicable requirements is a continuous and ongoing obligation.

12. Woodland Creek. Olympia and the Nisqually Tribe resolve that it is a shared, long-term goal to improve the health of Woodland Creek and to restore Woodland Creek as continuously-viable fish habitat. The Parties agree to work cooperatively to protect Woodland Creek, including, but not limited to, working with Thurston County on land use designations along the creek.

13. Mutual Indemnity. Each Party indemnifies and holds harmless the other Party, its elected officials, officers, agents, and employees from and against any and all third-party claims, suits, or causes of action (including but not limited to damages, judgments, settlements, attorneys' fees, and costs) arising out of or relating to the performance of its obligations under this Agreement.

14. McAllister Springs and Abbot Springs Property. Olympia shall retain ownership of the McAllister Springs and Abbott Springs properties. Olympia and Nisqually Tribe shall negotiate in good faith to reach agreement regarding long-term use of the McAllister and Abbot Springs properties once the Wellfield is developed and McAllister Springs is no longer used as a waterworks. The Parties intend to negotiate an agreement to provide conservation restrictions, running with the land and recorded in the Thurston County Assessor records, for the benefit of the Nisqually Indian Tribe so as to ensure the perpetual state of conservation necessary for spiritual and healing ceremonies, and shall substantially limit access and structures on the properties. Prior to entry of such agreement, or in the event the Parties cannot reach such agreement, Olympia agrees to provide Nisqually Tribe reasonable access to the McAllister Springs property for spiritual and healing ceremonies or other activities that do not threaten water quality.

15. Stewardship Coalition. Olympia and the Nisqually Tribe agree to form a Stewardship Coalition, which shall include, but not be limited to:

(a) Water conservation commitments, joint aquifer protection, sharing of water use and quality data, monitoring of mitigation; and

(b) Funding for staffing and stewardship related projects.

The Stewardship Coalition is an open organization which contemplates other water purveyors joining the Coalition. Other agreements, which shall not supersede this Agreement, shall be made among the Coalition parties.

16. Notice. Unless otherwise specified, all notices hereunder shall be in writing and shall be effectively given when delivered personally, on the date of delivery or, if mailed, seven (7) days after deposit in the United States mail, first-class postage prepaid, certified or registered. For purposes of notice, the addresses of the Parties shall be:

To Nisqually Tribe:

Chairman
4820 She Nah Num Dr SE
Olympia WA 98513

To Olympia:

City Manager
900 Plum Street SE/P.O. Box 1967
Olympia WA 98507-1967

With a required copy to:

Office of the Tribal Attorney
4820 She Nah Num Dr SE
Olympia WA 98513

With a copy required to:

City Attorney
900 Plum Street SE/P.O. Box 1967
Olympia WA 98507-1967

17. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, except to the extent preempted by federal law. Venue for any claim, dispute or action arising out of or relating to this Agreement shall lie in the Superior Court for the State of Washington at Thurston County or in the United States District Court for the Western District of Washington at Tacoma. Each Party agrees that venue will lie in the forum in which a claim or action arising from or relating to this Agreement is commenced and will remain in that forum until its ultimate resolution. Each Party further waives its right to seek removal or remand from the forum in which a claim or action arising from or relating to this Agreement is commenced.

18. Dispute Resolution.

(a) Step One - Negotiation. In the event of a dispute concerning any matter pertaining to this Agreement, the Parties involved shall attempt to adjust their differences by informal negotiation. The Party perceiving a dispute or disagreement persisting after informal attempts at resolution shall notify the other Party in writing of the general nature of the issues. The letter shall be identified as a formal request for negotiation and shall propose a date for representatives of the Parties to meet. The other Parties shall respond in writing within ten (10) business days. The response shall

succinctly and directly set out that Party's view of the issues or state that there is no disagreement. The Parties shall accept the date to meet or shall propose an alternate meeting date not more than ten (10) business days later than the date proposed by the Party initiating dispute resolution. The representatives of the Parties shall meet in an effort to resolve the dispute. If a resolution is reached the resolution shall be memorialized in a memorandum signed by all Parties which shall become an addendum to this Agreement.. Each Party will bear the cost of its own attorneys, consultants, and other Step One expenses. Negotiation under this provision shall not exceed 90 days. If a resolution is not reached within 90 days, the Parties shall proceed to mediation.

(b) Step Two - Mediation. If the dispute has not been resolved by negotiation within ninety (90) days of the initial letter proposing negotiation, any Party may demand mediation. The mediator shall be chosen by agreement. If the Parties are unable to agree they shall request a list of five (5) mediators from an entity that provides mediation services. If the Parties cannot agree to a name on the list, each Party (commencing with the initiating Party) shall strike a name in turn until only one name remains. The person whose name remains shall serve as mediator. In the event that the remaining person is removed for cause by one of the Parties or refuses the assignment, the Parties shall procure another list and proceed as in the first instance. Each Party will bear the cost of its own attorneys, consultants, and other Step Two expenses. The parties will share the cost of the mediator. A successful mediation shall result in a memorandum agreement which shall become an addendum to this Agreement. Mediation under this provision shall not exceed 90 days. If the mediation is not successful within 90 days, the Parties may proceed to litigation.

(c) Step Three - Litigation. Unless otherwise agreed by the Parties in writing, Step One and Step Two must be exhausted as a condition precedent to filing of any action in Thurston County Superior Court or the Federal District Court for the Western District of Washington in Tacoma. A Party may initiate an action without exhausting Steps One or Two if the statute of limitations is about to expire and the Parties cannot reach a tolling agreement, or if either Party determines the public health, safety, or welfare is threatened.

19. Waiver of Sovereign Immunity. So that the Nisqually Tribe and Olympia will be sure that each of them may enforce the terms and conditions of this Agreement, each of the Parties hereby covenants and agrees that each of them may sue or be sued to enforce or interpret the terms, covenants and conditions of this Agreement or to enforce the obligations or rights of the Parties under this Agreement in accordance with the terms and conditions set forth in this Section.

(a) Forum. Any dispute, claim, or action arising out of or relating to this Agreement, or any breach hereof, shall be brought in the State of Washington,

Thurston County Superior Court or the Federal District Court for the Western District of Washington at Tacoma. For such purpose, each of the Parties hereby irrevocably submits to the jurisdiction of such court, and the Parties agree that there is no jurisdiction over this Agreement in any Tribal Court or Tribal administrative proceeding.

(b) **Limited Waiver of Sovereign Immunity.** The Nisqually Tribe hereby specifically, expressly, and irrevocably waives its sovereign immunity as to Olympia as to any dispute arising out of or relating to this Agreement. The Nisqually Tribe irrevocably waives any claim of sovereign immunity as to actions at law and in equity and enforcement proceedings brought by Olympia to interpret or enforce the Agreement. The Nisqually Tribe expressly limits the waiver of immunity to the narrow purpose of interpreting or enforcing this Agreement (including any easement, lease, or deed granted or executed pursuant to the Agreement) or resolving a dispute relating to the foregoing, and said waiver shall not extend or apply to any other subject matter whatsoever.

(c) The Nisqually Tribe further consents to service of process out of such aforementioned courts by the mailing of copies thereof by certified or registered mail, postage prepaid, to the Nisqually Tribe at the address set forth in Section 10 above.

(d) Nothing contained in this Agreement shall be construed as waiving sovereign immunity in any suit for payment of damages from lands or funds held in trust for the Nisqually Tribe by the United States. Nothing contained in this Agreement shall be construed as waiving sovereign immunity in any suit by any party other than the City of Olympia.

20. Covenant Not to Sue. Other than suits brought under Section 19 above, each of the Parties agree, promise and covenant not to sue, or bring any claims or actions against, the other Party regarding the validity, priority, or exercise of the Wellfield Water Rights, or alleging impairment of other water rights caused by exercise of the Wellfield Water Rights, and not to appear in any legal proceeding to challenge the validity, priority, or exercise of the Wellfield Water Rights.

21. Mutual Support and Defense of Applications. This Agreement provides for the Parties to prepare and submit applications and supporting documentation for Ecology water rights decisions. Specifically, Section 3 herein addresses the "Application" for transfer of water rights to the McAllister Wellfield, and Section 6 herein addresses a potential application for "New Water Rights" in the event of a shortfall in the quantity approved for transfer to the McAllister Wellfield. The Parties hereby agree to support, defend, and make all reasonable efforts to secure the approval of said applications by Ecology and to defend affirmative Ecology decisions from and against any appeal. The

Parties agree to communicate, cooperate, and mutually support one another in such endeavor. Without limiting the generality of the foregoing, each Party shall bear lead responsibility for supporting and defending the elements of any application that it prepared. Each Party shall bear its own costs, and that of its consultants and attorneys, in support and defense of any application.

22. No Waiver. No waiver by any Party of any default in the performance of any other Party of any agreement contained herein shall be construed as a waiver of any subsequent default.

23. Time of the Essence. Time is of the essence in this Agreement.

24. Signature Authority. The Parties intend for all provisions of this Agreement to be fully effective and enforceable. Accordingly:

(a) Each signatory to this Agreement represents and warrants that he or she has full power and authority to execute and deliver this Agreement on behalf of the person or entity for whom he or she is signing, and that he or she will defend and hold harmless the other Parties and signatories from any claim that he or she was not fully authorized to execute this Agreement on behalf of the person or entity for whom he or she signed. Upon proper execution and delivery, this Agreement will have been duly entered into by the Parties, will constitute as against each Party a valid, legal, and binding obligation, and will be enforceable against each Party in accordance with the terms herein.

(b) The Parties intend for the United States, at the appropriate level of authority, to approve the Agreement and the Nisqually Tribe's entry into the Agreement so as to fully comply with federal law and regulation ("U.S. Approval"). Within 30 days after this Agreement's Effective Date, the Nisqually Tribe shall initiate a request for U.S. Approval and shall continue to pursue the approval with due diligence. Olympia is not required to carry out the water rights conveyance provided for in Section 5(b)(ii) until and unless the U.S. Approval is obtained. The Nisqually Tribe shall keep Olympia reasonably informed of the U.S. Approval status, process, and requirements, and shall invite Olympia to participate in relevant meetings and conferences. In the event that any amendments to this Agreement are required for U.S. Approval, the Parties shall promptly negotiate such amendments in good faith.

25. Entire Agreement, Binding Effect, and Relationship to Other Agreements. This Agreement contains the entire agreement among the Parties with respect to the subject matter hereof and shall not be modified or amended in any way, except in writing, signed by the Parties hereto, or their successors in interest. This Agreement shall be binding upon each Parties' successors and assigns except as expressly provided herein. All prior negotiations and draft written agreements are merged into and superseded by

this Agreement. The Parties contemplate and intend to enter other agreements necessary or useful to fulfill the intent of the Parties herein. Other such agreements may include, and shall not be limited to:

- a. Mutual Aid
- b. Well field Operations Agreement
- c. Access/Security Agreement
- d. Data sharing
- e. Stewardship Coalition
- f. McAllister/ Abbot Springs access agreement

Any such agreements entered by the Parties shall be separate and independent contracts that shall not supersede this Agreement in any respect whatsoever, unless the Parties expressly provide for amendment of any of the terms or conditions herein. The Parties' lack of agreement on any of the foregoing matters shall have no effect whatsoever on this Agreement, or the Parties' respective rights and obligations hereunder.

26. No Third Party Beneficiaries. The Parties expressly do not intend to create any right, obligation or liability, or promise any performance, to any third party. The Parties have not created, and do not intend to give rise to, any right for any third party to enforce this Agreement.

27. Assignment. A Party may not assign, convey, pledge or otherwise transfer this Agreement or any rights or obligations hereunder without the advance, written consent of the other Party, which consent may be granted or withheld in the latter Party's sole discretion unless otherwise allowed by this Agreement.

28. Severability; Survival After Termination. Should any provision(s) of this Agreement be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Agreement shall nonetheless remain in full force and effect unless the stricken provision is an essential part of the consideration supporting this Agreement or if the absence of the stricken provision would materially alter the intent of the Parties.

29. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.


28. Exhibits. The following exhibits are attached hereto and incorporated in this Agreement as if fully set forth herein.

- Exhibit A - Nisqually Tribe Resolution (to be attached after enactment)
- Exhibit B - City of Olympia Resolution (to be attached after enactment)
- Exhibit C - Lease
- Exhibit D - Deed
- Exhibit E - Easement
- Exhibit F - Mitigation Plan (to be attached after approval)
- Exhibit G - Final Decisions Regarding Wellfield Water Rights (to be attached after approval)


30. **Termination.** Either Party may terminate this Agreement if the Parties are unable to submit a final Mitigation Plan to Ecology as required in Paragraph 3(e).

IN WITNESS WHEREOF, the authorized representative of each Party has duly executed this Agreement as of the date stated below.


THE CITY OF OLYMPIA

By: 
 Name: Doug Mah
 Title: Mayor
 Date: 5-14-08

THE NISQUALLY TRIBE

By: 
 Name: Cynthia Iyall
 Title: Chairman
 Date: 5-14-08

Approved as to form


 By: Tom Morrill
 Title: City Attorney

Approved as to form


 By: Thor A. Hoyte
 Title: Tribal Attorney

Acknowledgements

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

This instrument was acknowledged before me on the 14th day of May, 2008 by DOUG MAH, as the MAYOR of THE CITY OF OLYMPIA.

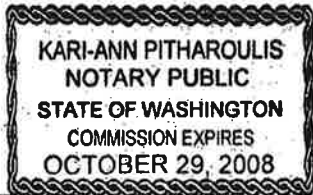
Dated: May 14, 2008

Kari-Ann Pitharoulis

NOTARY PUBLIC in and for the State of Washington, residing at Olympia

My appointment expires 10-29-08

Print Name Kari-Ann Pitharoulis



STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

This instrument was acknowledged before me on the 14th day of May, 2008, by CYNTHIA IYALL, as the CHAIRMAN of the NISQUALLY TRIBE.

Dated: May 14, 2008

Kari-Ann Pitharoulis

NOTARY PUBLIC in and for the State of Washington, residing at Olympia

My appointment expires 10-29-08

Print Name Kari-Ann Pitharoulis

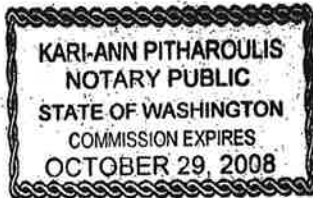


EXHIBIT C

Legal Description and Diagram of the Easements

NISQUALLY TRIBE WELLFIELD EASEMENT AREA

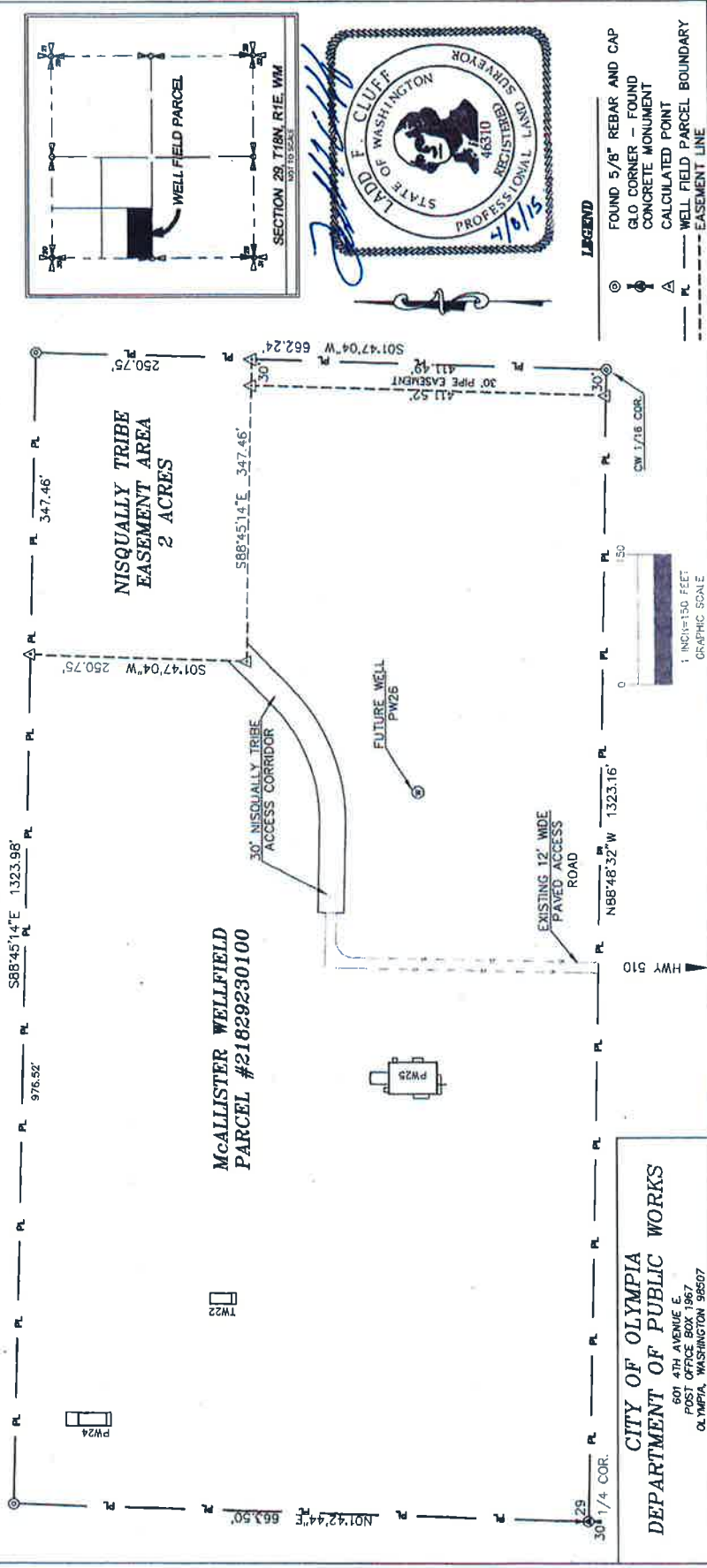
The North 250.75 feet of the East 347.46 feet of the South half of the Southwest Quarter of the Northwest Quarter of Section 29, Township 18 North, Range 1 East, Willamette Meridian, Thurston County Washington.

Containing two (2) acres, more or less.

TOGETHER WITH: A 30 foot wide pipeline easement, being the East 30.00 feet of said South half of the Southwest Quarter of the Northwest Quarter of Section 29, Township 18 North, Range 1 East, Willamette Meridian, Thurston County Washington.

EXHIBIT "C"

McALLISTER WELLFIELD ~ NISQUALLY TRIBE EASEMENT AREA
 SITUATED IN THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 29,
 TOWNSHIP 18 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, THURSTON COUNTY, WASHINGTON



**CITY OF OLYMPIA
 DEPARTMENT OF PUBLIC WORKS**
 601 4TH AVENUE E.
 POST OFFICE BOX 1967
 OLYMPIA, WASHINGTON 98507



City Council

Adoption of Council Resolution Declaring a Substantial Need for Property Tax

Agenda Date: 11/17/2015
Agenda Item Number: 4.C
File Number: 15-1076

Type: resolution **Version:** 1 **Status:** Consent Calendar

Title

Adoption of Council Resolution Declaring a Substantial Need for Property Tax

Recommended Action

Council Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Move to adopt the resolution declaring a substantial need for property tax.

Report

Issue:

Should the Council pass a resolution of substantial need to allow for a 1percent increase in property tax levy for 2016 tax collections?

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None. Consent calendar item.

Background and Analysis:

An increase in the property tax levy is limited to the lower of 1percent or the rate of inflation as measured by the implicit price deflator (IPD) plus new construction. The IPD affecting 2016 tax assessment is 0.251 percent. To increase the levy beyond the IPD up to 1 percent requires the council to pass a resolution of substantial need with a super majority of the Council present voting in the affirmative.

If the Council desires to not increase to the full 1% maximum increase, but increase the limit to an amount greater than 0.251 percent the resolution would still need to be adopted. Then the Council could direct staff to use a specific amount of increase up to 1% for the tax levy ordinance.

The Council will be presented with an ordinance later on today's council meeting agenda to set the 2015 levy for 2016 collections. The 2016 preliminary budget is based on a 1 percent increase. The

difference between the IPD allowable increase and 1percent increase is \$101,523.

Neighborhood/Community Interests (if known):

None.

Options:

- 1) Approve the resolution.
- 2) Do not approve the resolution.

Financial Impact:

Would allow for an amount of up to \$101,523 in property tax to be assessed, which would exceed the IPD limit of 0.251%.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, MAKING A DECLARATION OF SUBSTANTIAL NEED FOR PURPOSES OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2015 FOR 2016 COLLECTIONS.

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or over is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the Federal Department of Commerce in September of the year before the taxes are payable; and

WHEREAS, "inflation" for July 2015 is 0.251 percent and the limit factor is 100.251 percent, meaning the taxes levied in the City of Olympia in 2015 for collection in 2016; and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a finding of substantial need through a vote of approval by a majority plus one of the City Council; and

WHEREAS, the projected revenues in the 2016 Preliminary Operating Budget was prepared based on a limit factor of 101 percent; and

WHEREAS, a limit factor of less than 101 percent will cut programs and services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

That a finding is made of substantial need under RCW 84.55.0101, which authorizes use of a limit factor of 101 percent for the property tax levy for 2015 for collection in 2016.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of _____, 2015.

MAYOR

MAYOR PRO-TEM

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

ATTEST:

APPROVED AS TO FORM:

CITY CLERK



City Attorney



City Council

Approval of Ordinance to Create a Development Fee Revenue Fund

Agenda Date: 11/17/2015
Agenda Item Number: 4.D
File Number: 15-1077

Type: ordinance **Version:** 1 **Status:** 1st Reading-Consent

Title:

Approval of Ordinance to Create a Development Fee Revenue Fund

Recommended Action

Committee Recommendation:

The Finance Committee recommended at its October 14, 2015 meeting that the Council approve an ordinance to create a Development Fee Revenue Fund.

City Manager Recommendation:

Move to approve the ordinance to create a Development Fee Revenue Fund on first reading and move to second reading.

Report

Issue:

Whether to create a fund for the purpose of receiving fees collected for management of development, to be used to pay costs related to the management of development.

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None. Consent calendar item.

Background and Analysis:

Development fee revenue is receipted into the General Fund as program revenue of the Community Planning & Development Department. This revenue should be used only to support costs related to development. It is currently difficult to track the correlation of revenue and use of the revenue. Often revenue is collected on projects and the costs related to that development project occur outside of the City's fiscal year in which the revenue was collected. This is especially true for large projects. General Fund appropriations (budget) lapse at year end. Tracking of revenue collected in one year for use in another within the General Fund is very difficult and is not currently being done. The recommendation is to create a Development Fee Fund where development fee revenue would be receipted. The budget for management of projects would remain within the General Fund. When expenses are identified that should be paid from development fees, there would be a transfer from

the Development Fee Fund to the General Fund to reimburse for those costs. Costs would include indirect and overhead costs.

Neighborhood/Community Interests (if known):

None.

Options:

- 1) Approve the ordinance.
- 2) Do not approve the ordinance and retain the current accounting for development fee revenue.

Financial Impact:

There is no direct financial impact in creation of the fund. Creation of the fund will improve management effectiveness of development fee revenue and identification of related costs.

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, CREATING A FUND TO BE KNOWN AS THE DEVELOPMENT FEE REVENUE FUND.

WHEREAS, the City of Olympia collects development fees to pay for the costs of managing development, including but not limited to personnel, equipment, consulting services, direct and indirect support and overhead, and other costs attributable to management of development and;

WHEREAS, the costs of management of development often are not incurred in the same fiscal year in which the fees are collected, and;

WHEREAS, administration of applying fees to costs related to management of development would be enhanced by the creation of a "Development Fee Revenue Fund.

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

Section 1. Development Fee Revenue Fund - Created. There is hereby created a fund to be known as the "Development Fee Revenue Fund" (the Fund).

Section 2. Development Fee Revenue Fund - Sources.

A. There shall be deposited into the Fund fees collected for management of development, including but not limited to: Building permits, electrical permits, plumbing permits, mechanical permits, engineering permits, zoning fees, subdivision fees, inspection fees, and plan check fees.

B. Fees deposited into the Fund shall be fees collected for management of development within the General Fund.

Section 3. Development Fee Revenue Fund - Uses. Funds within the Fund shall be used to reimburse costs related to management of development within the General Fund, including but not limited to: personnel, equipment, consulting services, direct and indirect support and overhead, and other costs attributable to management of development.

Section 4. Development Fee Revenue Fund - Target Balance Fund. The City Council shall establish a Target Fund Balance for the Fund. The City Council shall establish policies for management of the Target Fund Balance, which shall address at minimum, actions to be taken when the Fund Balance exceeds or is less than the Target Fund Balance.

Section 5. Development Fee Revenue Fund - Processes. The City Manager shall establish processes to identify costs to be reimbursed by the Fund. For Fiscal Year 2015, the amount to be reimbursed by the Fund shall be the budget amount of development fees.

Section 6. Development Fee Revenue Fund - Transfers. If the City Council closes or discontinues the Fund, any remaining funds in the Fund shall be transferred to the General Fund of the City.

Section 7. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 8. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 9. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



City Council

Approval of Ordinance to Create a Parking Fund

Agenda Date: 11/17/2015
Agenda Item Number: 4.E
File Number: 15-1078

Type: ordinance **Version:** 1 **Status:** 1st Reading-Consent

Title:

Approval of Ordinance to Create a Parking Fund

Recommended Action

Committee Recommendation:

The Finance Committee recommended at its October 14, 2015 meeting that the Council approve an ordinance to create a Parking Fund.

City Manager Recommendation:

Move to approve the ordinance to create a Parking Fund on first reading and move to second reading.

Report

Issue:

Whether to create a fund for the purpose of receiving parking-related revenues, and to pay for parking system management and development.

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None. Consent calendar item.

Background and Analysis:

The proposal is to create a Parking Fund that would account for parking operations and retain revenue not needed for operations and overhead to be used for parking management improvement and equipment replacement within that Fund. Parking management operations are accounted within the Community Planning & Development Department. Most of the time, when the development activities are analyzed, the parking portion needs to be separated from other activities of the department. A separate Parking Fund would remove that need and make it easier to analyze development and parking activities. Parking revenue in excess of operations and overhead is transferred to a special account within the Special Accounts Control Fund to be set aside for future parking management improvements and equipment replacement. When the new Fund is created we

would also close the special parking account and transfer any parking funds remaining in the Special Accounts Control Fund to the new Fund.

Neighborhood/Community Interests (if known):

None.

Options:

- 1) Approve the ordinance.
- 2) Do not approve the ordinance and retain the current accounting for parking activity.

Financial Impact:

There is no direct financial impact in creation of the fund. Creation of the fund will improve tracking effectiveness of parking revenue and costs.

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, CREATING A FUND TO BE KNOWN AS THE PARKING FUND.

WHEREAS, the City of Olympia manages parking within its city limits; and

WHEREAS, the administration and management of parking revenue and operations would be enhanced by the creation of a "Parking Fund."

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

Section 1. Parking Fund - Created. There is hereby created a Fund to be known as the "Parking Fund."

Section 2. Parking Funds - Sources. There shall be deposited into the Parking Fund revenues received from parking fines, revenue for parking on City streets and other City property, parking permits, parking meter tokens, electric vehicle charging, other parking which may be managed by the City, grants, debt proceeds related to capital or operation of the Parking Fund, and other monies which the City Council may direct to be deposited in the Parking Fund.

Section 3. Parking Fund - Uses. Funds within the Parking Fund shall be used for the operations and management of the Parking Program, capital improvements to the parking systems, programs and improvements to support economic development in areas where the City collects parking revenue, debt service on debt issued to support or enhance the parking system, direct and indirect overhead which supports parking operations and management, and other items at the direction of the City Council.

Section 4. Parking Fund - Transfers. If the City Council closes or discontinues the Parking Fund, any remaining funds in the Fund shall be transferred to the General Fund of the City.

Section 5. Parking Management Account - Closed. The Parking Management Account within the Special Accounts Control created by Ordinance No. 5975 is hereby closed and any funds remaining in the Account shall be transferred to the Parking Fund.

Section 6. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or application of the provisions to other persons or circumstances shall remain unaffected.

Section 7. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 8. Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

**PASSED:
APPROVED:**

PUBLISHED:



City Council

Public Hearing on the 2017-2022 Six-year Transportation Improvement Program

Agenda Date: 11/17/2015
Agenda Item Number: 5.A
File Number: 15-0130

Type: public hearing **Version:** 1 **Status:** Public Hearing

Title

Public Hearing on the 2017-2022 Six-year Transportation Improvement Program

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Hold a Public Hearing on the 2017-2022 Transportation Improvement Program (TIP)

Report

Issue:

Whether the City Council should approve the 2017-2022 Six-year Transportation Improvement Program (TIP).

Staff Contact:

David Smith, Transportation Project Engineering, Public Works Department, 360.753.8496

Presenter(s):

David Smith, Transportation Project Engineering, Public Works Department

Background and Analysis:

Washington State Department of Transportation (WSDOT) requires local governments to outline their specific transportation needs in a six-year TIP. Projects need to be identified in the TIP before cities can receive state and federal funding. City staff updates the TIP annually to ensure that all projects identified in the *Capital Facilities Plan* (CFP) are reflected in the TIP. The TIP will be submitted to WSDOT in July every year.

It is important to note that City staff works closely with state and federal agencies to understand funding criteria. Every year, staff reviews projects and makes revisions to the TIP so the City is in the best position to successfully secure funding.

The cost estimates and project schedules in the TIP are preliminary and will be updated when funding is requested. The TIP is organized as follows:

1. Fully Funded Projects. These projects have received grant funding and are in the process of being implemented.
2. Capacity Projects. These projects do not meet current levels of service (capacity) as defined by the Olympia Comprehensive Plan (Comp Plan). They often have multiple funding sources including impact fees, grants, and City general fund dollars.
3. Annual Programs. These programs fund multiple projects within specific categories and are in alphabetical order:
 - Access and Safety Improvements.
 - Bike Improvements.
 - Sidewalks and Pathways.
 - Street Repair and Reconstruction.
4. Parks, Arts and Recreation Projects, in priority order. These projects are included in order to qualify them for state and federal funding.

A table summarizing the 2017-2022 TIP is attached. The 2017-2022 Six-year TIP in the required WSDOT format, which will be sent to WSDOT, is also attached. Adoption of the TIP is scheduled for December 8, 2015.

Neighborhood/Community Interests (if known):

City staff distributed the draft 2017-2022 TIP and gave notice of the Public Hearing to the following organizations: City-recognized neighborhood associations, the West Olympia Business Association, Intercity Transit and WSDOT, Thurston Regional Planning Council, the cities of Lacey and Tumwater, Thurston County, Bicycle Pedestrian Advisory Committee (BPAC), Olympia Safe Streets Campaign and other interested parties.

Options:

1. Hold a public hearing on the 2017-2022 Six-year Transportation Improvement Program (TIP).

The City Council is scheduled to adopt a resolution approving the 2017-2022 TIP on December 8, 2015. Prior to adoption, any changes to the 2017-2022 Capital Facilities Plan will be incorporated into the TIP. The City will meet state law for updating the TIP annually and be eligible for grant funding on the listed projects.

Financial Impact:

The 2017-2022 TIP identifies 19 projects totaling approximately \$95 million. The City is seeking more than \$17.7 million in federal funding and \$23.4 million in state funding. The CFP establishes specific funding sources and commitment for funding of the projects in the TIP.

Attachment(s):

1. TIP Project Summary 2017-2022
2. TIP Project Maps
3. TIP WSDOT Technical Report, 2017-2022



Six Year Transportation Improvement Program Summary 2017 - 2022

The City is required by State law to prepare a six-year Transportation Improvement Program (TIP) and submit it to the Washington State Department of Transportation (WSDOT). City staff updates the TIP annually to reflect the City's most recent Capital Facilities Plan (CFP). Projects need to be identified in the TIP before cities can receive state and federal funding. The following includes a list of the current TIP projects. For more detailed information please refer to the complete 2017-2022 Capital Facilities Plan.

Map No.	Project Name	Description	Project Origin	Planned Grant Funds	Planned Local Funds	Total Funds	Comments
1	Boulevard Road and Morse-Merryman Road Roundabout	<i>Project Limits:</i> Intersection of Boulevard Road and Morse-Merryman Road <ul style="list-style-type: none"> Construct a single lane roundabout, sidewalks, planter strips, street lighting, bike lanes, stormwater improvements and underground overhead utilities. 	Capacity Need	\$2,038,162	\$2,269,788	\$4,307,950	Design and Right of Way phases are funded. Construction phase is partially funded.
2	Pacific Avenue Pedestrian Crossing Improvements	<i>Project Limits:</i> Intersections of Pacific Avenue and Devoe Street, Pacific Avenue and Lansdale Street <ul style="list-style-type: none"> Install a crosswalk, signing and pedestrian-activated beacons. Replace or install curb access ramps to meet ADA standards as needed. 	Access and Safety Improvement	\$273,200	\$0	\$273,200	Funding secured. Construction in 2017.
3	Quince Street Sidewalk	<i>Project Limits:</i> Quince Street sidewalk from Miller Avenue to Reeves Middle School <ul style="list-style-type: none"> Remove existing asphalt walking path and replace it with curb and a 6-foot wide concrete sidewalk. Implement bicycle and pedestrian safety education efforts. 	Parks & Pathways Sidewalk Program	\$172,050	\$37,635	\$209,685	
4	Mottman Road Bike Lanes and Half Street Frontage Improvement	<i>Project Limits:</i> Mottman Road from Mottman Court to SPSCC <ul style="list-style-type: none"> Construct sidewalk, planter strip and streetlights on one side; widen for Class II bike lanes and pave street. 	Street Repair and Reconstruction Program	\$5,860,000	\$0	\$5,860,000	

Map No.	Project Name	Description	Project Origin	Planned Grant Funds	Planned Local Funds	Total Funds	Comments
5	Boulevard Road and Log Cabin Road – Phase 2: East Leg	<p><i>Project Limits:</i> Intersection of Boulevard Road and Log Cabin Road</p> <ul style="list-style-type: none"> Construct fourth leg of the roundabout to the east; includes sidewalk, planter strip, streetlighting and 2 to 3 lanes. 	Capacity Need	\$1,359,433	\$1,491,954	\$2,851,387	
6	Fones Road Widening	<p><i>Project Limits:</i> Fones Road from 18th Avenue to Pacific Avenue</p> <ul style="list-style-type: none"> Widen to 3 to 5 lanes, sidewalks, planter strips, bike lanes, streetlighting, stormwater improvements, underground overhead utilities, and roundabout. 	Capacity Need	\$8,229,040	\$9,054,187	\$17,283,227	
7	Cain Road and North Street Intersection Improvements	<p><i>Project Limits:</i> Intersection of Cain Road and North Street; 300 feet south of North Street to 300 feet north of North Street</p> <ul style="list-style-type: none"> Intersection capacity improvements may include lane striping and signal, bike lanes, sidewalks, planter strips, streetlighting, and underground overhead utilities. 	Capacity Need	\$1,458,568	\$1,610,423	\$3,068,991	
8	Henderson Boulevard and Eskridge Boulevard Intersection Improvements	<p><i>Project Limits:</i> Intersection of Henderson Boulevard and Eskridge Boulevard; 300 feet south of Eskridge and 300 feet north of Eskridge</p> <ul style="list-style-type: none"> Intersection capacity improvements include roundabout, sidewalks, planter strips, bike lanes, streetlighting, stormwater, and underground overhead utilities. 	Capacity Need	\$1,801,541	\$1,981,415	\$3,782,956	
9	Wiggins Road and 37 th Avenue Intersection Improvements	<p><i>Project Limits:</i> Intersection of Wiggins Road and 37th Avenue; 300 feet north of 37th to 300 feet south of 37th</p> <ul style="list-style-type: none"> Intersection capacity improvements include roundabout, sidewalks, planter strips, bike lanes, streetlighting, stormwater, and underground overhead utilities. 	Capacity Need	\$3,433,041	\$3,787,209	\$7,220,250	

Map No.	Project Name	Description	Project Origin	Planned Grant Funds	Planned Local Funds	Total Funds	Comments
10	Log Cabin Road Extension	<p><i>Project Limits:</i> Log Cabin Road from Boulevard Road to Hoffman Road</p> <ul style="list-style-type: none"> Extend Minor Arterial roadway. Funding is to construct median. 	Capacity Need	\$0	\$4,265,722	\$4,265,722	
Various Locations Citywide	Access and Safety Improvements	<p><i>Project Limits:</i> Various locations</p> <ul style="list-style-type: none"> The purpose of this program is to improve access and safety for all users of the transportation system: Hazard Elimination and Safety projects improve safety on high accident street sections or intersections. Projects may include new guardrails, railroad crossings, and intersection improvements. Pedestrian Crossing Improvements help pedestrians cross major streets. Improvements may include bulb-outs, crossing islands, and/or flashing crosswalk beacons. Street Access projects remove barriers on walkways for persons with disabilities. Projects may include ADA access ramps or audible pedestrian signals. 	Access and Safety Improvements	\$0	\$200,000	\$200,000	
Various Locations Citywide	Bike Improvements	<p><i>Project Limits:</i> Various locations</p> <ul style="list-style-type: none"> The purpose of this program is to complete elements of the bicycle network: Bike Corridors: Low-volume, low-stress streets improved for bicycle travel. Other improvements: Gaps and spot improvements in the bike lane network. 	Bicycle Improvements	\$0	\$151,530	\$151,530	
Various Locations Citywide	Sidewalks and Pathways	<p><i>Project Limits:</i> Various Locations</p> <ul style="list-style-type: none"> The purpose of this program is to: Maintain and repair sidewalks and pathways. Construct pathways for pedestrians and bicyclists. Pathways are non-motorized short-cuts that link streets to parks, schools, trails, and other streets. Pathways for improvement will be identified by neighborhoods. Construct new sidewalks based upon the 2004 Sidewalk Program. The program focuses on building sidewalks on at least one side of arterials, major collectors, and neighborhood collectors. 	Sidewalks and Pathways	\$0	\$7,269,000	\$7,269,000	

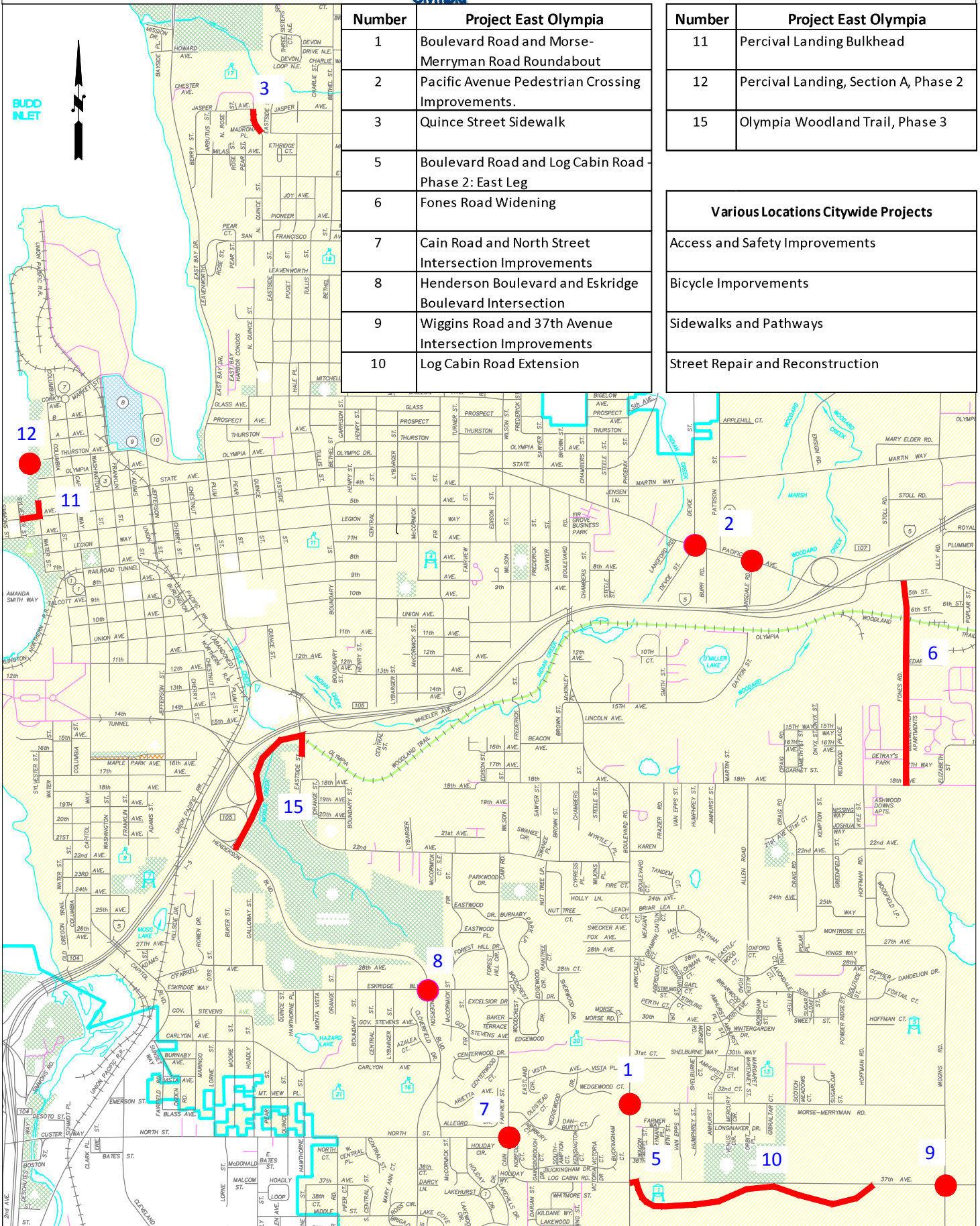
Map No.	Project Name	Description	Project Origin	Planned Grant Funds	Planned Local Funds	Total Funds	Comments
Various Locations Citywide	Street Repair and Reconstruction	<p><i>Project Limits:</i> Various locations</p> <ul style="list-style-type: none"> This program addresses: Complete Street Reconstruction projects address streets with pavement in the worst condition. These reconstruction projects add bicycle and pedestrian facilities at the time the street is reconstructed. Maintenance projects that are beyond the capacity of City maintenance crews. These projects include, for example, repairing and replacing striping, guardrails, railing, signals and lighting. Major Resurfacing projects are repaving projects that may include other elements such as ADA access ramps and bulb-outs for pedestrians at intersections. Street Preservation is an on-going effort to preserve the condition of our streets and delay major reconstruction. This may include, for example, chip sealing streets and sealing cracks. 	Street Repair and Reconstruction Program	\$0	\$13,584,000	\$13,584,000	
11	Percival Landing Bulkhead	<p><i>Project Limits:</i> State Avenue and 4th Avenue</p> <ul style="list-style-type: none"> Construct a bulkhead along Water Street and 4th Avenue to protect the existing streets and utilities. 	2010 Parks, Arts & Recreation Plan	\$1,929,500	\$1,070,500	\$3,000,000	
12	Percival Landing, Section A, Phase 2	<p><i>Project Limits:</i> Percival Landing</p> <ul style="list-style-type: none"> Boardwalk and float replacement. 	Identified Maintenance Needs	\$10,840,600	\$5,339,400	\$16,180,000	
13	Grass Lake Nature Park Trail Connection	<p><i>Project Limits:</i> Cooper Point Road to Regional Trail.</p> <ul style="list-style-type: none"> Design and construct trail. 	2010 Parks, Arts & Recreation Plan	\$402,000	\$198,000	\$600,000	
14	Yauger Park Trail Connection	<p><i>Project Limits:</i> Yauger Park to Harrison Avenue</p> <ul style="list-style-type: none"> Design and construct trail. 	2010 Parks, Arts & Recreation Plan	\$323,610	\$159,390	\$483,000	
15	Olympia Woodland Trail, Phase 3	<p><i>Project Limits:</i> From Henderson Boulevard to Eastside Street</p> <ul style="list-style-type: none"> Design and construct trail. 	2010 Parks, Arts & Recreation Plan	\$2,983,000	\$1,492,000	\$4,475,000	

2017 - 2022 Projects

Six-Year Transportation Improvement Program



Olympia and Vicinity



Number	Project East Olympia
1	Boulevard Road and Morse-Merryman Road Roundabout
2	Pacific Avenue Pedestrian Crossing Improvements.
3	Quince Street Sidewalk
5	Boulevard Road and Log Cabin Road - Phase 2: East Leg
6	Fones Road Widening
7	Cain Road and North Street Intersection Improvements
8	Henderson Boulevard and Eskridge Boulevard Intersection
9	Wiggins Road and 37th Avenue Intersection Improvements
10	Log Cabin Road Extension

Number	Project East Olympia
11	Percival Landing Bulkhead
12	Percival Landing, Section A, Phase 2
15	Olympia Woodland Trail, Phase 3

Various Locations Citywide Projects	
Access and Safety Improvements	
Bicycle Improvements	
Sidewalks and Pathways	
Street Repair and Reconstruction	

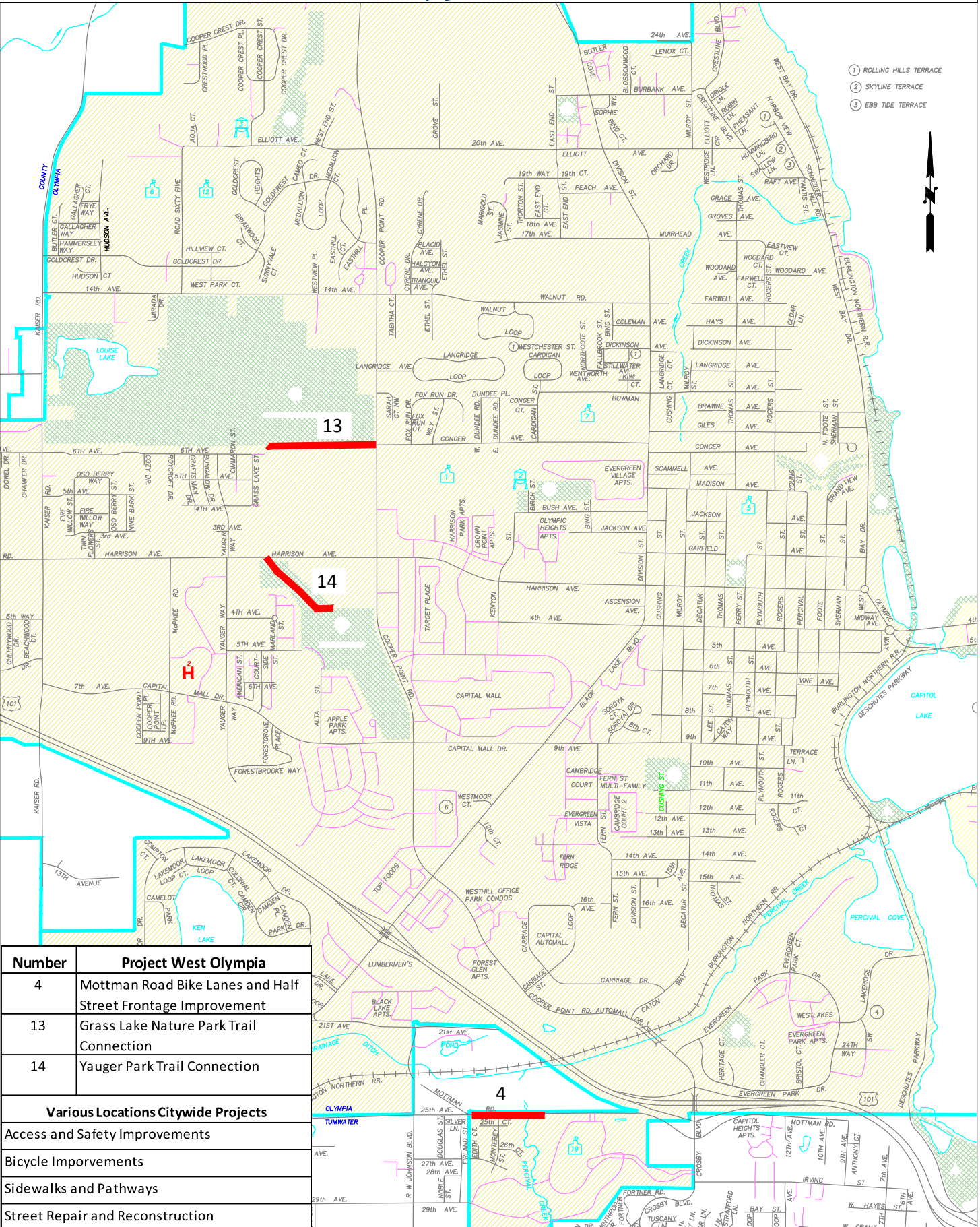
2017 - 2022 Projects

Six-Year Transportation Improvement Program



Olympia and Vicinity

- ① ROLLING HILLS TERRACE
- ② SKYLINE TERRACE
- ③ EBB TIDE TERRACE



Number	Project West Olympia
4	Mottman Road Bike Lanes and Half Street Frontage Improvement
13	Grass Lake Nature Park Trail Connection
14	Yauger Park Trail Connection
Various Locations Citywide Projects	
Access and Safety Improvements	
Bicycle Improvements	
Sidewalks and Pathways	
Street Repair and Reconstruction	

Agency: Olympia
 County: Thurston
 MPO: TRPC MPO

Hearing Date: 11/17/2015
 Adoption Date: Amendment Date:
 Resolution #: Amendment #:

Six Year Transportation Improvement Program

From 2017 to 2022

Functional Class	Priority Number	Project Title Regionally Significant (Y/N) Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	STIP ID: Fed. Aid # Agency ID: MPO ID:	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs					Fed. Funded Projects Only		
										Federal Funding		State Funding			Envir. Type	R/W Reqrd? (Date)	
										Fed. Fund Code	Cost by Phase	Fund Code	State Funds	Local Funds			Total Funds
16		Boulevard Road and Morse-Merryman Road Roundabout N Boulevard Road from: at Morse-Merryman Road to: N/A Structure Id Construct a single lane roundabout, sidewalks, planter strips, street lighting, bike lanes, stormwater improvements and undergrounding of overhead utilities.	Oly1101c 5253005 110 NRS	3	0.20	C G P S T W	CN	P	2017			TIB	1266375	2149335	3,415,710	CE	Y
							CN	P	2017	STP(US)	771787		120453	892,240			
Totals											771,787		1,266,375	2,269,788	4,307,950		
0		Pacific Avenue Pedestrian Crossing Improvements N Pacific Avenue from: Devoe Street to: Landsdale Road Structure Id At Devoe Street and Landsdale Road, install a crosswalk, signing and pedestrian-activated flashing beacons. Replace or install curb access ramps to meet ADA standards as needed.	Oly1513b 5282005 111 NRS	28			CN	S	2017	HSIP	273200			273,200	CE	Y	
Totals											273,200			273,200			
17		Quince Street Sidewalk N Quince Street Sidewalk from: Miller Avenue to: Reeves Middle School Structure Id Remove existing asphalt walking path and replace it with curb and a concrete sidewalk.	Oly1312f 112 NRS	28	0.14		CN	S	2017	TAP(SR)	172050		37635	209,685	CE	N	
Totals											172,050		37,635	209,685			
17		Mottman Road Bike Lanes and Half Street Frontage Improvement N Mottman Road from: Mottman Court to: SPSCC Structure Id Construct Sidewalk, Planter Strip, and Streetlights on one side; Widen for Class II Bike Lanes and Overlay Street.	Oly1108c 113 NRS	28	0.18	G P S T W	PE	S	2022			OTHER	552600	552,600	CE	Y	
							RW	S	2022			OTHER	599500	599,500			
							CN	S	2022			OTHER	4707900	4,707,900			
Totals													5,860,000	5,860,000			
16		Boulevard Road and Log Cabin Road - Phase 2: East Leg Y Log Cabin Road from: Boulevard Road to: N/A Structure Id Construct fourth leg of the roundabout to the east; includes sidewalk, planter strip, streetlighting and 2/3 lane street cross-section.	Oly1101d 120 A4	1	0.11	C G P S T W	PE	P	2019			TIB	101891	111824	213,715	CE	N
							CN	P	2020			TIB	1257542	1380130	2,637,672		
Totals													1,359,433	1,491,954	2,851,387		

Agency: Olympia
 County: Thurston
 MPO: TRPC MPO

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Six Year Transportation Improvement Program
From 2017 to 2022

Functional Class	Priority Number	Project Title Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	Regionally Significant (Y/N)	STIP ID: Fed. Aid # Agency ID: MPO ID:	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs				Fed. Funded Projects Only			
											Federal Funding		State Funding			Envir. Type	R/W Reqrd? (Date)	
											Fed.Fund Code	Cost by Phase	Fund Code	State Funds	Local Funds			Total Funds
16		Fones Road Widening Fones Road from: 18th Avenue to: Pacific Avenue Structure Id Widen to 3/5 lanes, sidewalks, planter strips, bike lanes, streetlighting, stormwater improvements, undergrounding of overhead utilities and roundabout.	Y	STIP ID: Oly1102a Fed. Aid # Agency ID: 122 MPO ID: C17	3	0.67	C G P T W	PE	P	2018			TIB	515997	567737	1,083,734	CE	Y
								RW	P	2018			TIB	2308224	2539676	4,847,900		
								CN	P	2019			TIB	5404819	5946774	11,351,593		
								Totals						8,229,040	9,054,187	17,283,227		
16		Cain Road and North Street Intersection Improvements Cain Road from: 300 feet south of North Street to: 300 feet north of North Street Structure Id Intersection capacity improvements may include lane channelization and signal, bike lanes, sidewalks, planter strips, streetlighting and undergrounding of overhead utilities.	N	STIP ID: Oly1104a Fed. Aid # Agency ID: 124 MPO ID: NRS	3	0.12	C G P T	PE	P	2019			TIB	99923	110327	210,250	CE	Y
								RW	P	2019			TIB	77135	85165	162,300		
								CN	P	2020			TIB	1281510	1414931	2,696,441		
								Totals						1,458,568	1,610,423	3,068,991		
16		Henderson Boulevard and Eskridge Boulevard Intersection Improvements Henderson Boulevard from: 300 feet south of Eskridge Bl to: 300 feet north of Eskridge Bl Structure Id Intersection capacity improvements include roundabout, sidewalks, planter strips, bike lanes, streetlighting, stormwater and undergrounding of overhead utilities.	N	STIP ID: Oly1105a Fed. Aid # Agency ID: 125 MPO ID: NRS	3	0.12	C G P T	PE	P	2019			TIB	96197	105801	201,998	CE	Y
								RW	P	2019			TIB	134200	147600	281,800		
								CN	P	2020			TIB	1571144	1728014	3,299,158		
								Totals						1,801,541	1,981,415	3,782,956		
17		Wiggins Road and 37th Avenue Intersection Improvements Wiggins Road from: 300 feet north of 37th Ave. to: 300 feet south of 37th Ave. Structure Id Intersection capacity improvements include roundabout, sidewalks, planter strips, bike lanes, streetlighting, stormwater and undergrounding of overhead utilities.	N	STIP ID: Oly1106a Fed. Aid # Agency ID: 126 MPO ID: NRS	3	0.12	C G P T	PE	P	2020			TIB	157765	174041	331,806	CE	Y
								RW	P	2020			TIB	572756	631844	1,204,600		
								CN	P	2021			TIB	2702520	2981324	5,683,844		
								Totals						3,433,041	3,787,209	7,220,250		
16		Log Cabin Road Extension Log Cabin Road from: Boulevard Road to: Hoffman Road Structure Id Extend Minor Arterial roadway. Funding is to construct median.	N	STIP ID: Oly1107a Fed. Aid # Agency ID: 127 MPO ID: NRS	1	1.00	C G P S T W	ALL	P	2017				4265722	4,265,722	CE	Y	
								Totals							4,265,722			4,265,722

Agency: Olympia
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Six Year Transportation Improvement Program

From 2017 to 2022

Functional Class	Priority Number	Project Title Regionally Significant (Y/N) Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs					Fed. Funded Projects Only		
									Federal Funding		State Funding			Envir. Type	R/W Reqrd? (Date)	
									Fed.Fund Code	Cost by Phase	Fund Code	State Funds	Local Funds			Total Funds
0		Access and Safety Improvements N Various Locations from: N/A to: N/A Structure Id The purpose of this program is to improve access and safety for all users of the transportation system: Hazard Elimination and Safety projects improve safety on high accident street sections or intersections. Projects may include new guardrails, railroad crossings, and intersection improvements. Pedestrian Crossing Improvements help pedestrians cross major streets. Improvements may include bulb-outs, crossing islands, and/or flashing crosswalk beacons. Street Access projects remove barriers on walkways for persons with disabilities. Projects may include ADA access ramps or audible pedestrian signals.		28	C G P T W	PE CN	P P	2017 2017					40800 159200	40,800 159,200	CE	N
Totals												200,000	200,000			
0		Bike Improvements N Various Locations from: N/A to: N/A Structure Id The purpose of this program is to complete elements of the bicycle network: Bike Corridors: Low-volume, low-stress streets improved for bicycle travel. Other Improvements: Gaps and spot improvements in the bike lane network.		28		PE CN	P P	2017 2017					36060 115470	36,060 115,470	CE	N
Totals												151,530	151,530			
0		Sidewalks and Pathways N Various Locations from: N/A to: N/A Structure Id This purpose of this program is to: Maintain and repair sidewalks and pathways. Construct pathways for pedestrians and bicyclists. Pathways are non-motorized short-cuts that link streets to parks, schools, trails, and other streets. Pathways for improvement will be identified by neighborhoods. Construct new sidewalks based upon the 2004 Sidewalk Program. The program focuses on building sidewalks on at least one side of arterials, major collectors, and neighborhood collectors.		28		PE CN	P P	2017 2017					989000 6280000	989,000 6,280,000	CE	N
Totals												7,269,000	7,269,000			

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Six Year Transportation Improvement Program

From 2017 to 2022

Functional Class	Priority Number	Project Title Regionally Significant (Y/N) Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs						Fed. Funded Projects Only	
									Federal Funding		Fund Source Information				Envir. Type	R/W Reqrd? (Date)
									Fed. Fund Code	Cost by Phase	Fund Code	State Funds	Local Funds	Total Funds		
0		Street Repair and Reconstruction N Various Locations from: N/A to: N/A Structure Id This program addresses: Complete Street Reconstruction projects address streets with pavement in the worst condition. These reconstruction projects add bicycle and pedestrian facilities at the time the street is reconstructed. Maintenance projects that are beyond the capacity of City maintenance crews. These projects include, for example, repairing and replacing striping, guardrails, railing, signals, and lighting. Major Resurfacing projects are repaving projects that may include other elements such as ADA access ramps and bulb-outs for pedestrians at intersections. Street Preservation is an on-going effort to preserve the condition of our streets and delay major reconstruction. This may include, for example, chip sealing streets and sealing cracks.	4		C G T W	PE CN	P P	2017 2017					2863000 10721000	2,863,000 10,721,000	CE	N
Totals												13,584,000	13,584,000			
0		Percival Landing Bulkhead N from: State Avenue to: 4th Avenue Structure Id Construct a bulkhead along Water Street and 4th Avenue to protect the existing streets and utilities.	28	0.10		CN PE	P P	2019 2017	STP(E) STP(E)	1729500 200000			970500 100000	2,700,000 300,000	CE	N
Totals												1,929,500	1,070,500	3,000,000		
0		Percival Landing, Section A, Phase 2 N Percival Landing from: N/A to: N/A Structure Id Boardwalk and float replacement from south end of phase 1 to north end of 'D' dock.	28			CN PE	P P	2020 2019	STP(E) STP(E)	10217500 623100			5032500 306900	15,250,000 930,000	CE	N
Totals												10,840,600	5,339,400	16,180,000		
0		Grass Lake Nature Park Trail Connection N from: Cooper Point Road to: Regional Trail Structure Id Design and construct multi-modal trail.	28	1.00		PE CN	P P	2019 2020	STP(E) STP(E)	67000 335000			33000 165000	100,000 500,000	CE	N
Totals												402,000	198,000	600,000		

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Six Year Transportation Improvement Program

From 2017 to 2022

Functional Class	Priority Number	Project Title Regionally Significant (Y/N) Road Name Structure Id from: Beginning Terminus to: End Terminus Project Description	Improvement Type	Total Length	Utility Codes	Project Phase	Status	Phase Start	Project Costs					Fed. Funded Projects Only					
									Fund Source Information			Total Funds	Envir. Type	R/W Reqrd? (Date)					
									Fed. Fund Code	Cost by Phase	Fund Code				State Funds	Local Funds			
0		Yauger Park Trail Connection from: Yauger Park to: Harrison Boulevard Structure Id Design and construct trail connection.	N	28	0.40	PE	P	2020	STP(E)	42210			20790	63,000	CE	N			
									CN	P	2021	STP(E)	281400					138600	420,000
									Totals				323,610					159,390	483,000
0		Olympia Woodland Trail, Phase 3 from: Henderson Boulevard to: Eastside Street Structure Id Design and construct multi-modal trail.	N	28	0.40	PE	P	2017	STP(E)	450000			225000	675,000	CE	N			
									CN	P	2019	STP(E)	2533000					1267000	3,800,000
									Totals				2,983,000					1,492,000	4,475,000
Grand Totals for Olympia										17,695,747		23,407,998	53,962,153	95,065,898					



City Council

Public Hearing on the 2016-2021 Capital Facilities Plan (CFP)

Agenda Date: 11/17/2015
Agenda Item Number: 5.B
File Number: 15-0956

Type: public hearing **Version:** 2 **Status:** Public Hearing

Title

Public Hearing on the 2016-2021 Capital Facilities Plan (CFP)

Recommended Action

Committee Recommendation:

The Finance Committee reviewed the draft Capital Facilities Plan (CFP). The Planning Commission held a public hearing and the Parks and Recreation Advisory Committee, the Utilities Advisory Committee, and the Bicycle & Pedestrian Advisory Committee have also reviewed and commented on their respective parts of the draft CFP.

City Manager Recommendation:

Hold the public hearing to receive testimony on the proposed CFP. At the end of the testimony, close the public hearing for oral presentations and move to accept written comments until Friday, November 20, 2015 at 5:00 p.m.

Report

Issue:

The hearing is an opportunity for the Council to hear comments from the public on the CFP.

Staff Contact:

Jane Kirkemo, Administrative Services Director, 360.753.8499

Rich Hoey, Public Works Director, 360.753.8495

Paul Simmons, Parks, Arts and Recreation Director, 360.753.8462

Presenter(s):

Jane Kirkemo, Administrative Services Director

Jennifer Priddy, Olympia School District Assistant Superintendent

Background and Analysis:

The City Manager is annually required to present a six-year Capital Facilities Plan (CFP) to the City Council for adoption. The CFP must be balanced (revenues received realistically pay for proposed projects). Such planning involves determining not only where the facilities will be needed, but also when; and not only how much they will cost, but also how they will be paid for and maintained. The CFP is forwarded to the Planning Commission and other advisory committees for their input and

comment. (Advisory committee letters are attached.)

The Planning Commission held a public hearing on the CFP on August 3, 2015.

Because the City of Olympia collects impact fees for the Olympia School District, their CFP is incorporated into the City's document, and the City Council adopts their impact fees by ordinance.

There have been a few significant changes since the draft CFP was presented in July:

- 1) Parks received a youth athletic field grant and funding from the legislature for Percival Landing.
- 2) The City will receive \$51,530 in multi-modal funds for two years as a part of the state transportation funding package,. The City will dedicate these funds to bike improvements.
- 3) Funding from the voted utility tax has decreased (\$50,000). We have reduced project funding in both Parks and Sidewalks.
- 4) Open Space was reduced \$138,348.
- 5) Flood mitigation and collection was increased by \$640,000 based on pre-design work estimates.
- 6) Transportation impact fee-funded projects were revised to reflect impact fee rate increases.
- 7) Voters approved the Metropolitan Parks District (MPD). We have not revised the CFP to reflect the MPD revenues because the MPD board must establish the District and set the rate. The rate will be based on 2017 assessed value numbers that are not available until October 2016. Revenues for the MPD will be received in May-November of 2017. We will revise the Parks CFP narrative to reference the MPD.

Neighborhood/Community Interests (if known):

Staff has made presentations to the Coalition of Neighborhoods Associations and advisory groups on the preliminary document.

Note: The draft CFP document is posted on the City's website. The draft document does not reflect any of the changes mentioned above.

Options:

Hold the public hearing. The Council may close the public hearing tonight but continue to take written testimony until November 20, 2015 at 5:00 p.m.

Financial Impact:

The 2016-2021 Preliminary CFP is \$133 million. There are sufficient revenues from approximately 16 different sources to cover this plan. This plan includes more than \$900,000 in one-time revenue. These one-time funds will be used for Transportation and Park purposes. The Legislature made a change in 2012 allowing the use of 35 percent of the REET (Real Estate Excise Tax) proceeds for operations and maintenance. The current plan assumes all of the REET money will remain in the CFP. 2016 will be the first full-year implementation of the utility tax on cable TV. The plan requires increases in parks, school, and transportation impact fees and general facility charges.



2016-2021 Preliminary Capital Facilities Plan



**2016-2021 Preliminary
Capital Facilities Plan**



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



Information and Resources

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Planning Commission

Carole Richmond, Chair	Jessica Bateman	Jerome Parker
Max Brown	Judy Bardin	Missy Watts
Darrell Hoppe	Kim Andresen	Roger Horn

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

Capital Facilities Technical Team

The City Council wishes to acknowledge the many individuals who contributed to the preparation of this document. In addition to the required review by the Planning Commission, the following advisory groups also provide technical review of the CFP: Bicycle and Pedestrian Advisory Committee, Parks and Recreation Advisory Committee, and the Utility Advisory Committee.

The Capital Facilities Plan is an implementing strategy of the Capital Facilities Element of Olympia’s Comprehensive Plan developed in compliance with the Washington State Growth Management Act.

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



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A Message from Steven R. Hall, Olympia City Manager

July 21, 2015

City Council and Citizens of Olympia,

I am pleased to present the Preliminary 2016-2021 Capital Facilities Plan (CFP). It is the first CFP presented since the adoption of the City's 20-year Comprehensive Plan known as "Imagine Olympia." The Plan is aspirational in that it proposes quality of life enhancements and drives quality redevelopment and private partnerships to make Olympia an even greater city.

The 2016-2021 CFP proposes \$133 million in projects with a continued focus on maintenance. The proposed plan divides project spending into approximately 35% for utilities and 65% for general government projects. The current plan is 40% and 60% respectively. The 2016 plan reflects significant one-time increases in the real estate excise tax (REET,) as well as Transportation Benefit District (TBD) revenues. The proposed plan is 3% less than the current plan predominately because the current plan includes an \$11.9 million loan for the Log Cabin Reservoir.

Reviewing these plan changes made me think twice about our current goal of developing a sustainable budget. I am asking you to think broadly about a sustainable budget and also focus on developing a resilient approach to budgeting. Sustainability has been our guiding star for policies, planning, and operations; but we must also recognize that our budget world is constantly changing. Revenue sources are lost or decreased, expenses grow beyond our control and new mandates are added. Resiliency promises that we will continue to shift and adapt to the changes that come our way. Resiliency means we will be driven by our creativity, our innovation, and our flexibility. With all the changes and challenges facing local governments the need for resiliency becomes imperative. As we move forward as a city, we will need to be flexible and nimble in our planning and budget processes.



Maintaining What We Have

There will always be a strong desire and need for more and better capital infrastructure in Olympia. Infrastructure that is innovative, inclusive, and well-maintained. From roundabouts to recreational splash pads to commercial recycling programs, Olympians want infrastructure that creates a city where we all want to live, work and play. During the recession, maintenance on all of our assets was delayed or reduced. Recent CFP's have returned focus to maintaining what we have. Last year we responded to the maintenance need by applying the utility tax to cable TV.

"...To be resilient, we will need to be flexible and nimble in our planning and budget processes."

Beginning in January of this year, the 6% utility tax on cable is being dedicated to major maintenance. This CFP dedicates that funding to building maintenance, allowing us to maintain our buildings as well as catch up on some past delayed maintenance. In 2016 the two biggest projects are replacing the roof on the maintenance center and replacing the fire alarm and sprinkler system in the jail.

Now that Parks has an asset management plan, we expanded on the maintenance theme in Parks by dedicating \$500,000 in the condition assessment and major maintenance program in each year of the plan. The Parks asset management program utilizes data and strategy to make the necessary improvements. This plan includes replacing the restroom and shelter at Bigelow Park and completes a long awaited trail segment that enhances access to Grass Lake Nature Park in 2016. In addition, the maintenance funding will replace an old septic system at Priest Point Park tying the park into the City sewer system. Replacing the lights and poles in Yauger Park will improve reliability and reduce operations and maintenance costs. Finally, the department recommends installing our first splash pad at one of our neighborhood parks to creatively address a recreational need for water play while reducing the pressure on the Heritage Fountain.

A well-maintained multi-modal network of roads, bike lanes and sidewalks is another key to our economic development. Thanks to some one-time REET and TBD funding, street repairs and reconstruction will see a big impact in 2016 with almost \$500,000 added to the Plan. For several years one of the main Council priorities has been to champion downtown—increasing commerce and private investment to create a safer, cleaner, and more welcoming downtown. So next year we are shifting our street resurfacing funds (approximately \$1.2 million) to improving our downtown streets along with installing audible pedestrian signals at three downtown intersections. We will repair pavement deficiencies on six downtown streets. Additionally, we are pleased to be able to restore some funding for stand-alone bike improvements and sidewalk maintenance using one-time revenues. Previously, bike and sidewalk new construction was primarily accomplished as a part of major street repair and reconstruction. This plan includes \$100,000 in bike improvements next year. The last two years we have received grants from our insurance authority for sidewalk maintenance projects. The small amount (\$20,000) included next year will allow us to apply for additional grants.



These maintenance projects, along with other building and park maintenance projects put us on a path to restore and improve our assets - especially downtown, everybody's neighborhood.

We have changed the way we show our capital projects in the transportation section of the plan. We are hoping this will provide more flexibility (resiliency) when applying for grants or opportunities for one-time revenues. We have combined the projects into four categories:

1. Access and Safety – Includes pedestrian crossings, ADA street access and hazardous elimination projects
2. Bike Improvements – Include bike corridors projects and improvements to gaps in the bike lane network
3. Sidewalks and Pathways – Consists of neighborhood pathways, sidewalk new construction and maintenance
4. Street Repair and Reconstruction – Incorporates major resurfacing and street preservation

UTILITIES

Maintaining good, safe, reliable, and affordable utilities is an important key to our quality of life as well as our economic development. Drinking water accounts for 70% of the utility projects in 2016. Upgrading a booster station at Fones Road to replace existing pumps, electrical components, and associated equipment past their useful life is one of the major projects. The second major project is to construct aeration towers at the Meridian reservoir to raise the pH of the McAllister well water to meet federal safe drinking water standards.

In 2016 wastewater projects include extending gravity sewer mains in conjunction with future roundabouts at the intersection of Morse-Merryman and Boulevard Roads plus upgrading the existing lift station at Old Port. And finally, the 2016 stormwater projects include the East Bay water quality retrofit and the North Percival stormwater modifications. The retrofit project will provide water quality treatment for a portion of East Bay Drive discharging directly to Budd Inlet. The North Percival modifications will replace the outfall structure with one less prone to clogging by beavers as well as enhance the passive education and recreational use of the site.

The utility projects will necessitate modest rate increases. The rate increases plus General Facilities Charges will be discussed as part of the operating budget. We continually strive to offer competitive reliable utility services at an affordable price.

REVENUES

The past decade has forced us to look at CFP funding creatively. We had to be innovative in generating new revenue sources. Olympia was the first city in Washington to implement a Transportation Benefit District (TBD), and aggressively sought an exemption allowing Olympia to apply for State funding for a Public Facilities District (PFD) meant for larger cities. Our efforts were successful and the resulting funds were used to construct the Hands on Children's museum. Although not included in this plan the Council has proposed a Metropolitan Park District (MPD) to be voted on later this year. The MPD could provide up to 75 cents per \$1000 of assessed value for parks funding--approximately \$4.5 million per year. If the MPD is successful, it goes a long way to advancing Olympians' passion for parks. For transportation needs, the Legislature granted authority to increase the TBD fees from \$20 per vehicle to \$40 per vehicle without a vote of the

people. The fee increase is not included in this plan but will be discussed with the TBD board.

With this CFP we are on firm financial footing and we are cautiously optimistic. Our economy that supports the CFP is steadily improving. This CFP has approximately \$750,000 of one-time revenue from the REET and the TBD. We "swept" both of these accounts and appropriated the fund balance. In the TBD we retained a 10% reserve and put the rest in Street Repair and Reconstruction. Additionally the REET account increased substantially due to purchase and sale and then resale of the Albertson's and Safeway stores. This allowed us to put \$350,000 in Percival Landing maintenance and the remainder in Transportation – Bike Improvements, and Street Repair and Reconstruction.

2016 will be the first full year implementation of the utility tax on cable TV. A full year should generate about \$900,000 making it the largest CFP unrestricted revenue source. To catch up on a backlog we have designated these funds for building repair and maintenance.

CONCLUSION

The continued growth and improvement of the City requires both a vision and commitment to move forward with creativity and innovation. I believe this CFP responsibly addresses infrastructure replacement and maintenance, and with the MPD and TBD increase, could move us a giant step forward. This CFP is sustainable because of these new innovative approaches to financing and creative ways to address problems. This plan will initiate and catalyze opportunities and investments that make Olympia a great city in which to prosper today and a more competitive city for the jobs and talent of tomorrow – a resilient city, able to meet the challenges of inevitable change.

I look forward to working with you in the coming months as we shape the CFP.

Respectfully submitted,



Steven R. Hall
City Manager

2015 City Council Priorities

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.

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.

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.

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.



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?

Revised 2015









Readers Guide

Below is the Readers Guide to help navigate the Capital Facilities Plan (CFP) by section with a brief description of what each contains.

Introduction

The **Frequently Asked Questions** have been designed to answer the most commonly asked questions about the Capital Facilities Plan, as well as assist the reader in better understanding elements of the Plan.

The **Executive Summary** provides a summary of project costs and funding sources included in the 2016-2021 six-year planning window.

The **Debt Limitation** section explains the amount of money the City of Olympia can legally borrow. This is important because some capital projects are financed with debt resources.

The **Capital Facilities Plan Explanation** defines the purpose of the CFP, statutory requirements, and methodologies used to develop the CFP in its entirety.

The CFP **Funding Sources** identifies the various revenue sources used by the City to finance capital projects. Charted trends on the collection of impact fees, Real Estate Excise Taxes and Utility Taxes are provided in this section.

Completing the Introduction section is the **Project Funding Report**, which identifies project funding sources for each project in the various program categories. County-funded projects within the City's Urban Growth Boundary are also found here.

"What Are We Building in 2016?"

This section highlights projects that are past the planning and design phase and are "shovel ready" in 2016.

New and Completed Projects

Provides a brief description of all new and recently completed capital projects, the end result of the project, and before and after photos when available. This provides the Council and citizens a way to see how their money is being spent. New projects are those new to the CFP in 2016, and Completed projects are those that were completed in 2016.

Program Sections

The next seven sections include the specific projects proposed for the 2016-2021 CFP six-year plan and are presented in one of the following program categories:

Parks, Arts and Recreation Projects:

Park site acquisition, development and maintenance projects, projects for the construction of individual neighborhood or community parks.

Transportation Projects:

Major street maintenance projects, minor streets, sidewalk, and bridge repair projects, pedestrian accessibility projects; other transportation infrastructure-related projects including bikeways, intersection improvements, street oversizing, traffic calming, etc. Transportation projects have been split into two sections—those not funded by impact fees and those funded by impact fees.

General Capital Facilities Projects:

Includes the City's major building and facilities maintenance, repair and replacement projects, projects for the construction of public facilities, non-typical capital improvement projects or other projects that do not fit any of the other categories.

Drinking Water Projects:

Projects for additional storage for treated water, improving raw water utilization, planning for future water systems and capacity, and reclaimed water.

Wastewater Projects:

Projects providing enhanced treatment of wastewater Septic Tank Effluent Pump (STEP) system management, and planning for future system capacity.

Storm and Surface Water Projects:

Projects include stormwater flood control and water quality measures in the City's storm drainage basins, and enhancement of aquatic habitat in local creeks and wetlands.

Each of the program category sections are organized in the same way and contain:

- An introductory narrative providing a general background of planning activities done in that section, as well as a discussion of planning goals and policies.
- Individual project information identifying the project's location, links to other projects in this CFP document, a brief description about the project, a detailed project list for projects that include multiple sub-projects, justification for the project, level-of-service (LOS) standards or target outcome ratios (TORs) and how these will be affected by the project, and references to City goals, policies, and plan documents.
- A project financial summary table summarizing proposed project costs, funding sources, and future operating and maintenance costs for the project.

Element of the Comprehensive Plan Goals and Policies

The CFP *Element of the Comprehensive Plan Goals and Policies* demonstrates how the Comprehensive Plan directly impacts development of the CFP.

Miscellaneous reports

- Financial Status reports for all active CFP projects; those currently listed in the CFP and those no longer requiring additional funding
- Schedule of collection and usage of impact fees
- Quick-reference CFP project location matrix
- Public facilities inventory
- Index of projects

Glossary

Glossary of acronyms and terms used throughout this document.

Olympia School District 2016-2021 CFP

The Olympia School District CFP is included because the City charges impact fees on their behalf. Any questions regarding their projects or their impact fees should be directed to the Olympia School District.



Frequently Asked Questions

1. What is a Capital project?

A structure, improvement, piece of equipment, or other major asset, including land, that has a useful life of at least five years and a project cost that exceeds \$50,000. Capital projects are provided by and for public purposes and services including, but not limited to, public streets and transportation facilities, City parks and recreation facilities, public buildings such as libraries, fire stations, community centers, public water systems and sanitary sewer systems. While capital projects do not cover routine maintenance, they do include renovation and major repair or reconstruction of damaged or deteriorating facilities.

2. There are many projects listed in the CFP. How does the City determine which projects are priority?

First, the City determines if it meet the goals of the Comprehensive Plan? Then, each project proposal is matched against the Council's Long-Term Financial Strategy (LTFS) criteria:

- Maintenance or general repair of existing infrastructure
- A legal or statutory requirement
- A continuation of multi-year projects (contractual obligations, etc.)
- Implementation of legislative (Council) goals and objectives
- Ability to leverage outside sources (grants, mitigation, impact fees, low interest loans, etc.)
- An acquisition or development of new facilities

When considering which projects are funded in the CFP, adequate funding to construct and maintain projects is determined by two important questions:

1. *What can we really afford?*
2. *How do we choose when two or more priorities conflict with each other?*

As noted in the LTFS, leveraging outside revenue sources is critical. If grant funds are applied for and received, chances are good that the grant-funded project will become a priority. Grant funds become new and additional revenue to the City, above and beyond the City's current resources. The City continually looks for ways to reduce the reliance on General Fund dollars for capital projects. In essence, grant funds allow the City's current resources to be stretched a little further. Similar to grants are partnerships. The City tries to develop partnerships with other groups to lower the cost for construction or operations and maintenance.

- 3. Once determined to be a priority, are these projects automatically given funding in priority order?**

No. See the last paragraph in question 2. When grant funds are received for a particular project, chances are good that project will become a priority.
- 4. Do state or federal grants require the City to do projects out of our preferred order?**

Not necessarily—the order is determined on a project-by-project basis.
- 5. It seems likely that a capital project may affect future operating budgets. Does this have an impact on whether or not a project will be approved and funded?**

Yes. It is important that capital improvements carrying additional maintenance obligations impacting the General Fund budget do not intensify the strains already being placed on the Operating Budget.
- 6. When funding a particular project, where does the money come from?**

Non-Utility Projects

Parks, Transportation, and General Capital Facilities projects are funded through grants, cost sharing with neighboring jurisdictions (on shared projects), local improvement districts (LIDs), developer contributions, impact fees, the Real Estate Excise Tax (REET) (0.5%), Transportation Benefit District fees, Non-Voted Utility Tax (1%), and Voted Utility Tax (V.U.T.) (3%).

Funding for non-utility projects continues to be a challenge. In years when the City ends the year with revenues exceeding expenditures the council may choose to spend the excess on capital projects.

Utility Projects

City Drinking Water, Wastewater, and Storm & Surface Water utilities are operated like businesses and must be self-sustaining. Utility capital projects are funded through a combination of general facility charges, rates, and developer improvements. In addition, state and federal grants play an important role in funding of utility projects.

The Growth Management Act requires projects shown in the Capital Facilities Plan to have sufficient revenues to fund the project.
- 7. What is the Utility Tax and what projects does it fund?**

The City Council has authority to approve, without voter approval, up to a 6% utility tax on private utilities. Five percent of the tax collected goes to the General Fund Operating Budget and 1% goes to fund Capital Projects. Currently the Capital Projects portion is \$1 million. By ordinance, the Council can reallocate the 1% from the CFP to the General Fund. In 2004 the City presented Olympia residents with a ballot measure to raise the utility tax to 9%. This Voted Utility Tax was approved and provides an additional 2% funding to Parks and 1% funding to Pathways/Sidewalks.
- 8. What is the “CIP” funding source?**

CIP is funding for the City’s Capital Improvement Program. It funds projects that are not utility-related, such as Parks, Transportation, and General Capital Facilities projects. It is made up of 0.5% of the Real Estate Excise Tax (REET) which must be spent on Parks or Transportation projects, 1% of the Non-Voted Utility Tax, interest earnings, and utility support from Storm & Surface water for Transportation projects.
- 9. Once a project has been approved and funded, can any part of the money be used for another project?**

Yes. The legislative body (Council) can, by simple majority, vote to appropriate funds to a different project. In most cases, this will be done when money is needed to match a grant the City has applied for on another project, which allows us to receive new and/or additional revenue.
- 10. If a project was initially funded through the CFP and is not yet complete, will it continue to be listed in the CFP document until it is completed?**

It depends. If the project is still in-progress, but no additional money is needed beyond what has already been appropriated, it will not be listed in the CFP in future years. If the project does need additional funds appropriated beyond the current level of funding, it will continue to be listed in the CFP.
- 11. Individual project financial information seems to indicate that a specific dollar amount can be expected to be spent on the project over the next six years. Is this a correct interpretation?**

No. The planning period for a CFP project is six years. Only expenditures and revenues proposed for the first year of the program are incorporated into the Annual Operating Budget as the Capital Budget (adopted in December of each year). 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, new information, evolving priorities, or other assumptions. The Capital Facilities Plan is reviewed and amended annually to verify availability of fiscal resources. Therefore, project cost estimates and timelines may change.
- 12. What happens if a project does not collect the amount of revenue as anticipated over the next six years?**

In deciding how to address a particular shortfall of funding, the City continually assesses current needs against future growth requirements and existing deficiencies against future expansions. Other options available for the City to consider are to decrease level of service standards, decrease the cost of the facility, or decrease the demand for the public service or facility, resulting in postponement or termination of the project.

13. Are all projects in the CFP completed within six years?

No. The Capital Facilities Plan is reviewed and amended annually to verify that fiscal resources are available. And because the need for capital facilities is generated by population growth, existing facility deficiencies, major facility maintenance and repair needs, internal operations, and Council and Comprehensive Plan goals and policies, there is a need to continually assess which projects are affected and should be considered a priority. As a result, project cost estimates and timelines may change.

14. How are lifecycle costs budgeted for replacement projects?

The City hired a consultant to determine the standard industry lifecycle for a variety of projects, (i.e. parks playground equipment, fire equipment, HVAC systems, etc.). Replacement costs were then formulated to identify annual lifecycle costs for the City's replacement projects. The recent acquisition of asset management software allows the City to better understand the optimal lifecycle of major assets, further enabling strategic and financial replacement plans.

15. What are impact fees?

Impact fees are charges assessed against newly-developing property in the City limits that attempt to recover the cost incurred by a local government in providing the public facilities required to serve the new development. Under the Growth Management Act, impact fees can be collected and spent on roads, streets, parks, schools, and fire protection facilities. Currently, the City is not collecting fire impact fees.

16. What is the difference between State Environmental Policy Act (SEPA) mitigation fees and impact fees?

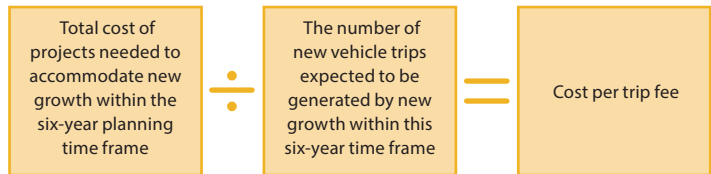
SEPA mitigation fees are charged to "long plats," or new, major developments for their direct impact on the system. SEPA mitigation measures must be related to a specific adverse impact identified in the environmental analysis of a project. The impact mitigated may be to the natural or built environment, including public facilities. Transportation mitigation fees are the most common, but mitigation fees may be assessed for any project. These fees are collected for specific projects, and the funds can only be spent on the identified projects. SEPA mitigation fees are assessed on projects within the City of Olympia, Olympia's Urban Growth Area and adjacent jurisdictions (Tumwater & Lacey).

Olympia's impact fees are charged to new development only within the City limits. The City is able to spend these fees on "system improvements." System improvements can include physical or operational changes to existing streets, as well as new street connections that are built in one location to benefit projected needs at another location. Funds collected can only be used for projects that are specifically identified as part of the impact fee calculation.

17. How are Transportation Impact Fees determined?

The impact fee structure for the City of Olympia was designed to determine the fair share of improvement costs that can be charged for a new development. Impact fees are charged to developers of new construction to pay for part of the cost to build streets and other traffic improvements that are needed because of new growth in our community. The following key points summarize the impact fee structure:

- A six-year street facility list, oriented to future growth, is developed. The projects are identified through the City's transportation planning process as being needed during the next six years to meet adopted level of service standards.
- Existing deficiencies are identified and separated from future trips on the street system.
- Future trips are allocated to geographic areas inside and outside the City using a traffic forecasting model.
- A Citywide fee system is established. The fee is calculated by taking the total cost of projects needed to accommodate new growth within the six-year planning time frame, divided by the number of new vehicle trips expected to be generated by new growth within this six-year time frame. This results in a cost per trip fee.
- A land-use based fee schedule is then developed.



18. How are Olympia's population figures determined?

The Growth Management Act establishes how population/growth figures will be determined. The Act requires the State Office of Financial Management to provide a high, medium, and low range for all counties. It is up to the County Commissioners to determine what figures to use. The Thurston County Commissioners have delegated this responsibility to the Thurston Regional Planning Council (TRPC). TRPC provides the information for all of Thurston County. The numbers are revised every three to five years and the model relies heavily on census data. If Olympia wanted to modify its figures, TRPC and the other jurisdictions would have to agree.

19. How does the City calculate the amount of Transportation Impact Fees generated in a year?

The amount of transportation impact fees generated in a year is a function of how much growth occurs in a year. For planning purposes, the total cost of projects needed to accommodate new growth in the six-year planning time frame is divided by six to establish the average amount of transportation impact fees the City expects to collect each year.

20. Does Olympia have multiple zones for the Transportation Impact area?

No. The entire City makes up one zone.

21. If the City collects transportation impact fees on a specific project, must it be spent on the impacts of growth in that project's geographic area?

No. Transportation impact fees collected are pooled into a single account. When it is determined that a geographic area of the City does not have sufficient capital facilities in place and readily available when new development occurs or a service area population grows, money from this pooled fund is used to establish sufficient capacity to serve the service area population and/or new development.

22. What the City anticipates to receive in impact fee funding seems higher than what is actually collected (as indicated in previous years). Why is this and how does it affect a project funded with impact fee revenue?

Impact fee revenue may be overstated. With the economic downturn, this has been the case in Olympia for several years. By showing impact fees in a specific calendar year, public expectations are raised about when a project will be initiated. Funding projections can change significantly based on the rate of growth, areas where growth occurs, and the ability to obtain grant funding for certain projects. As a result, project estimates and timelines may change.

23. Can the City collect impact fees in the Urban Growth Area?

The City of Olympia may not collect impact fees for projects in the Urban Growth Area.

24. Why do various impact fee receipts differ?

Park impact fee receipts will differ from transportation impact fees received based on the projects being constructed/acquired due to new growth. Also, Transportation collects impact fees on both residential and commercial projects, while Parks collects impact fees only on residential projects.

25. When Olympia annexes an area where the County has a current, County-funded project underway, does the City assume responsibility for the project and associated project costs?

When an annexation includes capital projects that will add to Olympia's asset base, the City may negotiate related project costs as part of an interlocal agreement between the City and the County.

26. How does the Capital Facilities Plan (CFP) relate to the Comprehensive Plan (Comp Plan)?

The City of Olympia's Comp Plan describes our community's values and our vision for the future, including a set of goals and policies that aim to define how we will get there. It serves as the foundation upon which City regulations, programs and other plans are formed. As many as 20,000 additional people are expected to join our community over the next two decades. The Comp Plan is our strategy for maintaining and enhancing our high quality of life and environment while accommodating that growth. The CFP is the element that brings the Comp Plan to life. By funding projects needed to maintain Levels of Service and for concurrency, the CFP helps shape the quality of life in Olympia. The requirement to fully finance the CFP provides the reality check for the vision of the Comp Plan.

27. What does Level Of Service (LOS) mean?

A Level of Service is a quantifiable measure of the amount of public facility that is provided. Examples include; acres of park land per capita, vehicle capacity of intersections, or water pressure per square inch available for the water system.

28. What is concurrency?

Concurrency is a concept that states all public facilities (streets, roads, highways, bikeways, sidewalks, street and road lighting, traffic signals, water systems, stormwater systems, wastewater systems, parks and recreation facilities, and schools) 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 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.

29. If I want to become more involved in the CFP process, how do I get involved?

Citizens, community groups, businesses, and other stakeholders can maximize the attention and consideration paid to their suggestions by working with City staff and the Olympia Planning Commission to wrap their suggestions into major City planning processes. Projects and policies are continually monitored and modified by updates to long-term plans, usually through a public process with associated City boards and commissions. The Planning Commission holds a public hearing on the CFP (usually in August) and the City Council holds at least one public hearing on the CFP. To learn more, view the [Planning Commission](#) and [City Council meeting schedules](#) on the City of Olympia website. (www.olympiawa.gov)



Executive Summary

The 2016-2021 Capital Facilities Plan (CFP) is a multi-year plan of capital projects with projected beginning and completion dates, estimated costs, and proposed methods of financing. The Plan is reviewed and updated annually according to the availability of resources, changes in City policy and community needs, unexpected emergencies and events, and changes in cost and financial strategies.

It is important to understand that a multi-year Capital Facilities Plan does not represent a financial commitment. City Council approval does not automatically authorize funding. It does approve the program in concept and provides validity to the planning process. Appropriations are made in the Capital Budget, which is the first year of the capital program. Projects beyond the current year Capital Budget should not be viewed as a commitment to fund the project, but instead as an indication that given the information available at the time, the City plans to move forward with the project in the future.

Capital Costs of Proposed Projects in the 2016-2021 Capital Facilities Plan

Capital project costs for the City's 2016-2021 six-year capital facilities planning period total \$133,134,763. Chart 1.1 illustrates the percentage of the plan's six-year capital costs attributed to each program category. Table 1.1 illustrates planned capital costs by program category and the planned year of expenditure.

2016-2021 Capital Facilities Plan Cost by Project Category
\$ 133,134,763

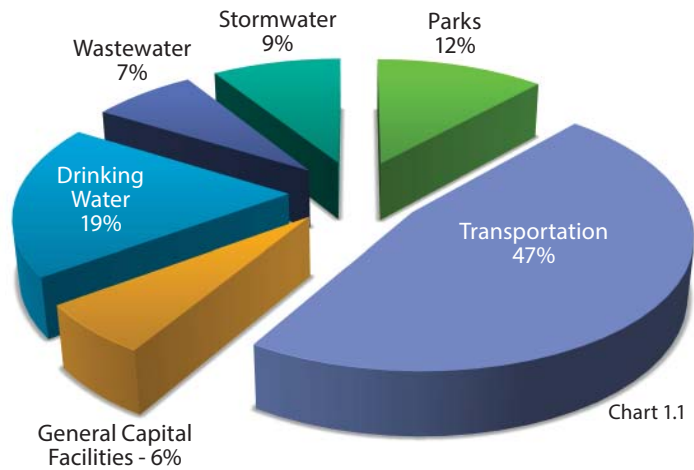


Table 1.1

	2016	2017-2021	TOTAL
Parks	\$ 5,297,150	\$ 10,405,600	\$ 15,702,750
Transportation	\$ 4,715,601	\$ 58,003,912	\$ 62,719,513
General Capital Facilities	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
Drinking Water	\$ 8,430,000	\$ 16,386,000	\$ 24,816,000
Wastewater	\$ 2,053,000	\$ 7,539,000	\$ 9,592,000
Stormwater	\$ 1,559,200	\$ 10,415,300	\$ 11,974,500
Total	\$ 23,384,951	\$ 109,749,812	\$ 133,134,763

Revenue Sources Available for the 2015-2020 Planning Period

Utility Projects

City Drinking Water, Wastewater, Storm & Surface Water and Waste ReSources utilities are operated like businesses and must be self-sustaining. They do not receive support from the General Fund of the City. Utility capital projects are funded through a combination of general facility charges, rates, developer improvements, and revenue bonds. In addition, state and federal grants also play an important role in funding of utility projects. There are currently no capital projects planned for solid waste.

Non-Utility Projects

Parks, Transportation, and General Capital Facilities projects are funded with general revenue, grants, cost sharing with neighboring jurisdictions (on shared projects), local improvement districts (LIDs), Transportation Benefit District fees, developer contributions, impact fees, the Real Estate Excise Tax (REET) (0.5%), and the Utility Tax. The City is at the statutory limit (6%) for utility taxes, which may be imposed by the Council without a public vote. In September 2004, the voters approved a 3% increase in the Utility Tax above the 6% limit, bringing the total Utility Tax to 9%. Currently, 1% goes directly to the CFP for general CFP support. Another 0.5% goes to the General Fund for park maintenance on capital projects. Of the 3% voter approved increase, 2% is for Parks and 1% for Pathways/Sidewalks.

6% Non-voted Utility Tax		3% Voter-Approved Utility Tax	
4.5 %	General Fund	2.0%	Parks
0.5 %	Parks Maintenance	1.0%	Sidewalks
1.0 %	Capital Facilities		

Voter-Approved Debt

The City has \$145.6 million capacity for voter-approved bonds (paid back through an excess property tax levy) of which \$79 million is available, including \$34 million in non-voter approved (councilmanic).

State law limits bonded debt to 2.5% of Assessed Value (AV) of taxable property. The amount of non-voted plus voter-approved may not exceed the 2.5% of assessed value limit.

Non-Voted Debt

As of January 1, 2015 the City has \$87.3 million in non-voted general obligation bonding capacity (councilmanic) and presently has \$34 million of that amount uncommitted and available to use to finance projects. The City Council deliberates carefully before authorizing this method of financing as the City's existing operating revenues must be used for repayment.

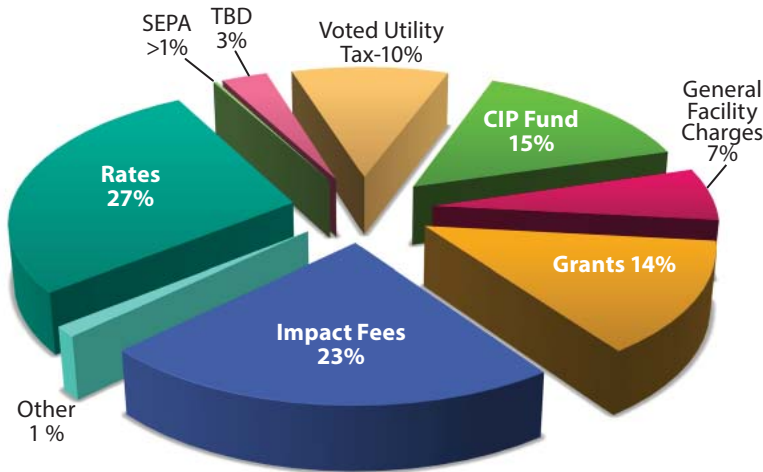
Planning for Capital Facilities

The CFP is the element that makes the rest of the Comprehensive Plan come to life. By funding projects needed to maintain levels of service and for concurrency, the CFP helps shape the quality of life in Olympia. The requirement to fully finance the CFP provides a reality check for the vision of the Comprehensive Plan.

Planning for capital facilities is a complex task. First, it requires an understanding of future needs. Second, it must assess the various types of capital facilities that could be provided, and identify the most effective and efficient array of facilities to support the needed services. Finally, it must address how these facilities will be financed.

Planning what is needed is the first step. Planning how to pay for what is needed is the second step. Only so much can and will be afforded. Securing the most effective array of facilities in light of limited resources and competing demands requires coordination of the planned facilities and their implementation. It also requires a thorough understanding of the fiscal capacity of the City to finance these facilities. Financial planning and implementation of capital facilities cannot be effectively carried out on an annual basis,

2016-2021 Capital Facilities Plan Cost by Funding Source
\$ 133,134,763



	2016	2017-2021	TOTAL
CIP Fund	\$ 3,944,000	\$ 15,945,000	\$ 19,889,000
General Facilities Charges	\$ 2,086,500	\$ 6,752,150	\$ 8,838,650
Grants	\$ 1,221,975	\$ 16,641,922	\$ 17,863,897
Impact Fees	\$ 2,787,663	\$ 27,172,240	\$ 29,959,903
Other	\$ 275,000	\$ 1,375,000	\$ 1,650,000
Rates	\$ 9,571,225	\$ 26,902,900	\$ 36,474,125
SEPA Mitigation	\$ 168,438	\$ 125,000	\$ 293,438
TBD	\$ 870,000	\$ 3,500,000	\$ 4,370,000
Voted Utility Tax	\$ 2,460,150	\$ 11,335,600	\$ 13,795,750
Total	\$ 23,384,951	\$ 109,749,812	\$ 133,134,763



since oftentimes the financing requires multi-year commitments of fiscal resources. As such, this plan is long-range in its scope. The CFP assumes receipt of outside granting assistance, and if grants are not received, projects may be delayed or pushed out. The CFP is a planning document, not a budget for expenditures.

Prioritization of the projects among programs is difficult; however prioritization between programs is more difficult. Which is more important, parks maintenance or street maintenance? Therefore, the Council established the following general guidelines for prioritizing Capital projects:

- Maintenance or general repair of existing infrastructure
- A legal or statutory requirement
- A continuation of multi-year projects (contractual obligations, etc.)
- Implementation of legislative (Council) goals and objectives
- Ability to leverage outside sources such as grants, mitigation, impact fees, low interest loans, etc
- An acquisition or development of new facilities

Debt Limitations

Olympia issues 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.

The goal of Olympia's debt policy is to maintain the ability to provide high quality essential City services in a cost effective manner. Councilmembers 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 term of the debt will not exceed the useful life of the project.
- The benefits of the improvement must outweigh its costs, including the interest costs of financing.

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.**

	As of 01/01/2015
Estimated Taxable Assessed Value	\$ 5,824,681,225
General Indebtedness <i>without</i> a Vote of the People:	
Legal Limit, 1.5% of Property Value:	87,370,220
G.O. Bond Liabilities	(53,187,970)
Remaining Non-voted Debt Capacity	<u>\$34,182,250</u>
General Indebtedness <i>with</i> a Vote of the People:	
Legal Limit, 2.5% of Property Value:	\$ 145,617,030
Outstanding Voted Debt	(12,535,000)
Outstanding Non-voted Debt	(53,187,970)
Remaining Voted Debt Capacity	<u>\$ 79,894,000</u>

In addition to the above limits, the City has debt authority with a vote of the people of 2.5% each for parks and utility purposes. Olympia has not accessed this authority.

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).

ELEMENTS OF OLYMPIA’S COMPREHENSIVE PLANNING PROCESS

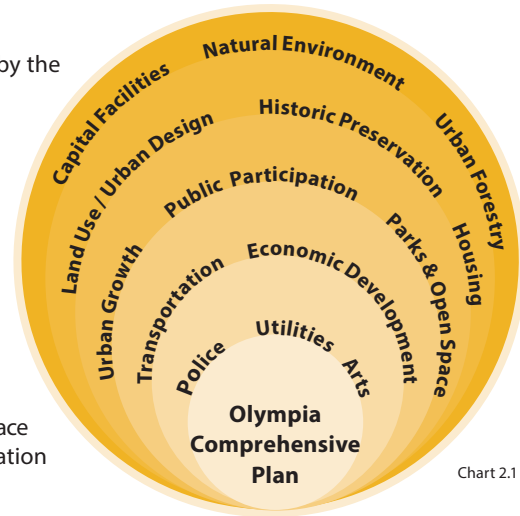


Chart 2.1

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.

ELEMENTS OF OLYMPIA’S CAPITAL FACILITIES PLAN

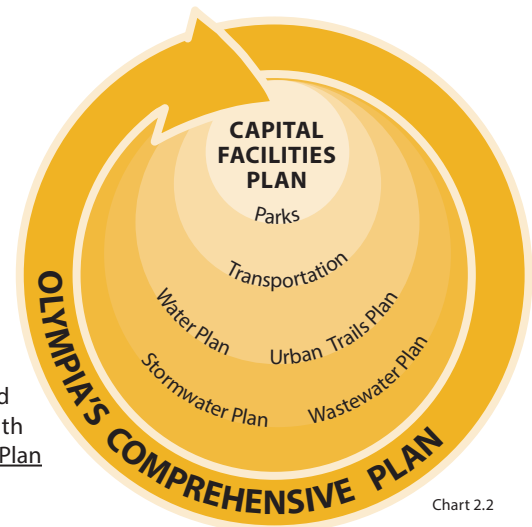


Chart 2.2

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.



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

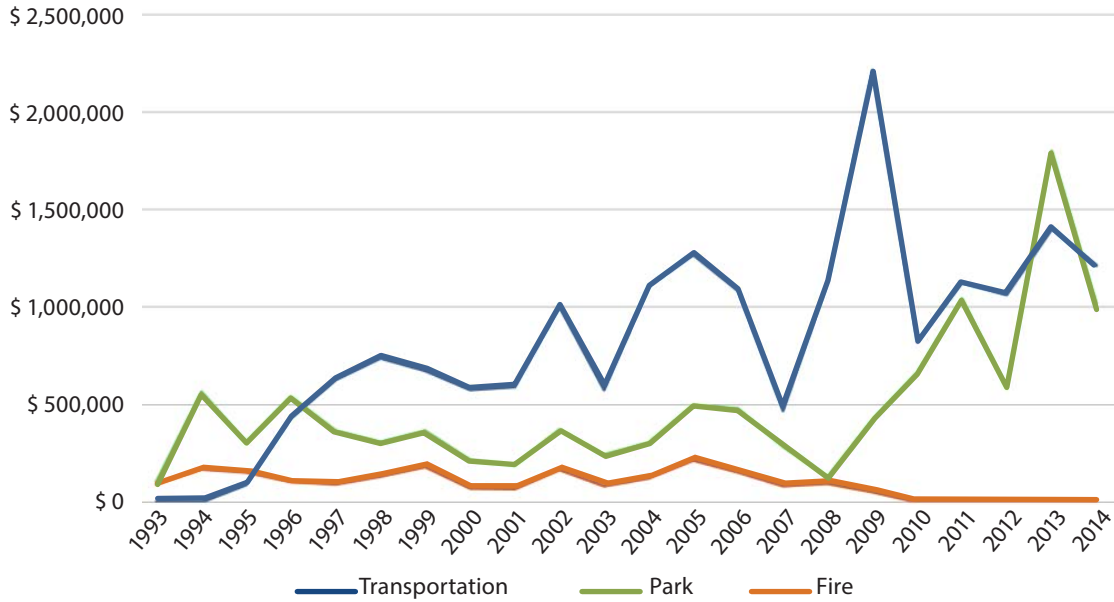
Revenues Dedicated to the CFP

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.

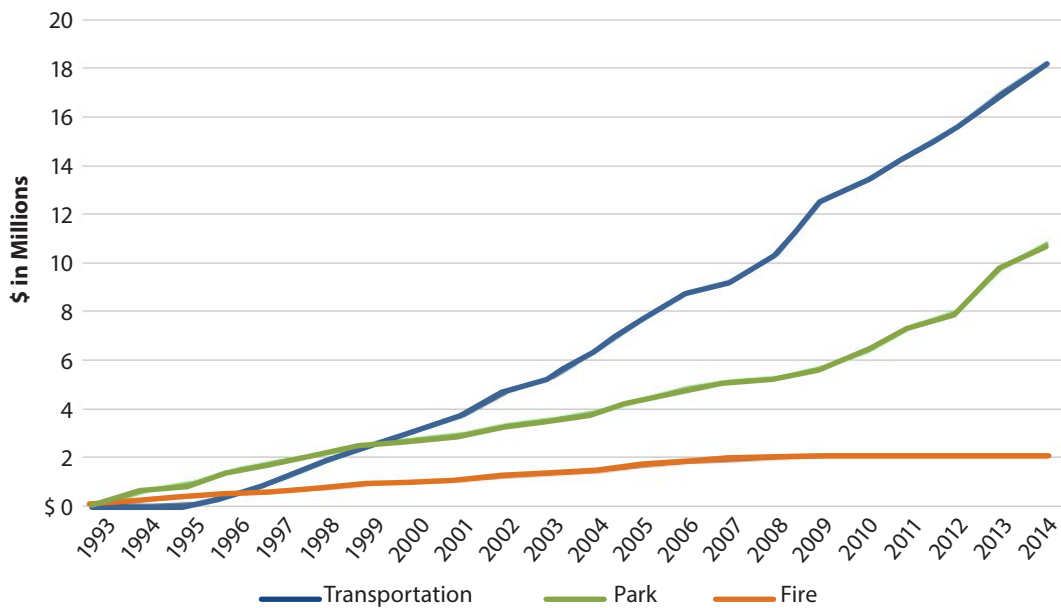
Annual Impact Fee Collections

22 Year Period - 1993 to 2014



Cumulative Impact Fee Collections

22 Year Period - 1993 to 2014



Revenues Dedicated to the CFP (continued)

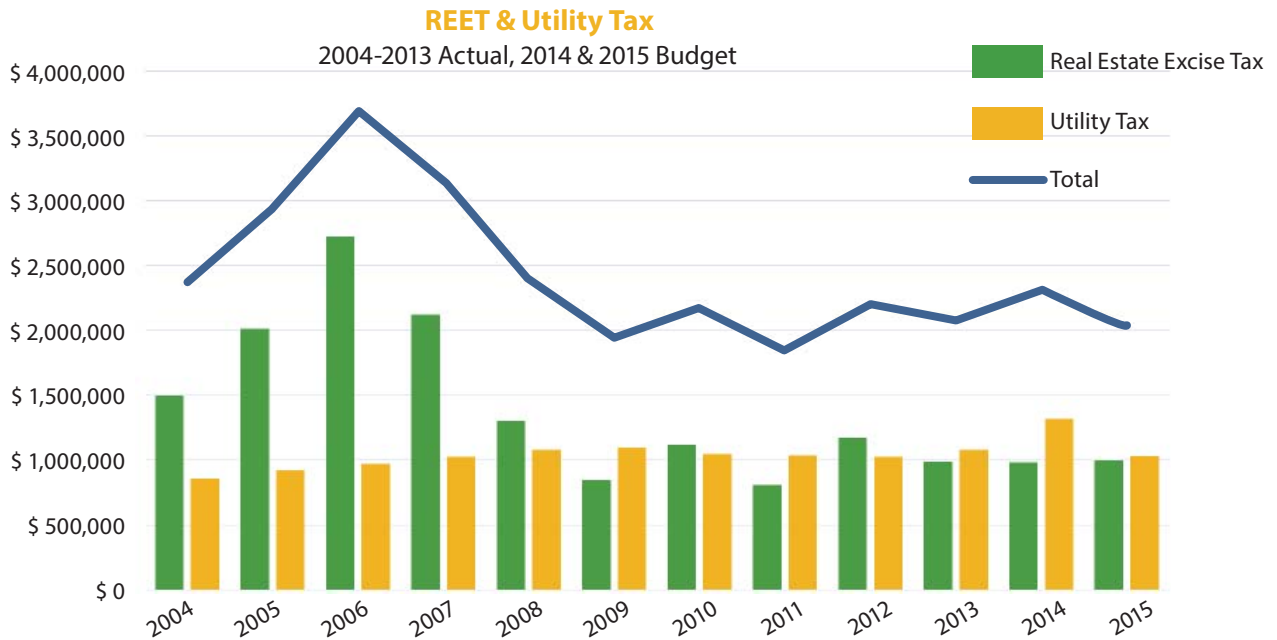
Real Estate Excise Tax (REET)

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
Small Capital Projects	SEPA Fees	\$ 5,000	\$ 125,000	\$ 130,000
	Total Parks	\$ 5,297,150	\$ 10,405,600	\$ 15,702,750

FUNDING RECAP	FUNDING	2016	2017-2021	TOTAL
	CIP Fund	\$ 857,000	\$ 2,500,000	\$ 3,357,000
	Grant	\$ 651,000	\$ -	\$ 651,000
	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	\$ 5,297,150	\$ 10,405,600	\$ 15,702,750

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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: 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

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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	\$ 651,000	\$ 15,024,172	\$ 15,675,172
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	\$ 11,342,751	\$ 75,409,512	\$ 86,752,263

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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

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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	\$ 651,000	\$ 15,024,172	\$ 15,675,172
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	\$ 23,384,951	\$ 109,749,812	\$ 133,134,763

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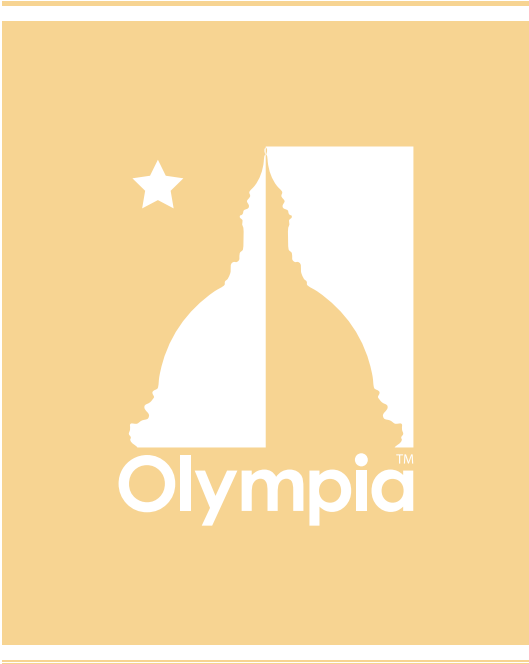


County Funded Projects in Olympia Urban Growth Area

At the time of printing of this preliminary CFP, the County funded projects information was not available. This information will be updated and provided in the Adopted CFP.









What Are We Building in 2016?

The following projects are what the City will be building in 2016. These projects are past the planning and design phase and are “shovel ready.” You should expect to see construction or land acquired. Some projects begin construction in 2016 and are a one-year project, whereas other projects run longer than one year and are therefore considered major projects. We think it is important to list single-year and multiple-year projects so that our citizens are aware of what projects are taking place with their dollars.

You will not find all of these projects listed in the project sections of the 2016-2021 Capital Facilities Plan (CFP) as some of them may have already been appropriated in previous budget years. These projects are marked with an asterisk (*). Only new projects or projects that need additional funds will be listed in the current CFP.

It is important to remember that for many projects, it takes a number of years to get to the construction phase. This is because rights-of-way may need to be purchased, environmental reviews are necessary, and/or engineering design work needs to be completed. These are only a few examples of what takes place before a project begins actual construction. So while the following projects are what is under construction and/or acquired in 2016, a lot of work is under way behind the scenes on several other future projects.



Transportation	Total Project Cost	Estimated Construction/ Acquisition Start Date	Estimated Construction/ Acquisition Completion Date
Least Cost Streets Chipseal Overlays Treatment on various roads throughout the City to extend the life of the pavement and delay the need to replace streets.	\$1,100,000	2016	2016
Pedestrian Crossing Improvements* This project will improve street crossings at Pacific Avenue at Devoe Street and also Pacific Avenue at Landsdale Road. Improvements include curb ramp installation and upgrades, as well as flashing beacons to improve pedestrian safety.	\$375,000	2016	2016

Drinking Water	Total Project Cost	Estimated Construction/ Acquisition Start Date	Estimated Construction/ Acquisition Completion Date
AC Pipe Replacement – Boulevard Roundabout at Morse Merryman Road Replace asbestos cement water main in conjunction with future roundabout at Morse Merryman and Boulevard Roads.	\$820,000	2016	2016
Eastside Booster Station Upgrade Upgrade pumps, motors, and associated controls to increase system reliability and energy efficiency.	\$322,000	2015	2016
Fones Road Booster Station Replacement* Build a new booster pump station to replace existing pumps, electrical components, and associated equipment that are past their useful life.	\$2,380,000	2015	2016
Indian Summer Well Chlorination Replace unreliable on-site chlorine generation system that is costly to maintain with new liquid sodium hypochlorite feed system that is safer and easier to maintain.	\$158,000	2016	2016
McAllister Wellfield Corrosion Control Treatment Construct aeration towers at the Meridian Reservoirs to raise the pH of the McAllister well water to meet Federal and State safe drinking water standards.	\$3,300,000	2016	2016
West Bay Booster Station and Electrical Upgrade* Replace existing pumps, electrical components, and associated equipment that are past their useful life. The last major upgrades of the station was in 1997.	\$670,000	2015	2016

Wastewater	Total Project Cost	Estimated Construction/ Acquisition Start Date	Estimated Construction/ Acquisition Completion Date
Boulevard Sewer Extension at Morse Merryman RAB Extend gravity sewer main in conjunction with future roundabout at Morse Merryman and Boulevard Roads.	\$788,000	2016	2016
Old Port 1 Lift Station Upgrade Upgrade existing lift station for existing and future flows, including replacement of the aging force main pipe.	\$630,000	2016	2016

*You will not find all of these projects listed in the project sections of the 2016-2021 Capital Facilities Plan (CFP) as some of them may have already been appropriated in previous budget years.



Storm and Surface Water	Total Project Cost	Estimated Construction/ Acquisition Start Date	Estimated Construction/ Acquisition Completion Date
<p>East Bay Water Quality Retrofit The project will provide water quality treatment for a portion of East Bay Drive which discharges directly to Budd Inlet. Approximately 1,000 linear feet of the center turn lane, north of Glass Avenue, will be replaced with bioretention facilities. Two smaller scale bioretention cells will also be added along Frederick Street for surface water quality treatment and storage.</p>	\$761,300	2016	2016
<p>North Percival Stormwater Facility Modifications This project will modify the North Percival Stormwater Facility for easier maintenance and access. It will replace the outfall structure with one less prone to clogging by beavers as well as enhance the passive education and recreational use of the site.</p>	\$288,800	2016	2016

*You will not find all of these projects listed in the project sections of the 2016-2021 Capital Facilities Plan (CFP) as some of them may have already been appropriated in previous budget years.









New Projects

How do we define “new” projects? Capital facilities projects are considered new when (1) funding is requested for the first time, or (2) when a project appeared in the CFP more than three years ago, was removed, but is being added back.

New Projects: Parks, Arts and Recreation

Bigelow Park Shelter and Restroom (CAMMP)

Project Description:

The current shelter and restroom will be demolished and replaced with a new facility.

Anticipated Result:

Enhanced park building aesthetic, improved equipment reliability, reduced maintenance, complete ADA accessibility and increased facility use.

Grass Lake Nature Park Trail Improvements

Project Description:

This project is design and construction of a 10 foot-wide, 6,100 foot-long, paved pedestrian pathway from the current Kaiser Road trailhead to Harrison Boulevard.

Anticipated Result:

Completion of a long-awaited trail segment of the Capital-Capitol multi-modal trail (outlined in the Regional Trails Plan) and enhanced access to the beauty of Grass Lake Nature Park.

Sewage Upgrade at Priest Point Park (CAMMP)

Project Description:

Remove the existing septic system for Priest Point Park Maintenance Center and Restroom 1 and tie into the City sewer system.

Anticipated Result:

Improved system reliability and reduced operation and maintenance requirements.

Splash Pad in Neighborhood Park

Project Description:

Add a spray park amenity to an existing neighborhood park to address an emerging recreation need for water play.

Anticipated Result:

Creation of a new recreational opportunity in Olympia and reduced pressure on the use of Heritage Fountain.

Yauger Park Field Lighting (CAMMP)

Project Description:

Replace the light poles and lights at two of the ball fields at Yauger Park.

Anticipated Result:

More consistent lighting of the field surfaces, and improved energy efficiency and reduced electricity consumption resulting from the installation of new LED lights.

New Projects: *Drinking Water*

Eastside Booster Station Upgrade

Project Description:

Repair and rehabilitate aging booster pump station to improve system reliability and enhance energy efficiency, including installation of new variable frequency drives, controls, and associated electrical equipment.

Anticipated Result:

Reduced operation and maintenance costs and improved reliability of drinking water booster pump station.

Fones Road Booster Station Replacement

Project Description:

Design and construction of new booster pump station to replace the existing Fones Road Booster Pump Station.

Anticipated Result:

Reduced operation and maintenance costs and improved reliability of drinking water booster pump station.

Percival Bridge Stabilization

Project Description:

Repair of bridge abutment to stabilize bridge and mitigate risk of premature failure.

Anticipated Result:

Reduced risk of water main break due to bridge failure.

Roosevelt and Yew Lift Station Upgrade

Project Description:

Repair and rehabilitate aging lift station to improve system reliability, including the replacement of pumps, controls, and associated electrical equipment.

Anticipated Result:

Reduced maintenance costs and improved reliability of wastewater lift station operation.

Shana Park Source Contingency Plan

Project Description:

Evaluate options for future management of the Shana Park Well, given evidence of increasing nitrates in East Olympia groundwater. Such options may include transitioning the Shana Park Well to emergency status, drilling a replacement well, treating for nitrate, or blending with another source.

Anticipated Result:

Identification of the best alternative(s) to maintain desired drinking water quality and quantity from groundwater in the Southeast Olympia area.

South East Area Odor and Corrosion Control

Project Description:

Evaluation, design, and installation of facilities to control odor and corrosion in South east Olympia sewers.

Anticipated Result:

Reduced sewer odors in Southeast Olympia. Reduced corrosion of sewer infrastructure resulting in decreased future capital expenditures.

New Projects: *Transportation*

Street Access Projects - ADA Requirements

Project Description:

Installation of audible pedestrian signals to address citizen needs on the following street intersections:

Street Name	Cross Street
Cherry Street	4th Avenue
Henderson Boulevard	North Street
Jefferson Street	11th Avenue
Martin Way	Sleater-Kinney Road
Plum Street	4th Avenue
Washington Street	11th Avenue

Anticipated Result:

Removal of barriers on walkways for persons with disabilities.

Street Repair and Reconstruction

Project Description:

Rehabilitation of the streets listed below to correct pavement deficiencies.

LOCATION	FROM	TO
4th Avenue	4th Avenue Bridge	Franklin Street
Capitol Way	Legion Way	State Avenue
Franklin Street	Legion Way	State Avenue
Jefferson Street	7th Avenue	State Avenue
Legion Way	Water Street	Franklin Street
Washington Street	Legion Way	Olympia Avenue

Anticipated Result:

Repair and replacement of pavement deficiencies related to pavement age, stress, weather and axle loads on City Streets.

New Projects: *Wastewater*

Old Port 1 Lift Station Upgrade

Project Description:

Repair and rehabilitate aging lift station to improve system reliability, including the replacement of pumps, controls, and associated electrical equipment. Also included are sewer force main upgrades and stability improvements of the associated easement up a steep slope.

Anticipated Result:

Reduced maintenance costs and improved reliability of wastewater lift station operation. Reduced risk of spills from with aging force main pipe and unstable steep slopes in the associated sewer easement.

New Projects: *Storm and Surface Water*

Plum Street Water Quality Retrofit

Project Description:

The project would construct water quality facilities providing treatment of stormwater runoff from Plum Street and areas east to Quince Street zoned Downtown Business, Professional Office, High Density Commercial Service, and Residential Mixed Use. The Plum Street arterial and adjacent areas are tributary to Moxlie Creek and comprise approximately 42 acres of untreated high use area.

Anticipated Result:

The Moxlie Creek drainage basin has been identified as having the highest rate of untreated pollution generating surfaces within the City, making it a priority for water quality retrofits. The proposed project will install water quality facilities and effectively remove pollutants from the Plum Street arterial corridor and untreated areas east to Quince Street prior to discharge into East Bay. This area includes the Lee Creighton Justice Center and large blocks of commercial use properties. The main project goal is improvement of a local watershed in critical condition and reduction of pollutants entering Puget Sound.



Completed Projects

How do we define “completed” projects? Completed projects are those that were completed during the prior year. In this 2016 CFP, it refers to projects that were completed in 2015.

Completed Projects: *Parks, Arts and Recreation*

Artesian Commons Park Improvements

Project Description:

Installed new fence, seating and basketball hoop; improved the lighting and installed additional cameras.

End Result:

This project added a new recreation offering to the Artesian Commons and other amenities to improve park utility, safety and security.

GHB and Little Da Nang Building Demolitions

Project Description:

Demolished and removed the GHB and Little Da Nang Restaurant buildings.

End Result:

Completes another step towards implementation of the Heritage Park Master Plan. Eliminates unjustifiable maintenance expenses on rapidly dilapidating structures.

Isthmus Buildings Demolition

Project Description:

Demolish the buildings at 505 and 529 4th Avenue East which are creating blight in the Downtown core. The buildings have been frequent targets for graffiti and vandalism as well as illegal habitation.

End Result:

The removal of these dilapidated buildings will create a more positive entrance to Downtown Olympia.

Olympia Woodland Trail Hub Junction

Project Description:

Installed way-finding and commemorative information celebrating the efforts that made these regional trails a reality. The project is located at the pedestrian/bicycle roundabout intersection of the Chehalis Western Trail and Woodland Trails.

End Result:

A small plaza providing seating, a kiosk containing a sign with historic and commemorative information; a solar light in the center of the roundabout and Lacey, Olympia and Thurston County logos affixed on each leg of the roundabout. The information kiosk shares a short railroad history of the space and recognition of the regional urban trail effort.

Percival Landing “E” Float Enhancements

Project Description:

Replaced electrical and potable water hook-ups for visiting boaters.

End Result:

Improves the boating experience at Percival Landing by adding power and water to “E” Float and repair floatation and structural components.

Percival Landing “F” Float Replacement

Project Description:

Replace “F” dock floats and sewage pump-out station at Percival Landing that exceeded their design life.

End Result:

A new concrete float and vessel sewage pump-out station were installed. This increases facility reliability, reduces maintenance needs, improves service to the boating public, and safeguards the water quality of West Bay.

Sunrise Park Playground

Project Description:

Replaced a 20-year old playground with new play features at Sunrise Park and extended its design life.

End Result:

A new playground that includes six slides, four swings, two spinning toys, and meets current playground safety and ADA standards.

Yauger Park Pump Track Phase I

Project Description:

In partnership with the South Sound Bicycle Park Association (SSBPA), a new pump track was built at Yauger Park. A pump track is a small, looping trail system that can be ridden continuously on many types of bicycles without pedaling.

End Result:

Adds a nationally-popular recreational amenity to Yauger Park.

Completed Projects: *General Capital Facilities*

Annex Building Demolition

Project Description:

Demolished an existing City of Olympia building adjacent to the Lee Creighton Justice Center.

End Result:

Complete removal of the building and cover with vegetation.

City Hall Data Center and Generator Improvements

Project Description:

Added an annunciator so the back-up generator can be monitored from a remote location and added humidification to one air handler unit that services the IT Data Center.

End Result:

Provides City Facilities crew with the ability to monitor the workings of the generator from any computer and provide needed humidification in the data center to prevent the static electricity that may damage sensitive equipment.

Downtown Alley Lighting

Project Description:

Installed LED lighting in alleys in the downtown core.

End Result:

Increases safety and reduces criminal activity in alleys that experience high crime rates.

Family Support Center HVAC Replacement

Project Description:

In 2013 the City received a Building Condition Assessment that determined that the five HVAC rooftop units and the controls were “at or near the end of their useful life.” As part of this project, we also upgraded the control system for remote monitoring and installed some additional ductwork to more efficiently move air throughout the building.

End Result:

A new HVAC system provides many years of service with minimal maintenance. It also provides the ability to remotely monitor and control the system. With the addition of the new ductwork, the Family Support staff have the option to expand and create additional private offices.

Fire Station #1 HVAC and Public Address Alert System Upgrades

Project Description:

The existing HVAC residential-type system did not allow for individual adjustments for each dormitory room and the system had reached the end of its useful life requiring constant maintenance. The ‘911’ emergency alert system was upgraded to allow other options for notifications within the building.

End Result:

Provides a better commercial-type HVAC system which will allow the firefighters to adjust room temperatures for each of the dormitory-type rooms. It also cuts back on maintenance costs for the system. The emergency notification system will now be able to differentiate between notifications.

Probation Locker Rooms and Shower

Project Description:

Remodeled probation work spaces and converted them into a men’s locker room, a women’s locker room, and a new unisex shower room. The locker rooms and shower were previously housed in the demolished police annex.

End Result

Provides locker rooms and showers for Jail personnel.



Washington Center Repairs

Project Description:

Installed new fire sprinklers in the main auditorium and above the ‘Black Box’ stage. Replaced the hot water tank in the basement of the Washington Center.

End Result:

Provides sprinklers that protrude through the iron grid of the main stage and through the upper support structure of the Black Box to meet the needs of our insurance carrier and provide better fire sprinkler protection. The replacement of the old water tank provides the Center with adequate hot water.



Completed Projects: *Transportation*

2015 Crack Sealing Project

Project Description:

Seal roadway pavement cracks throughout the City.

End Result:

Sealed reflective cracks in the road surface in order to preserve the integrity of the pavement and provide a seal so that moisture cannot penetrate the crack and then freeze, causing the crack to widen and deepen.

2015 Pavement Preservation

Project Description:

Restored the pavement surface condition and extended the life of the roadways by applying a chip seal application.

End Result:

Improvements to the roadway surface condition for approximately 3.6 miles in length and new striping and transportation signage on streets throughout the City of Olympia.

Bike Corridors Pilot

Project Description:

Installed cycle and pedestrian facilities along a corridor connecting Sylvester Park and Lions Park.

End Result:

Creates a family-friendly corridor that links Downtown with key destinations. The route will provide a safe path where cyclists and pedestrians are given priority access.

Neighborhood Pathways- Moore Street, Decatur Street, Fairview Avenue

Project Description:

Improved the existing pathway at Moore Street and obtained pedestrian easements along the path. Installed lighting and sidewalk improvements along an existing Decatur Street path where the neighborhood will install planting and landscaping. Designed and constructed a new pathway from Fairview Avenue to the Woodland trail along existing right-of-way.

End Result:

Provides bicyclists and pedestrians more direct off-street routes within neighborhoods by constructing pathway connections that enhance mobility.

Smart Corridors

Project Description:

Upgraded existing traffic signal hardware and software throughout the City.

End Result:

Increases efficiency of the City's traffic signal system and provides for Transit Signal Priority (TSP).

State Avenue Paving

Project Description:

Vehicle, pedestrian, bicycle, and landscape improvements for 9 blocks on State Avenue between Central Street and Plum Street/East Bay Drive.

End Result:

Provides a new driving surface for vehicles, pedestrian improvements at intersections including bulb-outs, sidewalk replacement, and curb ramps; improves bicycle lanes and street trees.

State Avenue Sidewalk

Project Description:

Installed curb bulbouts at the intersection of State Avenue and Columbia Street and replaced deteriorated sidewalk on the south side of State Avenue.

End Result:

Improves pedestrian safety and accessibility for persons with disabilities along an important route connecting citizens to the Olympia Center.

Completed Projects: *Drinking Water*

City Maintenance Center Water Transmission Main

Project Description:

Rerouted sections of a water main that runs through the City's Maintenance Center and also through Moxlie Creek.

End Result:

Eliminates a potential hazard to the creek as well as the risk of contamination of the City's water system in the event of a water main break at that location. The water main size was also increased to meet future needs.

Small Diameter Water

Project Description:

Replace water lines for one or more of the following reasons: do not meet current standards for size, are not of adequate size to meet current or future flow demands, have high maintenance costs or, have high frequency of leaks that has damaged property, are galvanized pipe or, are asbestos-cement pipe.

End Result:

Improves water pressure and enhances water service reliability, reduces operation and maintenance costs.

Completed Projects: *Wastewater*

2015 Priority Sewer Repair

Project Description:

Repaired structural defects within the pipes by lining existing pipes with Cured-in-Place-Pipe (CIPP). This project is done in conjunction with the 2015 Priority Sewer Repair.

End Result:

The project repairs and rehabilitates an estimated 7,000 linear feet of sanitary sewer pipe, reduces infiltration of groundwater into the sewer system and reduces the risk of pipe failure.

Water Street and Ensign Road Generators

Project Description:

Purchased new standby generators for the Water Street and Ensign Road lift stations.

End Result:

Increases reliability of pumps in the event of a power outage.

Water Street Lift Station Tide Gates Replacement

Project Description:

This project replaced two tide gates in the Water Street Lift Station that were non-operational due to corrosion.

End Result:

The replacement of the two tide gates allows combined sewer effluent to be released to Budd Inlet in the event of flooding. This will prevent backup in the sewer system and an inadvertent surcharge of the manhole at the corner of State Avenue and Columbia Street.

Completed Projects: *Storm and Surface water*

4th Avenue Storm water Retrofit

Project Description:

Installed a storm water treatment system to treat approximately 41 acres of stormwater runoff.

End Result:

Treats storm water runoff along 4th Avenue east of Quince Street.

2015 Priority Storm Repair

Project Description:

Repaired structural defects within the pipes by lining existing pipes with Cured-in-Place-Pipe (CIPP). This project was done in conjunction with the 2015 Priority Sewer Repair.

End Result:

Repairs and rehabilitates an estimated 7,000 linear feet of sanitary sewer pipe, reduce infiltration of groundwater into the sewer system and reduces the risk of pipe failure.

City Maintenance Center Water Quality Facility

Project Description:

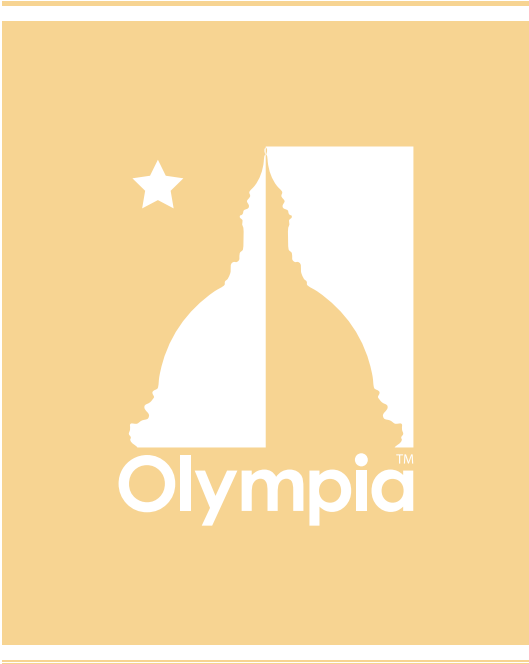
Installed new stormwater treatment facilities at the City's Maintenance Center.

End Result:

Protects Moxlie Creek from sediment and other contaminants generated by the operations at the Maintenance Center.



**Parks, Arts and
Recreation
Projects**





Parks, Arts and Recreation

Together with the Olympia community, the Olympia Parks, Arts and Recreation Department is updating the 2010 Olympia Parks, Arts and Recreation Plan. This Plan, in conjunction with the Olympia Comprehensive Plan, sets the vision for future investment in park infrastructure and art and recreation programming. This Parks, Arts and Recreation Plan is due for completion in 2016 after broad public review and City Council approval.

Through the planning process, many people are embracing the opportunity to comment on parks and programming. In addition, Elway Research conducted an online survey asking 750 respondents about current parks, arts and recreation facilities and programs. Some of the survey results include:

- 95% of the respondents visited an Olympia park in the last year.
- Nearly 1 in 5 people had participated in a City recreation program.
- Olympians gave City parks a “B-” grade. This indicates general satisfaction, with room for improvement.

Until the 2016 Plan is approved, the 2010 Parks, Arts and Recreation Plan continues to guide the City’s capital investments in parks through 2019. The Plan includes a Capital Investment Strategy (CIS) which is a list of projects utilizing current funding sources and projected funding levels through 2019.

Park capital projects are funded primarily by four sources: park impact fees, State Environmental Policy Act (SEPA) mitigation fees, non-voted utility tax and voted utility tax revenue from the Parks and Pathways Funding Measure.

The Parks and Pathways Funding Measure, approved in 2004, created a revenue source for parks acquisition, development and maintenance. On average, the measure generates about \$2 million per year for parks. There is a downward trend on collections due to reduced telephone usage and more efficient lighting sources reducing electricity. The revenue collected is spent in these areas: debt service, planning, maintenance and operations, and land acquisition and development.

There will be a reduced level of revenues from the voted utility tax available for new park acquisition and development through 2016. There are several reasons for this:

1. Continued payments from the voted utility tax fund to pay the debt service on bonds sold in 2006 and 2013.
2. Continued reliance on utility tax funds to pay a portion of staffing costs associated with the acquisition, design, construction and maintenance of park facilities funded through the Parks and Pathways program.
3. The trend of decreasing voted utility tax collections.

The 2016-2021 CFP includes some major changes:

- Increasing the funding for CAMMP to \$500,000 per year.
- Setting aside over \$1 million in funding for land acquisition with open space and community park impact fees in 2016.
- Setting aside \$5,000,000 in private utility tax from 2017-2021 for park land acquisition.
- Seeking state grants to fund trail improvements at Grass Lake Nature Park. Adding a splash pad at a neighborhood park.
- Creating Percival Landing Major Maintenance and Reconstruction as a separate funded program.

Key Factors for Project Selection

Build vs. Maintain

The annual CFP and City Operating Budget are the tools to identify and balance the City's investment in new and existing infrastructure, as well as the means to operate and maintain them.

In 2015, the City Council increased funding from the General Fund for Parks Maintenance. This funding increased the number of seasonal staff to maintain parks during the peak summer season. Sustaining this level of funding is necessary to keep parks safe, attractive and accessible.

Over the last two years, the Department has invested considerable staff resources to develop asset and work force management programs. These programs are driving the delivery of park maintenance services.

City Council Directed Projects

Some projects may be selected for funding based on direction by the City Council. These projects may be linked with emerging community needs and evolving partnerships.

Percival Landing Major Maintenance and Reconstruction

Percival Landing is a major capital asset of the City. Given the extensive capital cost for repairs and reconstruction, the facility merits its own program. Future funds will be used for inspection, design, permitting, special studies, repairs and construction.

Priest Point Park Upgrades

In the next six years, decisions need to be made about aging shop buildings at Priest Point Park. These buildings are critical for staff operations, equipment maintenance and material storage. In addition, there are shelters, restrooms and roadways that also need repair or replacement.

Base Programs

Continued funding of the Condition Assessment and Major Maintenance Program (CAMMP) is critical to keeping parks open and safe. CAMMP was initiated through the Capital Budget in 2008, when funding for major repairs was greatly reduced in the Operating Budget. CAMMP is one of seven program categories in the Parks, Arts and Recreation chapter of the 2016-2021 CFP. The others are:

- Community Park Expansion
- Neighborhood Park Development
- Open Space Acquisition and Development
- Park Bond Issue Debt Service
- Small Capital Projects
- Percival Landing Major Maintenance and Reconstruction
- Park Land Acquisition

Level of Service Standards

Level of Service standards, (referred to as "Target Outcome Ratios" in the Parks, Arts and Recreation Plan) are the ratio of developed park land per 1,000 residents. This is how the City evaluates whether we need to acquire more park land or build more recreation facilities. The Capital Facilities Plan identifies the means by which the City finances new park acquisition and development. Park land acquisition and development is funded by a variety of sources, including the voted utility tax, park impact fees, SEPA mitigation fees, grants, and donations.

The following table presents the existing level of service standards and target level of service standards from the 2010 Parks, Arts and Recreation (PAR) Plan. It shows that additional park land and development are needed if the target level of service standards are to be met. In the category of Open Space, the existing ratio of parks to population is higher than the target ratio. To keep up with projected population growth and retain the current standard would require acquiring approximately 140 more acres to the inventory every ten years. Current levels of funding are insufficient to sustain this level of Open Space acquisition.

Existing and Target Levels of Service Standards for Parks*

Park Type	Existing Developed Acres (2010 PAR Plan [^])	Existing Ratio (2010 PAR Plan - Acres /1,000)	Target Ratio (2010 PAR Plan - Acres/1,000)
Neighborhood Parks	39.92	.66	.76
Community Parks	152.12	2.51	2.91
Open Space	705.76	11.62	11.19

* The 2010 Parks, Arts and Recreation (PAR) Plan is in the process of being updated during the time this document is being published.

[^] The 2010 Parks, Arts and Recreation Plan incorrectly listed Steven's Field at 13 acres when it is actually 7.84 acres. The acreage figures above are corrected and therefore vary slightly from those listed in the Plan. This correction will be made in future updates to the Parks, Arts and Recreation Plan.

Although not included in the document, the City Council will ask voters to approve a Metropolitan Parks District on the November 2015 Ballot.

Community Park Expansion

Location	Community Parks are located throughout Olympia
Links to Other Projects or Facilities	N/A
Description	Community parks are places for large-scale community use. Community parks include athletic fields, picnic shelters, tennis courts, water access and other facilities. In the past, impact fees were collected for ball field and tennis court expansion. In 2008, these categories were merged into a new Community Park impact fee category. For further simplification, in 2012 the Special Use Area impact fee category was also merged into the Community Park category.
Justification (Need/Demand)	<p>In 2016, funding is being requested for the following projects:</p> <p>Artesian Commons Enhancements: The 2015 PAR Plan Survey indicated that 11% of respondents did not feel safe at the Artesian Well. This project will provide funding for additional enhancements to the Artesian Commons Park to further its transition into an urban outdoor courtyard that is clean, safe and welcoming to all. In 2016 as we gain experience using and managing the facility, this funding will allow the City to implement some of the ideas generated by this partnership effort.</p> <p>Land Acquisition: This funding will be utilized to purchase additional land for use as a community park based upon the findings of the 2014 Olympia Community Park Suitability Assessment.</p>
Level of Service Standard	<p>Target level of service standard (2010 Parks, Arts and Recreation Plan): 2.91 acres/1,000 population Existing Ratio (2010 Parks, Arts and Recreation Plan): 2.51 acres/1,000 population</p>
Comprehensive Plan and Functional Plan(s) Citations	<p>This CFP reflects the goals and policies of the 2010 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan. The 2010 Parks, Arts and Recreation Plan is in the process of being updated during the time this document is being published.</p> <p>Goals: PR1.1, PR1.2, PR1.3, PR 2.1, PR 2.2, PR 2.3, PR2.5, PN1.14</p>

Capital Costs:	2016	2017-2021	Total
Artesian Commons Enhancements	\$ 50,000	\$ -	\$ 50,000
Land Acquisition	\$ 682,500	\$ -	\$ 682,500
Total	\$ 732,500	\$ -	\$ 732,500

Funding Sources:	2016	2017-2021	Total
Impact Fees	\$ 732,500	\$ -	\$ 732,500
Total	\$ 732,500	\$ -	\$ 732,500



Annual Operations and Maintenance

Estimated Costs	Currently in the process of refining the operations and maintenance (O&M) costs per acre for community parks.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	South, West, Downtown

Condition Assessment and Major Maintenance Program (CAMMP)

Location	Park Facilities Citywide
Links to Other Projects or Facilities	Citywide Asset Management Program
Description	<p>Homeowners recognize that annual maintenance is necessary to protect the investment they made in their home. In fact, the 2015 PAR Plan Survey indicated that respondents identified maintenance of existing facilities and improving and upgrading existing City parks as top priorities. Aging facilities require replacement of roofs, antiquated equipment and utilities. Driveways, parking areas, sport courts and trails require resurfacing to remain safe and accessible. CAMMP is designed to monitor the condition of park assets, identify and prioritize needed major repairs or replacement, and cost and schedule these projects. If this maintenance is not performed, park facilities might have to be closed or removed to safeguard the public.</p> <p>Sustaining a maintenance fund for parks is as important as building new facilities. It is critical that future maintenance requirements are identified and funded concurrently with new construction so that the community is assured uninterrupted access to its inventory of public recreation facilities.</p> <p>CAMMP incorporates a systematic inspection and criteria-based prioritization process. One-third of all park infrastructure is inspected annually by a City staff engineer. In 2008, a system-wide condition assessment was performed on all park buildings by an architectural consultant. Structural condition assessments were performed on Percival Landing by marine engineering consultants in 2004, 2009, and 2014.</p> <p>Similar to Percival Landing, the park maintenance facility buildings at Priest Point Park (PPP) were built from 1940 through 1980 and have now exceeded their design life.</p> <p>The Department is continuing to integrate park facilities into the Citywide Asset Management System and has continued to integrate condition data and project prioritization assessments developed for CAMMP into the system.</p> <p>Since its inception in 2008, annual CFP funding for CAMMP has been inconsistent, varying from a high of \$500,000 to a low of \$178,000. To address the current \$4M deficiency backlog, staff recommends that the annual CFP appropriation for CAMMP be increased to \$500,000 in 2016.</p> <p>CAMMP projects identified for 2016 are:</p> <ul style="list-style-type: none"> • Priest Point Park Rose Garden shelter • Yauger Park ballfield lighting replacement (2 fields) • Priest Point Park sewer system upgrade • Bigelow Park restroom & picnic shelter replacement <p>In 2015, the Department instituted the methodology utilized by the National Park Service and the City of Portland, OR for rating the overall condition of park system infrastructure. This rating is called a Facility Condition Index (FCI). The FCI is determined by dividing the total cost of repairs needed system-wide (\$4.0M) by the current replacement value (\$28M not including Percival Landing). At the conclusion of 2014, the system-wide OPARD FCI was 0.14. On the standardized FCI scale of Good - Fair - Poor - Serious, a rating of 0.14 is considered on the low end of FAIR.</p>
Justification (Need/Demand)	CAMMP is necessary to ensure that existing park facilities are rehabilitated and replaced as needed to maintain the park amenities citizens expect. This program supports sustainability by extending the life of our park facilities. Deferred maintenance can result in closed facilities or additional maintenance costs.
Level of Service Standard	N/A
Comprehensive Plan and Functional Plan(s) Citations	<p>This CFP reflects the goals and policies of the 2010 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan. The 2010 Parks, Arts and Recreation plan is in the process of being updated during the time this document is being published.</p> <p>Goals: PR6.1, PR6.2, PR6.5</p>



Condition Assessment and Major Maintenance Program (continued)

Capital Costs:	2016	2017-2021	Total
CAMMP Major Maintenance Projects	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Total	\$ 500,000	\$ 2,500,000	\$ 3,000,000

Funding Sources:	2016	2017-2021	Total
CIP Fund	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Total	\$ 500,000	\$ 2,500,000	\$ 3,000,000



Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Neighborhood Park Development

Location	Neighborhood parks are located in all quadrants of the City
Links to Other Projects or Facilities	N/A
Description	Neighborhood parks are an integral part of implementing the urban design strategy for Olympia's neighborhoods. Neighborhood parks are a common gathering place for families and children, and are a high priority for expanding Olympia's park system.
Justification (Need/Demand)	<p>In 2016, Neighborhood Park impact fee funding is requested to design and construct a splash pad in a neighborhood park. Goal PR1.3 of the comprehensive Plan states that the City should "Be responsive to emerging needs for programs, facilities and community events." Adding a pilot spray park amenity to an existing neighborhood park will address an emerging recreation trend that is sweeping the nation. In addition, several spray park features located throughout the City would relieve the public pressure being placed on the Heritage Fountain. Spray park amenities will satisfy the public's desire for water play with a facility that is designed for healthy human contact with water.</p> <p>In the out-years, funding is being requested for acquisition of additional neighborhood park acreage necessary to meet our Level of Service Standard for neighborhood parks.</p>
Level of Service Standard	<p>Target level of service standard (2010 Parks, Arts and Recreation Plan): 0.76 acres/1,000 population</p> <p>Existing Ratio (2010 Parks, Arts and Recreation Plan): 0.66 acres/1,000 population</p>
Comprehensive Plan and Functional Plan(s) Citations	<p>This CFP reflects the goals and policies of the 2010 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan. The 2010 Parks, Arts and Recreation Plan is in the process of being updated during the time this document is being published.</p> <p>Goals: PR3.1, PR3.4, PR1.3</p>

Capital Costs:	2016	2017-2021	Total
Splash Pad in Neighborhood Park	\$ 473,000	\$ -	\$ 473,000
Land Acquisition	\$ -	\$ 50,000	\$ 750,000
Total	\$ 473,000	\$ 750,000	\$ 1,223,000

Funding Sources:	2016	2017-2021	Total
Impact Fees	\$ 473,000	\$ 750,000	\$ 1,223,000
Total	\$ 473,000	\$ 750,000	\$ 1,223,000



Annual Operations and Maintenance

Estimated Costs	Currently in the process of refining the operations and maintenance (O&M) costs per acre for neighborhood parks. Annual maintenance for neighborhood park sites with interim improvements is approximately \$1,200 per acre.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Open Space Acquisition and Development

Location	Open Space Parks are located in all quadrants of the City
Links to Other Projects or Facilities	N/A
Description	Open space is property acquired to protect the special natural character of Olympia’s landscape. The Open Space Network includes trail corridors, greenways, forests, streams, wetlands and other natural features. Facility development is limited to trails and trailhead facilities that include parking, restrooms, information kiosks and environmental education and interpretation facilities.
Justification (Need/Demand)	In 2016, Open Space Impact Fee funding is requested for: Grass Lake Nature Park - Phase I Trail Improvements The 2015 PAR Plan Survey indicated that respondents identified walking paths as their “most important” park feature and trails as their highest priority for new projects. This project will design and construct a 10-foot-wide, 6,100-foot-long, paved pedestrian pathway from the current Kaiser Road trailhead to Harrison Boulevard. This 2016 CFP request, together with \$668,000 in previous CFP funding for Grass Lake Nature Park, will serve as match for a \$500,000 Recreation Conservation Office (RCO) grant to fully fund this segment of the Capital-Capitol multi-modal trail outlined in the Regional Trails Plan. Land Acquisition The 2015 PAR Plan Survey indicated that respondents valued both large and small open spaces to provide public access to natural areas and to protect water quality, wildlife habitat and scenic qualities. Out-year funding is being requested to purchase additional open space lands.
Level of Service Standard	Target level of service standard (2010 Parks, Arts and Recreation Plan): 11.19 acres/1,000 population Existing Ratio (2010 Parks, Arts and Recreation Plan): 11.62 acres/1,000 population
Comprehensive Plan and Functional Plan(s) Citations	This CFP reflects the goals and policies of the 2010 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan. The 2010 Parks, Arts and Recreation Plan is in the process of being updated during the time this document is being published.

Capital Costs:	2016	2017-2021	Total
Grass Lake Nature Park Phase 1	\$ 1,141,000	\$ -	\$ 1,141,000
Land Acquisition	\$ 502,500	\$ 820,000	\$ 1,322,500
Total	\$ 1,643,500	\$ 820,000	\$ 2,463,500



Funding Sources:	2016	2017-2021	Total
Grant	\$ 500,000	\$ -	\$ 500,000
Impact Fees	\$ 1,143,500	\$ 820,000	\$ 1,963,500
Total	\$ 1,643,500	\$ 820,000	\$ 2,463,500

Annual Operations and Maintenance

Estimated Costs	Currently in the process of refining the operations and maintenance (O&M) costs per acre for open space parks.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Parks Bond Issue Debt Service

Location N/A

Links to Other Projects or Facilities N/A

Description In 2004, the citizens of Olympia voted to increase the utility tax by 2% for parks. In order to acquire park land, the Council sold general obligation bonds in 2006 for \$9.5 million. The debt service will be paid with annual utility tax revenues. This project reflects the annual debt service needed for the bonds. Final payment will be made December 1, 2016.

In 2011, the City of Olympia opened a Bond Anticipation Note (BAN) in the amount of \$2,500,000 to partially fund the \$14.5 million Percival Landing Phase 1 Reconstruction Project. In 2013, \$1,670,000 in bonds were issued to refinance the BAN. \$830,000 of the BAN was repaid as part of the refinancing. Final payment of the 2013 bonds will be in 2021.

Justification (Need/Demand) N/A

Level of Service Standard N/A

Comprehensive Plan and Functional Plan(s) Citations N/A

Capital Costs:	2016	2017-2021	Total
2006 Bond Debt Service	\$ 1,191,750	\$ -	\$ 1,191,750
2013 Bond Debt Service	\$ 243,400	\$ 1,210,600	\$ 1,454,000
Total	\$ 1,435,150	\$ 1,210,600	\$ 2,645,750

Funding Sources:	2016	2017-2021	Total
Voted Utility Tax (V.U.T)	\$ 1,435,150	\$ 1,210,600	\$ 2,645,750
Total	\$ 1,435,150	\$ 1,210,600	\$ 2,645,750



Annual Operations and Maintenance

Estimated Costs The operating costs are dependent on the parcels of property purchased.

Estimated Revenues None

Anticipated Savings Due to Project None

Department Responsible for Operations Parks, Arts and Recreation

Quadrant Location N/A





Park Land Acquisition

Location	All quadrants of the City
Links to Other Projects or Facilities	N/A
Description	This program is designed to set aside \$1M of voted utility tax funding annually toward the future acquisition of park land.
Justification (Need/Demand)	Additional park land is needed to meet the target outcome ratios established for parks. This land must be acquired while it is still available.
Level of Service Standard	Various
Comprehensive Plan and Functional Plan(s) Citations	This CFP reflects the goals and policies of the 2010 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan. The 2010 Parks, Arts and Recreation Plan is in the process of being updated during the time this document is being published. Goals: PR3.1, PR3.4 PN2.1

Capital Costs:	2016	2017-2021	Total
Land Acquisition	\$ -	\$ 5,000,000	\$ 5,000,000
Total	\$ -	\$ 5,000,000	\$ 5,000,000

Funding Sources:	2016	2017-2021	Total
Voted Utility Tax (V.U.T)	\$ -	\$ 5,000,000	\$ 5,000,000
Total	\$ -	\$ 5,000,000	\$ 5,000,000

Annual Operations and Maintenance

Estimated Costs	The operating costs are dependent on the parcels of property purchased .
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide

Percival Landing Major Maintenance and Reconstruction

Location	Port Plaza southward along the shoreline of the West Bay of Budd Inlet to its southern terminus at the 4th Avenue Bridge
Links to Other Projects or Facilities	N/A
Description	<p>Since 2004, the City has been in the process of designing, engineering, and fundraising for the replacement of Olympia’s public waterfront facility on Percival Landing. In 2007, a concept plan was completed for the entire length of Percival Landing. The original Percival Landing was built in three sections, in part due to financial constraints. The same is true for the current project. Future phases are too extensive to fund at once, unless the public overwhelmingly supports a funding package.</p> <p>Phase I, which started construction in July 2010, cost \$14.5 million for design, construction, contingencies, project management and permitting. Dedicated in August 2011, this phase extends from Water Street to Thurston Avenue and sets the design template for the replacement of the entire landing. It includes boardwalk demolition and replacement, shoreline stabilization and restoration, clean-up, pavilions, gangways, bathhouse reconstruction, lighting, landscaping and interim play equipment.</p> <p>The 2011 CFP included \$350,000 to replace the Percival Landing playground and to continue site clean-up under a voluntary clean-up program agreement with the Department of Ecology.</p> <p>In 2015 a new vessel pump out float and pump out facility was installed, and electrical and water hook-ups provided on “E” Dock.</p>
Justification (Need/Demand)	<p>Percival Landing is one of the most popular destinations in the region, drawing a wide range of visitors to the waterfront and downtown. Percival Landing was constructed in three phases in the 1970s and 1980s and the remaining original phases are exhibiting the effects of years of exposure to the harsh marine environment.</p> <p>In 2004, 2009, and 2014 marine structural engineering consultants prepared thorough condition assessments of the facility. This CFP requests \$48,000 in funding to continue the assessments throughout this CFP period. These studies monitor the deteriorating condition of the boardwalk and ensure it is safe and accessible to the public. The approach to managing the situation is to perform annual inspections and repairs and to explore funding opportunities for future replacement.</p> <p>The 2015 PAR Plan Survey indicated that respondents placed a high priority on conducting maintenance on existing facilities and upon completing Percival Landing.</p> <p>The 2014 Percival Landing Condition Assessment Report provided four classifications of repairs that are required to maintain the boardwalk. The four classifications and their associated costs are:</p> <ul style="list-style-type: none"> • Immediate repairs (\$350,000) • New sheet pile bulkhead repair (\$2.5M) • Three to five year repairs (\$700,000) • “D” and “E” float replacement (\$3.5M) <p>The City allocated \$350,000 in 2014 year-end funds to address the immediate repairs and is moving forward with designing and contracting out those repairs. The new bulkhead and “D” and “E” float replacement are big projects. The City is pursuing grants and other funding sources to augment City funding for these projects. The Department has proposed the creation of a maintenance reserve fund to set aside funding annually over this CFP period to pay for the anticipated three to five year repairs. In addition, to ensure continued progress towards the replacement of Percival Landing, the Department will set aside \$199,000 toward the design of the next section of Percival Landing (Section A Phase 2).</p>
Level of Service Standard	The repair and replacement of the Percival Landing boardwalk are necessary to ensure public safety and will not affect the target outcome ratios.
Comprehensive Plan and Functional Plan(s) Citations	<p>This CFP reflects the goals and policies of the 2010 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan. The 2010 Parks, Arts and Recreation Plan is in the process of being updated during the time this document is being published.</p> <p>Goals: PR1.1, PR2.1 PR2.2, PR5.1, PR6.1</p>



Percival Landing Major Maintenance and Reconstruction (continued)

Capital Costs:	2016	2017-2021	Total
Annual Inspection	\$ 8,000	\$ -	\$ 8,000
Maintenance Reserve	\$ 150,000	\$ -	\$ 150,000
Design, Section A, Phase 2	\$ 199,000	\$ -	\$ 199,000
Total	\$ 357,000	\$ -	\$ 357,000

Funding Sources:	2016	2017-2021	Total
CIP Fund	\$ 357,000	\$ -	\$ 357,000
Total	\$ 357,000	\$ -	\$ 357,000



Annual Operations and Maintenance

Estimated Costs	A maintenance management plan is being prepared to identify the scope and cost for maintaining the new facility.
Estimated Revenues	Moorage fees are charged for overnight usage.
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Downtown



Small Capital Projects

Location Small capital projects will be located in all quadrants of the City

Links to Other Projects or Facilities N/A

Description The small capital projects program enables the Department to construct several citizen-requested, small capital park improvement projects annually. The typical funding request for the program is \$25,000 annually, funded by Park Impact fees and SEPA mitigation funds.

Justification (Need/Demand) Throughout the year, the Parks, Arts and Recreation Department receives citizen requests for minor park enhancements. By adding a small piece of play equipment, a basketball ½ court or other small improvements, the department can respond to operational needs and community requests and increase the use and enjoyment of parks. This year only \$5,000 is being requested.

2016 CFP Small Capital Projects Funding will fund:

- Priest Point Park neighborhood access trail

Level of Service Standard N/A

Comprehensive Plan and Functional Plan(s) Citations This CFP reflects the goals and policies of the 2010 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan. The 2010 Parks, Arts and Recreation Plan is in the process of being updated during the time this document is being published.

Goals: Goals: PR1.3, PR4.4

Capital Costs:	2016	2017-2021	Total
Small Capital Projects in Existing Parks	\$ 5,000	\$ 125,000	\$ 130,000
Total	\$ 5,000	\$ 125,000	\$ 130,000

Funding Sources:	2016	2017-2021	Total
SEPA Fees	\$ 5,000	\$ 125,000	\$ 130,000
Total	\$ 5,000	\$ 125,000	\$ 130,000

Annual Operations and Maintenance	
Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Downtown









Transportation

The CFP brings the vision of the Olympia Comprehensive Plan (Comp Plan) to reality. The Comp Plan is the blueprint for the development of our transportation system.

The City builds a transportation system that provides people with choices to walk, bike, drive, or ride the bus, and assures the safe delivery of goods and services. The Transportation Mobility Strategy (2009) provides specific guidance in these areas:

- Address system capacity by moving people—not just cars—through walking, biking and transit.
- Build complete streets with features to support all modes of transportation
- Develop bus corridors with fast, frequent and user-friendly bus service
- Increase network connectivity through more street connections and off-street pathways

Types of Projects

Our transportation system is comprised of more than 523 lane miles of street, along with signs, markings, signals, street lights, roundabouts, bike lanes, sidewalks, and trees. A project is included in this plan because it:

- Maintains and preserves the system we have
- Improves the safety and function of a street, such as adding sidewalks or
- Increases the capacity of the street system, such as building a roundabout

How Projects are Added to the CFP

Projects are listed either individually, or as a set of priorities in a program. Projects are identified through planning efforts or engineering studies. A project can be added to the CFP because it is a priority defined in a plan, or it is needed based on a specific evaluation. Some of the ways a project becomes a part of the CFP are as follows:

- **Plans:**
Sub-plans are developed to identify and quantify a specific need in our system, such as bike lanes and sidewalks. Sub-plans like the Sidewalk Program (2004) and Bicycle Master Plan (2009) define projects, which are then added to the CFP.
- **Studies:**
Corridor or district studies evaluate issues and identify solutions and opportunities in a specific area. Projects that result from these area-specific evaluations are added to the CFP.

- **Advisory Boards:**
The Olympia Planning Commission and the Bicycle and Pedestrian Advisory Committee provide input in the development of plans and studies, and annually provide input in the development of the CFP. Citizen members of these committees bring to the planning process their experience and input from their neighborhoods or through a particular constituency they represent.
- **Citizen requests:**
Throughout the year, City staff, the Council, and advisory committees receive comments about needs and priorities in our transportation system. These are evaluated when drafting the CFP.
- **Pavement ratings:**
The condition of street pavement is surveyed annually. Damaged streets are listed for repairs. Streets with some wear are resurfaced with low-cost treatments to prevent further damage and to offset the need for costly reconstruction. Streets needing major reconstruction are shown in the CFP; streets that will be resurfaced with low-cost treatments are typically not in the CFP.
- **Capacity review:**
Annually, staff reviews how well the transportation system is working relative to growth in traffic volumes. Capacity projects help to reduce congestion at certain intersections or along sections of street. Capacity projects in the CFP might include street widening or changes to intersections, such as roundabouts.

Coordination for Efficiency

Within the Transportation Section programs, projects are combined for construction efficiencies. For example, bike lanes are typically added when a street is resurfaced, with funding coming from both the Bicycle Program, and Street Repair and Reconstruction Program to complete the project. Transportation work is also coordinated with utility work. When we plan to rebuild a road, we take the opportunity to upgrade sewer and water lines under the pavement, or find a better way to manage the stormwater that flows off the pavement.

Recent Trends

Transportation projects in the CFP are funded by impact fees, grants, Transportation Benefit District fees (\$20 per vehicle) and other types of specific taxes. (e.g. Utility, Gas Tax and Real Estate Excise Taxes (REET)). In this economic climate, funding is reduced for many CFP programs because expenditures continue to exceed revenues.

An emphasis in this and prior CFPs continues to be pavement preservation. If the life of a street's pavement can be preserved with a low-cost treatment now, we can avoid costly resurfacing later. Keeping our pavement conditions from deteriorating will lead to future budget savings.

Another area of sustained funding is sidewalks. In 2004, Olympia voters approved the Parks and Recreational Facilities funding measure. The funding measure, referred to as "Parks and Pathways," is the primary source of funds for sidewalks — about \$1 million annually. This revenue comes from the private utility tax levied on utilities, such as cell phone and natural gas.

Impact fees are collected from new developments to help pay for additional traffic trips that the development adds to the current street system. These fees are used for capacity projects. As new residential and commercial development has slowed, so has the collection of impact fees. The lack of development, however, also means there is not a growth in traffic, which would warrant capacity improvements.

Transit signal priority systems give buses the green light so they do not get stuck in traffic. With federal Congestion Mitigation and Air Quality (CMAQ) grant funds, signal systems will be upgraded to allow transit priority functions along 4th/State, Pacific Avenue, and Martin Way corridors. Olympia, Lacey, Tumwater, and Intercity Transit are preparing to use transit signal priority in 2015/2016. Thurston Regional Planning Council is coordinating this inter-jurisdictional project.

During the 2015 State Legislative session, current transportation benefit districts were given the authority to increase the fee from \$20 per vehicle to \$40 per vehicle with out voter approval. The TBD board will be evaluate this option later this year.

Access and Safety Improvements

Location	Various locations City-wide.
Links to Other Projects or Facilities	N/A
Description	<p>The purpose of this program is to improve access and safety for all users of the transportation system:</p> <ul style="list-style-type: none"> • Hazard Elimination and Safety projects improve safety on high accident street sections or intersections. Projects may include new guardrails, railroad crossings, and intersection improvements. • Pedestrian Crossing Improvements help pedestrians cross major streets. Improvements may include bulb-outs, crossing islands, and/or flashing crosswalk beacons. • Street Access projects remove barriers on walkways for persons with disabilities. Projects may include ADA access ramps or audible pedestrian signals.
Project List	<p>Hazard Elimination and Safety projects:</p> <ol style="list-style-type: none"> 1. Legion Way and Adams Street traffic signal; \$1,091,800 2. Jefferson Street and 8th Avenue traffic signal; \$1,223,000 3. Harrison Avenue and Division Street right turn lane; \$1,312,600 Note: This project is also needed for capacity reasons and will be recommended for future impact fee funding. <p>In the past, grant funds have been used to accomplish Hazard Elimination and Safety projects.</p> <p>Pedestrian Crossing Improvements:</p> <ol style="list-style-type: none"> 1. Martin Way and Chambers Street 2. Martin Way and Pattison Street 3. Capitol Way and 8th Avenue bulb-out 4. Capitol Way and 10th Ave bulb-outs on NW and SW corners and associated sidewalk repair <p>Street Access projects, ADA access ramps and audible pedestrian signals, are shown in the Appendix.</p>
Justification (Need/Demand)	<p>Hazard Elimination and Safety projects are identified through an annual collision analysis. Trends are evaluated and high accident locations are identified in this analysis. Traffic signal installation is based upon signal warrants.</p> <p>Pedestrian Crossing Improvements are based upon requests from the public. Requests are evaluated and prioritized based upon a methodology that considers traffic volumes, number of lanes for the pedestrian crossing, and speed of traffic.</p> <p>Street Access projects are identified each year with feedback from citizens. The City is currently doing a system-wide inventory of access ramps.</p>
Measurable Outcome	To be Developed
Comprehensive Plan and Functional Plan(s) Citations	<p>This program implements the following Olympia Comprehensive Plan goals and policies:</p> <p>GT 1 All streets are safe and inviting for pedestrians and bicyclists. Streets are designed to be human scale, but also can accommodate motor vehicles, and encourage safe driving.</p> <p>PT 1.6 Build intersections that are safe for pedestrians, bicyclists, and motor vehicles. Use minimum dimensions (narrow lanes and crossings) for a human-scale environment, while maintaining vehicle access and safety.</p> <p>GT 23 Pedestrian crossing improvements remove barriers for walkers on major streets, especially wide streets with high vehicle volumes.</p> <p>PT 23.1 Build new streets and retrofit existing streets with crossing islands and “bulb-outs” to increase pedestrian safety.</p> <p>PT 23.2 Raise driver awareness of pedestrians at crosswalks on wide, high-volume streets using blinking lights, flags, signs, markings, and other techniques.</p> <p>PT 23.3 Add safe, mid-block crossings for pedestrians to new and existing streets. This is especially important on major streets that have long distances between stop lights and those with high-frequency transit service.</p> <p>PT 23.6 Consider the needs of the elderly and disabled in all crosswalk design and signal timing.</p>



Access and Safety Improvements (continued)

Capital Costs:	2016	2017-2021	Total
Hazard Elimination and Safety	\$ -	\$ -	\$ -
Pedestrian Crossing Improvements	\$ 100,000	\$ -	\$ 100,000
Street Access	\$ 100,000	\$ -	\$ 100,000
Total	\$ 200,000	\$ -	\$ 200,000

Funding Sources:	2016	2017-2021	Total
CIP Fund	\$ 200,000	\$ -	\$ 200,000
Total	\$ 200,000	\$ -	\$ 200,000



Bike Improvements

Location	Various locations City-wide.
Links to Other Projects or Facilities	None
Description	<p>The purpose of this program is to complete elements of the bicycle network:</p> <ul style="list-style-type: none"> • Bike Corridors: Low-volume, low-stress streets improved for bicycle travel. • Other Improvements: Gaps and spot improvements in the bike lane network. <p>Generally, completely new bike lanes are added in the Street Repair and Reconstruction Program as part of Complete Street Reconstruction work.</p>
Project List	<p>The Bicycle and Pedestrian Advisory Committee has developed a preliminary list of streets for possible bike corridor development. Once the program is fully planned, projects will be listed here.</p> <p>Gaps and spot improvements in the bike lane network will be identified annually.</p>
Justification (Need/Demand)	A bike lane network on major streets provides bicyclists direct access to destinations. A network of low-stress streets, Bike Corridors, serve a wide range of citizens.
Measurable Outcome	We are monitoring the percentage of arterials and major collectors that are “complete streets” serving all modes of transportation. Currently 59% of these streets have bike lanes. Our target is 100%.
Comprehensive Plan and Functional Plan(s) Citations	<p>This program implements the following Olympia Comprehensive Plan goals and policies:</p> <p>GT 25 Bicycling is safe and inviting, and many people use their bikes to both travel and stay active.</p> <p>PT 25.1 Retrofit streets to provide safe and inviting bicycle facilities. Use the Bicycle Master Plan (2009) to guide facilities development, but look for other opportunities to provide bicycle facilities where possible.</p> <p>See also GT 1, PT 1.1, GT 2, PT 2.1 and PT 2.2</p> <p>This program implements the 2009 Olympia Bicycle Master Plan.</p>

Capital Costs:	2016	2017-2021	Total
Bike Corridors	\$ 50,000	\$ -	\$ 50,000
Other Improvements	\$ 50,000	\$ -	\$ 50,000
Total	\$ 100,000	\$ -	\$ 100,000

Funding Sources:	2016	2017-2021	Total
CIP Fund	\$ 100,000	\$ -	\$ 100,000
Total	\$ 100,000	\$ -	\$ 100,000

Sidewalks and Pathways

Location Various locations city-wide.

Links to Other Projects or Facilities N/A

Description This purpose of this program is to:

- Maintain and repair sidewalks and pathways.
- Construct pathways for pedestrians and bicyclists. Pathways are non-motorized short-cuts that link streets to parks, schools, trails, and other streets. Pathways for improvement will be identified by neighborhoods.
- Construct new sidewalks based upon the 2004 Sidewalk Program. The program focuses on building sidewalks on at least one side of arterials, major collectors, and neighborhood collectors.

Project List Sidewalk and pathway repair and maintenance will be identified annually. Pathways are determined on an annual basis based upon neighborhood proposals. Applications are received each year and projects constructed the following year. For this reason, no projects are listed. These sidewalk projects are derived from the 2004 Sidewalk Program and will be constructed with voted utility tax revenues:

1. Eastside Street/22nd Avenue from Fir Street to I-5; \$4,042,000
2. Predesign 26th Avenue from Bethel Street to Gull Harbor Road; \$100,000
3. Fern Street from 9th Avenue to 14th Avenue; \$500,000
4. Kaiser Road from Harrison Avenue to 6th Avenue
5. Fir Street from Bigelow Avenue to Pine Avenue
6. Pine Avenue from Fir Street to Edison Street
7. Cooper Point Road from Conger Avenue to Elliot Avenue
8. Elliott Avenue from Cooper Crest Street to Cooper Point Road
9. 14th Avenue/Walnut Road from Division Street to Kaiser Road
10. Division Street from Walnut Road to Elliot Avenue
11. Elliott Avenue from Division Street to Crestline Boulevard
12. Morse-Merryman Road from Hoffman Road to Wiggins Road
13. Boulevard Road from Log Cabin Road to 41st Avenue
14. Decatur Street from 13th Avenue to Caton Way
15. Boulevard Road from 15th Avenue to 22nd Avenue
16. 18th Avenue from Boulevard Road to Wilson Street
17. Wilson Street from 22nd Avenue to 18th Avenue
18. Mottman Road from Mottman Court to SPSCC
19. McPhee Road from Harrison Avenue to Capitol Mall Drive
20. Lilly Road from Woodard Green Drive to 26th Avenue
21. Marion Street from Ethridge Avenue to Miller Avenue
22. Wiggins Road from Morse-Merryman Road to Herman Road
23. Herman Road from Wiggins Road to the Chehalis Western Trail
24. 26th Avenue from Bethel Street to Gull Harbor Road construction

These sidewalk projects are also derived from the 2004 Sidewalk Program but are not intended to be funded with voted utility tax revenues. City funds and grants are needed for these projects:

1. Phoenix Street from South Bay Road to Martin Way and State Avenue from Wilson Street to Phoenix Street (\$1,573,100)
2. 4th Avenue from Pacific Avenue to Phoenix Street
3. Martin Way from Pattison Street to Lilly Road

Sidewalks and Pathways (continued)

Justification (Need/Demand)	The need for sidewalk and pathway repair and maintenance continues to grow. Pathways provide bicyclists and pedestrians more safe and direct off-street routes within neighborhoods. By completing sidewalks on major streets, people are safer and more comfortable walking for transportation and recreation..
Measurable Outcome	We are monitoring the percentage of arterials and major collectors that are “complete streets” serving all modes of transportation. Currently 76% of these streets have sidewalks on at least one side. Our target is 100%.
Comprehensive Plan and Functional Plan(s) Citations	This program implements the following Olympia Comprehensive Plan goals and policies: GT 6 Pathways enhance the transportation network by providing direct and formal off-street routes for bicyclists and pedestrians. PT 6.1 Establish and improve pathways in existing built areas. GT 21 Walking is safe and inviting, and more people walk for transportation. PT 21.3 Build new streets and retrofit existing streets to be more inviting for walking with sidewalks, crossing improvements, and streetscape enhancements. GT 22 Sidewalks make streets safe and inviting for walking. PT 22.2 Focus City sidewalk construction on major streets, where heavy traffic volumes and speeds make it difficult for walkers to share space with motor vehicles. Prioritize sidewalk construction projects based upon street conditions, transit routes, and the proximity to destinations such as schools. This program implements the 2004 Sidewalk Program.

Capital Costs:	2016	2017-2021	Total
Maintenance	\$ 20,000	\$ -	\$ 20,000
Pathways	\$ 125,000	\$ 625,000	\$ 750,000
Sidewalks	\$ 1,086,500	\$ 5,432,500	\$ 6,519,000
Total	\$1,231,500	\$6,057,500	\$7,289,000

Funding Sources:	2016	2017-2021	Total
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
Total	\$1,231,500	\$6,057,500	\$7,289,000



In September 2004, voters approved a 3% increase to the private utility tax to pay for parks and recreational facilities. Of this increase, 1% is for sidewalks and recreational walking facilities.

Street Repair and Reconstruction

Location	Various locations city-wide.
Links to Other Projects or Facilities	Asphalt Overlay Adjustments—Drinking Water and Wastewater sections
Description	<p>This program addresses:</p> <ul style="list-style-type: none"> • Complete Street Reconstruction projects address streets with pavement in the worst condition. These reconstruction projects add bicycle and pedestrian facilities at the time the street is reconstructed. • Maintenance projects that are beyond the capacity of City maintenance crews. These projects include, for example, repairing and replacing striping, guardrails, railing, signals, and lighting. • Major Resurfacing projects are repaving projects that may include other elements such as ADA access ramps and bulb-outs for pedestrians at intersections. • Street Preservation is an on-going effort to preserve the condition of our streets and delay major reconstruction. This may include, for example, chip sealing streets and sealing cracks.
Project List	<p>Complete Street Reconstruction project timing is based upon the pavement condition rating. Because these projects have a larger scope than just resurfacing, they will require grant funds and/or other funding sources to be completed.</p> <ul style="list-style-type: none"> • Mottman Road from Mottman Court to West of SPSCC; includes an asphalt overlay, bike lanes and sidewalk, planter strip and street lighting on one side. \$ 5,714,500 <p>Maintenance projects include:</p> <ul style="list-style-type: none"> • Maintenance projects will be identified annually • 4th Avenue Bridge Railing Repair; \$420,000 <p>Major Resurfacing projects in this six-year period are focused on downtown streets:</p> <ol style="list-style-type: none"> 1. Franklin Street from Legion Way to State Avenue 2. Legion Way from Water Street to Franklin Street 3. Capitol Way from Legion Way to State Avenue 4. Washington Street from Legion Way to Olympia Avenue 5. Jefferson Street from 7th Avenue to State Avenue <p>Street Preservation work is identified annually based upon pavement condition ratings and are not shown here.</p>
Justification (Need/Demand)	<p>The City uses a pavement condition rating system to evaluate the condition of our street surfaces. Depending upon the level of deterioration, a project may require minor preservation work such as chip sealing, a simple resurfacing, or full reconstruction. A major emphasis in this program is to preserve the condition of a street before it deteriorates to a point that more costly full reconstruction is needed.</p> <p>The 4th Avenue Bridge railing is cracking and spalling. At this time, the repair is aesthetic, not structural.</p>
Measurable Outcome	<p>The pavement condition is rated on every street in the City, ranging from 1-100. A segment of street with a rating of 40 or below is poor; 50-69 is fair, and 70-100 is good. The average pavement condition target for the whole system is 75. The current system rating is 72.</p>
Comprehensive Plan and Functional Plan(s) Citations	<p>This program implements the following Olympia Comprehensive Plan goals and policies:</p> <p>GT 29 The transportation system is maintained at the lowest life-cycle cost to maximize the City's investment in its infrastructure.</p> <p>PT 29.1 Schedule regular maintenance of the City's transportation system for efficiency and greater predictability, and to reduce long-term cost.</p> <p>PT 29.2 Protect street pavement by resurfacing streets with low-cost treatments before they deteriorate to a point that requires major reconstruction.</p> <p>PT 25.1 Retrofit streets to provide safe and inviting bicycle facilities. Use the Bicycle Master Plan (2009) to guide facilities development, but look for other opportunities to provide bicycle facilities where possible.</p>

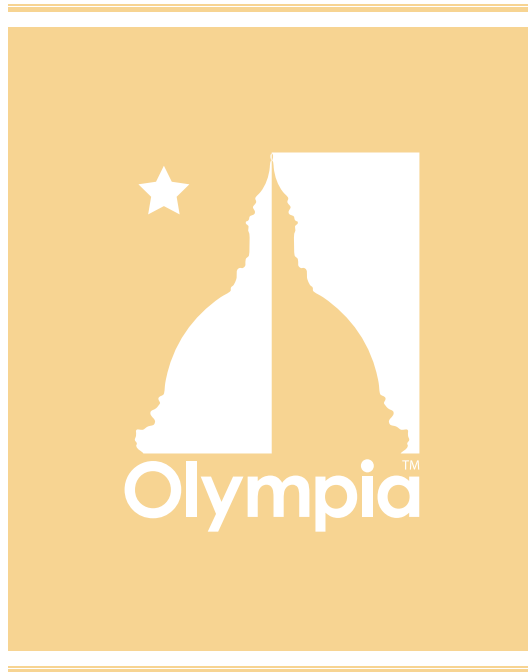


Street Repair and Reconstruction (continued)

Capital Costs:	2016	2017-2021	Total
Complete Street Reconstruction	\$ -	\$ -	\$ -
Maintenance	\$ 100,000	\$ 420,000	\$ 520,000
Major Resurfacing	\$ 1,200,000	\$ 5,400,000	\$ 6,600,000
Street Preservation	\$ 1,282,000	\$ 5,500,000	\$ 6,782,000
Total	\$ 2,582,000	\$ 11,320,000	\$ 13,902,000

Funding Sources:	2016	2017-2021	Total
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	\$ 2,582,000	\$ 11,320,000	\$ 13,902,000

TBD Funding: In 2008, the City Council adopted an ordinance creating the Olympia Transportation Benefit District (TBD) that added \$20 to Olympia residents' annual vehicle license fees. For planning purposes, it is assumed the TBD pays \$700,000/year for paving.





**Transportation
Projects Funded
with Impact Fees**





Transportation Projects Funded with Impact Fees

Background:

Transportation projects funded with Impact Fees are transportation projects needed to serve anticipated new growth, consistent with the 2025 Regional Transportation Plan, the Olympia Comprehensive Plan (Comp Plan), and the requirements of the Washington State Growth Management Act (GMA).

Transportation System Improvements Needed to Serve New Growth:

The GMA requires the City to plan for its share of growth over a 20-year period as part of Thurston County's growth projections. Growth projections for the County and City are developed by the Thurston Regional Planning Council (TRPC). This growth projection is the foundation for much of the Comp Plan. Long-range (20-year) transportation system needs are identified in the Comp Plan and are based on these growth projections. The City's Capital Facilities Plan (CFP) is a six-year document, so the 20-year growth forecast is adjusted by TRPC to reflect anticipated growth over the next six-year period. The regional transportation model is then updated to reflect this six-year growth increment to identify transportation system needs. The current six-year growth increment projects an additional 10,458 new vehicle trips in the afternoon peak hours (4-6 p.m.) each day on the City's street system. Therefore, the City's transportation planning must address these anticipated impacts.

The GMA also requires local governments to establish Transportation Level of Service (LOS) standards. These LOS standards describe acceptable levels of congestion. The City's LOS threshold is based on a two-hour peak traffic period. In Downtown and along High Density Residential Corridors it is LOS E (a point at which traffic flow can be expected to be delayed through two full cycles at a signalized intersection). In the rest of the City and Urban Growth Areas, LOS D is acceptable (a point at which traffic flow can be expected to be delayed through at least one full cycle at signalized intersections). The City has identified a number of locations that it will accept higher levels of delay and these are identified in the Comp Plan.

These LOS standards serve as a gauge for judging performance of the transportation system. Transportation projects that meet our LOS standards today, but are expected to fall below the LOS standards within the next six-years, are candidates for using Transportation Impact Fee funding. Any transportation projects that are already below our LOS standards are not eligible to be funded by Transportation Impact Fees.

Project Development and Funding Strategy:

Once the transportation modeling analysis is complete for the given growth forecast, the City must make decisions on how to fund the projects necessary to serve the anticipated growth.

There are two options for the City to consider:

1. Develop a funding strategy and plan for the transportation system improvements needed to serve the anticipated growth; or
2. Work with TRPC to lower our transportation LOS standards on specific corridors or intersections and accept more congestion, in lieu of providing additional capacity.

Decisions as to how to proceed are difficult, as there are implications in both the short and long term:

- Developing a funding strategy to provide the necessary transportation system improvements for planned growth will have a financial impact to both the City and the development community.
- Reducing the amount of planned transportation system improvements will require lowering of the Transportation LOS standards, thereby accepting more congestion in the future.
- The GMA does not allow the use of Transportation Impact Fees to resolve an existing deficiency. Therefore, if projects are not planned for the anticipated growth and a facility falls below our LOS standards, the City will have to prohibit development until either project funding is provided or a decision is made to accept the congestion. If congestion is ultimately not acceptable to the public, the City will need to fund the project without the benefit of Transportation Impact Fee funding.
- Transportation Impact Fees will go down with a reduced project list, but the remaining project's time lines for construction will not be accelerated as a result. This is because growth stays constant while Transportation Impact Fee rates go down.

Other requirements that need to be made to be compliant with State Law:

- The CFP must be balanced financially;
- The CFP must reflect the infrastructure needs for the next six years;
- Transportation projects in the CFP need to account for growth projections of the City;
- Transportation projects must be in the CFP in order to be eligible to use Transportation Impact Fee funding;
- Transportation Impact Fees cannot be used to fund existing deficiencies; and
- The City cannot apply for grants on projects that are not identified in the City's CFP and Transportation Improvement Program (TIP).

The following project list has been identified using this process. The project list totals \$43.1 Million to meet our capacity needs to accommodate forecasted growth. Sixty-five percent of this cost will be collected through Transportation Impact Fees (\$28.1 Million). The remaining 35% of the cost will be through a combination of State and/or Federal Transportation Grants and City funds.

Priority # Project Description	
Priority #1-2 are City Council stated priorities	
1a	Boulevard Road and Morse Merryman (Roundabout)
1b	Boulevard Road and Log Cabin, Phase II, East Leg
2	Fones Road (Pacific Avenue to 17th Avenue)
Priority #3-6 are prioritized by year of project forecasted to be needed	
3	Cain Road and North Street Intersection Improvements
4	Henderson Boulevard and Eskridge Boulevard Intersection Improvements
5	Wiggins Road and 37th Avenue Intersection Improvements
6	Log Cabin Road Extension Impact Fee Collection (built as development occurs)

Timeline for Construction:

The developed project list provides the transportation system capacity needed to serve the forecasted growth from new development. While the forecast is for a six-year period, the needs and time lines will be dependent on actual growth. If new development occurs faster than projections, the time lines for the projects will need to be accelerated. If the development occurs slower than projections, then all of the identified projects will not be needed within the current six-year planning period.

Historically, development has not kept pace with our growth forecasts. This creates suggestions to lower the impact fee collection projections. However, as stated earlier, transportation planning must address all anticipated growth. Lowering the impact fee projection would lower the impact fee rate for projects and could lead to deficiency projects. Any transportation projects that fall below our LOS standards are not eligible to be funded by Transportation Impact Fees in the future.

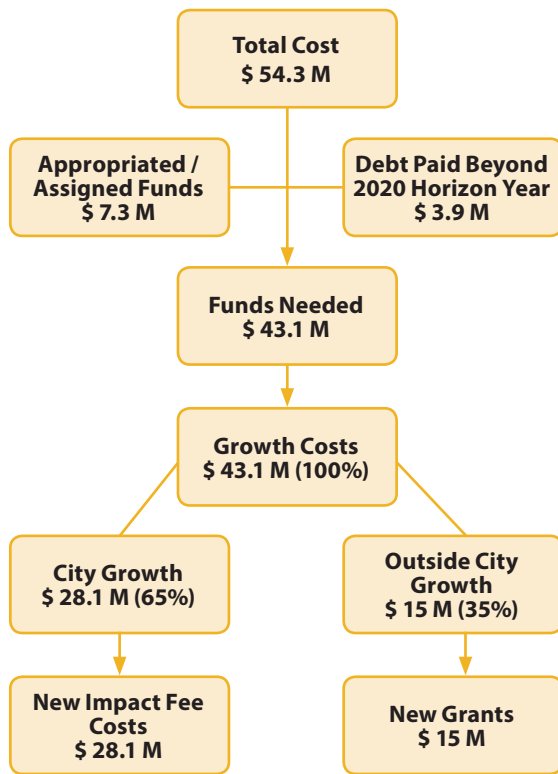
Each year the City does an evaluation to determine the amount of development that has occurred in order to insure transportation system improvements are keeping pace with the rate of actual development.

Transportation Impact Fee Rate Analysis:

The impact fee structure for the City of Olympia is designed to determine the fair share of improvement costs that may be charged for a new development. The following key points summarize the impact fee structure:

- A six-year roadway facility list oriented to future growth
- Existing deficiencies are identified and separated from future trips on the roadway system
- Future trips are allocated to geographic areas inside and outside the City using a traffic-forecasting model
- A Citywide fee system is established
- A land-use based fee schedule is developed

The figure below illustrates the transportation impact fee cost allocation process*:



*** The current costs are in the process of being updated. They will be revised based on the results of the 2015 impact fee update.**

The Cost per New Trip is then calculated as follows:

Impact Fee Costs	\$28,113,239
New Peak (4 -6 p.m.) Hour Trips	<u>÷ 10,458</u>
Cost per New Trip	\$2,688

The Transportation Impact Fee Rate Schedule is developed by adjusting the Cost per New Trip information to reflect differences in trip-making characteristics for a variety of land use types between the different geographic areas within and outside the City limits. The fee schedule is a table where fees are represented as dollars per unit for each land use category.

Please note: The project components commonly used in Transportation Projects funded by impact fees are defined in the Glossary section of this document, and therefore not necessarily listed in the individual project descriptions.

2010 Transportation Stimulus Project Repayment

Location In May 2009, the Council agreed to fund a stimulus package for Harrison Avenue, Harrison Avenue - 500' Extension, Boulevard/Log Cabin roundabout, and 18th Avenue from Hoffman Road to Fones Road.
Bond funds were also used to pay for a portion of the City's Yelm Highway project.

Description Repayment of bonds used to complete capacity-related street projects.
Payment Remaining:

YEAR	PRINCIPAL	INTEREST	TOTAL
2016	\$ 255,000	\$ 183,662.50	\$ 438,662.50
2017	\$ 260,000	\$ 176,012.50	\$ 436,012.50
2018	\$ 270,000	\$ 135,612.50	\$ 435,612.50
2019	\$ 280,000	\$ 154,812.50	\$ 434,812.50
2020	\$ 295,000	\$ 143,612.50	\$ 438,612.50
2021	\$ 305,000	\$ 131,812.50	\$ 436,812.50
2022-2029	\$ 2,915,000	\$ 570,575.00	\$ 3,485,575.00

Project List Harrison Avenue, Phase II & III, from College Station frontage improvements to Yauger Way (W:C2)*
18th Avenue from Hoffman Road to Fones Road (S:D7)*
Boulevard and Log Cabin roundabout (S:E6)*
Yelm Highway from Henderson Boulevard to East City Limits (S:F6)*
*(Quadrant: Map Coordinate)

Justification (Need/Demand) In 2010, the City issued councilmanic debt for approximately \$6 million for the completion of major street capacity projects identified through the City's Concurrency Review. The projects were completed in 2010 at a cost of \$18,861,000. The bonds are 20 year bonds.

Level of Service (LOS) N/A

Comprehensive Plan and Functional Plan(s) Citations These projects implement the following Olympia Comprehensive Plan goals and policies:
GT 9 The impacts of new land-use development on the transportation system are mitigated appropriately.
PT 9.2 Require new development to construct improvements or contribute funds towards measures that will improve the function and safety of the streets, such as installing bike and pedestrian improvements, turn pockets or special lanes for buses, or roundabouts, or modifying traffic signals
GT 28 Transportation facilities and services are funded to advance the goals of the City and the region.
PT 28.4 Continue to be innovative with the use of existing funds and explore new funding sources for transportation.
These projects implement the 2015 Regional Transportation Plan.

Funding Sources for Debt Repayment	2016	2017-2021	Total
Impact Fees	\$ 438,663	\$ 2,181,862	\$ 2,620,525
Total	\$ 438,663	\$ 2,181,862	\$ 2,620,525

Annual Operations and Maintenance

Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Southeast, West



Boulevard Road Intersection Improvements (Program #0628)

Location Intersection of Boulevard Road and Morse-Merryman Road, and Boulevard Road and Log Cabin Road Phase II: East leg

Links to Other Projects or Facilities Sidewalk Construction—Transportation section
Parks and Pathways Sidewalk—Transportation section
Sewer System Planning—Sewer Program
Transmission and Distribution Projects—Water Program



Description Intersection capacity improvements at the intersections listed above will include roundabouts. Design includes features to assist bicyclists or pedestrians. Stormwater improvements are also part of the project, but are not listed separately. Transportation components may include bicycle facilities, intersections at grade, pedestrian crossings, raised pavement markings, roadside planting, roundabouts, sidewalks, signage and striping.

Project List Boulevard Road and Morse-Merryman Road, and Boulevard Road and Log Cabin Road Phase II: East leg are also dependent on receiving grant funding and/or other sources of funding for construction.

PROJECT	COST
Boulevard Road and Log Cabin Road Phase II. Construction of the east leg of the intersection across the former Thurston County property.	\$ 2,676,800
Boulevard Road and Morse Merryman Road. Construction of the full intersection.	\$ 5,069,400*

*Cost based on projected construction year of 2017.

Justification (Need/Demand) The Boulevard Road Corridor Study identifies roundabouts at these intersections as the preferred alternative to address traffic congestion and to further enhance safety. Installation of roundabouts improves bicycle, pedestrian and motorist safety and flow, particularly during periods of peak traffic. In addition, they provide increased pedestrian safety by allowing safer access to schools, parks, businesses and other destinations.

Level of Service (LOS) LOS D
Project Type: Capacity project. Deficient within six years. Functionality project. Functionally deficient.

Comprehensive Plan and Functional Plan(s) Citations This project implements the following Olympia Comprehensive Plan goals and policies:
PT 8.5 Consider roundabouts instead of signals at intersections to maintain traffic flow
GT 9 The impacts of new land-use development on the transportation system are mitigated appropriately.
GT 28 Transportation facilities and services are funded to advance the goals of the City and the region.
PT 28.1 Make it a high funding priority to enhance the operational efficiency of the City’s transportation system.
PT 28.3 Use master plans, sub-area plans and facilities programs to identify improvements to our transportation system and how to fund them. See also GT 9,
PT 9.2 This project implement the 2015 Regional Transportation Plan.

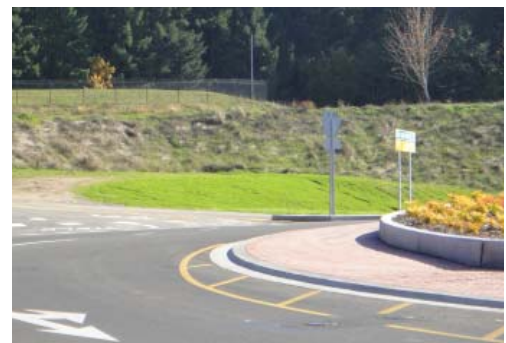
Capital Costs:	2016	2017-2021	Total
Design & Engineering	\$ 12,289	\$ 303,987	\$ 316,276
Construction	\$ 34,109	\$ 4,697,343	\$ 4,731,452
Total	\$ 46,398	\$ 5,001,330	\$ 5,047,728

Funding Sources:	2016	2017-2021	Total
SEPA	\$ 46,398	\$ -	\$ 46,398
Impact Fees	\$ -	\$ 3,057,057	\$ 3,057,057
Grant	\$ -	\$ 1,944,273	\$ 1,944,273
Total	\$ 46,398	\$ 5,001,330	\$ 5,047,728

The current costs are in 2015 dollars. They are currently being updated to account for inflation costs for the year 2015. The amount of SEPA Mitigation and Impact Fee funds will be updated at the same time

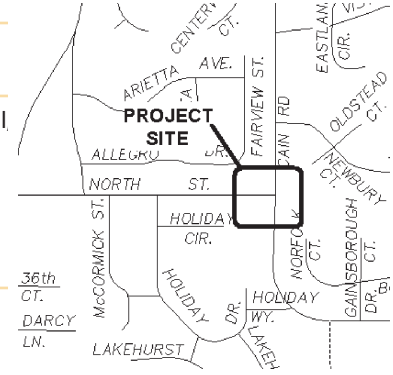
Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$7,670 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Cain Road & North Street Intersection Improvements

Location	Intersection of North Street and Cain Road
Links to Other Projects or Facilities	N/A
Description	Intersection capacity improvements will include a traffic signal, left turn channelization and street widening. Design includes features to assist bicyclists and pedestrians. Transportation components may include bicycle facilities, pedestrian crossings, raised pavement markings, roadside planting, sidewalks, signage, striping and traffic control signals.
Justification (Need/Demand)	Installation of new traffic signals improves bicycle, pedestrian and motorist safety and flow, particularly during periods of peak traffic. An annual review process prioritizes non-signalized intersections.
Level of Service (LOS)	LOS D Project Type: Capacity project. Deficient within six years. Functionality project. Functionally deficient.
Comprehensive Plan and Functional Plan(s) Citations	This project implements the following Olympia Comprehensive Plan goals and policies: PT 1.6 Build intersections that are safe for pedestrians, bicyclists, and motor vehicles. Use minimum dimensions (narrow lanes and crossings) for a human-scale environment, while maintaining vehicle access and safety. PT 28.1 Make it a high funding priority to enhance the operational efficiency of the City's transportation system.



Capital Costs:	2016	2017-2021	Total
Land & Right-of-Way	\$ -	\$ 160,100	\$ 160,100
Design & Engineering	\$ 7,553	\$ 299,891	\$ 307,444
Construction	\$ -	\$ 2,387,400	\$ 2,387,400
Total	\$ 7,553	\$ 2,847,391	\$ 2,854,944

Funding Sources:	2016	2017-2021	Total
SEPA	\$ 7,553	\$ -	\$ 7,553
Impact Fees	\$ -	\$ 1,580,823	\$ 1,580,823
Grant	\$ -	\$ 1,266,568	\$ 1,266,568
Total	\$ 7,553	\$ 2,847,391	\$ 2,854,944

The current costs are in 2015 dollars. They are currently being updated to account for inflation costs for the year 2015. The amount of SEPA Mitigation and Impact Fee funds will be updated at the same time

Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$2,550 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



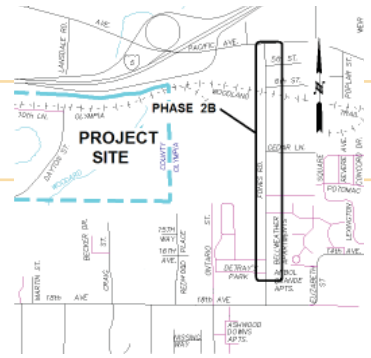


Fones Road—Transportation (Program #0623)

Location Phase 2B Construction: Fones Road from Pacific Avenue on the north to 17th Avenue SE on the south. (S:D7)*
 *(Quadrant: Map Coordinate)

Links to Other Projects or Facilities Street Repair and Reconstruction—Transportation section
 Transmission and Distribution—Drinking Water section

Description Phase 2B—Installation of a roundabout at the intersection of Fones Road and South Home Depot driveway. Widen Fones Road to five lanes from Pacific Avenue to the south property line of the Home Depot retail store, with a transitional four lanes to the Bellweather apartment complex driveway that intersects Fones Road. From the Bellweather driveway, the roadway will transition to three lanes to 17th Avenue SE.



This is a high priority transportation system project needed to serve increased vehicular, pedestrian, bicycle, and transit traffic in the area. Stormwater improvements are also part of both phases, but are not included in the list of project components. Project components may include illumination, intersections at grade, pavement, public transfer facilities, roadside planting, sidewalks, roundabouts, and undergrounding.

Justification (Need/Demand) Fones Road needs to be widened due to new development occurring in Southeast Olympia and projections for continued residential and commercial development. Without this proposed widening, Fones Road is expected to fall below the City’s acceptable LOS within the next six years.

Level of Service (LOS) LOS D
 Project Type: Capacity project. Deficient within six years without widening. Meets LOS standard when project completed.

Comprehensive Plan and Functional Plan(s) Citations This project implements the following Olympia Comprehensive Plan goals and policies:
 GT 9 The impacts of new land-use development on the transportation system are mitigated appropriately.
 PT 9.2 Require new development to construct improvements or contribute funds towards measures that will improve the function and safety of the streets, such as installing bike and pedestrian improvements, turn pockets or special lanes for buses, or roundabouts, or modifying traffic signals
 GT 28 Transportation facilities and services are funded to advance the goals of the City and the region
 PT 28.1 Make it a high funding priority to enhance the operational efficiency of the City’s transportation system.

This project implements the 2015 Regional Transportation Plan

Capital Costs:	2016	2017-2021	Total
Land & Right-of-Way	\$ -	\$ 4,804,700	\$ 4,804,700
Design/Engineering	\$ 23,385	\$ 1,544,927	\$ 1,568,312
Construction	\$ -	\$ 9,964,700	\$ 9,964,700
Total	\$ 23,385	\$ 16,314,327	\$ 16,337,712

Funding Sources:	2016	2017-2021	Total
SEPA	\$ 23,385	\$ -	\$ 23,385
Impact Fees	\$ -	\$ 9,057,437	\$ 9,057,437
Grant	\$ -	\$ 7,256,890	\$ 7,256,890
Total	\$ 23,385	\$ 16,314,327	\$ 16,337,712

The current costs are in 2015 dollars. They are currently being updated to account for inflation costs for the year 2015. The amount of SEPA Mitigation and Impact Fee funds will be updated at the same time

Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$12,000 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Henderson Boulevard & Eskridge Boulevard Intersection Improvements

Location Intersection of Henderson Boulevard and Eskridge Boulevard (S:E6)*
*(Quadrant:Map Coordinate)

Links to Other Projects or Facilities N/A

Description Intersection capacity improvements include a roundabout. Transportation components may include bicycle facilities, pedestrian crossings, raised pavement markings, roadside planting, roundabouts, sidewalks, signage, and striping.

Justification (Need/Demand) Intersection improvements provide better traffic flow during peak periods, reduce the frequency of accidents, and improve the LOS during off peak hours. In the latest annual concurrency review, traffic levels at this intersection will exceed the current LOS standard within the next six years. This improvement will bring the intersection back within the established LOS.



Level of Service (LOS) LOS D
Project Type: Capacity Project. Capacity deficient within six years.

Comprehensive Plan and Functional Plan(s) Citations This project implements the following Olympia Comprehensive Plan goals and policies:
PT 8.5 Consider roundabouts instead of signals at intersections to maintain traffic flow.
GT 9 The impacts of new land-use development on the transportation system are mitigated appropriately.
GT 28 Transportation facilities and services are funded to advance the goals of the City and the region.
PT 28.1 Make it a high funding priority to enhance the operational efficiency of the City's transportation system.

Capital Costs:	2016	2017-2021	Total
Land & Right-of-Way	\$ -	\$ 277,900	\$ 277,900
Design & Engineering	\$ 2,897	\$ 284,856	\$ 287,753
Construction	\$ -	\$ 2,944,900	\$ 2,944,900
Total	\$ 2,897	\$ 3,507,656	\$ 3,510,553

Funding Sources:	2016	2017-2021	Total
SEPA	\$ 2,897	\$ -	\$ 2,897
Impact Fees	\$ -	\$ 1,947,391	\$ 1,947,391
Grant	\$ -	\$ 1,560,265	\$ 1,560,265
Total	\$ 2,897	\$ 3,507,656	\$ 3,510,553



The current costs are in 2015 dollars. They are currently being updated to account for inflation costs for the year 2015. The amount of SEPA Mitigation and Impact Fee funds will be updated at the same time

Annual Operations and Maintenance

Estimated Costs	\$20,630 per lane mile or \$4,750 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Log Cabin Road Extension Impact Fee Collection (Program # 0616)

Location	From the extension of Log Cabin Road, east of Boulevard Road, to the extension of Hoffman Road.
Links to Other Projects or Facilities	Boulevard Road Intersection Improvements: Boulevard Road and Log Cabin, Phase II- Transportation section.
Description	<p>This project will eventually extend the roadway and create a connection between Boulevard Road and the future extension of Hoffman Road. Local developers will be required to construct this major collector street. The City is collecting funds to upgrade the street to construct a median that exceeds what can be required of the developers.</p> <p>If insufficient development has taken place to complete the project by the time regional traffic conditions dictate that the project be completed, the City may complete it. Impact fees can only be collected for capacity projects. Utility components will be added when design and construction are within six years of completion. Transportation project components may include illumination, intersections at grade, medians, pavement, public transfer facilities, roadside planting, roundabouts, sidewalks, traffic control signals, and undergrounding.</p>
Justification (Need/Demand)	Southeast Olympia is one of Olympia’s fastest developing areas. The proposed extension of Log Cabin Road crosses an undeveloped area prime for residential development.
Level of Service (LOS)	LOS D Project Type: Capacity project. Capacity deficient within 10-12 years. After completion of the project, LOS B.
Comprehensive Plan and Functional Plan(s) Citations	<p>This project implements the following Olympia Comprehensive Plan goals and policies:</p> <p>GT 9 The impacts of new land-use development on the transportation system are mitigated appropriately.</p> <p>PT 9.2 Require new development to construct improvements or contribute funds towards measures that will improve the function and safety of the streets, such as installing bike and pedestrian improvements, turn pockets or special lanes for buses, or roundabouts, or modifying traffic signals</p> <p>GT 28 Transportation facilities and services are funded to advance the goals of the City and the region.</p> <p>GT 4 The street network is a well-connected system of small blocks, allowing short, direct trips for pedestrians, bicyclists, transit users, motorists and service vehicles.</p> <p>PT 4.2 Build new street connections to reduce travel time and distances for all users of the street system.</p> <p>PT 4.5 Build new street connections so the grid provides other routes is an emergency or major construction blocks travel.</p> <p>PT 4.6 Build new street connections so that emergency vehicles transit, and other service vehicles have direct and efficient routes.</p> <p>This project implement the 2015 Regional Transportation Plan.</p>

Capital Costs:	2016	2017-2021	Total
Land and Right-of-Way	\$ 18	\$ -	\$ 18
Other	\$ -	\$ 4,038,097	\$ 4,038,097
Total	\$ 18	\$ 4,038,097	\$ 4,038,115

Funding Sources:	2016	2017-2021	Total
SEPA	\$ 18	\$ -	\$ 18
Impact Fees	\$ -	\$ 4,038,097	\$ 4,038,097
Total	\$ 18	\$ 4,038,097	\$ 4,038,115

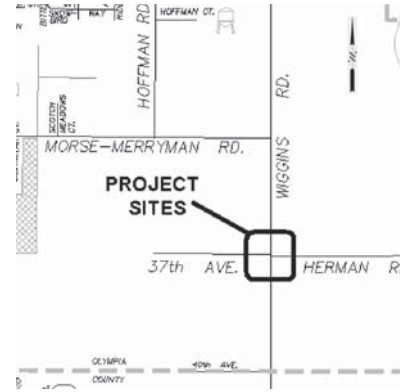
The current costs are in 2015 dollars. They are currently being updated to account for inflation costs for the year 2015. The amount of SEPA Mitigation and Impact Fee funds will be updated at the same time

Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$76,200
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Wiggins Road & 37th Avenue Intersection Improvements

Location	Intersection of Wiggins Road and 37th Avenue
Links to Other Projects or Facilities	N/A
Description	Intersection capacity improvements include a roundabout. Design includes features to assist bicyclists or pedestrians. Transportation components may include bicycle facilities, intersections at grade, pedestrian crossings, raised pavement markings, roadside planting, roundabouts, sidewalks, signage and striping.
Justification (Need/Demand)	Installation of a roundabout improves bicycle, pedestrian and motorist safety and flow, particularly during periods of peak traffic. In addition, this provides increased pedestrian safety by allowing safer access to businesses and other destinations. An annual review process prioritizes non-signalized intersections.



Level of Service (LOS)	LOS D Project Type: Capacity project. Deficient within six years. Functionality project. Functionally deficient.
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Comprehensive Plan and Functional Plan(s) Citations	<p>This project implements the following Olympia Comprehensive Plan goals and policies:</p> <p>PT 8.5 Consider roundabouts instead of signals at intersections to maintain traffic flow.</p> <p>GT 9 The impacts of new land-use development on the transportation system are mitigated appropriately.</p> <p>GT 28 Transportation facilities and services are funded to advance the goals of the City and the region.</p> <p>PT 28.1 Make it a high funding priority to enhance the operational efficiency of the City's transportation system.</p>
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Capital Costs:	2016	2017-2021	Total
Land & Right-of-Way	\$ -	\$ 1,188,000	\$ 1,188,000
Design & Engineering	\$ 83,187	\$ 467,149	\$ 550,336
Construction	\$ -	\$ 5,080,600	\$ 5,080,600
Total	\$ 83,187	\$ 6,735,749	\$ 6,818,936

Funding Sources:	2016	2017-2021	Total
SEPA	\$ 83,187	\$ -	\$ 83,187
Impact Fees	\$ -	\$ 3,739,573	\$ 3,739,573
Grant	\$ -	\$ 2,996,176	\$ 2,996,176
Total	\$ 83,187	\$ 6,735,749	\$ 6,818,936

The current costs are in 2015 dollars. They are currently being updated to account for inflation costs for the year 2015. The amount of SEPA Mitigation and Impact Fee funds will be updated at the same time



Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$2,550
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



**General Capital
Facilities Projects**





General Capital Facilities

General government facilities are designed to meet a broad spectrum of needs—facilities that directly serve the public, such as libraries, and those that house City staff as they work to assure that public and governmental responsibilities are met. The 18 City-owned buildings provide space for 500 City employees and 4,500 daily visitors. Several community and non-profit organizations operate out of these buildings including:

- Timberland Regional Library
- Washington Center for the Performing Arts
- Hands On Children’s Museum
- Senior Services for South Sound
- YMCA
- Junior League
- Thurston County Volunteer Legal Clinic
- The Olympia Free Clinic
- Thurston County Family Justice League

General Government facilities are unique in that the level of service (LOS) may be defined by community preference and standards. Several capital needs of the City may not specifically be included in the City’s Comprehensive Plan. Nonetheless, these projects are vital to the quality of life of the community or the operational efficiency of the City and may be included in the Capital Facilities Plan.

The 2016-2021 CFP includes the Building Repair and Replacement program. This project is included in the CFP even though it may not fit neatly into a traditional capital project category, such as parks, transportation or utilities. There are also no established levels of service in the Comprehensive Plan for this project. However, the project adds to the infrastructure or asset base of the community.

In this six-year CFP, Council recognizes that there are long-term maintenance needs that must be addressed. With the inclusion of the Utility tax on cable television, the Council will be able to fully fund building repair and replacement (\$1.4 million per year). Our long-term financial strategy says we will maintain what we have before we add new. For these reasons, we have funded building repair in this plan meeting the long-term maintenance needs of the CFP.

And finally, there are many unmet needs in the CFP. The need for additional library facilities, art center, sidewalk maintenance, and funding for the Master Street Tree Plan has been established; however, funding is not available. Therefore, these projects are not included in this CFP.

Building Repair and Replacement (Program #029)

Location	City Hall Court Services Family Support Center Hands on Children’s Museum Lee Creighton Justice Center Maintenance Center	Mark Noble Regional Fire Training Center Olympia Fire – Command Training Center Olympia Fire – Main Olympia Fire – 2 Olympia Fire – 3 Olympia Fire – 4	Olympia Police – Westside Station Police Annex Police Firing Range The Olympia Center Timberland Regional Library Washington Center
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Links to Other Projects or Facilities N/A

Description This program covers major maintenance to building interior and exterior, as well as equipment replacement at the 18 locations listed above. In 2015, the annual debt service for the Washington Center Exterior Repair will be \$233,025 which comes from this programs funding.

Justification (Need/Demand) Public Works conducted a building assessment of the City’s buildings to understand the state of the major systems and equipment, identify repair and replacement needs, prioritize identified needs, and develop planning level cost estimates.

An updated building condition assessment, addressing all 18 buildings, was completed in 2013. This updated evaluation provides information on the current state of major systems and equipment and their associated cost.

Projects supported by this fund must be \$50,000 or more and the repair/replacement must have a life expectancy of five or more years. General repairs and maintenance are not made from this fund, but instead from the City’s operating budget.

Over the next six years, the City’s facility repair/replacement costs are estimated to exceed \$1.6 Million per year. The City does maintain a reserve fund, but it has never been adequately funded. It remains a priority for the City.

Level of Service N/A

Comprehensive Plan and Functional Plan(s) Citations Although not included specifically in the Comprehensive Plan, the City’s Long Term Financial Strategy (LTFS) states that we should maintain what we have before we add new.

Capital Costs:	2016	2017-2021	Total
Major Maintenance	\$ 1,200,000	\$ 7,000,000	\$ 8,200,000
Total	\$ 1,200,000	\$ 7,000,000	\$ 8,200,000

Funding Sources:	2016	2017-2021	Total
CIP	\$ 1,200,000	\$ 7,000,000	\$ 8,200,000
Total	\$ 1,200,000	\$ 7,000,000	\$ 8,200,000

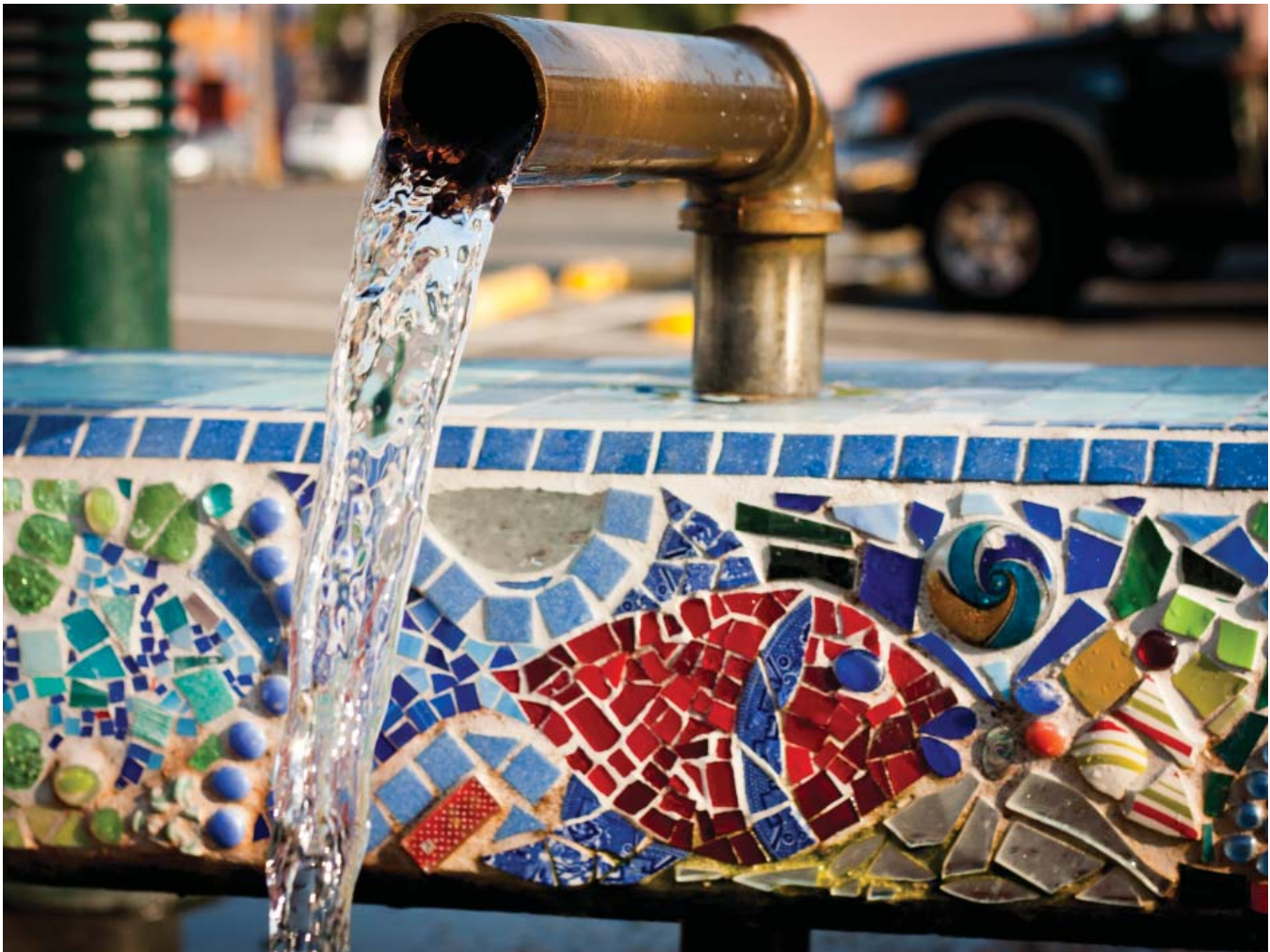
Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	None
Anticipated Savings Due to Project	Not yet determined
Department Responsible for Operations	Public Works
Quadrant Location	All









Drinking Water

The mission of the Drinking Water Utility is to ensure a safe and sustainable supply of drinking water for the community. Four key influencing factors drive the development of the nine water capital project programs identified in the Capital Facilities Plan (CFP):

1. **Regulation/Compliance:** Achieve legal compliance with the Federal Safe Drinking Water Act (SDWA), Washington State Department of Health (DOH) regulations, and the Uniform Fire Code (UFC) fireflow criteria.
2. **Adopted Sustainability Philosophy:** Manage the water in sustainable ways and to develop integrated solutions that solve more than one problem at a time.
3. **Growth:** Accommodate growth as defined by Olympia’s Comprehensive Plan and to continue to provide and improve service to existing customers.
4. **Operational and System Delivery Strategies:** Manage water as a limited resource, meet water regulation objectives using approaches that limit human influence on the naturally good quality of water Olympia has, and implement system changes for cost-effective delivery.

Drinking Water capital facilities are designed and built to provide citizens with safe and sustainable drinking water. Drinking Water capital program activities acknowledge the importance of managing the water as a limited, precious resource that needs to be protected, conserved, and managed responsibly.

The 2015-2020 Water System Plan serves as the basis for the development of the Drinking Water Capital Facilities Plan. The projects contained in the CFP are funded annually through Drinking Water Utility rates and General Facilities Charges (GFCs). Low interest State loans and grants are pursued as available. The 2015-2020 Water System Plan includes a financial strategy for planned capital improvements that involves a combination of cash and debt financing.

Growth-Related Projects

Projects that fall under this category are associated with work needed to accommodate new development and are funded by GFC revenue. When a project serves both new and existing development, a portion of the project cost will also be funded through Drinking Water Utility rates.

<u>Project</u>	<u>Percent Growth-Related</u>
Briggs Well Construction	100%
Kaiser Road Water main	25%
McAllister Wellfield Corrosion Control treatment	31%
McAllister Wellfield Mitigation - Deschutes River	50%
McAllister Wellfield Mitigation - Woodland Creek	50%
Olympia Brewery Water Engineering Analysis	100%
Water System Plan	50%

Level of Service (LOS) Determinations

Level of Service I

The first level of service (LOS I) involves maintaining the current system as-is and addressing the need to remain in regulatory compliance for water quality and quantity requirements.

- Meet minimal standards for water pressure (30 psi) and UFC fireflow criteria.
- Addressing new State and Federal Safe Drinking Water Act requirements.
- Addressing existing system deficiencies due to growth or infrastructure failure.

Level of Service II

The second level of service (LOS II) focuses on more proactive system maintenance and anticipating future regulatory needs.

- Anticipates future water quality regulations and develops facilities that will accommodate the increased requirements prior to the system becoming deficient.
- Goes beyond the required minimum of 30 psi average water pressure for residents and strives to improve the minimum to 40 psi. The higher standard is the most cost-effective approach to anticipating and meeting system growth needs. LOS II also strives to eventually eliminate areas within the system that do not meet UFC fireflow criteria.

Level of Service III

The final level of service (LOS III) recognizes Olympia’s commitment to sustainability and to the approach of managing water as a limited resource. LOS III projects and programs address DOH regulations to a further extent, with the underlying driver to be a responsible water steward and purveyor.

- To comply with DOH regulations, there must be some form of conservation activity within an adopted Water Plan. The degree to which the City of Olympia approaches a conservation program is a component of managing a limited resource.

Capital Facilities Projects by Level of Service	
LOS I	<ul style="list-style-type: none"> • Asphalt Overlay Adjustments
LOS II	<ul style="list-style-type: none"> • Small Diameter Water Pipe replacement • Transmission and Distribution Projects • Water Source Development & Protection • Water System Planning • Water Storage Systems
LOS III	<ul style="list-style-type: none"> • Groundwater Protection/ Land Acquisition • Infrastructure Pre-Design & Planning • Reclaimed Water

Level of Service Standards

Municipal utilities in the United States and elsewhere commonly use LOS standards to evaluate whether the physical systems or operations are functioning to an adequate level. LOS can be defined in terms of the customer’s experience of utility service and/or technical standards based on the professional expertise of Utility staff.

These LOS standards can help guide investments in maintenance and repair and replacement. New assets can be used to establish design criteria and prioritize needs. Using a structured decision process that incorporates LOS standards can help a utility achieve desired service outcomes while minimizing life-cycle costs.

The Drinking Water Utility has developed a set of formal LOS standards. Utility staff used the following criteria in selecting LOS:

- Specific goal or expectation
- Customer and community focus
- Quantifiable and measurable
- Relatively simple to understand and apply
- Available budget constraints for maintenance, repair and replacement

The selected LOS standards are in the following areas:

- System performance (including service interruption due to breakage, pressure, system reliability)
- Sustainability (energy efficiency)
- Customer service (response to water quality and service-related complaints)

These LOS standards have been incorporated in the development of this Capital Facilities Plan. Since regulatory compliance is considered a given, these LOS standards address issues of concern for customers beyond regulatory minimums and those that have an influence on decisions regarding infrastructure investments.

The LOS standards are:

System Performance

- Service interruption due to line breaks–During a three year period, no customer will experience more than two service interruptions due to a line break; such service interruptions will average four hours or less.
- Pressure–Water will be delivered to new construction at a minimum pressure of 40 psi at the service meter.
- System reliability with largest water source off-line–Utility will meet winter-time demands (inside use only) with the loss of our largest water source (McAllister Springs). This would require complete curtailment of all outside and non-essential water use, but would maintain service for critical needs such as drinking, cooking, sanitation and firefighting.

Sustainability

- Energy efficiency–All pumps are rated 80% efficient or higher, unless it is not cost-effective to do so (i.e., the value of energy savings would not pay back the cost of the improvement within five years).

Customer Service

- The Utility responds to main breaks within 15 minutes during business hours and within one hour outside business hours.
- The Utility responds to low pressure and water quality complaints by the end of the following business day.

Annual Operations and Maintenance

The water supplied to Olympia flows through concrete, cast iron, galvanized, asbestos cement (AC), ductile iron, and PVC pipe. These lines, in general, have a life expectancy of at least 50 years. New water lines are typically replaced with ductile iron, ductile iron cement lined, or high density polyethylene (HDPE) pipes. Currently, most maintenance work involves repairs to the older asbestos cement water lines and non-ductile iron connections, and valves within the City. Breaks within these lines are usually caused by age, geological shifts within the ground or from construction work. Replacing these aging facilities will help to reduce operations and maintenance costs.

The annual operations and maintenance costs for both potable water and reclaimed water represent an overall average that is subject to change due to unique circumstances that may be encountered at each location. For new infrastructure, initial operations and maintenance costs for repairs, replacements, and cleaning are minimal. As the infrastructure ages, maintenance costs will increase.

Annual Operations and Maintenance Costs

Repair service leak (3/4"-1").....	\$ 430 per repair
Install service (meter) on a 3/4" -1" line.....	\$ 1,760 per install
Install small main (2" line).....	\$ 69 per linear foot
Install 6" or larger main.....	\$ 105 per linear foot
Main line valve installation and replacement.....	\$ 3,880 per install
Main line (2"-8" line) leak repair.....	\$ 1,640 per repair
Fire hydrant installation or replacement.....	\$ 3,220 per install
Fire hydrant repair.....	\$ 295 per repair
Reservoir maintenance (e.g. Meridian).....	\$ 30,760 annually
Pump station maintenance.....	\$ 47,430 per station

Note: The project components commonly used in Drinking Water Projects are defined in the Glossary section of this document.



Asphalt Overlay Adjustments—Water (Program #9021)

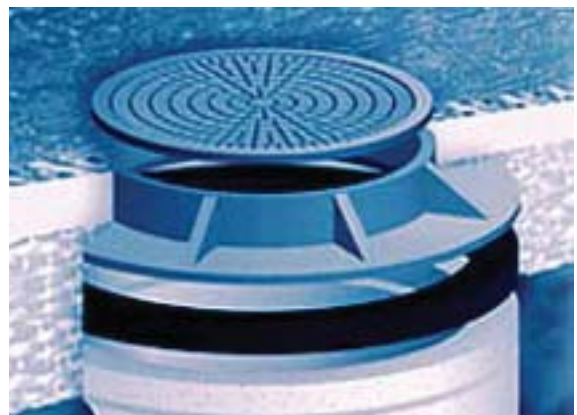
Location	Various locations Citywide.
Links to Other Projects or Facilities	Street Repair and Reconstruction Projects—Transportation section Asphalt Overlay Adjustments—Wastewater section
Description	Make necessary adjustments to raise water system components to street level in conjunction with the annual asphalt overlay/street reconstruction process. This is a pass-through amount that is used by the Transportation Street Repair and Reconstruction Project for water facilities.
Justification (Need/Demand)	Asphalt overlay and street reconstruction projects require the adjustment of water system structures and equipment (e.g., castings, manholes, inlets, and covers) during construction as part of the paving process.
Level of Service (LOS)	LOS I – See program overview for LOS definitions.
Comprehensive Plan and Functional Plan(s) Citations	This program implements the following Olympia Comprehensive Plan goals and policies: GU3: Utilities are developed and managed efficiently and effectively. PU 3.1: Utilities are developed and managed efficiently and effectively. PU7.7: Develop and maintain adequate storage, transmission, and distribution facilities.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Annual Operations and Maintenance

Estimated Costs	None (Work conducted by transportation crew.)
Estimated Revenues	None
Anticipated Savings Due to Project	Decreases likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Groundwater Protection (Program #9701)

Location Various locations Citywide. See Project List.

Links to Other Projects or Facilities Critical Habitat Land Acquisition—Storm and Surface Water section
Open Space Expansion—Parks, Arts and Recreation section

Description This program is targeted towards the purchase of land and other activities that will monitor and protect the groundwater that Olympia relies on for its drinking water supply.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2016-2020	Groundwater Protection (Easements, Appraisals, etc.)—This project is needed for installation of groundwater monitoring wells. Depending on the location of the wells, the City may have to obtain easements on property outside of the right-of-way and pay for those easements. The appraisals will determine the cost of the easements.	\$ 48,000
	2016-2018	Groundwater Monitoring Wells—This project will drill 12 additional groundwater monitoring wells within the capture zones to provide advance warning of any water quality issues that could impact the City’s drinking water sources.	\$ 578,000
	2017-2018	Wellhead Protection Program—This is an annual program (\$200,000) to refine the capture zones for the City’s wells (areas around the wells that capture stormwater which contribute to the aquifers).	\$ 421,000

Justification (Need/Demand) The acquisition of land within the City’s designated groundwater protection areas represents the ultimate groundwater protection strategy. By owning land or easements, the City can control land uses and associated activities on land near its water sources and help prevent contamination of critical groundwater resources.

Level of Service (LOS) LOS III – See program overview of LOS definitions.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 GU6: Groundwater in the City’s Drinking Water (Wellhead) Protection Areas is protected from contamination so that it does not require additional treatment.
 PU 6.1: Monitor groundwater quality to detect contamination, evaluate pollution reduction efforts, and to understand risks to groundwater.
 PU 5.3: Monitor water levels in aquifers and maintain numerical groundwater models.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 126,400	\$ 336,000	\$ 462,400
Design & Engineering	\$ 31,600	\$ 505,000	\$ 536,600
Land & Right of Way	\$ -	\$ 48,000	\$ 48,000
Total	\$ 158,000	\$ 889,000	\$ 1,047,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 158,000	\$ 889,000	\$ 1,047,000
Total	\$ 158,000	\$ 889,000	\$ 1,047,000

Annual Operations and Maintenance

Estimated Costs	Minimal
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South, West



Infrastructure Pre-Design and Planning—Water (Program #9903)

Location City water service area.

Links to Other Projects or Facilities Not yet determined.

Description Perform pre-design evaluation and analysis of water project alternatives in order to recommend projects identified in the Water System Plan and support other City project planning requirements that occur outside of the annual CFP process.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2016-2021	Pre-Design and Planning	\$ 132,000

Justification (Need/Demand) The City’s Water System Plan and six-year Capital Facilities Plan identify projects from a planning level perspective based on detected deficiencies in a specific portion of the system. They also include planning level cost estimates done at the time the plan was developed and may not include enough detail in the scope to accurately assess project costs. This program evaluates these projects prior to their appropriation in the annual Capital Facilities Plan. It ensures accurate scope of work and cost estimates and a full evaluation of project alternatives. Other uses for this information include project scheduling, assessment of rate impacts and cash flow planning.

Level of Service (LOS) LOS III – See program overview of LOS definitions.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 GU 7: The drinking water system is reliable and is operated and maintained so that high quality drinking water is delivered to customers.
 PU 7.3: Design Olympia’s water supply system to achieve the most favorable and practical fire insurance rating, consistent with adopted service levels.
 PU 7.7: Develop and maintain adequate storage, transmission and distribution facilities.

Capital Costs:	2016	2017-2021	Total
PreDesign and Planning	\$ 22,000	\$ 110,000	\$ 132,000
Total	\$ 22,000	\$ 110,000	\$ 132,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 22,000	\$ 110,000	\$ 132,000
Total	\$ 22,000	\$ 110,000	\$ 132,000

Annual Operations and Maintenance

Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Reclaimed Water—Water (Program #9710)

Location Various Locations Citywide. See Project List.

Links to Other Projects or Facilities N/A

Description This program is targeted towards delivery of reclaimed water. Develop an infrastructure network of “purple pipe” and associated improvements necessary to convey reclaimed water to the City. Reclaimed water is delivered through a completely separate distribution system that consists of purple colored pipes, connections, and distribution points for easy identification. Reclaimed water is 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.

Project List	YEAR	PROJECT DESCRIPTION/ (Quadrant:Map Coordinate)	COST ESTIMATE
	2018	Port of Olympia Irrigation—This project will eliminate a dead-end irrigation line that has to be manually flushed each year prior to the irrigation system being used. The project will install a system to automate this work. (DT:C5)	\$ 50,000
	2020	Reclaimed Water Infrastructure—Construct reclaimed water pipes and pumps as the system expands.	\$ 263,000
	2020	Reclaimed Water Filling Stations—Install reclaimed water filling stations at convenient locations for contractors to use on construction projects. This project will reduce the likelihood of cross connections occurring and increase the use of reclaimed water.	\$ 105,000

Justification (Need/Demand) Given that sources of potable water are limited, State law and Olympia’s Water System Plan strongly encourage the use of reclaimed water as a resource to help meet current and future water needs. The LOTT Sewer Plan calls for the use of reclaimed water by each of the LOTT partner cities. LOTT is now producing reclaimed water at its Budd Inlet Reclaimed Water Plant and Martin Way Reclaimed Water Plant to help meet Federal and State water quality discharge standards to protect Budd Inlet. Water treated at the Budd Inlet Reclaimed Water Plant is now being used for irrigation at the Port of Olympia, the City’s Percival Landing Park, and near Capitol Lake by the State’s General Administration building.

Level of Service (LOS) LOS III – See program overview of LOS definitions.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 GU 4: Use Olympia’s water resources efficiently to meet the needs of the community, reduce demand on facilities, and protect the natural environment.
 PU 4.1: Encourage and allow re-use techniques, including rainwater collection, greywater systems, and use of Class A reclaimed water as alternatives to use of potable water, in order to enhance stream flows or recharge aquifers, while also protecting water quality.
 PU 4.6: Advance the use of reclaimed water as defined in Council-adopted policies.

Capital Costs:	2016	2017-2021	Total
Construction	\$ -	\$ 334,400	\$ 334,400
Design and Engineering	\$ -	\$ 83,600	\$ 83,600
Total	\$ -	\$ 418,000	\$ 418,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ -	\$ 418,000	\$ 418,000
Total	\$ -	\$ 418,000	\$ 418,000

Annual Operations and Maintenance

Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Small Diameter Water Pipe Replacement (Program #9408)

Location Various locations based on the Utility’s Small Diameter Water Pipe Upgrade Plan. Projects selected are based on service complaints and operation and maintenance records of leaks and main breaks.

Links to Other Projects or Facilities N/A

Description Replace small diameter substandard water pipes within the existing system. Project components may include hydraulic modeling, valves, vaults, and water lines.

Project List

2016-2021 Small Diameter Water Pipe Replacement Location

LOCATION - Street	FROM	TO
7th Avenue	Central Street	Boundary Street
Boundary Street	9th Avenue	8th Avenue
McCormick Street	4th Avenue	5th Avenue
Fir Street	4th Avenue	State Avenue
Giles Street	Thomas Street	Division Street
Percival Street	Harrison Avenue	Jackson Avenue
Puget Street	4th Avenue	State Avenue
Eastside Street	4th Avenue	State Avenue
Union Avenue	Central Street	Fir Street
7th Avenue	Boundary Street	Central Street
Thurston Avenue	Tullis Street	Puget Street
Amhurst Street	18th Avenue	20th Avenue
Clar Mar Lane	To End	To End
Brown Street	18th Avenue	22nd Avenue
Eastside Circle	To End	To End
End of Rogers Court	South of 11th Court	End of Street
McCormick Street	13th Avenue	Union Avenue
13th Avenue	Fir Street	Fairview Street
Fir Street	14th Avenue	13th Avenue
Evergreen Park Lane	At Cul-de-sac	At Cul-de-sac
Water Street	22nd Avenue	24th Avenue

Justification (Need/Demand) The City is responsible for providing domestic and firefighting water flows at minimum pressures as established by the Department of Health. This program implements the improvements outlined in the 2015-2020 Water System Plan. The Plan identifies location, size, and timing of major and minor water main distribution line improvements. The Plan also identifies deficient areas that require looping or upgrading to improve flows and pressures. This project provides improvements to the basic system to assure adequate pressure and flow for domestic and firefighting situations. Maintenance records and service complaints are used to identify the lines needing replacement.

Level of Service (LOS) LOS II – See program overview of LOS definitions.



Small Diameter Water Pipe Replacement (Program #9408) Continued

Comprehensive Plan and Functional Plan(s) Citations

This program implements the following Olympia Comprehensive Plan goals and policies:

GU 7: The drinking water system is reliable and is operated and maintained so that high quality drinking water is delivered to customers.

PU 7.3: Design Olympia’s water supply system to achieve the most favorable and practical fire insurance rating, consistent with adopted service levels.

PU 7.7: Develop and maintain adequate storage, transmission and distribution facilities.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 420,000	\$ 2,100,000	\$ 2,520,000
Design and Engineering	\$ 105,000	\$ 525,000	\$ 630,000
Total	\$ 525,000	\$ 2,625,000	\$ 3,150,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 525,000	\$ 2,625,000	\$ 3,150,000
Total	\$ 525,000	\$ 2,625,000	\$ 3,150,000

Annual Operations and Maintenance

Estimated Costs	None (pipe replacements)
Estimated Revenues	N/A
Anticipated Savings Due to Project	Decreases cost of line breaks — estimated at \$1,400 per repair. Some main breaks also require extensive road restoration costs.
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Transmission and Distribution Projects—Water (Program #9609)

Location	Various locations within the existing system as service complaints and operation and maintenance records indicate. See Project List.
Links to Other Projects or Facilities	Sewer Pipe Extensions—Sewer Program Boulevard Road Intersection—Transportation Impact Fee section Fones Road—Transportation Impact Fee section Thurston County CFP
Description	<p>This program includes projects necessary to rehabilitate and replace existing transmission and distribution facilities, including water mains, valves, fire hydrants, service meters and booster pump stations. These projects are targeted to respond to identified capacity problems (related to flow, pressure, firefighting) as well as to replace infrastructure that is beyond its useful life. This program also includes installation of new transmission mains to connect new key facilities to the system.</p> <p>Projects are often coordinated with other public works projects (e.g., road improvements), to take advantage of cost efficiencies and to minimize inconvenience to citizens. Specific components covered under this program include hydrants, hydraulic modeling, valves, vaults, water lines, and water system structures and equipment.</p>

Project List

YEAR	PROJECT DESCRIPTION (Quadrant:Map Coordinate)	COST ESTIMATE
2016	AC Pipe Replacement—Boulevard Road Roundabout at Morse-Merryman Road (S:E6)—This project will replace asbestos cement water main in conjunction with the future roundabout at Morse-Merryman and Boulevard Roads.	\$ 820,000
2016-2021	Asbestos Cement (AC) and Aging Pipe Replacement—This is an annual project to replace substandard AC pipe throughout the City. Each year based on maintenance records the City will choose which pipes to replace based on age and material. Currently 40% of the City's water system is comprised of AC pipe which is prone to leaking and breaks.	\$ 3,150,000
2016-2021	Asset Management Program—This project will begin the process to provide an asset management plan to replace, rehabilitate, and maintain the City's water system to ensure it is reliable.	\$ 318,000
2016-2021	Corrosion Control Aeration Tower Condition Assessment & Upgrades—The City has three corrosion control towers that will need periodic large scale maintenance that is beyond the normal day to day maintenance. This project will assess the work that is needed and perform the upgrades.	\$ 156,000
2016-2021	Cross Country Mains—This project will identify watermains that are located outside of roadways and cross through neighborhoods. The project will determine if the watermains have easements and if they should be relocated to areas that have easier access for maintenance.	\$ 156,000
2016-2021	Distribution Main Condition Assessment—This project is a part of the asset management program to assess the condition and reliability of the distribution mains to prioritize repair or replacement.	\$ 156,000
2016-2021	Distribution System Oversizing	\$ 168,000
2016	Eastside Booster Pump Station Upgrade: upgrade pumps, motors, and associated controls increase system reliability and energy efficiency (N:C6)	\$ 322,000
2016	Fones Road Booster Station Replacement (N:C7)—This project will build a new booster pump station to address current deficiencies in the electrical system, confined space entry, ventilation, and aging pumping equipment of the existing station. This project will also include demolition of the existing, obsolete booster pump station.	\$ 1,285,000
2016-2021	On-site Generator Replacement Plan—This project sets aside money to enable replacement of on-site generators located at the water pumping facilities. The generators will be replaced as their useful life nears an end.	\$ 237,000



Transmission and Distribution Projects—Water (Program #9609) continued

Project List (continued)

YEAR	PROJECT DESCRIPTION (Quadrant:Map Coordinate)	COST ESTIMATE
2016	Percival Bridge Stabilization (W:D4)—This project will reinforce a bridge abutment in order to stabilize the foot bridge that supports a drinking water main.	\$ 100,000
2016	PRV Telemetry (Radio-Based)—This project will enable data from the pressure reducing valves to be transmitted to the telemetry system by radio. Data such as upstream and downstream pressure, and valve position (open or closed) will enable efficient and reliable operation of the valves ensuring fire flow is available when needed.	\$ 53,000
2016	West Bay Booster Station Pump and Electrical Upgrade (W:C4)—This project will replace the existing pumps and related equipment that are past their useful life and upgrade associated electrical components. The last major upgrades of the station was in 1997.	\$ 520,000
2017	McCormick Valve House—This will replace the original pipes and valves installed when the Fir Street tanks were constructed in 1935.	\$ 158,000
2017	Kaiser Road Water main Extension to Evergreen Park Way (W:B2)—This project will install a new 12-inch water main from the LOTT sewer lift station to Evergreen Park Drive, increasing service reliability to the Evergreen State College area. This project is partially funded by GFCs.	\$ 798,000
2018-2021	Booster Station Upgrade/Rehabilitation—This is a project to upgrade pumps, electrical and other associated upgrades and rehabilitation necessary to keep the system running and reliable. Construction will occur approximately every five years at sites identified by operations staff as requiring the most upgrades.	\$ 632,000
2019	Pressure Reducing Valve (PRV) (N:C6) - East Bay Drive: Installation of PRV stations to reduce high pressures in the waterlines along East Bay Drive and allow water to flow from Zone 247 to Zone 226.	\$ 260,000
2020	Fones Road Water Main Construction (N:C7)—This project replaces an AC water main in Fones Road from Pacific Avenue to 17th Avenue, to be coordinated with a planned roadway reconstruction.	\$ 2,415,000

**Justification
(Need/Demand)**

This program will ensure that existing distribution and transmission facilities are rehabilitated and replaced as needed in order to continue to secure a safe and sustainable water supply. Priority projects are targeted to those areas of the water system that fall short of meeting DOH standards for water pressure and UFC fire flow criteria or have ongoing maintenance problems (e.g., a history of repeated main breaks). This program also provides funding for the installation of new transmission mains to connect new critical source and storage facilities to the water system.

Level of Service (LOS)

LOS II – See program overview of LOS definitions.

**Comprehensive Plan
and Functional Plan(s)
Citations**

This program implements the following Olympia Comprehensive Plan goals and policies:

GU 7: The drinking water system is reliable and is operated and maintained so that high quality drinking water is delivered to customers.

PU 7.3: Design Olympia’s water supply system to achieve the most favorable and practical fire insurance rating, consistent with adopted service levels.

PU 7.4: Continue and improve maintenance management, including preventive maintenance, repairs and replacements.

PU 7.6: Continue to improve operations and maintenance program management, including safety, asset management and meter replacement.

PU 7.7: Develop and maintain adequate storage, transmission and distribution facilities.

Transmission & Distribution Projects—Water (Program #9609) (continued)

Capital Costs:	2016	2017-2021	Total
Construction	\$ 3,027,800	\$ 6,395,400	\$ 9,423,200
Design and Engineering	\$ 835,200	\$ 1,445,600	\$ 2,280,800
Total	\$ 3,863,000	\$ 7,841,000	\$ 11,704,000

Funding Sources:	2016	2017-2021	Total
General Facility Charges	\$ -	\$ 199,500	\$ 199,500
Rates	\$ 3,863,000	\$ 7,641,500	\$ 11,504,500
Total	\$ 3,863,000	\$ 7,841,000	\$ 11,704,000

Annual Operations and Maintenance

Estimated Costs	Minimal maintenance on new transmission main.
Estimated Revenues	N/A
Anticipated Savings Due to Project	Decreases cost of line breaks — estimated at \$1,400 per repair. Some main breaks also require extensive road restoration costs.
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Water Source Development and Protection (Program 9700)

Location Various locations Citywide. See Project List.

Links to Other Projects or Facilities N/A

Description The overall goal of this project is to develop and maintain a water source system that provides adequate water source and water quality in compliance with Federal and State safe drinking water standards. It would also ensure that storage reservoirs are sized sufficiently to have reserve water for fire fighting. Specific project types include water source reliability, water quality and treatment, water system structures and equipment.

Project List:

YEAR	PROJECT/LOCATION/ (Quadrant:Map Coordinate)	COST ESTIMATE
2016-2020	McAllister Mitigation (Smith Property Restoration)–This is an annual project to restore the Smith farm located near the Deschutes River as part of the mitigation plan related to the operations of the new McAllister Wellfield. Improvements include the construction of an engineered wetland, reforestation of a riparian zone along the Deschutes River, and also river bank stabilization to prevent erosion and improve fish habitat. This project is partially funded by GFCs.	\$ 640,000
2016-2020	McAllister Wellfield Mitigation (Woodland Creek Infiltration Facility) O&M Costs–This is a joint project with Lacey that Olympia will participate in the operations and maintenance costs as part of the mitigation for the McAllister Wellfield project. This project is partially funded by GFCs.	\$ 75,000
2016	Indian Summer Well Chlorination (S:G6)–This project will replace an on-site chlorine generation system that is costly to maintain and unreliable. The new chlorination system is hypochlorination- a liquid-that is relatively safe to use and the equipment is easier to maintain.	\$ 158,000
2016	McAllister Corrosion Control–This project will install an aeration tower at the Meridian Reservoirs to raise the pH of the McAllister well water to meet Federal and State safe drinking water standards. This project is partially funded by GFCs.	\$ 3,300,000
2016	Shana Park Well Source Contingency Plan–This project will assess the possible impact to this source from nitrates and determine the future use of the well as an emergency source, drill a new well, or treat for nitrates when the need arises.	\$ 158,000
2020	Olympia Brewery Water Engineering Analysis–This project continues the study to determine the best way to develop this new source in conjunction with Tumwater and Lacey. This project is partially funded by GFCs.	\$ 53,000

Justification (Need/Demand)

The Safe Drinking Water Act (SDWA) of 1974 signaled the beginning of a new age in public water supply. The detection of organic contaminants in drinking water throughout the United States spurred the passage of the SDWA.

The 2015–2020 Water System Plan calls for additional source water quality treatment in various areas of the City to meet State drinking water requirements.

Level of Service (LOS)

LOS II – See program overview of LOS definitions.

Water Source Development and Protection (Program 9700) (continued)

Comprehensive Plan and Functional Plan(s) Citations

This program implements the following Olympia Comprehensive Plan goals and policies:

GU 5: Adequate supplies of clean drinking water are available for current and future generations and instream flows and aquifer capacity are protected.

PU 5.1: Reserve water supply rights for at least 50 years in advance of need, so that supplies can be protected from contamination and they are not committed to lower priority uses.

PU 5.2: Develop and maintain multiple, geographically-dispersed sources of water supply to increase the reliability of the system.

GU 7: The drinking water system is reliable and is operated and maintained so that high quality drinking water is delivered to customers.

PU 7.2: Maintain 100 percent compliance with all state and federal requirements, and continually improve our water quality management program.

PU 7.3: Design Olympia's water supply system to achieve the most favorable and practical fire insurance rating, consistent with adopted service levels.

PU 7.7: Develop and maintain adequate storage, transmission and distribution facilities.

Capital costs:	2016	2017-2021	Total
Construction	\$ 3,740,800	\$ 384,000	\$ 4,124,800
Design & Engineering	\$ 110,200	\$ 149,000	\$ 259,200
Total	\$3,851,000	\$ 533,000	\$ 4,384,000

Funding Sources:	2016	2017-2021	Total
General Facility Charges	\$ 1,140,500	\$ 293,000	\$ 1,433,500
Rates	\$ 2,710,500	\$ 240,000	\$ 2,950,500
Total	\$3,851,000	\$ 533,000	\$ 4,384,000

Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	N/A

Water Storage Systems (Program #9610)

Location Various locations Citywide. See Project List.

Links to Other Projects or Facilities N/A

Description The overall goal of this project is to develop and maintain a water reservoir system that provides adequate water storage and “chlorine contact time” in compliance with Federal and State safe drinking water standards. It would also ensure that storage reservoirs are sized sufficiently to have reserve water for firefighting. Specific project types include reservoirs, water lines, seismic upgrades, water quality and treatment, water system structures and equipment.

Project List:

YEAR	PROJECT/LOCATION	COST ESTIMATE
2017	Hoffman Court Reservoir Interior Coating Replacement (S:E7)	\$ 607,000
2017	Elliot Reservoir – Seismic Retrofit (W:B3)—This project will complete recommended seismic retrofits to the Elliot Reservoir. Improvements will include interior column wrapping, dowels to tie roof slab to perimeter walls, and perimeter retaining wall.	\$ 1,313,000
2017	Fir Street #1 and #2 Reservoirs – Seismic Retrofit (N:C6)—This project will complete recommended seismic retrofits to Fir Street Reservoirs. Improvements will include the addition of perimeter walls with reinforcing cables and the addition of collars on the interior columns.	\$ 1,050,000
2018-2020	Storage Reservoir Coatings (Interior/Exterior)—This project provides for the recoating of existing steel storage reservoirs on the inside and outside to prolong their life by preventing rust and corrosion.	\$ 630,000

Justification (Need/Demand)

The Safe Drinking Water Act (SDWA) of 1974 signaled the beginning of a new age in public water supply. The detection of organic contaminants in drinking water throughout the United States spurred the passage of the SDWA.

One of the federally-mandated standards of the SDWA is adequate “chlorine contact time.” When added to drinking water, chlorine is a disinfecting agent. The chlorine needs time, however, to react with the water to provide adequate disinfection. Water reservoirs provide the safest and most effective method to ensure that chlorine levels and contact times are adequate to meet disinfection levels. Reservoirs also provide water storage to allow for proper domestic and firefighting flows.

The 2015-2020 Water System Plan calls for additional storage in the southeast area of the City to meet State drinking water requirements. This new reservoir in the 417 Zone will provide adequate storage for at least the next 25 years.

Updated evaluations of the Fir Street and Elliot reservoirs completed in 2011 call for seismic upgrades to improve the structural integrity of the reservoirs.

Level of Service (LOS) LOS II – See program overview of LOS definitions.

Comprehensive Plan and Functional Plan(s) Citations

This program implements the following Olympia Comprehensive Plan goals and policies:

GU 7: The drinking water system is reliable and is operated and maintained so that high quality drinking water is delivered to customers.

PU 7.3: Design Olympia’s water supply system to achieve the most favorable and practical fire insurance rating, consistent with adopted service levels.

PU 7.7: Develop and maintain adequate storage, transmission and distribution facilities.

Water Storage Systems (Program #9610) (continued)

Capital costs:	2016	2017-2021	Total
Construction	\$ -	\$ 2,880,000	\$ 2,880,000
Design & Engineering	\$ -	\$ 720,000	\$ 720,000
Total	\$ -	\$ 3,600,000	\$ 3,600,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ -	\$ 3,600,000	\$ 3,600,000
Total	\$ -	\$ 3,600,000	\$ 3,600,000

Annual Operations and Maintenance

Estimated Costs	\$50,000. In addition, Log Cabin Reservoir requires \$3,300 annually.
Estimated Revenues	N/A
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South, West



Water System Planning (Program 9906)

Location N/A (Planning activities)

Links to Other Projects or Facilities N/A

Description Various types of planning efforts are needed on an on-going basis to ensure that the Utility is able to meet future growth needs, maintain regulatory compliance, and invest money wisely in infrastructure. Planning efforts under this program are targeted towards the comprehensive Water System Plan, updated every six years per State requirements. The 2015 Water System Plan was adopted in 2015. Work on the 2015-2020 Water System Plan began in 2013. Other smaller-scale planning efforts to evaluate project alternatives may also be conducted under this program. This program is partially funded by GFCs.

Project List:	YEAR	PROJECT/LOCATION	COST ESTIMATE
	2020	Update of six-year Water System Plan	\$ 315,000

Justification (Need/Demand) Under State drinking water requirements, the City must complete a comprehensive Water System Plan update every six years. The Water System Plan outlines capital improvements, program efforts, and financial strategies that are necessary to ensure that the Water Utility can meet growth demands, be in regulatory compliance and maintain existing facilities over a 20-year horizon. For the first time, the 2015-2020 Water System Plan also included a 50-year planning horizon for water demand and water supply.

Level of Service (LOS) LOS II – See program overview of LOS definitions.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 PU 3.2: Regularly revise the Olympia Municipal Code and Engineering Development and Design Standards to give detailed guidance on how utility services should be delivered and paid for in accordance with the principles established in this Comprehensive Plan.
 PU 3.3: Update all utility master plans regularly and in accordance with state law.
 PU 7.1: Maintain and update the Water System Plan , Engineering Design and Development Standards and Olympia Municipal Code to ensure drinking water utility facilities meet the requirements of the Growth Management Act , North Thurston County Coordinated Water System Plan, Washington Department of Health and Olympia Fire Code.

Capital Costs:	2016	2017-2021	Total
Pre-Design & Planning	\$ -	\$ 315,000	\$ 315,000
Total	\$ -	\$ 315,000	\$ 315,000

Funding Sources:	2016	2017-2021	Total
General Facility Charges (GFCs)	\$ -	\$ 157,500	\$ 157,500
Rates	\$ -	\$ 157,500	\$ 157,500
Total	\$ -	\$ 315,000	\$ 315,000

Annual Operations and Maintenance

Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	N/A









Wastewater

Effective wastewater system management is essential to public and environmental health. The challenges of effective management continue as the Olympia area population grows, land use densities increase, and development occurs in outlying areas distant from the LOTT Clean Water Alliance treatment facility. Responding to these challenges necessitates proactive management of our public and private wastewater infrastructure.

Capital facility funding is important to the heavily infrastructure-dependent Wastewater Utility. The public system maintained by Olympia is comprised of approximately 185 miles of gravity pipe and 33 regional lift stations. The Utility is also responsible for the operation and maintenance of approximately 1,730 residential and 20 commercial Septic Tank Effluent Pumping (STEP) sewer systems that utilize individual effluent pumps at residences and 28 miles of associated STEP pressure mains. Additionally, the continued use of over 4,140 septic systems in Olympia and its Urban Growth Area creates long-term public health and water quality concerns. Conversion of septic systems to the municipal system is encouraged.

The pipes making up the wastewater infrastructure vary in age, materials, and structural integrity. Ongoing work to systematically televise and evaluate the condition of the individual pipes helps

prioritize repair and replacement needs. Considerable work has been completed in recent years. However, this work effort will continue in the years to come with subsequent inclusion of repair and replacement projects in the CFP.

The Olympia City Council adopted the most recent Wastewater Management Plan in 2013. The Plan supports the continuation and refinement of current practices; the repair and replacement of existing pipes and pumps, extensions of major trunk lines, and conversions of onsite sewage systems to public sewer service. This new plan begins to evaluate wastewater needs for a 20-year planning horizon. It also provides for the review of existing policies related to the use of on site sewage systems and STEP systems.

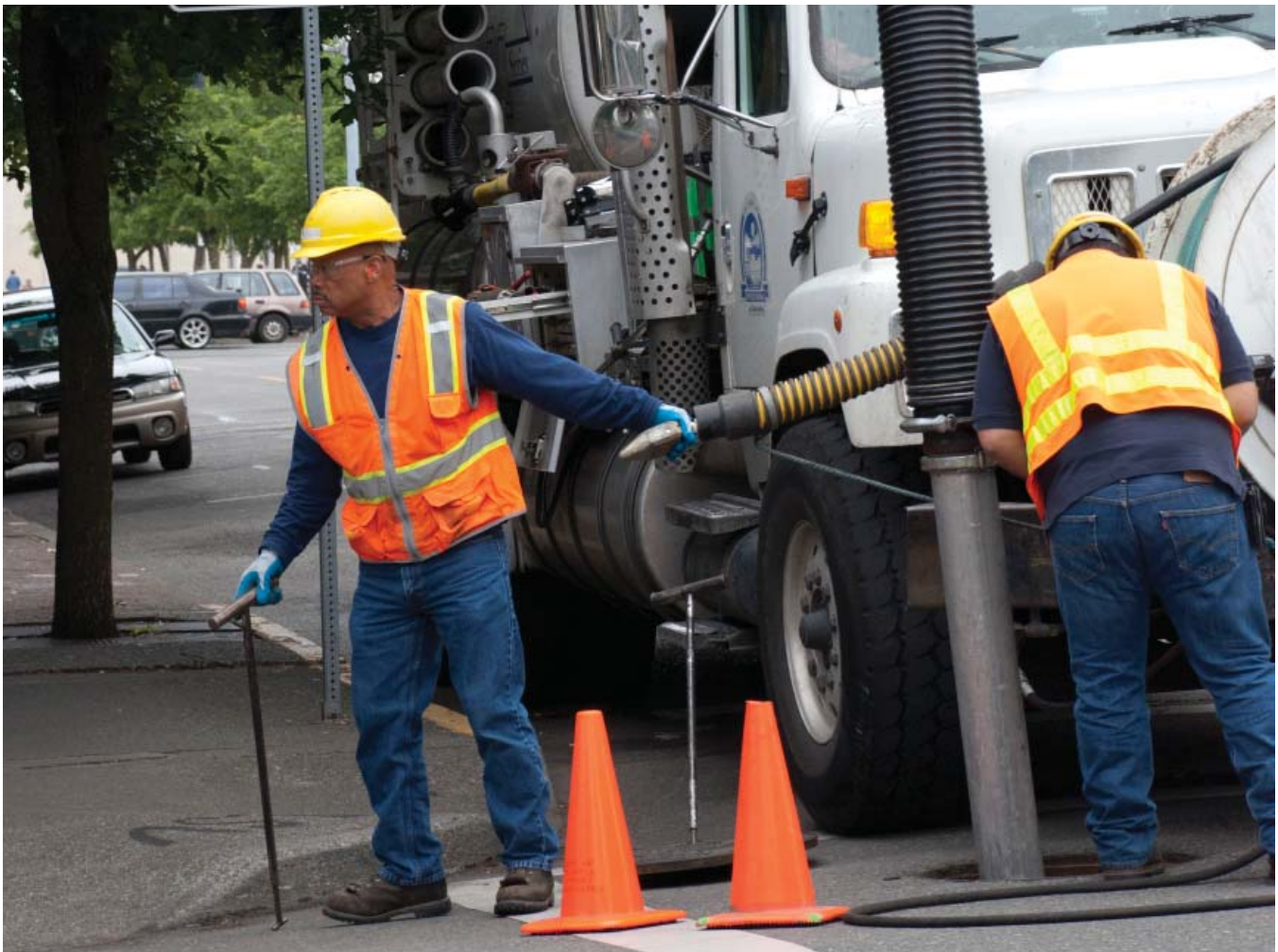
The projects contained in the Wastewater CFP are funded annually through Utility rates and General Facilities Charges. State low interest loans and grants are pursued as needed. The 2013 Wastewater Management Plan includes a financial strategy that relies primarily on cash financing of capital projects.

There are currently no projects identified in the CFP under the pipe capacity upgrade program of the Wastewater Program. Additional capacity upgrade projects may be developed and incorporated into future CFPs.

Growth-Related Projects

Projects that fall under this category are associated with work accommodating customer base expansion and are therefore funded by General Facility Charges (GFC) revenue. When an upgrade project serves both new and existing development, a portion of the project cost is funded by GFCs. This CFP identifies numerous lift station upgrades and sewer extensions that are appropriate for GFC funding. These projects will often accommodate both existing and future needs:

- Miller and Central lift station upgrade – 100% expansion and upgrade related
- Water Street lift station force main – 50% upgrade related
- Old Port II lift station upgrades – 100% expansion and upgrade related
- Annual sewer extensions - 100% expansion related
- Neighborhood sewer program - 100% expansion related
- Boulevard Road sewer extension - 100% expansion related





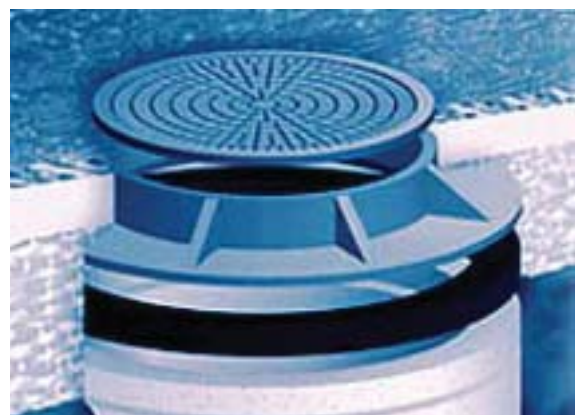
Asphalt Overlay Adjustments—Sewer (Program #9021)

Location	Citywide as determined by the Transportation Program’s six-year Transportation Improvement Program (TIP).
Links to Other Projects or Facilities	Street Repair and Reconstruction Projects—Transportation Section Asphalt Overlay Adjustments—Drinking Water and Storm and Surface Water Sections
Description	The work of the City’s annual overlay and street reconstruction projects includes replacing and adjusting wastewater utility castings within streets. These wastewater funds are passed-through to transportation street repair and reconstruction projects for incidental wastewater upgrades.
Justification (Need/Demand)	Asphalt overlay and street reconstruction projects often require the adjustment/replacement of wastewater system structures (e.g., manhole frames and lids) as part of the paving process. The goal of this work is to replace damaged castings and to ensure that all castings are adjusted to the new pavement level.
Comprehensive Plan and Functional Plan(s) Citations	This program implements the following Olympia Comprehensive Plan goals and policies: GU 3: Utilities are developed and managed efficiently and effectively. PU 3.1: Utilities are developed and managed efficiently and effectively.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Annual Operations and Maintenance	
Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Efficient upgrades to existing infrastructure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Infrastructure Pre-Design and Planning—Sewer (Program #9903)

Location City sewer service area.

Links to Other Projects or Facilities Not defined at this time.

Description These funds support pre-design conceptual evaluation of wastewater projects and potential alternatives in order to refine complex projects prior to launching full permitting and design. Additionally, the funds are used to expediently respond to emergencies and other unanticipated needs.

Project List	YEAR	PROJECT	COST ESTIMATE
	2016-2021	Pre-design and planning—Develops project scopes and cost estimates. Responds to emergencies.	\$ 234,000

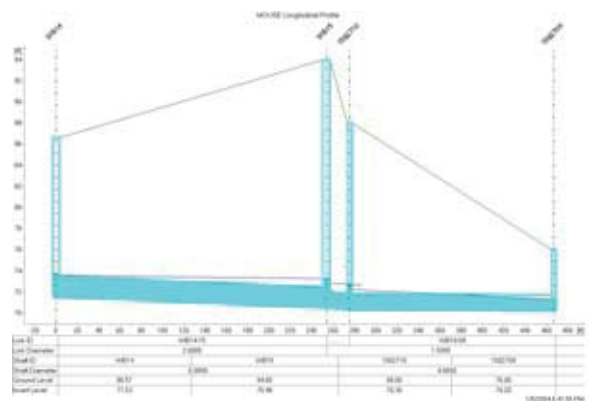
Justification (Need/Demand) The City’s Wastewater Management Plan and six-year Capital Facilities Plan identify projects from a planning level perspective based on detected deficiencies in specific portions of the system. They also include planning level cost estimates completed at the time the Plan was developed. These estimates may not include enough detail in the scope to accurately assess project costs. This program evaluates complex projects prior to full initiation of design and permitting. It ensures accurate scope of work, cost estimates and a full evaluation of project alternatives. Other uses for this information include timely staff response to unanticipated public or environmental risks while long-term funding is secured.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 GU8: The City and its growth area are served by a City-owned wastewater collection and transmission system that is designed to minimize leakage, overflows, infiltration and inflows so as to provide sufficient capacity for projected demand.

PU8.8: Evaluate the structural integrity of aging wastewater facilities, and repair and maintain as needed.

Capital Costs:	2016	2017-2021	Total
Pre-Design & Planning	\$ 39,000	\$ 195,000	\$ 234,000
Total	\$ 39,000	\$ 195,000	\$ 234,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 39,000	\$ 195,000	\$ 234,000
Total	\$ 39,000	\$ 195,000	\$ 234,000



Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Project specific savings
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Lift Stations—Sewer (Program #9806)

Location Various locations Citywide.

Links to Other Projects or Facilities N/A

Description Aging pumps and associated systems in our lift stations need to be upgraded or reconstructed in order to provide dependable service while meeting increasing wastewater flows. Projects include providing needed increased pumping capacity, providing backup power generators and upgrading facilities to current Department of Ecology sewage pump station design criteria.

Project List

YEAR	PROJECT/ LOCATION (Quadrant: Map Coordinate)	COST ESTIMATE
2016	Old Port I Lift Station Upgrade (W:B4)- Upgrade the existing lift station for existing and future flows. This work also includes the replacement of the aging force main pipe.	\$ 630,000
2017	Miller and Central Lift Station Upgrade (N:B6)–Upgrade the existing lift station for existing and future flows. This project is funded by GFCs.	\$ 788,000
2017	Miller and Ann Generator (N:B6)–Install an onsite emergency generator for the lift station.	\$ 63,000
2018	Water Street Lift Station Force Mains Upgrade (DT:C5)–Replace the existing 18- and 30-inch concrete sewer force mains serving the Water Street lift station. This project is partially funded by GFCs.	\$ 945,000
2019	Old Port II Lift Station Upgrade (W:B4)–Upgrade the existing lift station for existing and future flows. This project is funded by GFCs.	\$ 630,000
2020	Ken Lake Generator (W:D2)–Replace the aging emergency generator at this lift station.	\$ 63,000
2021	Roosevelt and Yew Lift Station Upgrade (N:C6)- Upgrade the existing lift station for existing and future flows.	\$ 630,000

Justification (Need/Demand) Pumps are an integral element of our sewer infrastructure. Lift stations pose critical risks for spills and associated public and environmental health impacts. Unlike gravity sewer pipes, pump stations are complex mechanical and electrical systems susceptible to chronic or acute failure. The lift stations must operate well in order to prevent sewer overflows.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 GU 8: The City and its growth area are served by a City-owned wastewater collection and transmission system that is designed to minimize leakage, overflows, infiltration and inflows so as to provide sufficient capacity for projected demand.
 PU 8.1: Extend the wastewater gravity collection system through both public and private development projects.
 PU 8.8: Evaluate the structural integrity of aging wastewater facilities and repair and maintain as needed.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 504,000	\$ 2,495,200	\$ 2,999,200
Design & Engineering	\$ 126,000	\$ 623,800	\$ 749,800
Total	\$ 630,000	\$3,119,000	\$ 3,749,000

Funding Sources:	2016	2017-2021	Total
General Facility Charges (GFCs)	\$ -	\$ 1,890,500	\$ 1,890,500
Rates	\$ 630,000	\$ 1,228,500	\$ 1,858,500
Total	\$ 630,000	\$3,119,000	\$ 3,749,000

Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	Several projects support future growth
Anticipated Savings Due to Project	Projects decrease likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Onsite Sewage System Conversions—Sewer (Program #9813)

Location Various Locations Citywide.

Links to Other Projects or Facilities N/A

Description Supporting the conversion of existing onsite sewage systems to municipal sewer services is a City priority. Efforts to pursue conversions rely on both mandatory regulations and financial incentives. This program provides funding for both minor sewer extensions typically along a short section of street and coordinated neighborhood sewer extensions covering larger areas.

Project List	YEAR	PROJECT	COST ESTIMATE
	2016-2021	Annual Sewer Extensions—As part of the onsite sewer conversion program, this project funds minor extensions of the public pipe systems for new conversions. This project is funded by GFCs.	\$ 948,000
	2017-2020	Neighborhood Sewer Program—Similar to Annual Sewer Extensions, but focused on larger neighborhood-scale projects. This project is funded by GFCs.	\$ 1,050,000

Justification (Need/Demand) In increasingly densely developed urban settings, onsite septic systems pose long-term threats to public and environmental health. City goals and policies provide various resources, including CFP funding, for the conversion to municipal sewer.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 GU 8: The City and its growth area are served by a City-owned wastewater collection and transmission system that is designed to minimize leakage, overflows, infiltration and inflows so as to provide sufficient capacity for projected demand.
 PU 8.1: Extend the wastewater gravity collection system through both public and private development projects.
 PU 8.4: Encourage septic system owners to connect to the City wastewater system by offering incentives, cost-recovery mechanisms, pipe extensions and other tools.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 126,400	\$ 1,472,000	\$ 1,598,400
Design & Engineering	\$ 31,600	\$ 368,000	\$ 399,600
Total	\$ 158,000	\$ 1,840,000	\$ 1,998,000

Funding Sources:	2016	2017-2021	Total
General Facility Charges (GFCs)	\$ 158,000	\$ 1,840,000	\$ 1,998,000
Total	\$ 158,000	\$ 1,840,000	\$ 1,998,000

Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	Supports new wastewater customer through conversion program
Anticipated Savings Due to Project	Facilitates gradual expansion of sewer system
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Replacements and Repairs — Sewer (Program #9703)

Location City sewer service area.

Links to Other Projects or Facilities N/A

Description Provide funds for scheduled repairs, as well as unexpected repairs, replacements and rehabilitation of existing pipe systems and manholes. When possible, trenchless technologies are used to minimize disruptions and costs. Projects include work to abandon several high-maintenance STEP systems and provide gravity service through newly-installed gravity systems.

YEAR	PROJECT (Quadrant: Map Coordinate)	COST ESTIMATE
2016-2017	Southeast Area Odor and Corrosion Control- Evaluate, design and install facilities to control odor and corrosion in the southeast Olympia sewers.	\$ 300,000
2017-2021	Allocation of Prioritized Repairs–Citywide–Funds major pipe repairs and replacements.	\$ 1,390,000
2016-2021	Spot Repairs–Repairs and replaces small sections of sewer pipe.	\$ 630,000
2016	Percival Bridge Stabilization (W:D4)- Stabilizes abutment of bridge that supports City sewer pipe.	\$ 200,000
2018	Manhole Repair and Replacement–Address structural deficiencies, leaks, and/or corrosion needs.	\$ 105,000

Justification (Need/Demand) This program provides improvements to the sewer pipe system to assure adequate service and prevent catastrophic system failure and sewage release. An annual list of priority projects is developed based on the results of televising inspections of the sewer lines and implementation of the condition rating program. Planned repairs include major prioritized work, minor spot repairs, manhole repairs, and manhole lining to address corrosion in manholes associated with STEP system effluent gases. Reducing maintenance needs is also a priority.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:
 GU 8: The City and its growth area are served by a City-owned wastewater collection and transmission system that is designed to minimize leakage, overflows, infiltration and inflows so as to provide sufficient capacity for projected demand.
 PU 8.8: Evaluate the structural integrity of aging wastewater facilities and repair and maintain as needed.
 GU 9: The Utility will facilitate the implementation and use of new technology and management systems.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 324,000	\$ 1,776,000	\$ 2,100,000
Design & Engineering	\$ 81,000	\$ 444,000	\$ 525,000
Total	\$ 405,000	\$ 2,220,000	\$ 2,625,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 405,000	\$ 2,220,000	\$ 2,625,000
Total	\$ 405,000	\$ 2,220,000	\$ 2,625,000



Annual Operations and Maintenance

Estimated Costs Decreases maintenance and emergency response costs

Estimated Revenues None

Anticipated Savings Due to Project Decreases likelihood of system failure, sewage release and emergency repair

Department Responsible for Operations Public Works

Quadrant Location Citywide

Sewer Systems Extensions—Sewer (Program #9809)

Location	Citywide sewer service area.
Links to Other Projects or Facilities	Boulevard Road Intersection Improvements–Transportation Impact Fee Section Transmission and Distribution Projects–Drinking Water Program
Description	Sewer extensions provide infrastructure needs in a timely manner to accommodate emerging service needs. Extensions are often incorporated into street construction projects by the Utility with a resultant long-term financial savings to the community. Otherwise, extensions are typically funded and constructed by private development to meet the needs of specific projects.

Project List	YEAR	PROJECT (Quadrant: Map Coordinate)	COST ESTIMATE
	2016	Boulevard Sewer Extension at Morse-Merryman Road (S:E7)–Install a new sewer pipe under Morse-Merryman roundabout in conjunction with a Transportation Program intersection improvement project. This project is funded by GFCs.	\$ 788,000

Justification (Need/Demand)	Sewer extensions help meet our long-term goals for effectiveness and efficiency, especially when installed as a component of street construction.
Comprehensive Plan and Functional Plan(s) Citations	This program implements the following Olympia Comprehensive Plan goals and policies: GU 8: The City and its growth area are served by a City-owned wastewater collection and transmission system that is designed to minimize leakage, overflows, infiltration and inflows so as to provide sufficient capacity for projected demand. PU 8.1: Extend the wastewater gravity collection system through both public and private development projects.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 630,400	\$ -	\$ 630,400
Design & Engineering	\$ 157,600	\$ -	\$ 157,600
Total	\$ 788,000	\$ -	\$ 788,000

Funding Sources:	2016	2017-2021	Total
General Facility Charges (GFCs)	\$ 788,000	\$ -	\$ 788,000
Total	\$ 788,000	\$ -	\$ 788,000



Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	Supports future wastewater customers
Anticipated Savings Due to Project	Reduced overall project costs by incorporation into a street reconstruction project
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Sewer System Planning—Sewer (Program #9808)

Location	Within the City’s Urban Growth Area.
Links to Other Projects or Facilities	N/A
Description	Planning and evaluation efforts necessary to address long-term infrastructure and program needs. At this point in time, projects are limited to ongoing televising and condition rating evaluations.

Project List	YEAR	PROJECT	COST ESTIMATE
	2016-2021	Sewer System Televising and Condition Rating Program—The ongoing work effort provides pipe condition monitoring support to planning and operations staff. Repair and replacement projects stem from the condition rating program.	\$ 132,000

Justification (Need/Demand)	Funds are contributed annually for investigation of pipe structural conditions and overall troubleshooting. This work supports repairs of existing infrastructure.
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Comprehensive Plan and Functional Plan(s) Citations	<p>This program implements the following Olympia Comprehensive Plan goals and policies:</p> <p>GU 8: The City and its growth area are served by a City-owned wastewater collection and transmission system that is designed to minimize leakage, overflows, infiltration and inflows so as to provide sufficient capacity for projected demand.</p> <p>PU 8.8: Evaluate the structural integrity of aging wastewater facilities and repair and maintain as needed.</p> <p>GU 9: The Utility will facilitate the implementation and use of new technology and management systems.</p>
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Capital Costs:	2016	2017-2021	Total
Construction	\$ 19,800	\$ 99,000	\$ 118,800
Design & Engineering	\$ 2,200	\$ 11,000	\$ 13,200
Total	\$ 22,000	\$ 110,000	\$ 132,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 22,000	\$ 110,000	\$ 132,000
Total	\$ 22,000	\$ 110,000	\$ 132,000

Annual Operations and Maintenance	
Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Proactive investigation of potential infrastructure problems
Department Responsible for Operations	Public Works
Quadrant Location	Citywide











Storm and Surface Water

Storm and surface water management is a key environmental service provided by the City. Capital projects funded by the Storm and Surface Water Utility reflect a local responsibility to correct flooding problems, protect water quality, and enhance aquatic habitat in local creeks, wetlands and marine waters. Typical projects include:

- Stormwater pipe systems
- Regional stormwater storage ponds
- Neighborhood stormwater treatment facilities
- Storm and surface water planning
- Culvert replacements
- Stream bank stabilization
- Forest and wetland revegetation
- Demonstration projects using new technologies
- Environmental land purchase and stewardship

The effectiveness of the City's stormwater system at managing flooding and protecting the natural environment varies depending on location. Private developments and City capital projects constructed prior to the mid-1980s were required to provide modest stormwater conveyance capacity, no water quality treatment, and very minimal storage of runoff in constructed

ponds. Numerous complex flooding problems and irreversible habitat loss were caused by these early developments. Until recently, the majority of stormwater project funding has been spent addressing these historical concerns. Community expectations and regulations for managing stormwater have improved dramatically in recent years, resulting in a more holistic look at stormwater management.

The Storm and Surface Water program's success at resolving flooding problems during the last fifteen years has provided the City an opportunity to focus on water quality improvement, habitat protection, and scheduled replacement of aging pipe systems. The Storm and Surface Water Master Plan (2003) and its 2010 refinements emphasize the role of the Utility in environmental protection. The Plan provides guidance on Utility goals, implementation strategies, and expected outcomes. Capital projects, in concert with other elements of the Storm and Surface Water program, help meet these Utility goals:

- **Flooding**

Reduce the frequency and severity of flooding so hazards are eliminated, except during major storm events. The Utility will minimize potential flooding associated with new development through regulations for on site stormwater systems. Flooding arising from existing inadequate public infrastructure will be addressed in a timely manner.

Water Quality

Improve water quality Citywide, while focusing infrastructure upgrades to reduce stormwater contaminant loads from untreated areas of the City. Improving water quality in Budd Inlet by retrofitting older high-traffic arterials and adjacent areas for stormwater treatment is a high priority.

Aquatic Habitat

Improve aquatic habitat functions Citywide, while focusing on protecting intact habitat, improving Budd Inlet and managing riparian area vegetation. The relationship between aquatic habitat conditions and land use impacts in urbanizing basins is scientifically complex and managerially challenging. Efforts include protecting high quality habitats while providing tangible improvements to other systems. Work to better quantify opportunities for land acquisition and stewardship is underway. This work will help prioritize future efforts.

Several new capital needs are facing the Utility including new State and Federal regulations and long-term infrastructure replacement. Regulations stemming from the Federal Clean Water Act (e.g., Total Maximum Daily Loads, National Pollution Discharge Elimination System) have led to new areas of water quality work. Equally significant from a financial perspective is the acknowledgement that numerous major stormwater conveyance systems are reaching, or have exceeded, their life expectancy. Efforts are underway to evaluate and document aging pipe systems. Prioritized pipe repairs and upgrades have become a regular component of the CFP.

The projects contained in the plan are financed annually through Storm and Surface Water Utility rates and General Facilities Charges. Loans and grants are used, especially for water quality projects. Debt financing has been only nominally used by the Utility.

Growth-Related Projects

Projects that fall under this category are associated with work to accommodate new development and are funded by General Facility Charge revenue. When a project serves both new and existing development, a portion of the project cost will also be funded through Stormwater Utility rates.

- Coleman, Bing and Walnut Conveyance Project – 25% expansion and upgrade-related
- Cooper Point and Black Lake Conveyance Project – 50% expansion-related
- Ken Lake Flood Conveyance Project addresses both existing and future flows – 50% expansion-related
- Indian Creek Culverts Modification Project – 25% expansion-and upgrade-related
- Division and Scammel Conveyance Project – 25% expansion-and upgrade-related

Following a cost sharing policy approved by City Council in 2009, the Storm and Surface Water Utility allocates funding annually to the Transportation Program to cover a portion of stormwater mitigation costs on transportation projects. In recent years, these funds have been directed to the Parks and Pathways sidewalk program to offset stormwater mitigation costs associated with sidewalk projects.

PROJECT	2016	2017-2021	TOTAL
Sidewalks and Pathways	\$ 186,500	\$ 932,500	\$ 1,119,000
Total	\$ 186,500	\$ 932,500	\$ 1,119,000



Aquatic Habitat Improvements (Program #9024)

Location	Various locations Citywide.
Links to Other Projects or Facilities	Critical Habitat Land Acquisition and Stewardship —Storm and Surface Water Section Water Quality Improvements—Storm and Surface Water Section Open Space Expansion—Parks, Arts and Recreation Section
Description	Implement habitat restoration strategies that protect and enhance aquatic and associated terrestrial habitat in Olympia.

Project List	YEAR	PROJECT	COST ESTIMATE
	2016-2021	Habitat Improvement – This project will protect and enhance aquatic and associated terrestrial habitat by implementing stewardship strategies as identified and prioritized in the Habitat and Stewardship Strategy developed by the Storm and Surface Water Utility.	\$ 875,000

Justification (Need/Demand) The quality of aquatic habitat within Olympia continues to be challenged as land is developed for urban uses. The Storm and Surface Water Utility has a responsibility to help manage and enhance our aquatic habitats. The Planning Commission and Utility Advisory Committee have recently encouraged the Utility to increase emphasis on, and funding for, aquatic habitat land acquisition and stewardship.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:

- GN 6: Healthy aquatic habitat is protected and restored.
- PN 6.1: Restore and manage vegetation next to streams, with an emphasis on native vegetation, to greatly improve or provide new fish and wildlife habitat.
- PN 6.3: Establish and monitor water quality and aquatic habitat health indicators based on the best scientific information available.
- PN 6.6: Preserve and restore the aquatic habitat of Budd Inlet and other local marine waters.
- PN 6.7: Partner with other regional agencies and community groups to restore aquatic habitat through coordinated planning, funding, and implementation.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 225,000	\$ 562,500	\$ 787,500
Design & Engineering	\$ 25,000	\$ 62,500	\$ 87,500
Total	\$ 250,000	\$ 625,000	\$ 875,000

Funding Sources:	2016	2017-2021	Total
Rates	\$ 250,000	\$ 625,000	\$ 875,000
Total	\$ 250,000	\$ 625,000	\$ 875,000



Annual Operations and Maintenance

Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	Not yet determined
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Flood Mitigation and Collection—Stormwater (Program #9028)

Location Various locations Citywide.

Links to Other Projects or Facilities Infrastructure Pre-Design and Planning—Storm and Surface Water Section

Description Stormwater pipe systems collect and convey runoff to appropriate locations in order to prevent or mitigate flooding. Some projects identified in the program anticipate or correct flooding; others provide for the timely replacement of old, problematic pipe systems.

The replacement of aging and deteriorating pipe systems is an increasingly important financial responsibility of the Utility. Problematic pipes are identified through ongoing Citywide pipe televising and condition rating programs. Several pipes have been identified that are currently failing or are expected to fail within five years. Some of the problems involve long sections of pipes; others involve only isolated spot repairs. These pipes are prioritized and repaired.

Project List Project list and prioritization are subject to change. Priority is based on a condition rating system.

Year	Project / (Quadrant: Map Coordinate)	Cost Estimate
2016	North Percival Stormwater Facility Modifications (W:D4) –This project will modify the North Percival Stormwater Facility for easier maintenance and access. It will replace a new outfall structure with one less prone to clogging by beavers as well as enhance the passive education and recreational use of the site.	\$ 288,300
2016-2021	City-Owned Stormwater Pond Rehabilitation–These projects rehabilitate City-owned stormwater facilities including removing sediments, amending soils, establishing attractive low maintenance landscaping and modifying the structures within the facility as needed. Rehabilitation involves more work than is typically performed during routine maintenance, and is intended to enhance the function of the facility. This project will provide for the rehabilitation of one facility per year, on average.	\$ 260,000
2016-2021	Condition Rating of Existing Conveyance–Television inspection and condition rating is provided for existing stormwater conveyance systems. Condition rating outcomes are used to determine replacement and repair schedules. There are approximately 172 miles of storm sewer owned and operated by the Storm and Surface Water Utility.	\$ 853,200
2016-2021	Conveyance Spot Repairs (Pipe Replacement)–This project provides for relatively minor spot repairs to the stormwater conveyance system at locations determined by the condition rating database. Repairs to the worst portions of the storm sewer system are typically accomplished within two years of problem identification.	\$ 474,000
2017-2019	Downtown Flood Mitigation (DT:C5)–Olympia’s downtown is currently vulnerable to tidal flooding. In the years to come, the problem could be exacerbated by sea level rise. The project will install tidal gates on key stormwater out falls to Budd Inlet thereby preventing tides from flowing up the pipes and discharging to low lying downtown streets.	\$ 367,500
2017	Cooper Point and Black Lake Conveyance (W:C3)–This project increases the capacity of an extensive Westside stormwater conveyance system serving approximately 700 acres of development. The project builds on recent work to improve the capacity of Yauger Park. The project will reduce the potential for flooding of the Cooper Point Road and Black Lake Boulevard intersection. This project is partially funded by General Facility Charges (GFCs).	\$ 3,360,000
2018	Ascension and 4th Avenue Pond Construction (W:C4)–This project will construct a stormwater facility on City-owned land between 4th and Ascension Avenues. It will provide flow control and water quality treatment to flows generated from existing developed areas that discharge to the downstream stormwater conveyance system.	\$ 271,200
2019	Ken Lake Flood Conveyance (W:D3)–This project will construct a stormwater conveyance system which will eliminate historical overland flooding associated with the Gruen Swale and Stonewall Swale tributary to Ken Lake. This project is partially funded by GFCs.	\$ 630,000



Flood Mitigation and Collection—Stormwater (Program #9028) (continued)

Project List (continued)

Project list and prioritization are subject to change. Priority is based on a condition rating system.

Year	Project/ (Quadrant: Map Coordinate)	Cost Estimate
2019	Indian Creek Culverts and Conveyance Modifications (N:C5)—This project will make modifications to the streambeds at the confluence of Indian and Moxlie Creeks to reduce culvert maintenance and prevent plugging and potential flooding. This project is partially funded by GFCs.	\$ 467,300
2020	Coleman, Bing and Walnut Conveyance (W:B3)—This project will replace an existing regional conveyance system in the vicinity of Coleman Avenue, Bing Street and Walnut Road will be replaced. The current stormwater system was installed by private properties over a period of many years. Due to increasing regional flows using the system, the City took over its maintenance and operation. This project is partially funded by GFCs.	\$ 486,400
2020	Division and Scammel Conveyance (W:C4)—The project will correct deficiencies in the stormwater conveyance system capacity and reduce the potential for flooding along Division Street. This project is partially funded by GFCs.	\$ 552,900

Justification (Need/Demand)

The stormwater infrastructure needs repairs and upgrade to prevent flooding and update aging components. This program replaces parts of the existing system based on televising and a condition pipe rating system. Flooding problems have been reduced in recent years through capital development. However, some regional and localized problems still exist.

Comprehensive Plan and Functional Plan(s) Citations

This program implements the following Olympia Comprehensive Plan goals and policies:

GU 10: The frequency and severity of flooding are reduced and hazards are eliminated, except during major storm events.

PU 10.1: Improve stormwater systems in areas that are vulnerable to flooding.

PU 10.3: Evaluate the structural integrity of aging stormwater pipes and repair as needed.

PU 10.6: Ensure that private pipe and pond systems are maintained.

Capital Costs:	2016	2017-2021	Total
Construction	\$ 427,675	\$ 5,858,725	\$ 6,286,400
Design & Engineering	\$ 91,825	\$ 1,632,575	\$ 1,724,400
Total	\$ 519,500	\$ 7,491,300	\$ 8,010,800

Funding Sources:	2016	2017-2021	Total
General Facility Charges	\$ -	\$ 2,371,650	\$ 2,371,650
Rates	\$ 519,500	\$ 5,119,650	\$ 5,639,150
Total	\$ 519,500	\$ 7,491,300	\$ 8,010,800

Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	N/A
Anticipated Savings Due to Project	Decreases likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Infrastructure Pre-Design & Planning - Stormwater (Program #9903)

Location City stormwater service area.

Links to Other Projects or Facilities Flood Mitigation and Collection—Storm and Surface Water Section

Description This program provides funds for specific pre-design and planning efforts associated with the stormwater system construction, including emergency projects. Additional funding is provided under the program for pervious pavement contingency/repair work. Funding for pre-design is not needed at the present time, but could be requested in future CFPs.

Project List

YEAR	PROJECT	COST ESTIMATE
2016-2021	Pervious Pavement Contingency Fund—This project provides a means for the City to manage one of its key innovative technologies, pervious pavement in sidewalks. In the long run, the technology is seen as an effective means for managing stormwater runoff. However, in the short-term, some level of problems or failures can be expected. The contingency fund is jointly funded by the General Fund and Stormwater as pervious pavement projects are built. The fund builds over time and is used to repair or mitigate the impacts of a potential failure of pervious pavement projects.	\$ 170,400

Justification (Need/Demand) New technologies for stormwater management are needed. This program supports applied research in the area of pervious pavement. The work is supported by City policy decisions.

Other potential projects in this program evaluate future projects prior to their appropriation in the annual Capital Facilities Plan to ensure accurate scope of work, cost estimates, and a full evaluation of project alternatives. Initial work on emergencies and other unanticipated needs can be funded at a limited level under this program.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:

PU 3.9: Ensure consistent maintenance, asset management, and emergency management practices for all utilities.

Water Quality Improvements

This program implements the following Olympia Comprehensive Plan goals and policies:

GN 4: The waters and natural processes of Budd Inlet and other marine waters are protected from degrading impacts and significantly improved through upland and shoreline preservation and restoration.

Capital Costs:	2016	2017-2021	Total
Pre-Design & Planning	\$ 28,400	\$ 142,000	\$ 170,400
Total	\$ 28,400	\$ 142,000	\$ 170,400

Funding Sources:	2016	2017-2021	Total
Rates	\$ 28,400	\$ 142,000	\$ 170,400
Total	\$ 28,400	\$ 142,000	\$ 170,400

Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Water Quality Improvements (Program #9027)

Location Various locations Citywide. See Project List.

Links to Other Projects or Facilities N/A

Description Continue to improve water quality in Olympia's creeks, wetlands, lakes, and marine environments through projects that treat contaminated stormwater runoff. Projects are identified and prioritized based on Citywide needs. Water quality projects are subject to grant and/or loan funding.

Project List

YEAR	PROJECT	COST ESTIMATE
2016	East Bay Water Quality Retrofit (N:C5)–The project would provide water quality treatment for a portion of East Bay Drive which discharges directly to Budd Inlet. Approximately 1,000 linear feet of the center turn lane, north of Glass Avenue, would be replaced with bioretention facilities (rain gardens).	\$ 761,300*
2018	Capitol Way Water Quality Retrofit (DT:C5)–The project would construct a water quality treatment facility to treat runoff from an area roughly bounded by Capitol Way, Adams Street, 7th Avenue and Union Avenue. The drainage basin is tributary to Capitol Lake and comprises approximately 20 fully developed acres.	\$ 472,900*
2018	Harrison Avenue Water Quality Retrofit (W:C4)–A water quality treatment facility would be constructed to treat runoff from Harrison Avenue between West Bay Drive and Milroy Street. The Harrison Avenue drainage basin is tributary to Budd Inlet and comprises more than 20 acres zoned predominately high density corridor.	\$ 523,500*
2019	Evergreen Park Drive Treatment Facility (W:D4)–This project would create a stormwater treatment facility for currently untreated runoff from Evergreen Park Drive. The project shall evaluate different treatment technologies and locations for the project. It shall also evaluate providing water quality treatment for water which currently discharges directly to Capital Lake or to Percival Cove.	\$ 360,600*
2021	Plum Street Water Quality Retrofit (DT:D5)–The project would construct water quality facilities providing treatment of stormwater runoff from Plum Street and areas east to Quince Street, zoned Downtown Business, Professional Office, High Density Commercial Service, and Residential Mixed Use. The Plum Street arterial and adjacent areas are tributary to Moxlie Creek and comprise approximately 42 acres of untreated high use area..	\$ 800,000*

* These projects, if qualified, will be 75% funded with available stormwater grants and loans.

Justification (Need/Demand) Managing water quality problems associated with stormwater runoff is a primary responsibility of the Storm and Surface Water Utility. Increasingly stringent Federal and State requirements (e.g., National Pollutant Discharge Elimination System) necessitate increased efforts to manage water quality.

Comprehensive Plan and Functional Plan(s) Citations This program implements the following Olympia Comprehensive Plan goals and policies:

GN 4: The waters and natural processes of Budd Inlet and other marine waters are protected from degrading impacts and significantly improved through upland and shoreline preservation and restoration.

GN 5: Ground and surface waters are protected from land uses and activities that harm water quality and quantity.

PN 5.3: Retrofit existing infrastructure for stormwater treatment in areas with little or no treatment.

Water Quality Improvements (Program #9027) (continued)

Capital Costs:	2016	2017-2021	Total
Construction	\$ 539,000	\$ 1,667,570	\$ 2,206,570
Design & Engineering	\$ 222,300	\$ 489,430	\$ 711,730
Total	\$ 761,300	\$2,157,000	\$ 2,918,300

Funding Sources:	2016	2017-2021	Total
Grant	\$ 570,975	\$ 1,617,750	\$ 2,188,725
Rates	\$ 190,325	\$ 539,250	\$ 729,575
Total	\$ 761,300	\$2,157,000	\$ 2,918,300

Annual Operations and Maintenance

Estimated Costs	4th Ave Treatment Facility:.....	\$ 10,000 annually
	East Bay Water Quality Retrofit:.....	\$ 4,000 annually
	Harrison Ave Treatment Facility:.....	\$ 10,000 annually
	Capitol Way Treatment Facility:.....	\$ 6,000 annually
	Evergreen Park Dr Treatment Facility:.....	\$ 4,000 annually

Estimated Revenues N/A

Anticipated Savings Due to Project N/A

Department Responsible for Operations Public Works

Quadrant Location Citywide









ACTIVE PROJECT STATUS REPORT AS OF MAY 31, 2015

GENERAL GOVERNMENT CIP FUND (317) - General Government, Parks, Transportation

	Budget 12/31/2014	2015 Additions & Adjustments	Total Budget	Pre-2015 Costs	2015 Costs	Total Costs	Balance
GENERAL GOVERNMENT							
0001 Transfers to Other Funds	\$ 13,041,116	\$ 1,200,000	\$ 14,241,116	\$ 13,041,116	\$ -	\$ 13,041,116	\$ 1,200,000
0209 Street scape	347,774	-	347,774	361,458	-	361,458	(13,684)
0211 Downtown Mixed Use Enhancements	563,500	-	563,500	353,034	-	353,034	210,466
0214 Neighborhood Street Trees	115,000	-	115,000	115,052	-	115,052	(52)
0216 2001 Downtown Enhancements	117,159	-	117,159	114,962	-	114,962	2,197
0217 Artesian Well	68,000	-	68,000	67,837	-	67,837	163
0219 Street Tree Planting	833,131	-	833,131	751,410	-	751,410	81,721
0221 Climate Change	250,000	-	250,000	213,651	-	213,651	36,349
0222 Fire Training Center-Garage	-	156,565	156,565	-	152,683	152,683	3,882
0305 Library Improvements, 1999 +	37,848	-	37,848	37,848	-	37,848	-
0901 ADA Compliance	200,000	13,000	213,000	194,518	-	194,518	18,482
Subtotal General Government	\$15,573,528	\$1,369,565	\$16,943,093	\$15,250,886	\$152,683	\$15,403,569	\$1,539,524
PARKS							
0111 Neigh Park Acq./Develop.	\$ 2,270,132	\$ 120,000	\$ 2,390,132	\$ 2,135,504	\$ 39,040	\$ 2,174,544	\$ 215,588
0114 Open Space	6,972,896	90,000	7,062,896	5,999,766	641	6,000,407	1,062,489
0115 Parks/Open Space Planning	73,126	(172)	72,954	72,954	-	72,954	-
0118 Ballfield Expansion	923,624	-	923,624	923,623	-	923,623	1
0129 Parks Project Funding	511,070	(5,526)	505,544	341,319	-	341,319	164,225
0130 Special Use Parks	18,950,177	350,000	19,300,177	17,849,331	30,220	17,879,551	1,420,626
0132 Major Maintenance Program	3,199,844	250,000	3,449,844	2,067,937	816,880	2,884,817	565,027
0133 Comm. Park Partnership	4,013,900	200,000	4,213,900	3,448,247	123,527	3,571,774	642,126
0134 Small Park Capital Projects	-	25,000	25,000	-	-	-	25,000
0135 Park Acquisition Account	-	300,000	300,000	-	10,500	10,500	289,500
0310 Community Parks	1,371,478	1,122,484	2,493,962	899,804	42,075	941,879	1,552,083
0406 Urban Trails	1,006,136	(39)	1,006,097	1,006,097	-	1,006,097	-
0504 Yauger Park	9,679	-	9,679	9,679	-	9,679	-
Subtotal Parks	\$ 39,302,062	\$ 2,451,747	\$ 41,753,809	\$ 34,754,261	\$1,062,883	\$ 35,817,144	\$ 5,936,665
TRANSPORTATION							
0117 4th Ave Bridge Railing Repaires	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
0121 Log Cabin Road Construction	123,419	-	123,419	111,528	-	111,528	11,891
0122 Pedestrian Crossings	2,271,169	397,405	2,668,574	2,261,936	-	2,261,936	406,638
0200 Bikeways & Improvements	1,856,542	70,000	1,926,542	1,579,915	-	1,579,915	346,627
0208 Sidewalk Improvements	3,716,463	-	3,716,463	3,619,860	179	3,620,039	96,424
0210 Streetscape Corridor Improvements	378,475	-	378,475	378,474	-	378,474	1
0309 Street Access Improvements	1,249,844	-	1,249,844	1,243,520	-	1,243,520	6,324
0408 Parking Management Improv.	1,362,768	-	1,362,768	1,355,908	-	1,355,908	6,860
0442 Mud Bay / Harrison & Kaiser	13,900,805	-	13,900,805	13,888,690	-	13,888,690	12,115
0599 Street Reconstruction	28,612,229	2,100,000	30,712,229	26,305,102	769,512	27,074,614	3,637,615
0603 Signal Installations	1,219,448	-	1,219,448	1,219,448	-	1,219,448	-
0616 Log Cabin Road Extension	260,929	18	260,947	220,942	-	220,942	40,005
0618 Parking Structure Participation	1,455,175	-	1,455,175	1,455,930	901	1,456,831	(1,656)
0619 18th Ave/Elizabeth/14th Ave	12,968,147	-	12,968,147	12,877,409	5,897	12,883,306	84,841
0620 Hazard Elimination Safety Projects	104,156	-	104,156	94,607	-	94,607	9,549
0621 Street Lighting Improvement	3,177,364	-	3,177,364	2,697,055	-	2,697,055	480,309
0622 Olympia Avenue (2003 study)	25,000	-	25,000	-	-	-	25,000
0623 Fones Road	885,866	23,385	909,251	827,877	-	827,877	81,374
0624 Yelm Highway	851,773	-	851,773	640,546	-	640,546	211,227



GENERAL GOVERNMENT CIP FUND (317) - General Government, Parks, Transportation

	Budget 12/31/2014	2015 Additions & Adjustments	Total Budget	Pre-2015 Costs	2015 Costs	Total Costs	Balance
TRANSPORTATION (continued)							
0626 Public Pathways/UT tax & storm funds	6,522,478	1,261,500	7,783,978	4,244,722	497,425	4,742,147	3,041,831
0627 Yaeger Way Interchange	2,108,302	-	2,108,302	608,721	189,474	798,195	1,310,107
0628 Boulevard Road	12,948,200	46,398	12,994,598	9,380,318	196,129	9,576,447	3,418,151
0629 Wiggings & 37th	141,564	83,187	224,751	-	-	-	224,751
0630 Henderson & Eskridge	118,447	2,897	121,344	-	-	-	121,344
0631 Cain Road & North Street	2,756	7,553	10,309	-	-	-	10,309
0632 Public Pathways/Rd & St Maint	8,685	-	8,685	456	-	456	8,229
0805 Neigh'd Traffic Mngt. (traffic calming)	2,222,828	-	2,222,828	2,219,434	-	2,219,434	3,394
0907 P.W.T.F. Loan Repayments	1,343,112	-	1,343,112	1,343,112	-	1,343,112	-
9309 Signal Improvements	931,969	-	931,969	226,558	36,554	263,112	668,857
Subtotal Transportation	\$ 100,842,913	\$ 3,992,343	\$ 104,835,256	\$ 88,802,068	\$ 1,696,071	\$ 90,498,139	\$ 14,337,117
0909 Contingency	\$ -	\$ 360,000	\$ 360,000	\$ -	\$ -	\$ -	\$ 360,000
Grand Total Fund 317	\$ 155,718,503	\$ 8,173,655	\$ 163,892,158	\$ 138,807,215	\$ 2,911,637	\$ 141,718,852	\$ 22,173,306

PARKS AND RECREATION SIDEWALK UTILITY TAX FUND (134)

Capital							
0001 Transfer to Bond Redemption Fund	\$ 9,871,308	\$ 1,439,400	\$ 11,310,708	\$ 9,871,308	\$ -	\$ 9,871,308	\$ 1,439,400
0111 Neighborhood Parks	1,013,305	-	1,013,305	1,013,304	-	1,013,304	1
0114 Open Space	335,776	-	335,776	226,331	-	226,331	109,445
0129 Parks Project Funding/GGCIP	63,967	(5,526)	58,441	58,441	-	58,441	-
0130 Special Use Parks	2,952,120	-	2,952,120	2,591,288	26,696	2,617,984	334,136
0132 Parks Projects/Major Maint Program	111,056	-	111,056	98,433	12,623	111,056	-
0133 Community Parks Partnership	1,205,816	-	1,205,816	1,205,816	-	1,205,816	-
0135 Capital Improvement Fund 317	300,000	-	300,000	-	10,500	10,500	289,500
0310 Community Parks	75,455	-	75,455	75,455	-	75,455	-
0626 Recreational Walking Facilities	10,758,281	1,025,000	11,783,281	9,768,620	122,283	9,890,903	1,892,378
Capital Total	\$ 26,687,084	\$ 2,458,874	\$ 29,145,958	\$ 24,908,996	\$ 172,102	\$ 25,081,098	\$ 4,064,860
Non-Capital							
7301 Parks Maintenance	\$ 2,289,139	\$ 423,451	\$ 2,712,590	\$ 2,261,843	\$ 178,802	\$ 2,440,645	\$ 271,945
7302 Parks Planning	1,559,249	263,280	1,822,529	1,552,332	116,005	1,668,337	154,192
Non-Capital Total	\$ 3,848,388	\$ 686,731	\$ 4,535,119	\$ 3,814,175	\$ 294,807	\$ 4,108,982	\$ 426,137
Total Fund 134	\$ 30,535,472	\$ 3,145,605	\$ 33,681,077	\$ 28,723,171	\$ 466,909	\$ 29,190,080	\$ 4,490,997

CHILDREN'S HANDS ON MUSEUM FUND (137)

1712 Children's Hands on Museum	\$ 9,806,760	\$ (13,965)	\$ 9,792,795	\$ 9,778,850	\$ 8,632	\$ 9,787,482	\$ 5,313
Total Fund 137	\$ 9,806,760	\$ (13,965)	\$ 9,792,795	\$ 9,778,850	\$ 8,632	\$ 9,787,482	\$ 5,313

CITY HALL FUND (325) (317)

0110 City Office Space (325)	\$ 55,403,118	\$ -	\$ 55,403,118	\$ 55,353,937	\$ 8,204	\$ 55,362,141	\$ 40,977
1701 City Office Space (325)	400,000	392,200	792,200	150,000	360,896	510,896	281,304
0110 City Office Space (317)	4,102,697	-	4,102,697	4,102,697	-	4,102,697	-
Total all Funds	\$ 59,905,815	\$ 392,200	\$ 60,298,015	\$ 59,606,634	\$ 369,100	\$ 59,975,734	\$ 322,281



UTILITY AND OTHER PUBLIC WORKS CIP FUNDS

		Budget 12/31/2014	2015 Additions & Adjustments	Total Budget	Pre-2015 Costs	2015 Costs	Total Costs	Balance
WATER CIP FUND (461)								
908	W/S Bond Reserve Fund	\$ 623,854	\$ -	\$ 623,854	\$623,854	\$ -	\$ 623,854	\$ -
8081	Facility Major Repair & Maint	100,000	-	100,000	36,326	-	36,326	63,674
9014	Emergency Preparedness	1,176,426	-	1,176,426	1,083,171	-	1,083,171	93,255
9021	Upgrades, Overlays, Ext & Oversize	564,969	-	564,969	535,484	-	535,484	29,485
9408	Water Upgrades (small pipe)	4,177,223	500,000	4,677,223	3,796,699	231,023	4,027,722	649,501
9609	Distribution System Improvements	23,556,355	2,617,500	26,173,855	22,247,589	173,118	22,420,707	3,753,148
9610	Storage	27,272,668	-	27,272,668	15,245,393	120,720	15,366,113	11,906,555
9700	Source of Supply	26,201,808	367,000	26,568,808	21,474,435	298,889	21,773,324	4,795,484
9701	McAllister Water Protection	3,266,560	100,000	3,366,560	2,964,524	57,037	3,021,561	344,999
9710	Reclaimed Water Pipe	750,000	-	750,000	704,251	-	704,251	45,749
9903	Pre-design & Planning	509,456	21,000	530,456	462,452	-	462,452	68,004
9906	Water System & Comp Planning	1,779,748	-	1,779,748	1,811,315	2,907	1,814,222	(34,474)
9909	Contingency	13,586	-	13,586	-	-	-	13,586
	Total Fund 461	\$ 89,992,653	\$ 3,605,500	\$ 93,598,153	\$ 70,985,493	\$ 883,694	\$ 71,869,187	\$ 21,728,966
SEWER CIP FUND (462)								
9021	Upgrades w/ Street Reconstruction	\$ 519,075	\$ 10,500	\$ 529,575	\$ 315,049	\$ -	\$ 315,049	\$ 214,526
9703	Transmission & Collection Projects	14,501,455	815,000	15,316,455	13,198,692	122,104	13,320,796	1,995,659
9801	Westside I&I Reduction	7,684,744	-	7,684,744	7,539,824	-	7,539,824	144,920
9806	Lift Station Assessment & Upgrades	8,194,616	310,000	8,504,616	7,702,085	365,610	8,067,695	436,921
9808	Sewer System Planning	1,051,090	(95,070)	956,020	926,020	1,307	927,327	28,693
9809	Pipe Extensions	6,678,000	-	6,678,000	5,874,840	(136)	5,874,704	803,296
9810	Pipe Capacity Upgrades	3,659,590	-	3,659,590	3,921,452	-	3,921,452	(261,862)
9813	On-site Sewage System Conversion	1,171,853	150,000	1,321,853	445,132	-	445,132	876,721
9903	Pre-design & Planning	433,782	37,200	470,982	346,672	35,478	382,150	88,832
	Total Fund 462	\$ 43,894,205	\$ 1,227,630	\$ 45,121,835	\$ 40,269,766	\$ 524,363	\$ 40,794,129	\$ 4,327,706
STORM & SURFACE WATER CIP FUND (434)								
9001	Transfers Out	\$ 3,009,500	\$ 186,500	\$ 3,196,000	\$ 2,616,412	\$ 277,673	\$ 2,894,085	\$ 301,915
9017	Habitat Land Acquisition	940,000	-	940,000	267,627	97,834	365,461	574,539
9024	Aquatic Habitat Improvements	4,333,663	463,100	4,796,763	3,214,744	19,881	3,234,625	1,562,138
9026	Stormwater Fee-In-Lieu Projects	150,000	-	150,000	146,412	-	146,412	3,588
9027	Stormwater Quality Improvements	5,094,743	70,000	5,164,743	2,670,392	464,435	3,134,827	2,029,916
9028	Flood Mitigation & Collections Projects	10,848,549	381,199	11,229,748	7,579,275	89,299	7,668,574	3,561,174
9811	Emission Reduction & Alt Power	25,000	-	25,000	-	-	-	25,000
9903	Pre-design & Planning	864,180	28,400	892,580	681,196	95,349	776,545	116,035
9904	Stormwater Plans & Studies	367,048	-	367,048	347,915	-	347,915	19,133
	Total Fund 434	\$ 25,632,683	\$ 1,129,199	\$ 26,761,882	\$ 17,523,973	\$ 1,044,471	\$ 18,568,444	\$ 8,193,438



Impact Fees (Collection & Usage) through May 31, 2015

2015 Amount	Fire	Transportation	Neighborhood Parks	Community Parks	Open Space	Ball Parks	Tennis Courts	Urban Trails	Special Use & Unallocated	Total City
Jan	\$ -	\$ 77,777	\$ 7,892	\$ 29,991	\$ 11,595	\$ -	\$ -	\$ -	\$ -	\$ 127,255
Feb	-	25,693	6,930	26,343	10,181	-	-	-	-	69,147
Mar	-	507,109	57,625	219,063	84,640	-	-	-	-	868,437
Apr	-	43,856	11,837	44,976	17,387	-	-	-	-	118,056
May	-	2,341	2,215	8,417	3,254	-	-	-	-	16,227
Jun	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-
Oct	-	-	-	-	-	-	-	-	-	-
Nov	-	-	-	-	-	-	-	-	-	-
Dec	-	-	-	-	-	-	-	-	-	-
YTD Total	\$ -	\$ 656,775	\$ 86,499	\$ 328,790	\$ 127,057	\$ -	\$ -	\$ -	\$ -	\$ 1,199,121

IMPACT FEE COLLECTION AND USAGE, By Year (cash basis)

1992 - 2004	\$ 1,432,297	\$ 6,420,717	\$ 399,102	\$ 257,771	\$ 2,159,064	\$ 724,903	\$ 70,082	\$ 268,727	\$ -	\$ 11,732,663
2005	215,847	1,270,881	28,694	n/a	335,742	80,707	8,873	44,315	-	1,985,058
2006	153,029	1,086,086	27,569	n/a	322,449	77,458	8,517	42,683	-	1,717,791
2007	83,416	470,653	16,474	n/a	191,883	45,862	5,001	25,886	Special Use	839,175
2008	95,679	1,128,246	12,329	12,932	68,360	12,155	1,329	6,811	14,151	1,351,992
2009	53,060	2,212,795	61,427	103,981	140,091	299	33	163	114,925	2,686,775
2010	640	821,417	106,335	176,897	196,271	-	-	-	184,936	1,486,495
2011	-	1,124,036	158,551	270,122	324,904	-	-	-	289,306	2,166,919
2012	-	1,065,528	92,875	156,379	173,983	-	-	-	163,461	1,652,226
2013	-	1,371,693	288,671	1,049,649	432,988	-	-	-	37,306	3,180,307
2014	-	1,214,136	161,957	513,478	257,152	-	-	-	85,447	2,232,169
2015 (YTD)	-	656,775	86,499	328,790	127,057	-	-	-	-	1,199,121
Total Since Nov. 1992	\$ 2,033,967	\$ 18,842,963	\$ 1,440,482	\$ 2,869,999	\$ 4,729,944	\$ 941,384	\$ 93,835	\$ 388,585	\$ 889,532	\$ 32,230,691
Court Ordered Refunds (fee portion)	\$ -	(\$ 278,075)	(\$ 62,571)	\$ -	(\$ 174,169)	(\$ 84,087)	(\$ 7,857)	(\$ 25,707)	\$ -	(\$ 632,466)

Use of Impact Fees: (-) neg = usage

1993 - 2004	(\$ 720,493)	(\$ 5,104,777)	(\$ 360,127)	(\$ 263,276)	(\$ 1,342,703)	(\$ 459,015)	(\$ 47,376)	(\$ 136,671)	\$ -	(\$ 8,434,439)
2005	(48,374)	(179,571)	(27,471)	-	(37,929)	(2,852)	-	(14,037)	-	(310,234)
2006	(4,300)	(321,895)	(422)	-	(263,541)	(212)	-	(18,337)	-	(608,708)
2007	(46,048)	(73,826)	74	-	(873,336)	(136)	-	(34,497)	-	(1,027,769)
2008	(646,837)	(69,821)	-	-	(119,644)	(1,548)	(238)	(100,930)	-	(939,017)
2009	(675,430)	(1,063,672)	(8,228)	-	-	-	-	(32,723)	-	(1,780,052)
2010	(225,582)	(3,726,910)	(84,348)	-	(253,192)	(76,215)	-	(21,201)	(119,200)	(4,506,648)
2011	-	(2,221,697)	(27,781)	(95,000)	(515,494)	(357,550)	(58,132)	-	(91,011)	(3,366,665)
2012	-	(1,204,603)	(15,279)	-	(80,042)	(1,139)	(34)	(9,320)	(166)	(1,310,581)
2013	-	(149,994)	(120,145)	(626,760)	-	-	-	(9,749)	(289,000)	(1,195,648)
2014	-	(1,606,447)	(44,414)	(293,337)	-	-	-	(4,664)	(25,000)	(1,973,861)
2015 (YTD)	-	(44,273)	(39,040)	(18,200)	-	-	-	(4,674)	-	(106,187)
Total Usage	(\$ 2,367,064)	(\$ 15,767,487)	(\$ 727,181)	(\$ 1,296,572)	(\$ 3,485,881)	(\$ 898,668)	(\$ 105,779)	(\$ 386,802)	(\$ 524,377)	(\$ 25,559,810)

Note: Usage is as of process date; if accounting month is not closed, amount may vary.

Balance	(\$ 333,097)	\$ 2,797,401	\$ 650,730	\$ 1,573,427	\$ 1,069,894	(\$ 41,370)	(\$ 19,801)	(\$ 23,924)	\$ 365,155	\$ 6,038,416
Interest	333,097	983,201	31,831	10,787	455,974	198,596	19,801	47,063	3,538	2,083,888
Balance w/Interest	\$ -	\$ 3,780,602	\$ 682,561	\$ 1,584,214	\$ 1,525,868	\$ 157,226	\$ -	\$ 23,139	\$ 368,693	\$ 8,122,304
Budget Balance	\$ -	\$ 1,714,772	\$ 211,205	\$ 1,002,180	\$ 423,758	\$ 156,686	\$ -	\$ 11,490	\$ 368,347	\$ 3,888,437
Balance Available For Appropriations	\$ -	\$ 2,065,830	\$ 471,356	\$ 582,035	\$ 1,102,110	\$ 540	\$ -	\$ 11,650	\$ 346	\$ 4,233,866



Project Location Detail Report

The project detail sheets identify the location of each of the projects. However, some locations have not been determined yet and some projects are located in more than one location. This worksheet allows citizens to identify specific projects in their area of town. Please refer to the individual project information sheets for more detailed information on each project.

South Side

- 2010 Transportation Stimulus Project Repayment
- Boulevard Road - Intersection Improvements (Program #0628)
- Cain Road & North Street - Intersection Improvements
- Community Park Expansion
- Fones Road—Transportation (Program #0623)
- Groundwater Protection/Land Acquisition (Program #9701)
- Henderson Boulevard & Eskridge Boulevard - Intersection Improvements
- Log Cabin Road Extension - Impact Fee Collection (Program #0616)
- Water Storage Systems (Program #9610)
- Wiggins Road and 37th Ave Intersection Improvements

West Side

- 2010 Transportation Stimulus Project Repayment
- Community Park Expansion
- Groundwater Protection (Program #9701)
- Street Repair and Reconstruction
- Water Storage Systems (Program #9610)

Downtown

- Access and Safety Improvements
- Community Park Expansion
- Percival Landing Major Maintenance and Reconstruction
- Street Repair and Reconstruction

All Quadrants

- Aquatic Habitat Improvements - Stormwater (Program #9024)
- Asphalt Overlay Adjustments - Sewer (Program #9021)
- Asphalt Overlay Adjustments - Water (Program #9021)
- Bike Improvements
- Building Repair and Replacement
- Condition Assessment and Major Maintenance Program (CAMMP)
- Flood Mitigation & Collection - Stormwater (Program #9028)
- Infrastructure Pre-Design & Planning - Sewer (Program #9903)
- Infrastructure Pre-Design & Planning - Stormwater (Program #9903)
- Lift Stations—Sewer (Program #9806)
- Neighborhood Park Acquisition/Development
- Onsite Sewage System Conversions - Sewer (Program #9813)
- Open Space Acquisition & Development
- Pedestrian Crossing Improvements (Program #0122)
- Reclaimed Water (Program #9710)
- Replacement and Repair Projects - Sewer (Program #9703)
- Sewer System Planning - Sewer (Program #9808)
- Sewer Systems Extensions - Sewer (Program #9809)
- Sidewalks and Pathways
- Small Diameter Water Pipe Replacement (Program #9408)
- Transmission & Distribution Projects—Water (Program #9609)
- Water Quality Improvements (Program #9027)

No Quadrant

- Parks Bond Issue Debt Service
- Water Source Development and Protection (Program #9700)
- Water System Planning (Program #9906)



City of Olympia – Public Facilities Inventory

The Growth Management Act requires a jurisdiction’s Capital Facilities Plan (CFP) to identify what existing capital facilities are owned and their locations and capacity. The physical locations of water facilities are not identified. This is in accordance with City policy in regards to security and protection of the City’s water system.

Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Neighborhood Parks (Citywide Service Area)	Citywide	Varies	\$4,848,474	61.50 Ac	Varies	See Below	See Below	See Below
8th Avenue Park	3000 8th Ave NE	2006	\$580,392	3.99	Undeveloped			
Bigelow Park	1220 Bigelow Ave NE	1943	Unknown	1.89				
Shelter/RR (2 unisex)		1949	Unknown		Fair	Replacement	2016	\$200,000
Playground		2005	\$256,500		Good			
Burri Park	2415 Burbank Ave NW	1997	\$230,000	2.32				
Interim Use Mgmt Plan		2009	\$25,500		Excellent			
Decatur Woods Park	1015 Decatur St SW	1988	\$33,853	6.27				
Restroom (1 unisex)		2004	\$75,000		Excellent			
Shelter		2004	\$25,000		Excellent			
Playground		2004	\$114,000		Good			
Evergreen Park	1445 Evergreen Park Dr SW	2008	\$73,867	3.99				
Interim Use Mgmt Plan		2008	\$17,000		Excellent			
Friendly Grove Park	2316 Friendly Grove Dr NE	2002	\$240,000	14.48				
Shelter/RR		2002	\$170,300		Good			
Playground		2002	\$59,000		Good	Replacement	2017	\$265,000
Tennis Court		2002	\$53,000		Good			
Basketball		2002	\$11,000		Good			
Skate Court		2002	\$23,000		Good			
Harry Fain’s Legion Park	1115 20th Ave SE	1933	Unknown	1.34				
Playground		2005	\$181,250		Good			
Kettle View Park	1250 Eagle Bend Dr SE	2007	\$204,836	4.8				
Restroom (1 unisex)		2011	\$216,000		Excellent			
Playground		2011	\$100,000		Excellent			
Tennis Court		2011	\$60,000		Excellent			
Shelter		2013	\$100,000		Excellent			
Lions Park	800 Wilson St SE	1946	Unknown	3.72				
Shelter		2012	\$274,000		Excellent			
Restroom (2 unisex)		2012	\$100,000		Excellent			
Fields					Fair			
Tennis Court(2)					Fair			
Basketball		2010	\$11,500		Excellent			
Playground		2011	\$130,000		Excellent			
Log Cabin Parcel	2220 Log Cabin Rd SE	2010	\$673,000	2.34	Undeveloped			
Margaret McKenny Park	3111 21st Ave SE	1999	\$199,203	4.16		Park Improvements	2016	\$120,000
Interim Use Mgmt Plan		2007	\$21,000		Excellent			
McGrath Woods Park	2300 Cain Rd SE	1998	\$202,272	4				
Interim Use Mgmt Plan		2009	\$32,000		Excellent			
Sunrise Park	505 Bing St NW	1988	Unknown	5.74				
Restroom (1 unisex)		2011	\$216,000		Excellent			
Playground		2015	\$100,000		Excellent			
Basketball		1994			Good			
Community Garden		2011	\$40,000		Excellent			
Woodruff Park	1500 Harrison Dr NW	1892	\$1	2.46				
Storage/RR		1950			Good			
Tennis		1950			Good			
Basketball		1950			Good			
Volleyball		1950			Good			



Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Community Parks (Citywide Service Area)	Citywide	Varies	\$28,478,958	413.97 Ac	Varies	See Below	See Below	See Below
Artesian Commons	415 4th Ave	2013		0.2	Excellent			
East Bay Waterfront Park	313 East Bay Dr NE	1994	Lease	1.86				
Overlook		1994			Good			
East Bay View	613 East Bay Dr NE	2000	N/A		Good			
Heritage Park	330 5th Ave SE	1996	\$1,400,000	1.15				
Fountain		1996	\$610,000		Poor	Rehabilitation	2017	\$400,000
Isthmus Parcels	505/529 4th Ave W		\$3,100,000	2.34	Undeveloped			
LBA Park	3333 Morse Merryman Rd SE	1974	Unknown	22.61				
Concessions/RR		1974			Fair			
Kitchen		1974			Good			
Lower RR		1974			Fair			
Shelter/RR		1974			Fair			
Playground		2011	\$230,000		Excellent			
Fields (6)					Good			
Tennis					Good			
Maint Bldgs		1974			Good			
Madison Scenic Park	1600 10th Ave SE	1989	\$144,000	2.21				
Stairs/Retaining Wall		2013	\$9,000		Excellent			
Percival Landing	300 4th Ave W	1970	Unknown	3.38	Repairs Needed	Immediately	2016	\$350,000
Harbor House (2 unisex)		2011	\$900,000		Excellent			
NE Pavilion		2011	\$200,000		Excellent			
SE Pavilion		2011	\$200,000		Excellent			
W Restroom (2 unisex)		1988			Fair			
D & E Floats		1970			Poor			
F Float		2015	\$500,000		Excellent			
Phase I		2011	\$10,000,000		Excellent			
North Boardwalk		1970			Fair			
West Boardwalk		1988			Fair			
Priest Point Park	2600 East Bay Dr NE	1906	Unknown	312				
Carpenter Shop		1940s			Poor	Replacement	2020	\$320,000
Equip Storage		2004			Good			
Equip Repair		1980s			Fair			
Kitchen1 (Rose Garden)		1960s			Fair	Replacement	2016	\$305,000
Kitchen 2		1960s			Fair	Replacement	2018	\$300,000
Kitchen 3		2008	\$87,000		Excellent			
Office/Tool		1940			Poor	Replacement	2020	\$550,000
Restroom 1		1968			Fair	Replacement	2018	\$190,000
Restroom 2		1952			Fair	Upgrades	2018	\$55,000
Restroom 3		1952			Fair	Upgrades	2018	\$55,000
Shelter 1		1960			Fair	Replacement	2018	\$40,000
Shelter 2					Fair	Replacement	2018	\$40,000
Shelter 3					Fair	Replacement	2018	\$40,000
Shelter 4		2015	\$100,000		Excellent			
VIP Building		1950			Fair			
Playground		2008	\$124,000		Excellent			
Basketball					Good			
E Trails					Good			
W Trails					Good			
Steven's Field	2300 Washington St SE	1963	Unknown	7.84				
Athletic Fields					Good			
Concession		1986			Good			
Storage/RR		1950s			Fair			
Shelters (3)		1990			Poor			
Tennis (2)					Good			
Basketball					Good			
Ward Lake Parcel	2008 Yelm Hwy SE	2007	\$3,575,958	10.5	Undeveloped			
West Bay Park	700 West Bay Dr NW	2006	\$5,000,000	11.71				
Phase I		2010	\$1,600,000		Excellent			



Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Community Parks (Continued)	Citywide	Varies			Varies	See Below	See Below	See Below
Yashiro Japanese Garden	1010 Plum St SE	1990	Unknown	0.74	Good			
Yauger Park	3100 Capital Mall Dr SW	1978	Unknown	39.77				
Concessions/RR		1982			Excellent			
Kitchen/Shelter		1982			Good			
Athletic Fields		1982			Good	New lighting	2016	\$400,000
Playground		2011	\$267,000		Excellent			
Skate Court		2000	\$392,000		Good	Upgrade	2021	\$120,000
Community Garden		2011	\$40,000		Excellent			
Open Space Network (Citywide Service Area)	Citywide	Varies	\$4,324,682	501.64 Ac	Varies	See Below	See Below	See Below
Bigelow Springs Open Space	930 Bigelow Ave NE	1994	Unknown	1.3	Good			
Chambers Lake Parcel	4808 Herman Rd SE	2003	\$476,000	46.22	Undeveloped			
Cooper Crest Open Space	3600 20th Ave NW	2003	\$232,484	13.37	Good			
Garfield Nature Trail	701 West Bay Dr NW	1900	Unknown	7.41	Good			
Grass Lake Nature Park	814 Kaiser Rd NW	1991	\$1,800,000	172.38	Undeveloped			
Harrison Avenue Parcel	3420 Harrison Avenue NW	2011	\$300,334	24	Undeveloped			
McCrostie Parcel	1415 19th Ave SE	1997	N/A	0.23	Undeveloped			
Mission Creek Nature Park	1700 San Francisco Ave SE	1996	\$250,000	36.83				
Interim Use Mgmt Plan		2009	\$24,000		Excellent			
O'Connor Parcel	1400 Blk Edison St SE	1997	\$95,974	4.52	Undeveloped			
Olympia Woodland Trail	1600 Eastside St SE	2003	\$500,000	30.97	Good			
Restroom		2007	\$142,000		Excellent			
South Capitol Lots	2015 Water St SW	1994	Unknown	0.92	Good			
Trillium Open Space	900 Governor Stevens Ave SE	1989	Unknown	4.53	Good			
Watershed Park	2500 Henderson Blvd SE	1955	Unknown	153.03	Good			
Wildwood Glen Parcel	2600 Hillside Dr SE	1999	\$86,390	2.39	Undeveloped			
Yelm Highway Parcel	3535 Yelm Hwy SE	2000	\$417,500	3.54	Undeveloped			
Other Jurisdictions' Community Parks				49.86 Ac				
Capitol Campus (Landscaped areas)	416 Sid Snyder Avenue SW			20				
Centennial Park	200 Block Union Ave SE			0.8				
Heritage Park	501 5th Ave SW			24				
Marathon Park	Deschutes Parkway SW			2.1				
Port Plaza	700 Block Columbia St NW			1.2				
Sylvester Park	600 Capitol Way S			1.3				
Ward Lake Fishing Access	4135 Ward Lake Ct SE			0.46				
Other Jurisdictions' Open Space				8.64 Ac				
Chambers Lake Trailhead	3725 14th Ave SE			1.71				
I-5 Trail Corridor	Adjacent to I-5 from Capitol Campus to Lacey City Hall			4.21				
Percival Canyon/West Bay Link	701 4th Ave W			2.72				
Water Pipe								
Water Pipe, 8" and larger, all material types 1,064,200 l.f. (202 miles)	Citywide	Varies			Varies	Maintenance & Repair	Annual	
11 Water Tanks/Reservoirs	Citywide	Varies		31 M gallon total capacity	Good			
6 Booster Stations	Citywide	Varies		3.10 Mgd	Good to Poor			
9 Springs/Wells		Varies		22 Mgd	Good			
Pipes - Stormwater	Citywide	Varies			Varies		Annual	
Ponds - Stormwater			\$9,445,000					
4th Ave Bridge Treatment Facility	4th Ave Bridge	2004		Treatment, Storage	Good	Filter Replacement	Annual	\$2,000
4th Ave East Treatment Facility	4th Ave/Quince St	2015		Water Quality Treatment	New	None	Annual	



Asset				Asset Status				
Facility		Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Ponds - Stormwater (continued)								
5th Ave Pond	5th Ave/Olympic Way	2004		Treatment, Storage	Fair	Sediment Removal Vegetation Management	2014	\$10,000
9th Ave/Milroy Pond	1901 9th Ave	2003		Treatment, Storage	Good	Vegetation Management	Annual	
11th Avenue Bioswale	11th Avenue SW/Plymouth St	2006		Treatment, Infiltration, Conveyance	Fair	Vegetation Management	Annual	\$1,500
12th Ave/Cushing Pond	12th Ave/Cushing	2004		Treatment, Storage	Good	None	Annual	
13th Ave/Plymouth Pond	13th/Plymouth St SW	1980s		Storage	Good	Vegetation Management	Annual	
14th/Lybarger Pond	14th/Lybarger St	Late 1990s		Storage	Fair	Additional planting, maintenance	Annual	
18th/Fones Pond	18th/Fones Rd	2007	\$375,000	Storage	Good	Vegetation Management	Annual	
18th Ave/Ellis St. Pond	Between 18th Ave SE & Ellis St	2013	\$250,000	Storage, Treatment	Good	Vegetation Management	Annual	
18th Ave/Craig St. Pond	Between 18th Ave SE 3100 Block	2013	\$500,000	Storage, Treatment	Good	Vegetation Management	Annual	
21st/Black Lake Blvd Ponds	21st/Black Lake Blvd	1990		Storage	Good	Vegetation Management	Annual	
21st/Fir Pond	21st/Fir St SE	1990s		Storage	Fair	Vegetation Management	Annual	
Bayhill Pond	Harrison Ave/Kaiser Rd	2004		Storage, Infiltration	Poor	Vegetation Management	Annual	
Black Lake Meadows	Percival Basin	1995		Storage, Treatment	Good	Vegetation Management	Annual	
"Boone Lake"/Automall Pond	Cooper Pt/Behind Truck Ranch	1980s		Storage, Infiltration	Good	Vegetation Management, Improve Outlet Access	Annual	
Boulevard Rd/22nd Ave	Boulevard Rd/22nd Ave	2014		Treatment, Storage	Good		Annual	
Boulevard Rd/Log Cabin Rd Roundabout Pond	Boulevard Rd/Log Cabin Rd	2010	\$180,000	Storage, Infiltration	Good	Vegetation Management	Annual	
"C6"/Automall Pond	Cooper Pt/Behind Volvo	1996	\$200,000	Storage	Fair	Vegetation Management, Improve Outlet Access	Not Scheduled	
Capital High School	Percival Basin			Treatment, Storage	Good	Vegetation Management	Annual	
Cedars Kettle	Log Cabin/Cain Road SE	1997	\$400,000	Infiltration	Good	Vegetation Management	Annual	
Cedars Wetpond	Cedar Park Loop	1997		Infiltration	Good	Vegetation Management	Annual	
City Hall Treatment	City Hall	2011	\$40,000	Treatment	Good	Sediment Removal, Filter Cartridge Replacement	Annual	\$500
Division/Bowman Rain Garden	Division St/Bowman Ave	2008		Treatment, Storage	Good	Vegetation Management	Annual	
Division and Farwell Pond	Division St/Farwell Ave	2008		Treatment, Storage	Fair	Vegetation Management	Annual	
Decatur Bio Swale	Decatur St/9th Ave	2009	\$30,000	Treatment	Good	Vegetation Management	Annual	
Decatur Storm Filter	Decatur St/9th Ave	2009	\$20,000	Water Quality Treatment	Good	Filter replacement and cleaning	Annual	\$200
Fern St Pond	13th/Fern St SW	1980s		Storage	Good	Soil augmentation, native shrubs	Annual	
Frederick/Thurston	Frederick/Thurston Ave			Infiltration	Good	Vegetation Management	Annual	
Giles Ave Treatment Vault	Giles Ave/Division St NW	2004	\$300,000	Water Quality Treatment	Good	Sediment removal, primary cell and filter vault	Annual	
Harrison Ave and Kaiser Rd Pond	Harrison Ave/Kaiser Rd	2011	\$200,000	Treatment, Storage, Infiltration	Good	Vegetation Management	Annual	
Harrison Ave Filterras	Three vaults on Harrison Ave west of Kaiser Rd	2011	\$50,000	Water Quality Treatment	Good	Mulch replacement	Annual	\$600
Hoadly Rain Garden	Hoadly St/Governor Stevens Ave			Treatment, Storage, Infiltration	Fair	Vegetation Management	Annual	
Hoffman Rd Infiltration Gallery	30th/Hoffman Rd SE	1990s		Infiltration	Good	Cleaning maintenance	Annual	
Indian Creek Treatment Facility	Frederick St/Wheeler Ave	2001	\$400,000	Water Quality Treatment	Good	Sediment removal all cells, vegetation, trail and wall maintenance	Annual	



Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Ponds - Stormwater (continued)								
Joy Ave and Quince St Pond	Joy Ave/Quince St		\$150,000	Treatment	Good	Vegetation Management	Annual	\$12,000
Log Cabin Rd Water Tank Pond	East of Log Cabin/Boulevard Rd	2011	\$200,000	Treatment, Storage, Infiltration	Good	Vegetation Management	Annual	
Mud Bay Road Pond	Harrison Ave/Cooper Pt Rd NW	2001		Storage, Treatment	Poor	Compliance with permits, vegetation management	Annual	
North Percival Constructed Wetland	21st/Black Lake Blvd	1995	\$2,300,000	Storage, Treatment	Good	Vegetation, Public Use Management	Annual	
Oak/Fairview Pond	Oak Ave/Fairview St	1990s		Storage	Good	Vegetation Management	Annual	
Oak/Fir Rain Garden	Oak Ave/Fir St	2011		Treatment, Infiltration	Good	Vegetation Management	Annual	
Pacific Ave Treatment Facility	Pacific Ave at Indian Creek	2014	\$650,000	Water Quality Treatment	Good	Vegetation Management	Annual	\$3,500
Schneider Creek Check Dams	Elliot St/Orchard Dr				Poor	Remove/Replace	Not Scheduled	
Sleater-Kinney Pond	15th/Sleater-Kinney Rd	2002	\$300,000	Storage, Treatment	Good	Vegetation Management	Annual	
Sleater-Kinney/San Mar (Vortechincs)	San Mar To Martin Way (Under West Sidewalk)	2003		Treatment	Good	Maintenance cleaning	Annual	\$300
Stan Hope Pond	Stanhope/Landau NE	1980		Treatment, Infiltration	Good	Vegetation Management	Annual	
State Ave Filterra Vaults	Plum to Central St	2015		Water Quality Treatment	New	None	Annual	
Taylor Wetlands Pond	North of Fones Rd (Home Depot)	2003	\$400,000	Treatment, Storage, Infiltration	Good	Vegetation Management	Annual	
West Bay Drive Modulary Wetland Vaults	West Bay Drive	2015		Water Quality Treatment	Good	None	Annual	
Yauger Park Regional Pond	Cooper Pt/Capital Mall Dr	1983 (Upgraded 2011)	\$2,500,000	Treatment, Storage	Good	Vegetation management, plant establishment	Annual	
Sanitary Sewer Lift Stations			\$8,417,200					
Black Lake Blvd Lift Station	2421 Black Lake Blvd SW	2014 upgrade	\$170,000	475 GPM/pump	Good			
Briggs Village Lift Station	Magnolia Dr	2007	\$350,000	225 GPM/pump	Good			
Cedrona Lift Station	3500 Kaiser Rd NW	1997	\$220,000	320 GPM/pump	Good			
Chestnut Village Lift Station	5300 Block of Rich Rd SE	2013	\$380,000	300 GPM/pump	Good			
Colonial Estates Lift Station	3700 Elizabeth Ave SE	1994	\$96,779	160 GPM/pump	Good			
Cooper Crest Lift Station	3600 Cooper Crest Dr NW	2004	\$290,000	170 GPM/pump	Good			
Division & Farwell Lift Station	2100 Walnut Rd NW	1995	\$142,760	100 GPM/pump	Good			
Division & Jackson Lift Station	335 Division St NW	2008	\$331,845	300 GPM/pump	Good			
East Bay Dr Lift Station	1621 East Bay Dr	2008 upgrade	\$380,000	225 GPM/pump	Good			
East Bay Marina Lift Station	1022 Marine Dr NE	1982	\$88,816	145 GPM/pump	Good	Long Term Upgrade	2027	\$750,000
Ensign Rd Lift Station	3200 Ensign Rd NE	1989	\$96,779	600 GPM/pump	Good	New Generator	2015	\$60,000
Goldcrest Lift Station	3338 14th Ave NW	1970	\$88,816	100 GPM/pump	Good			
Holiday Hills Lift Station	1931 Lakewood Dr SE	1969	\$132,932	300 GPM/pump	Good			
Jasper & Eastside Lift Station	2122 Eastside St NW	1970	\$205,000	125 Gal/Min	Good	Long Term Upgrade	2023	\$130,000
Kempton Downs Lift Station	3140 Fones Rd SE	1993	\$150,000	150 GPM/pump	Good			
Ken Lake Lift Station	1800 Camden Park Dr SW	1969	\$166,019	150 GPM/pump	Good	New Generator	2020	\$63,000
Miller & Ann Lift Station	2011 Miller Ave NE	1993	\$160,000	300 GPM/pump	Good	New Generator	2017	\$63,000
Miller-Central Lift Station	1920 North Central NE	1968	\$132,932	1,000 GPM/pump	Fair	Upgrade	2017	\$788,000
Mud Bay Lift Station	4000 Mud Bay Rd SE	2008	\$450,000	300 GPM/pump	Good			
Old Port #1 (On Bay) Lift Station	3110 Leward Ct NW	1970	\$166,019	100 GPM/pump	Fair	Long Term Upgrade	2016	\$630,000
Old Port #2 Lift Station	3200 NW Anchor Ln NW	1970	\$166,019	100 GPM/pump	Fair	Upgrade	2019	\$630,000
Roosevelt & Yew Lift Station	1904 Yew NE	1968	\$112,000	200 GPM/pump	Fair	Long Term Upgrade	2021	\$630,000
Rossmoor Lift Station	2706 Grampton SE	1989	\$132,932	300 GPM/pump	Good	Long Term Upgrade	2025	\$500,000



Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Sanitary Sewer Lift Stations (continued)								
Sleater-Kinney Lift Station	940 Sleater-Kinney Rd NE	2011	\$800,000	300 GPM/pump	Good			
Springer Lift Station	1629 Springer Rd NE	1996	\$165,000	280 GPM/pump	Good			
Water St Lift Station	220 Water St NW	2008 upgrade	\$1,246,185	13,000 GPM/pump	Good	New generator/force main/Upgrade	2015-2032	\$6,000,000
West Bay Dr Lift Station	2001 West Bay Dr NW	1960	\$331,845	750 GPM/pump	Good			
Woodcrest Dr Lift Station	3014 Woodcrest Dr SE	1967	\$133,978	100 GPM/pump	Good			
Woodfield Loop Lift Station	2333 Woodfield Loop NE	1990	\$80,544	150 GPM/pump	Good			
Yelm Highway Pump Station	TBD: Yelm Highway	2011	\$1,050,000	1,670 GPM/pump	Good			
Wastewater Conveyance System								
Wastewater Pipes – Gravity - 186 total linear miles	Citywide	Varies			Good (154miles) Fair (17 miles) Poor (12 miles) Unknown (6 miles)	Priority repairs	Annual	\$365,000
Wastewater Pipes – Force Main - 10 total linear miles	Citywide	Varies				Long-term force main upgrades	2024-2029	\$1,800,000
Wastewater STEP Systems 1,730 residential and 20 commercial	Citywide	Varies				Convert commercial STEPS to gravity	2015	\$250,000
Wastewater STEP Pressure Mains - 28 total linear miles	Citywide	Varies						
Wastewater Structures (manholes, cleanouts, etc.)	Citywide	Varies				Maintenance & corrosion abatement	2014-2016	\$250,000
Other Jurisdictions' Wastewater and Reclaimed Water Facilities (Owned by LOTT Clean Water Alliance)								
Capitol Lake Pump Station	Dechutes Parkway			24mgd				
Budd Inlet Treatment Plan	500 Adams St NE			Can process up to 22mgd of wastewater; Can produce up to 1.5 mgd of reclaimed water				
Major Interceptor Sewer Lines	Along Martin Way and Capitol Way; Indian and Percival Creeks; Black Lake and Cooper Pt Roads; around Capital Lake			16 miles				
Reclaimed Water Transmission Lines	Downtown area			4,000 feet				
Creeks								
Indian/Moxie Creek	Various Locations					Water Quality/Habitat Improvements	Ongoing	
Percival Creek	Between Percival Cove & Hwy 101					Water Quality/Habitat Improvements	Ongoing	
Schneider Creek	Various Locations					Water Quality/Habitat Improvements	Ongoing	
Woodard Creek	Various Locations					Water Quality/Habitat Improvements	Ongoing	
Parking Lots								
			\$3,686,390	2.41 Acres				
Columbia St & 4th Ave Parking Lot	122 4th Ave W		\$286,150	.17 Ac	Fair	Drainage, repavement, striping	Not scheduled	
Olympia Ave at Franklin St Parking Lot	303 Franklin St NE		\$369,340	.33 Ac	Fair	Drainage, repavement, striping	Not scheduled	
State Ave and Washington St Parking Lot	205 State Ave NE		\$457,600	.33 Ac	Poor	Drainage, repavement, striping	Not scheduled	
Former Senior Center Gravel Parking Lot at State and 4th	114 Columbia St NW		\$275,950	.17 Ac	Poor	Paving	Not scheduled	
	116 Columbia St NW		\$288,150	.17 Ac				
State and Capital Parking Lot	107 State Ave NE		\$269,600	.16 Ac	Fair	Repavement, striping	Not scheduled	
State and Franklin Parking Lot (former DOT lot)	318 State Ave NE		\$1,739,600	1.08 Ac	Good	Currently developed for interim use	Not scheduled	



Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Facilities		Year Built	\$98,310,300	This Section below is currently being updated as part of the Building Condition Assessment Report				
City Hall	601 4th Ave E	2011	\$35,650,000		Excellent			
Community Center/ Olympia Center	222 N Columbia	1987	\$5,301,000		Good			
Court Services Building	909 8th Ave	1975	\$143,000		Fair			
Family Support Center	201/211 N Capitol Way	1940	\$1,443,600		Good			
Farmers Market	Capitol Way	1996	\$1,000,000		Good			
Fire Station No.1	100 Eastside St NE	1993	\$4,403,900		Good			
Fire Station No.2	330 Kenyon St NW	1991	\$1,233,500		Good			
Fire Station No.3	2525 22nd Ave SE	1992	\$416,700		Good			
Fire Station No. 4	3525 Stoll Rd SE	2011	\$7,095,700		Excellent			
GHB Building	Water	1956	\$187,300		Poor			
Hands On Children's Museum	401 Jefferson St SE	2012	\$18,500,000		Excellent			
Lee Creighton Justice Center	900 Plum St SE	1967	\$2,432,300		Fair			
Maintenance Center Complex	1401 Eastside St	1976	\$3,849,300		Fair			
Mark Noble Regional Fire Training Center	1305 Fones Rd	2013	\$8,720,800		Excellent			
McAllister Spring Houses (2 Units)	Pacific		\$230,000					
Old Fire Station Training Center	2200 Boulevard Rd SE	1962	\$65,000		Good			
Police Firing Range	6530 Martin Way E	1987	\$245,000		Good			
The Washington Center	512 Washington St	1985	\$4,181,700		Good			
Olympia Timberland Library	313 8th Ave SE	1981	\$2,743,800		Good			
Westside Police Station	221 Perry St NW	1965	\$237,700		Fair			
Facilities Owned by Other Public Entities Within the City of Olympia								
Olympia School District	See the Olympia School District's Capital Facilities Plan for a facilities inventory list, capacities and map (part of Olympia's Adopted CFP).							
Port of Olympia	See Port of Olympia Comprehensive Scheme of Harbor Improvements for a Budd Inlet District Map. (http://www.portolympia.com/index.aspx?nid=235)							
South Puget Sound Community College Campus	2011 Mottman Road SW. See SPSCC website for a campus map. (http://spsc.ccc.edu/)	Varies (Olympia campus is about 102 acres; with about 86.5 acres in City of Olympia jurisdiction)						
State of Washington	See campus map on State of Washington Department of Enterprise Services website. (http://des.wa.gov/Pages/default.aspx)							
Thurston County	See inventory list in Thurston County Capital Facilities Plan. (http://www.co.thurston.wa.us/planning/comp_plan/comp_plan_document.htm)							



Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
Bridges			\$39,000,000					
Olympia-Yashiro Friendship Bridge	4th Ave Bridge	1919, Replaced 2004	\$39,000,000		Good			
5th Avenue Bridge	5th Ave	1958, Rebuilt 2004			Good			
Priest Point Park Bridge	2700 Block East Bay Dr	1972			Good			
Percival Creek Bridge	Cooper Point Dr/AutoMall Dr at Evergreen Park Dr SW	1986			Failing	Stabilize footings and structure	2014	n/a
R.W. Johnson Road Culvert	R.W. Johnson Blvd, 700' N of Mottman Rd	2003			Good			
Streets								
Arterial Classification 106.1 lane miles	Citywide	Varies			Average system condition rating is 72. Target condition rating is 75.			\$48 million (in 2012 dollars)
Collector Classification 124.5 lane miles	Citywide	Varies						
Neighborhood Collector Classification 42.1 lane miles	Citywide	Varies						
Local Access Classification 233 lane miles	Citywide	Varies						
Urban Collector 17.3 lane miles	Citywide	Varies						
Wellhead Protection			\$1,154,788	10 Acres				
Klabo		1998	\$1,000,000					
McAllister Wellfield Vicinity		2003	\$154,788	10 Acres	Unimproved			
Miscellaneous			\$3,743,000	13.08 Acres				
Chambers Ditch (Maintained by Chambers Drainage Ditch District)	Southeast, from outlet of Chambers Lake to Yelm Highway				Stormwater Conveyance			
Old City Dump/Top Foods	NW of Top Foods		\$3,586,800	12.34 Ac				
Old Gravel Pit	800' East of Kenyon St & 4th Ave		\$128,000	.35 Ac				
Woodland Park Parcel (Acquired through LID delinquency)	2710 Aztec Dr NW	2010	\$28,200	.39 Ac	Undeveloped			

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**CFP Element of the
Comprehensive
Plan Goals and
Policies**





CFP Element of the Comprehensive Plan Goals and Policies

The CFP is a required element of our 20-year Comprehensive Plan. The following are long-term goals and policies to guide the CFP:

- Goal 1:** The Capital Facilities Plan provides the public facilities needed to promote orderly compact urban growth, protect investments, maximize use of existing facilities, encourage economic development and redevelopment, promote private investment, increase public wellbeing and safety, and implement the Comprehensive Plan.
- Policy 1.1:** Annually review, update and amend a six-year Capital Facilities Plan that:
- Is subject to annual review and adoption, respectively, by the Planning Commission and City Council.
 - Is consistent with the Comprehensive Plan, master plans and adopted investment strategies.
 - Defines the scope and location of capital projects or equipment;
 - States why each project is needed and its relationship to established levels of service.
 - Includes project construction costs, timing, funding sources, and projected operations and maintenance impacts.
 - Serves as the City's plan for capital project development.
 - Includes an inventory of existing capital facilities and a forecast of capital facility needs;
 - Monitors the progress of capital facilities planning with respect to rates of growth, development trends, changing priorities, and budget and financial considerations.
 - Considers needs and priorities beyond the 6-year time horizon.
 - Is coordinated with Thurston County and the Olympia School District if school impact fees are being charged.
- Policy 1.2:** Encourage active citizen participation throughout the process of developing and adopting the Capital Facilities Plan. Provide the public with adequate time to review and respond to the Plan and related proposals..
- Policy 1.3:** Support joint development and use of facilities such as parks and museums, and protection of shared resources such as critical areas and open space.

- Policy 1.4:** Coordinate with other capital facilities service providers to keep each other current, maximize cost savings, and schedule and upgrade facilities efficiently.
- Policy 1.5:** Evaluate and prioritize proposed capital improvement projects using the following long- term financial strategy principles and guidelines:
- Do projects well or not at all.
 - Focus programs on Olympia residents and businesses.
 - Preserve and maintain physical infrastructure.
 - Use an asset management approach to the City's real estate holdings.
 - Use unexpected one-time revenues for one-time costs or reserves.
 - Pursue innovative approaches.
 - Maintain capacity to respond to emerging community needs.
 - Address unfunded mandates.
 - Selectively recover costs.
 - Recognize the connection between the operating and capital budgets.
 - Utilize partnerships wherever possible.
 - Stay faithful to City goals over the long run.
 - Think long-term.
- Policy 1.6:** Ensure that capital improvement projects are:
- Financially feasible.
 - Consistent with planned growth patterns provided in the Comprehensive Plan.
 - Consistent with State and Federal law.
 - Compatible with plans of state agencies.
 - Sustainable within the operating budget.
- Policy 1.7:** Give priority consideration to projects that:
- Are required to meet State or Federal law.
 - Implement the Comprehensive Plan.
 - Are needed to meet concurrency requirements for growth management.
 - Are already initiated and to be completed in subsequent phases.
 - Renovate existing facilities to remove deficiencies or allow their full use, preserve the community's prior investment or reduce maintenance and operating costs.
 - Replace worn-out or obsolete facilities.
 - Promote social, economic, and environmental revitalization of commercial, industrial, and residential areas in Olympia and its Growth Area.
 - Are substantially funded through grants or other outside funding.
 - Address public hazards.
- Policy 1.8:** Adopt each update of this Capital Facilities Plan as part of the Comprehensive Plan.
- Policy 1.9:** Adopt by reference updates of the Olympia School District Capital Facilities Plan as part of this Capital Facilities element. Identify and recommend to the District that it revise any elements of the School District's plan that are inconsistent with the Comprehensive Plan.
- Policy 1.10:** Monitor the progress of the Capital Facilities Plan on an ongoing basis.
- Policy 1.11:** Recognize the year in which a project is carried out, or the exact amounts of expenditures by year for individual facilities, may vary from that stated in the Capital Facilities Plan due to:
- Unanticipated revenues or revenues that become available to the City with conditions about when they may be used,
 - Change in the timing of a facility to serve new development that occurs in an earlier or later year than had been anticipated in the Capital Facilities Plan,
 - The nature of the Capital Facilities Plan as a multi-year planning document. The first year or years of the Plan are consistent with the budget adopted for that financial period. Projections for remaining years in the Plan may be changed before being adopted into a future budget.

- Goal 2:** As urbanization occurs, the capital facilities needed to direct and serve future development and redevelopment are provided for Olympia and its Urban Growth Area.
- Policy 2.1:** Provide the capital facilities needed to adequately serve the future growth anticipated by the Comprehensive Plan, within projected funding capabilities.
- Policy 2.2:** Plan and coordinate the location of public facilities and utilities to accommodate growth in advance of need, and in accordance with the following standards:
- Coordinate urban services, planning, and standards by identifying, in advance of development, sites for schools, parks, fire and police stations, major stormwater facilities, greenbelts, and open space consistent with goals and policies promoting compact growth in the Comprehensive Plan. Acquire sites for these facilities in a timely manner and as early as possible in the overall development of the area.
 - Assure adequate capacity in all modes of transportation, public and private utilities, municipal services, parks, and schools.
 - Protect groundwater from contamination and maintain groundwater in adequate supply by identifying and reserving future supplies well in advance of need.
- Policy 2.3:** Use the type, location, and phasing of public facilities and utilities to direct urban development and redevelopment consistent with the Comprehensive Plan. Consider the level of key facilities that can be provided when planning for various densities and types of urban land use.
- Policy 2.4:** Ensure adequate levels of public facilities and services are provided prior to or concurrent with land development within the Olympia Urban Growth Area.
- Policy 2.5:** When planning for public facilities, consider expected future economic activity.
- Policy 2.6:** Maintain a process for identifying and siting essential public facilities consistent with state law and County-wide Planning Policies.
- Goal 3:** The City prudently manages its fiscal resources to provide needed capital facilities.
- Policy 3.1:** Ensure a balanced approach to allocating financial resources among: (1) maintaining existing facilities, (2) eliminating existing capital facility deficiencies, and (3) providing new or expanding facilities to serve development and encourage redevelopment.
- Policy 3.2:** Use the Capital Facilities Plan to integrate all of the community's capital project resources (grants, bonds, city funds, donations, impact fees, and any other available funding).
- Policy 3.3:** Allow developers who install infrastructure with excess capacity to use latecomers agreements wherever reasonable.
- Policy 3.4:** Pursue funding strategies that derive revenues from growth that can be used to provide capital facilities to serve that growth. These strategies include, but are not limited to:
- Collecting impact fees for transportation, parks and open space, and schools.
 - Allocating sewer and water connection fees primarily to capital improvements related to urban expansion.
 - Developing and implementing other appropriate funding mechanisms to ensure new development's fair share contribution to public facilities.
- Policy 3.5:** Assess the additional operations and maintenance costs associated with acquisition or development of new capital facilities. If accommodating these costs places a financial burden on the operating budget, consider adjusting the capital plans.
- Policy 3.6:** Achieve more efficient use of capital funds through joint use of facilities and services by utilizing measures such as inter-local agreements, regional authorities, and negotiated use of privately and publicly owned land.
- Policy 3.7:** Consider potential new revenue sources for funding capital facilities, such as:
- a. Growth-induced tax revenues.
 - b. Additional voter-approved revenue.
 - c. Regional tax base sharing.
 - d. Regional cost sharing for urban infrastructure.
 - e. County-wide bonds.
 - f. Local Improvement Districts.
- Policy 3.8:** Choose among the following available contingency strategies should the City be faced with capital facility funding shortfalls:
- Increase general revenues, rates, or user fees; change funding source(s).

- Decrease level of service standards in the Comprehensive Plan and reprioritize projects to focus on those related to concurrency.
- Change project scope to decrease the cost of selected facilities or delay construction.
- Decrease the demand for the public services or facilities by placing a moratorium on development, developing only in served areas until funding is available, or changing project timing and/or phasing.
- Encourage private funding of needed capital project; develop partnerships with Lacey, Tumwater and Thurston County (the metropolitan service area approach to services, facilities or funding); coordinate regional funding efforts; privatize services; mitigate under the State Environmental Protection Act (SEPA); issue long-term debt (bonds); use Local Improvement Districts (LID's); or sell unneeded City-owned assets.

Policy 3.9: Secure grants or private funds, when available, to finance capital facility projects when consistent with the Comprehensive Plan.

Policy 3.10: Reassess the Land Use Element of the Comprehensive Plan if probable funding for capital facilities falls short of needs.

Goal 4: Public facilities constructed in Olympia and its Growth Area meet appropriate safety, construction, durability and sustainability standards.

Policy 4.1: Adhere to Olympia's Engineering Development and Design Standards when constructing utility and transportation related facilities.

Policy 4.2: Regularly update the Engineering Development and Design Standards.

Policy 4.3: Ensure that the Engineering and Development and Design Standards are consistent with the Comprehensive Plan.

Policy 4.4: Apply value engineering approaches on major projects in order to efficiently use resources and meet community needs.

DRAFT







Project Components Commonly Used in Transportation Projects Funded by Impact Fees	
Bicycle Facilities:	One of four classes of bicycle facilities.
Illumination:	Decorative street lighting along the frontage of streets to provide uniformity and increased safety.
Intersections at Grade:	Where a road or street meets or crosses at a common grade or elevation with another road or street.
Medians:	A space or island between two opposing lanes of traffic.
Pavement:	Construction of new travel lanes during road widening.
Pedestrian Crossings:	A marked area across a roadway that allows for safe passage of pedestrians and bicyclists.
Public Transfer Facilities:	Designated bus stops.
Raised Pavement Markings:	Used to define the boundary between opposing traffic flows and traffic lanes.
Roadside Planting:	Grass, trees, shrubs, and other forms of vegetation, including irrigation.
Roundabouts:	Possible installation at each intersection of circular intersections with specific design and traffic control features.
Sidewalks:	A walk for pedestrians at the side of the street and part of the frontage improvements at intersections and approaches to the intersections.
Signage:	Any of a group of posted commands, warnings, or directions.
Street Furniture:	Consists of items such as benches, trash receptacles, bicycle racks, etc.
Striping:	Applying painted lines or necessary instructional signage on pavement surfaces.
Traffic Control Signals:	Installation of automated traffic signal devices at the intersection.
Under Grounding:	Utility lines (electrical, fiber optics) buried underground, except high voltage lines.

Project Components Commonly Used in Drinking Water Projects	
Hydrants:	Connection or placement of new hydrants as necessary.
Hydraulic Modeling:	Use of a mathematical model to determine the size of a water line based on the volume of water passing through the line.
Groundwater Protection Plans:	Update and develop groundwater protection plans to ensure that drinking water supplies are protected from potential contamination from activities in the surrounding areas.
Intersections at Grade:	Where a road or street meets or crosses at a common grade or elevation with another road or street.
Reservoirs:	Storage facility for water based on life-cycle costing and evaluation of options.
Valves:	Mechanical devices by which the flow of water may be started, stopped, or regulated as necessary.
Vaults:	Structures that provide access to underground valves and pumps with the connection of new water pipes.
Water Lines:	Water supply pipe that connects the water storage source to lines located at the street.
Water Quality and Treatment:	Use various technologies to ensure safety of the City's water storage systems.
Water Rights:	Legal authorization to put water to beneficial use.
Water System Structures and Equipment:	In conjunction with reservoirs, including booster pump stations. Includes castings, manholes, inlets, and covers.
Watershed Remodeling and Plan:	Maintain updated documents presenting the findings and recommendations for a Watershed Management Program.
Wells:	Drill and develop new wells as needed to ensure adequate future water supplies.

Glossary of Terms	
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 City Council for expenditures against the City's Annual Budget. 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.
Arterial Street Funds (ASF):	State grants received for the dedicated purpose of improvements to arterials. The source of funding is the state gas tax.
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.
Bond:	A written promise to pay (debt) a specified sum of money (principal or face value) at a specified future date (the maturity date(s)) along with periodic interest paid 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.
Bulbout:	An extension of the curb that juts out into the roadway, approximately seven feet wide (the width of a parking space).
Capital Budget:	A plan of proposed capital expenditures and the means of financing them. The capital budget may be 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 Expenditure:	Expenditure resulting in the acquisition of or addition to the City's general fixed assets.
Capital Facilities:	A structure, improvement, piece of equipment or other major asset, including land, that has a useful life of at least five years. Capital facilities are provided by or for public purposes and services including, but not limited to, the following: <ul style="list-style-type: none"> • Detention Facilities • Fire and Rescue • Government Offices • Law Enforcement • Libraries • Open Space • Parks (Neighborhood and Community) • Public Health • Recreational Facilities • Roads • Sanitary Sewer • Sidewalks, Bikeway and Disability Access Ramps • Solid Waste Collection and Disposal • Stormwater Facilities • Street Lighting Systems • Traffic Signals
Capital Facilities Plan:	A plan for capital expenditures to be incurred each year over a fixed project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.
Capital Improvement:	A project to create, expand or modify a capital facility. The project may include design, permitting, environmental analysis, land acquisition, construction, landscaping, site improvements, initial furnishings, and equipment. The project cost must exceed \$50,000.
Capital Improvement Plan (CIP) Fund	A fund used to pay for general municipal projects (excludes utilities). The money is derived from the real estate excise tax, interest, utility tax (1%), and the year-end cash surplus.
Concurrency:	In growth management terms, capital facilities have to be finished and in place at the time or within a reasonable time period following the impact of development.
Councilmanic:	Debt that is incurred by the City Council. A vote of the people is not required. The funds to repay the debt must come from the City's general revenues.
Debt Capacity:	The amount of money a jurisdiction can legally afford to borrow.
Debt Service:	Payment of interest and principal to holders of a government's debt instruments.
Development Orders and Permits:	Any active order or permit granting, denying, or granting with conditions an application for a land development approval including, but not limited to: impact fees, inventory, and real estate excise tax.



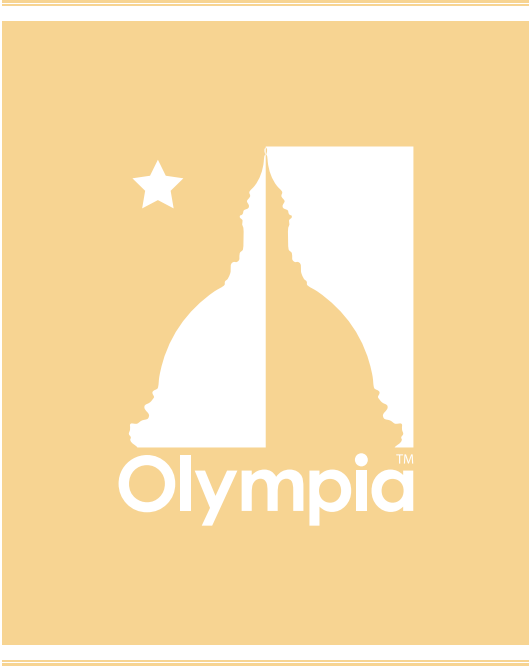
Glossary of Terms (continued)

Federal Aid To Urban Systems (FAUS):	A grant received for improvements to the City's transportation network.
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 operating revenues in all funds. This term may also be referred to as Retained Earnings in the Utility funds or year end surplus in the General Fund.
Gas Tax:	Money received by the City from the State Gas Tax. The funds may only be used for improvements to arterials.
General Facility Charges (GFC):	Payment of monies imposed for development activity as a condition of granting development approval in order to pay for utilities needed to serve new development.
Grant:	A funding source provided by the State or Federal government.
Impact Fees:	A payment of money imposed for development activity as a condition of granting development approval in order to pay for the public facilities needed to serve new growth and development. By state law, impact fees may be collected and spent on roads and streets, parks, schools, and fire protection facilities.
Increased Rates (INCRATES):	Sufficient funds do not exist for the project to occur without a rate increase.
Interim Use and Management Plan (IUMP):	The portion of the Parks Plan that reflects parks/parcels that need minimal property development of the property so that it can be used until the property is further developed for full use by the public.
Inventory:	A listing of City of Olympia's public facilities including location, condition, and future replacement date.
Level Of Service:	A quantifiable measure of the amount of public facility that is provided. Typically, measures of levels of service are expressed as ratios of facility capacity to demand (i.e., actual or potential users).
Local Improvement Districts: (LID)	A mechanism to pay for improvements (i.e., streets, sidewalks, utilities) that directly benefit the property owner.
Neighborhood Traffic Management Program: (NTMP)	A program to reduce the speed/traffic in neighborhoods. The plan includes the use of traffic circles or islands, speed bumps, improved signage or restriping.
Operation and Maintenance (O&M)	Operation and maintenance expense.
Pervious or Porous Pavement:	A permeable pavement surface with a stone reservoir underneath. The reservoir temporarily stores surface runoff before infiltrating it into the subsoil. Runoff is thereby infiltrated directly into the soil and receives some water quality treatment.
Public Works Trust Fund (PWTF) Loans:	Low interest loans from the State of Washington for "public works" projects.
Rates:	The existing rate of the various utilities and sufficient to pay for the cost of projects.
Repairs and Maintenance: (General)	Building/facility repairs/maintenance up to \$50,000, and with a life expectancy of less than five years. General repairs and maintenance are paid from the City Operating Budget.
Repairs and Maintenance: (Major)	Building/facility repairs/maintenance up to \$50,000 or more with a life expectancy of five years or more. Major repairs and maintenance are paid from the Capital Budget.
Real Estate Excise Tax (REET):	The City of Olympia charges 1/2% tax on all real estate transactions to fund capital improvements.
SEPA Mitigation Fees:	Fees charged to "long plats" or new major developments for their direct impact on the system. SEPA mitigation measures must be related to a specific adverse impact identified in the environmental analysis of a project. The impact may be to the natural or built environment, including public facilities.
Septic Tank Effluent Pump (STEP):	This is an alternative to gravity flow sewage systems. The Council eliminated the use of future STEP systems in 2005.
Site Stabilization Plan (SSP):	The portion of the Parks Plan that reflects parks/parcels that need additional work to increase safety by putting up fences, gates, or removing debris, etc.
Transportation Benefit District: (TBD)	The Olympia City Council makes up the TBD Board, enacted by City Council in 2008. Each vehicle registered within the City of Olympia at the time of renewal is assessed \$20 for transportation improvements in Olympia. The TBD Board currently contracts with the City to fund transportation projects.
Utility Tax:	The City of Olympia charges a statutory limit of 6% on private utilities (electric, gas and telephone). 1/6 of the tax is dedicated to the Capital Budget. In 2004, voters approved an additional 3% increase in this tax, for a total of 9%. Of the 3%, 2% is for Parks and 1% is for recreational sidewalks.
Voted:	Voted debt requires the citizens' vote for approval to increase property taxes to pay for the project.

Acronyms	
AC	Asbestos Cement
ADA	American Disabilities Act
AV	Assessed Value
CAMMP	Conditions Assessment and Major Maintenance Program
CFP	Capital Facilities Plan
CIP	Capital Improvement Program
DFW	Department of Fish and Wildlife
DOE	Department of Energy
DOH	Department of Health
EDDS	Engineering Design and Development Standards
EMS	Emergency Medical Services
ENV	Environmental
FF&E	Furniture, Fixtures and Equipment
GFC	General Facilities Charge
GHG	Green House Gases
GMA	State of Washington Growth Management Act
GMP	Guaranteed Maximum Price
GO	General Obligation
GTEC	Growth and Transportation Efficiency Centers
HES	Hazard Elimination Safety
HOCM	Hands On Children's Museum
I&I	Inflow and Infiltration
IAC	Interagency Committee for Outdoor Recreation
IPM	Integrated Pest Management
IUMP	Interim Use & Management Plan
LBA	Little Baseball Association
LED	Light Emitting Diodes
LEED	Leadership in Energy & Environmental Design
LID	Local Improvement District
LOS	Level of Service
LOTT	Lacey, Olympia, Tumwater, Thurston County
LTFS	Long Term Financial Strategy
NPDES	National Pollutant Discharge Elimination System
NTMP	Neighborhood Traffic Management Program
O&M	Operations and Maintenance
OPARD	Olympia Parks, Arts and Recreation Department
OWT	Olympia Woodland Trail
PFD	Public Facilities District
PMMP	Parks Major Maintenance Program
PSI	Pounds per Square Inch
PWTF	Public Works Trust Fund
RCO	Recreation & Conservation Office
REET	Real Estate Excise Tax
RFP	Request for Proposal
SDWA	Federal Safe Drinking Water Act
SEPA	State Environmental Policy Act
SPSCC	South Puget Sound Community College
SSP	Site Stabilization Plan
STEP	Septic Tank Effluent Pump
TBD	Transportation Benefit District
TIP	Transportation Improvement Program
TOR	Target Outcome Ratios
TRPC	Thurston Regional Planning Council
TSP	Transit Signal Priority
UBIT	Under Bridge Inspection Truck
UFC	Uniform Fire Code
UGA	Urban Growth Area
UGMA	Urban Growth Management Area
WWRF	Washington Wildlife Recreation Fund
WWRP	Washington Wildlife and Recreation Program



**Olympia School
District Capital
Facilities Plan
2016-2021**



Olympia School District Capital Facilities Plan 2016-2021

June 2015

DRAFT

Executive Summary

The Olympia School District's 2016-2021 Capital Facilities Plan (CFP) has been prepared as the district's principal six-year facility planning document in compliance with the requirements of the Washington State Growth Management Act. This plan is developed based on the district's recent long range facilities master plan work, which looked at conditions of district facilities, projected enrollment growth, utilization of current schools and the capacity of the district to meet these needs from 2010 to 2025. The master plan report is the result of a volunteer Planning Advisory Committee who worked with the district and a consulting team for nearly a year. In addition to this CFP and the master plan, the district may prepare other facility planning documents, consistent with board policies, to consider other needs of the district as may be required.

This CFP consists of four elements:

1. An inventory of existing capital facilities owned by the Olympia School District including the location and student capacity of each facility.
2. A forecast of future needs comparing student enrollment projections against permanent facility student capacities. The basis of the enrollment forecast was developed by demographer W. Les Kendrick. An updated student generation rate for this plan and to calculate the impact fee was developed by demographer Michael McCormick.
3. The proposed locations and capacities of new and expanded facilities anticipated to be constructed or remodeled over the next six years and beyond.
4. A financing plan for the new and expanded facilities anticipated to be constructed over the next six years. This plan outlines the source of funding for these projects including state revenues, local bond revenue, local levy revenue, impact fees, mitigation fees, and other revenues.
5. This CFP contains updates to plans that address how the district will respond to state policies to reduce class size. The Legislature has recently enacted legislation that targets class size reduction by the 2017-18 school year (SY), the Supreme Court has mandated implementation of this legislation, and there is currently an initiative of the people (I-1351) gathering support that if enacted would significantly impact school housing needs. All three of these efforts/entities have included conversion of half-day kindergarten to full-day kindergarten as a high priority. Full-day kindergarten effectively doubles the number of classrooms needed for kindergarten.

The Master Plan contains multiple projects to expand the district's facility capacity and major modernizations. Specifically the plan includes major modernizations for Garfield (with expanded capacity), Centennial, McLane, and Roosevelt Elementary Schools; limited modernizations for Jefferson Middle School; and modernizations for Capital High School. The plan calls for the construction of a new elementary/intermediate school (serving grades 5-8) on the east side of the district and a new building, with expanded capacity, for the Olympia Regional Learning Academy. Further, the district will expand capacity at five elementary schools via pods of permanent construction of 10-12

classrooms. In addition, in order to nearly double Avanti High School enrollment, Avanti is scheduled to expand to use the entire Knox building; the administration would move to a different building. At Olympia High School, the district would replace 10 portables with a permanent building. Finally, the plan includes a substantial investment in systems modernizations and major repairs at facilities across the district.

This plan is intended to guide the district in providing new capital facilities to serve projected increases in student enrollment as well as assisting the district to identify the need and time frame for significant facility repair and modernization projects. The CFP will be reviewed on an annual basis and revised accordingly based on the updated enrollment and project financing information available.

DRAFT

Capital Facilities Plan 2016-2021
Olympia School District
June 2015

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I. School Capacity, Methodology and Levels of Service

The primary function of calculating school capacities is to allow observations and comparisons of the amount of space in schools across the Olympia School District (OSD) and plan for growth in the number of students anticipated at each school. This information is used to make decisions on issues such as locations of specialty program offerings, enrollment boundaries, portable classroom units, new construction and the like.

School capacities are a general function of the number of classroom spaces, the number of students assigned to each classroom, how often classrooms are used, and the extent of support facilities available for students, staff, parents and the community. The first two parameters listed above provide a relatively straightforward calculation, the third parameter listed is relevant only to middle and high schools, and the fourth parameter is often a more general series of checks and balances.

The district's historical guideline for the maximum number of students in elementary school classrooms is as follows. The table below also identifies the guideline of the new initiative and the square footage guideline used for costing construction:

Class Size Guidelines	OSD Historical Guideline:	2014 I-1351 Guideline:	Square Footage Guideline:
Kindergarten	23 students	17 students	28 students
Grades 1-2	23 students	17 students	28 students
Grades 3	25 students	17 students	28 students
Grades 4-5	27 students	25 students	28 students

As the district constructs new classrooms, the class size square footage guideline is tentatively set to accommodate 28 students. Under the initiative (if enacted), the class size goal for 4th and 5th grade would be 25. Occasionally, class sizes for a class must exceed the guideline, and be in overload status. The district funds extra staffing supports for these classrooms when they are in overload status. In most cases, the district needs to retain flexibility to a) place a 4th or 5th grade into any physical classroom; and b) size the classroom square footage to contain a classroom in overload status where needed. In addition, there is the possibility that class sizes would be amended at a later time to increase or that state policy makers would never fully implement the guidelines of Initiative 1351. For these reasons, the district is maintaining its historical practice of constructing classrooms to hold 28 students comfortably.

Typically, OSD schools include a combination of general education classrooms, special education classrooms, and classrooms dedicated to supportive activities, as well as classrooms dedicated to enrichment programs such as art, music, language and physical education. Some programs, such as special education, serve fewer students but require regular-sized classrooms. An increased need for these programs at a given school can reduce that school's total capacity. In other words, the more regular sized classrooms that are occupied by smaller numbers of students, the lower the school capacity calculation will be. Any school's capacity, primarily at elementary level, is directly related to the programs offered at any given time.

Special education classroom use at elementary level includes supporting the Infant/Toddler Preschool Program, Integrated Kindergarten Program, DLC Program (Developmental Learning Classroom, which serves students with moderate cognitive delays), Life Skills Program (students with significant cognitive delays), LEAP Program (Learning to Engage, be Aware and Play Program for students with significant behavior disabilities) and the ASD Program (students with autism spectrum disorders.) At middle and/ or high level, special education classroom use includes supporting the DLC Program, Life Skills Program, HOPE Program (Help Our People Excel for students with significant behavior disabilities) and the ASD Program.

Classrooms dedicated to specific supportive activities include serving IEP's (Individual Education Plan) OT/PT services (Occupational and Physical Therapy), speech and language services, ELL services (English Language Learner), PATS services (Program for Academically Talented Students), as well as non-specific academic support for struggling students (primarily Title I of the No Child Left Behind Act.)

Of note, the district has a practice of limiting school size to create appropriately-sized learning communities. The district has a practice of limiting elementary school size to 500 students; middle school size to 800 students; and high school size to 1,800 students. These limits represent a guide, but not an absolute policy limit and in this CFP update the guideline is adjusted slightly.

Methodology for Calculating Building Capacity

Elementary Schools

For the purpose of creating an annual CFP, student capacity at individual elementary schools is calculated by using each school's current room assignments. (e.g. How many general education classrooms are being used, and what grade level is being taught? How many different special education classrooms are being used? How many classrooms are dedicated to supportive activities like the PATS Program, ELL students, etc.?)

Throughout the district's elementary schools, special programs are located according to a combination of criteria including the proximity of students who access these special programs, the efficiency of staffing resources, and available space in individual schools. Since the location of special programs can shift from year to year, the student capacities can also grow or retract depending on where the programs are housed. This fluctuation is captured in what is termed the "Program Capacity" of each school. That is to say that "program capacity" is calculated based on the programs offered at a given school each year, instead of a simple accounting of the number of classroom spaces. (See Table A.)

Middle and High Schools

Capacity at middle schools and high school levels are based on the number of "teaching stations" that include general-use classrooms and specialized spaces, such as music rooms, computer rooms, physical education space, industrial arts space, and special education and/or classrooms dedicated to supportive activities. In contrast to elementary schools, secondary students simultaneously occupy these spaces to receive instruction. As a result, the district measures the

secondary school level of service based on a desired average class size and the total number of teaching stations per building. The capacities of each secondary school are shown on Table B.

Building capacity is also governed by a number of factors including guidelines for maximum class size, student demands for specialized classrooms (which draw fewer students than the guidelines allow), scheduling conflicts for student programs, number of work stations in laboratory settings, and the need for teachers to have a work space during their planning period. Together these limitations affect the overall utilization rate for the district's secondary schools.

This rate, in terms of a percentage, is applied to the number of teaching stations multiplied by the average number of students per classroom in calculating the effective capacity of each building. The levels of service for both middle and high school equates to an average class loading of 28 students based upon an 80% utilization factor. The only exception is Avanti High School, the district's alternative high school program, which does not consist of any specialized classroom space and has relatively small enrollment, so a full 100% utilization factor was used to calculate this school's capacity

The master plan includes estimates for both current and maximum utilization. In this CFP we have used the current utilization capacity level because it represents the ideal OSD configurations of programs and services at this time. It is important to note that there is very little added capacity generated by employing the maximum utilization standard.

Level of Service Variables

Several factors may impact the district's standard Level of Service (LOS) in the future including program demands, state and federal funding, collective bargaining agreements, legislative actions, and available local funding. These factors will be reviewed annually to determine if adjustments to the district's LOS were warranted. The district is experiencing growth in its special education preschool population and is exploring opportunities to provide other additional or expanded programs to students in grades K-12. This review may result in a change to the standard LOS in future Capital Facilities Plans.

Alternative Learning

The District hosts the Olympia Regional Learning Academy (ORLA), which serves students from both within and outside of the district's boundaries. The program, which began in 2006, now serves approximately 350 students. Each year since 2006 the program's enrollment has increased and the proportion of students from within the Olympia School District has increased. Therefore, over time, the program will have a growing positive impact on available capacity within traditional district schools. As more students from within district schools migrate to ORLA, they free up capacity to absorb projected growth.

The Olympia School District is also committed to serving as this regional hub for alternative education and services to families for non-traditional education. The program is providing education via on-line learning, home-school connect (education for students that are home-schooled), and Montessori elementary education.

Finally, Olympia School District is committed to providing families with alternatives to the traditional public education, and keeping up with the growing demand for these alternatives, and is committed to providing ORLA students and families with a safe facility conducive to learning.

**Table A
Elementary School Capacities (Current Utilization Standard and Current Class Size)**

Olympia School District - School Capacity Study for CFP												
		Building Capacities with 2015-2020 Program					Building Capacities with 2015-2020 Program					
		General Education				Total Capacity (including portables)	Special Education				Total Capacity (including portables)	
HC = Headcount	Oct HC 2013	# of classrooms	Permanent Capacity	# of portables	Portable Capacity		# of classrooms	Permanent Capacity	# of portables	Portable Capacity		
Elementary Schools												
Boston Harbor	142	8	199	0	0	199	0	0	0	0	0	
Brown, LP	270	13	296	0	0	296	4	32	0	0	32	
Centennial	514	17	417	4	110	527	0	0	1	8	8	
Garfield	331	14	347	0	0	347	2	36	0	0	36	
Hansen	522	17	415	4	102	517	1	18	0	0	18	
Lincoln	297	12	295	0	0	295	0	0	0	0	0	
Madison	204	8	194	0	0	194	2	36	0	0	36	
McKenny	352	14	315	2	54	369	4	46	0	0	46	
McLane	330	13	319	2	54	373	3	30	0	0	30	
Pioneer	442	19	469	0	0	469	0	0	0	0	0	
Roosevelt	373	17	421	0	0	421	0	0	1	18	18	
Elementary School Totals	3,777	152	3,687	12	320	4,007	16	198	2	26	224	

Combined Total Capacity

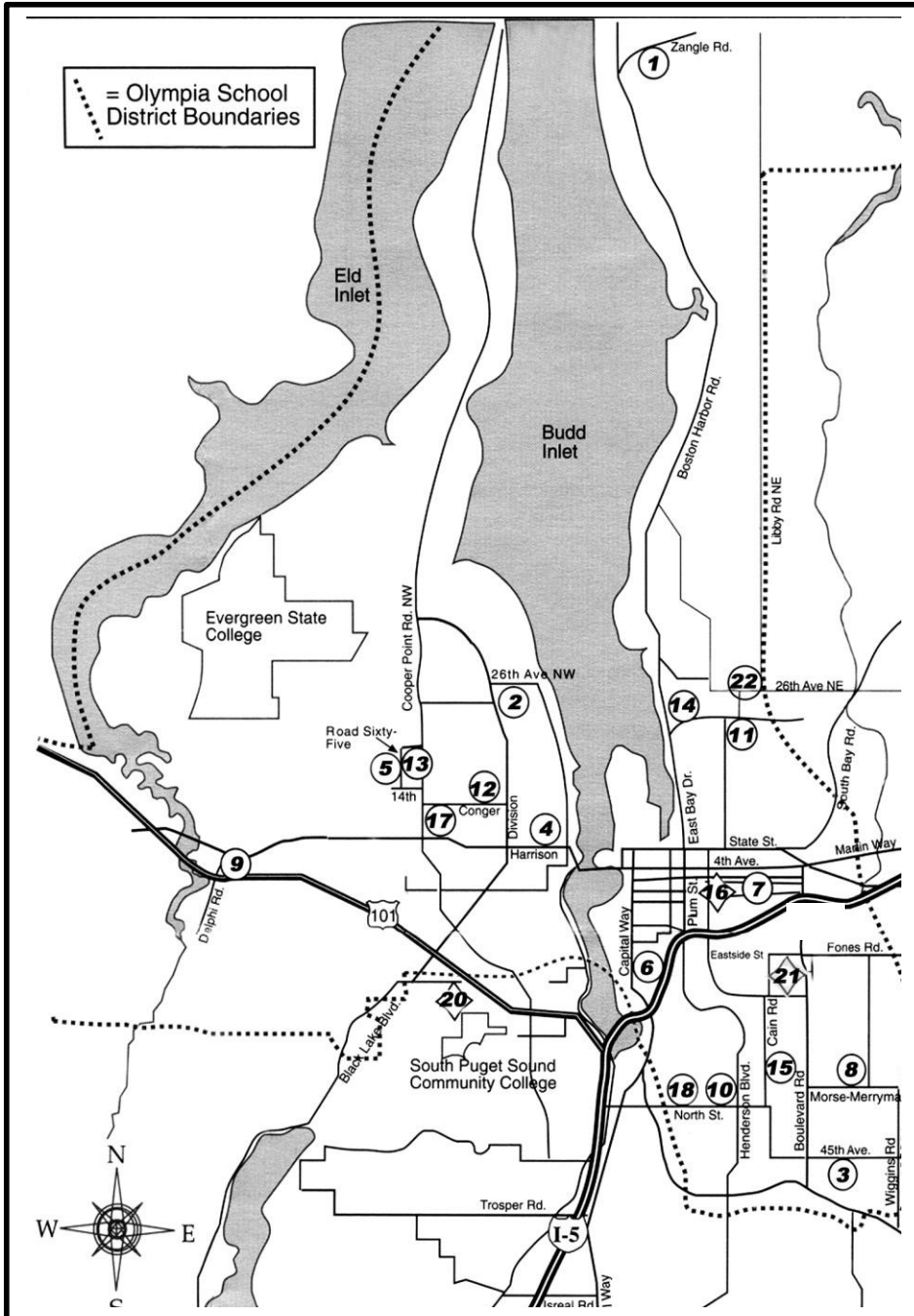
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Olympia School District - School Capacity Study for CFP (continued from above)						
		Building Capacities with 2015-2020 Program Utilization				
		Specific Supportive Activities				Gen Ed Capacity (including portables)
HC = Headcount	Oct HC 2013	# of classrooms	Permanent Capacity	# of portables	Portable Capacity	
Elementary Schools						
Boston Harbor	142	0	0	2	0	0
Brown, LP	270	2	0	0	0	0
Centennial	514	0	0	2	0	0
Garfield	331	3	0	2	0	0
Hansen	522	2	0	3	0	0
Lincoln	297	3	0	0	0	0
Madison	204	2	0	0	0	0
McKenny	352	2	0	2	0	0
McLane	330	1	0	0	0	0
Pioneer	442	0	0	2	0	0
Roosevelt	373	0	0	1	0	0
Elementary School Totals	3,777	15	0	14	0	0

**Table B
Middle and High School Capacities (Current Utilization Standard and Current Class Size)**

	Oct HC 2013	General Education			Special Education			Specific Supportive Activities			Gen Ed Capacity (Including Portables)				
		# of classrooms	Permanent Capacity	# of portables	Portabl Capacity	# of classrooms	Permanent Capacity	# of portables	Portabl Capacity	# of classrooms		Permanent Capacity	# of portables	Portabl Capacity	
Middle Schools															
Jefferso	400	25	595	0	0	0	0	0	0	26	3	0	0	0	0
Marshall	370	23	550	0	0	0	0	0	0	10	1	10	0	0	0
Reeves	442	24	573	0	0	0	0	0	0	8	1	8	0	0	0
Washingto	740	32	752	0	0	0	0	0	0	0	0	0	0	2	0
Middle School	1,95	104	2,47	0	0	0	0	0	0	44	5	44	0	2	0
Totals	8,92	9,42	9,91	0	260	50	310	0	0	0	0	0	0	0	0
*Utilization Factor for middle schools = 2															
*80% Utilization Factor for Special Needs = 100%															
High Schools															
Avanti	157	7	168	0	0	0	0	0	0	0	0	0	0	0	0
Capital	1,33	63	1,44	2	45	1	6	0	0	6	1	6	0	0	0
Olympi	4,70	72	6,64	6	134	2	12	3	24	36	2	24	0	0	0
High School	3,19	142	3,26	8	179	3	18	3	24	42	5	42	0	0	0
Totals	4	2	2	0	0	0	0	0	0	0	0	0	0	0	0
*Utilization Factor for Avanti = 100%															
*80% Utilization Factor for comp. high schools = 100%															
Total Capacity	8,92	9,42	9,91	0	260	50	310	0	0	0	0	0	0	0	0
Combined Total Capacity Districtwide, All Grades - General & Special Education															
	3	9	10,229												

Olympia School District Building Locations



Elementary Schools

- 1. Boston Harbor
- 2. L.P. Brown
- 3. Centennial
- 4. Garfield
- 5. Hansen
- 6. Lincoln
- 7. Madison
- 8. McKenny
- 9. McLane
- 10. Pioneer
- 11. Roosevelt

Middle Schools

- 12. Jefferson
- 13. Marshall
- 14. Reeves
- 15. Washington

High Schools

- 16. Avanti
- 17. Capital
- 18. Olympia

Other Facilities

- 19. New Market Voc.Skills Center
- 20. Transportation
- 21. Support Service Center
- 22. John Rogers
- 23. Olympia Regional Learning Academy

II. Forecast of Future Facility Needs: Olympia School District Enrollment Projections

Summary

Enrollment in the Olympia School District has trended up over the past three years. This is in sharp contrast to the relatively flat enrollment trend that was in place for much of the past decade. Over the past three years we have seen improvements in the local and regional real estate market, and the entering kindergarten classes have been larger as the bigger birth cohorts from 2007 to 2009 have become eligible for school. These trends have contributed to the recent net gains in enrollment. The question is, will these trends continue or do we expect a return to a flat or declining pattern over the next decade?

In a report completed in 2011, we predicted that Olympia would begin to see a general upward trend in enrollment between 2011 and 2025, due to larger birth cohorts entering the schools and projected population and housing growth within the District boundary area. For the most part this pattern has held true, though the official enrollment in October 2014 was approximately 150 students below the medium range projection we completed in March 2011. The purpose of this report is to update the enrollment projections and extend them out to 2030.

The first part of this report provides a general narrative describing the recent enrollment and demographic trends with a discussion of what is likely to happen in the future. The next part of the report is divided into sections which highlight specific demographic trends and their effect on enrollment. Each section in this part of the report begins with a set of bulleted highlights which emphasize the important information and conclusions to keep in mind when viewing the accompanying charts and tables.

Following this discussion, we present the detailed forecasts by grade level for the District. This section provides a variety of alternative forecasts including low, medium, and high range options that emphasize the uncertainty we encounter when trying to predict the future. The medium range forecast is recommended at this time, though it is important to give at least some consideration to the low and high alternatives in order to determine what actions might be taken if enrollment were to trend close to these options.

The final section presents enrollment projections by school. These projections are balanced to the medium range District forecast and are designed to assist with facilities planning, boundary adjustments, or other matters that are relevant in school district planning.

Finally, it is worth noting that sometimes there will be unpredictable changes in the local or regional environment (dramatic changes in the economy, the housing market, or even natural disasters) that can lead to enrollment trends that diverge widely from the estimates presented here. For this reason it is recommended that the District update the long range projections periodically to take advantage of new information.

Enrollment Trends – Past, Present, and Future

As noted in the introduction, enrollment in the Olympia School District has trended up in the past three years. Olympia's share of the county K-12 public school enrollment has also increased during this

time period. Between 2000 and 2010 the District's share of the County K-12 enrollment declined from 24.3% in October 2000, to 22.7% by October 2010. The North Thurston and Yelm school districts saw big gains in their K-12 population between 2000 and 2010, consistent with their overall gain in the general population. Since 2010, however, Olympia's share of the K-12 public school market has increased to 23.1%.

Shifts and changes in school age populations over time are not unusual as housing development, local economic changes, and family preferences can lead to shifts and changes from year to year. Over the next decade, however, it is likely that most, if not all, of the school districts in the County will see some gain in their enrollment as the larger birth cohorts from recent years become eligible for school. Since 2007, Thurston County has seen an average of about 3000 births per year, with recent years trending even higher. This compares to an average of 2500 births a year that we saw between 1997 and 2006. As these larger birth cohorts have begun to reach school age (kids born in 2007 would be eligible for school in 2012) overall kindergarten enrollment in Thurston County has increased. In Olympia specifically, the 2014 kindergarten class was larger than any class from the previous 13 years.

Looking ahead we expect births to continue to trend up some at least through 2025, with births in the county remaining above 3,000 for the foreseeable future. This trend is partly generational, as the grandchildren of the baby boomers reach school age, and partially due to a good State economy that continues to attract young adults who already have children or might be expected to have children in the future. The forecast from the State for Thurston County predicts that there will be more women in the population between the ages of 20 and 45 over the next decade than we have seen in the previous decade. As a result, we expect larger birth cohorts with accompanying gains in K-12 enrollment. This trend is also evident in the counties near Seattle (King, Pierce, Kitsap, and Snohomish). More births throughout the region mean that there will be more families with school-age children buying houses over the next decade.

In addition to birth trends, we are also seeing improvement in the real estate market. According to a recently completed report by Mike McCormick, the Olympia School District saw a net gain of over 1,000 new single family units and over 600 multi-family units between 2009 and 2013. These numbers are substantially higher than what we were seeing in our analysis from 2011.

New housing development typically brings more families with children into the District. According to the McCormick analysis, Olympia saw a gain of about 59 students for every 100 new single family homes that were built, and about 23 students for every 100 new multi-family units. These gains are in line with the averages seen in the Puget Sound area where there is typically an average gain of about 50 students per 100 new single family homes and 20-25 students for every 100 new multi-family units. These are averages, of course, and the numbers can vary widely across districts.

The McCormick results are also consistent with estimates from the Office of Financial Management (OFM) for the State of Washington. OFM reports that just under 1,800 housing units have been added to the District's housing stock since the 2010 Census (2010 to 2014). If this pace were to continue, the District would see over 4,000 units added to the housing stock between 2010 and 2020.

There are reasons to think that the pace of new home development could be even greater. The District's own tracking of current housing projects shows that there are just over 3200 units (approximately 1,700 single family units and 1,500 multi-family units) that are in various stages of planning. Some of the units have been recently completed and others are moving at a very slow

pace, so it is hard to predict how many will be completed by 2020.* If we assume complete build-out by 2020, this would add an additional 3,200 units to those already completed, resulting in a net gain of approximately 5,000 housing units between 2010 and 2020. This is reasonably close to the housing forecasts produced by the Thurston Regional Planning Council (TRPC), though the latter forecast also predicts that the average household size in Olympia will continue to drop over time, resulting in fewer residents per house (and perhaps fewer students per house as well).

Housing estimates are one factor that we can use when predicting future enrollment. Information about housing developments that are currently in the pipeline (i.e., projects that we know are on the books) can be used to help us forecast enrollment over the next five to six year period. Beyond that point we either need housing forecasts (which are available from the TRPC) or more general estimates of population growth and even K-12 population growth that we can use to help calibrate and refine our long range forecasts.

**We are counting only those projects that are not yet complete or were recently completed in 2014.*

If we look at population growth specifically, various estimates suggest that the Olympia School District will grow at about the same rate as the overall county over the next ten to fifteen years. In addition, due to the larger birth cohorts referenced earlier, the Office of Financial Management (OFM) is predicting continued gains in the Age 5- 19 population between now and 2030 in its medium range forecast for the County. Given the projected growth in housing and population, and the trends in births, we are predicting that enrollment in Olympia and the County will continue to grow between now and 2025 at a healthy pace, with a slowing growth trend between 2025 and 2030. The latter trend occurs because as we go out further, graduating 12th grade classes get larger (as the large kindergarten classes from recent years roll up through the grades). Between 2025 and 2030, some of the gains from the large kindergarten classes begin to be offset by the size of each year's exiting 12th grade class. In addition, we are predicting a slight decline in the size of the birth cohorts that will be entering school during this time period.

There is, as always, some uncertainty in predicting the future. The hardest factor to predict is the net gain or loss in the population that occurs from people moving into or out of an area. These changes, referred to as "migration", can shift due to changes in the local, regional or State economy. In addition, large shifts in the military population in an area can also lead to unexpected changes in migration.

As a result of this uncertainty we have produced alternative forecasts. First, we have produced a series of forecasts, using different methods, that lend support to the medium range option that we recommend in the final section. And, in addition to our final medium range forecast, we have produced low and high alternatives that show what might happen if housing and population growth (especially K-12 population growth) were to be lower or higher than what we have assumed in the medium model. Accumulated over time, these differences show alternative scenarios for future enrollment. Although the medium range forecast is consistent with our expectations about births, population, and housing development, it is important to consider the low and high alternatives, since the unexpected does sometimes happen.

It should also be noted that the recommended forecast in this report is somewhat lower than the recommended forecast from 2011. This reflects the fact that the current birth forecasts, while still predicting gains compared to the previous decade, are lower than the forecasts from 2011. This

difference reflects recent changes in fertility rates (the number of children born to women in their child-bearing years) and updated forecasts of the female population for Thurston County that were completed after 2011. It also reflects the latest kindergarten trends which show Olympia enrolling a smaller proportion of the County kindergarten population.

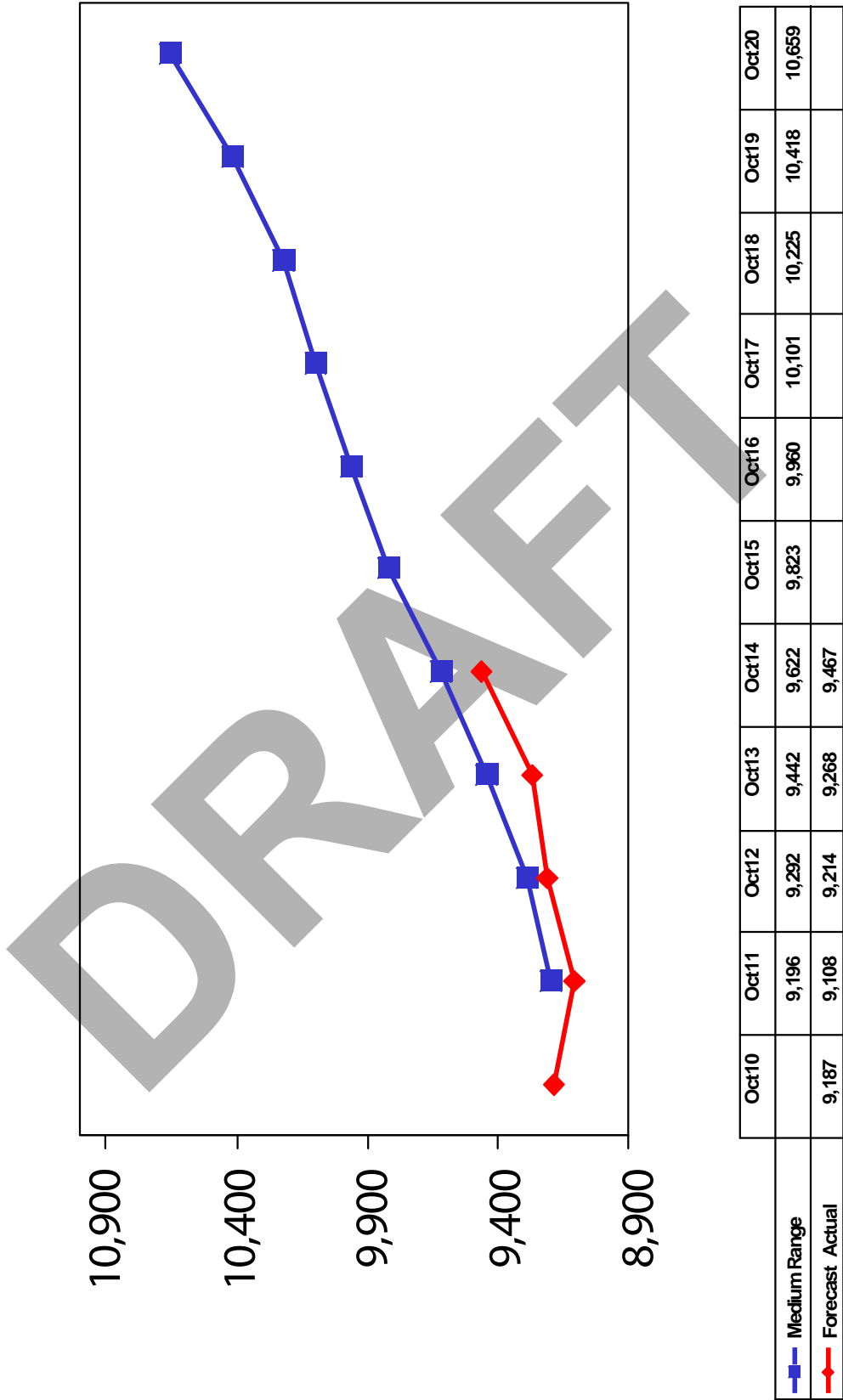
The current forecast also takes account of the latest forecast of the Thurston County population by age group, obtained from the Office of Financial Management (OFM). As a result of this information and the data on births and kindergarten enrollment, the present forecast is lower than the one completed in 2011.

The next section focuses on enrollment trends, providing some context for Olympia's enrollment relative to other school districts in the County as well as private schools. After this section we present information on births, population, and housing with attention to their effects on enrollment. The final section of the report provides enrollment forecasts for the District and by school.

Enrollment Trends – Highlights

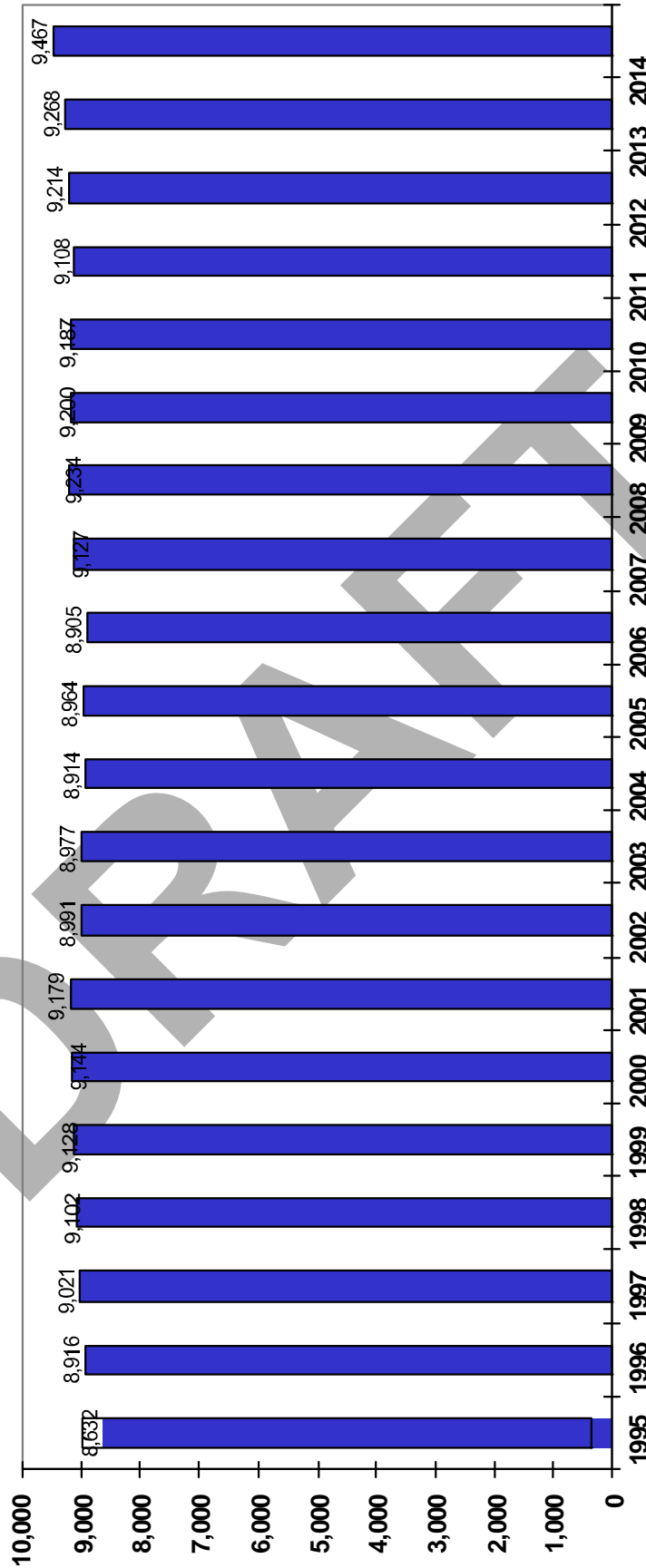
- Enrollment in the Olympia School District has increased over the past three years, ending the relatively flat enrollment pattern that had been in place for more than a decade.
- The enrollment gains of the past three years have led to a net gain in Olympia's share of the County K-12 enrollment.
- Private school enrollment in Thurston County has fluctuated up and down over the past fourteen years. As of October 2014, private school enrollment in the County was about sixty students higher than it was in October 2000.
- The Olympia School District sees a net gain in students at almost every grade.
- This means that in general there are more families moving in than moving out of the District from year to year at almost every grade.
- The exception to this pattern is the transition grade from 5th into 6th where the District sees a net loss. The District also sees some net losses at certain high school grades (11th and 12th) at least in some years, most likely due to dropouts. This is a typical pattern for many Districts.

Medium Range Forecast from 2011 Compared to Actual Enrollment



District Enrollment Trend October Headcount State P223 Reports

(Data for 1995 and 1996 is from the State Enrollment by Ethnicity Reports)
Does NOT include students enrolled in Running Start Full Time



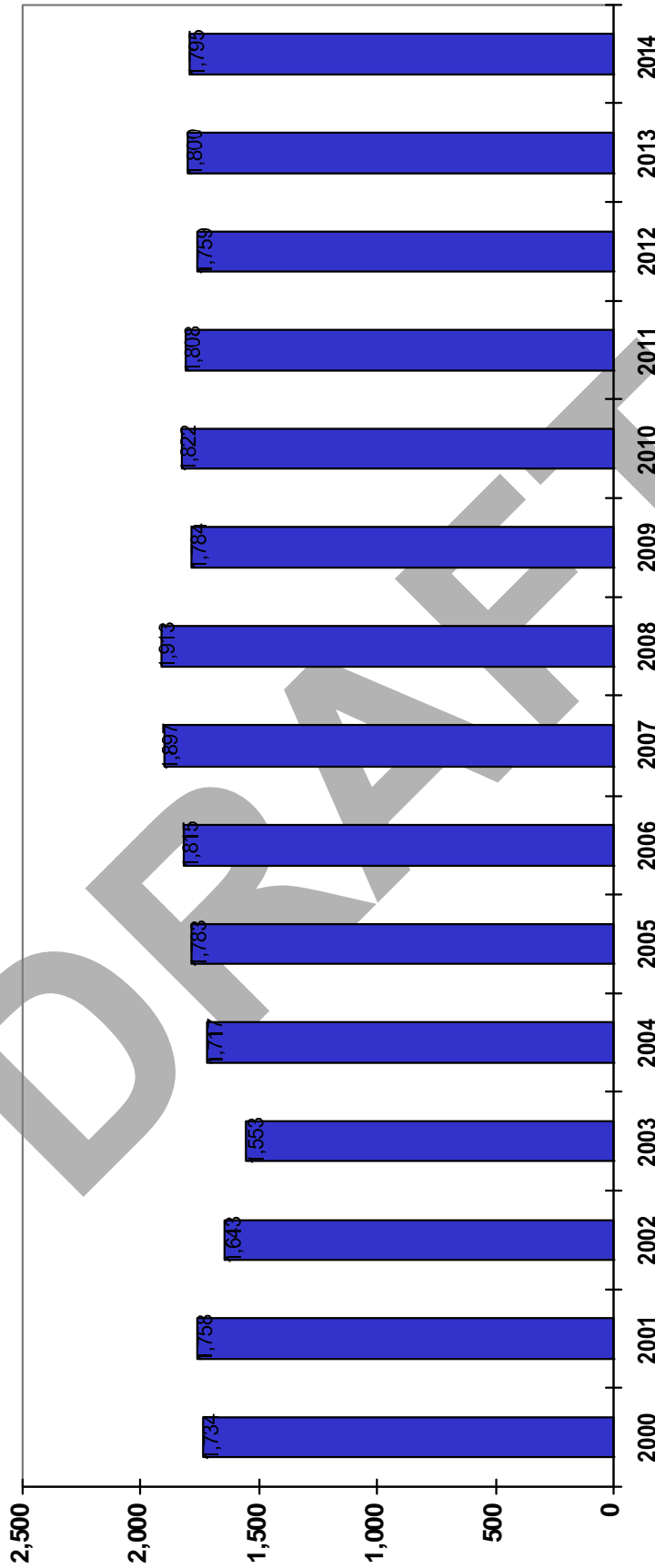


K-12 October Enrollment for Thurston County School Districts

	<u>2000</u> Enroll	<u>%of Tot.</u>	<u>2010</u> Enroll	<u>Change</u>	<u>2014</u> Enroll	<u>%of Tot.</u>	<u>Change</u> <u>Since 2010</u>
Griffin	625	1.7%	639	-0.1%	648	1.6%	0.0%
North Thurston	12774	33.9%	14184	1.1%	14521	35.4%	0.4%
Olympia	9144	24.3%	9187	-1.6%	9467	23.1%	0.4%
Rainier	950	2.5%	886	-0.3%	813	2.0%	-0.2%
Rochester	1868	5.0%	2150	0.3%	2216	5.4%	0.1%
Tenino	1448	3.8%	1247	-0.8%	1195	2.9%	-0.2%
Tumwater	6491	17.2%	6816	-0.4%	6657	16.2%	-0.6%
Yelm	4354	11.6%	5441	1.9%	5499	13.4%	0.0%
Total	37654	100.0%	40550		41016	100.0%	

Private School Enrollment Thurston County

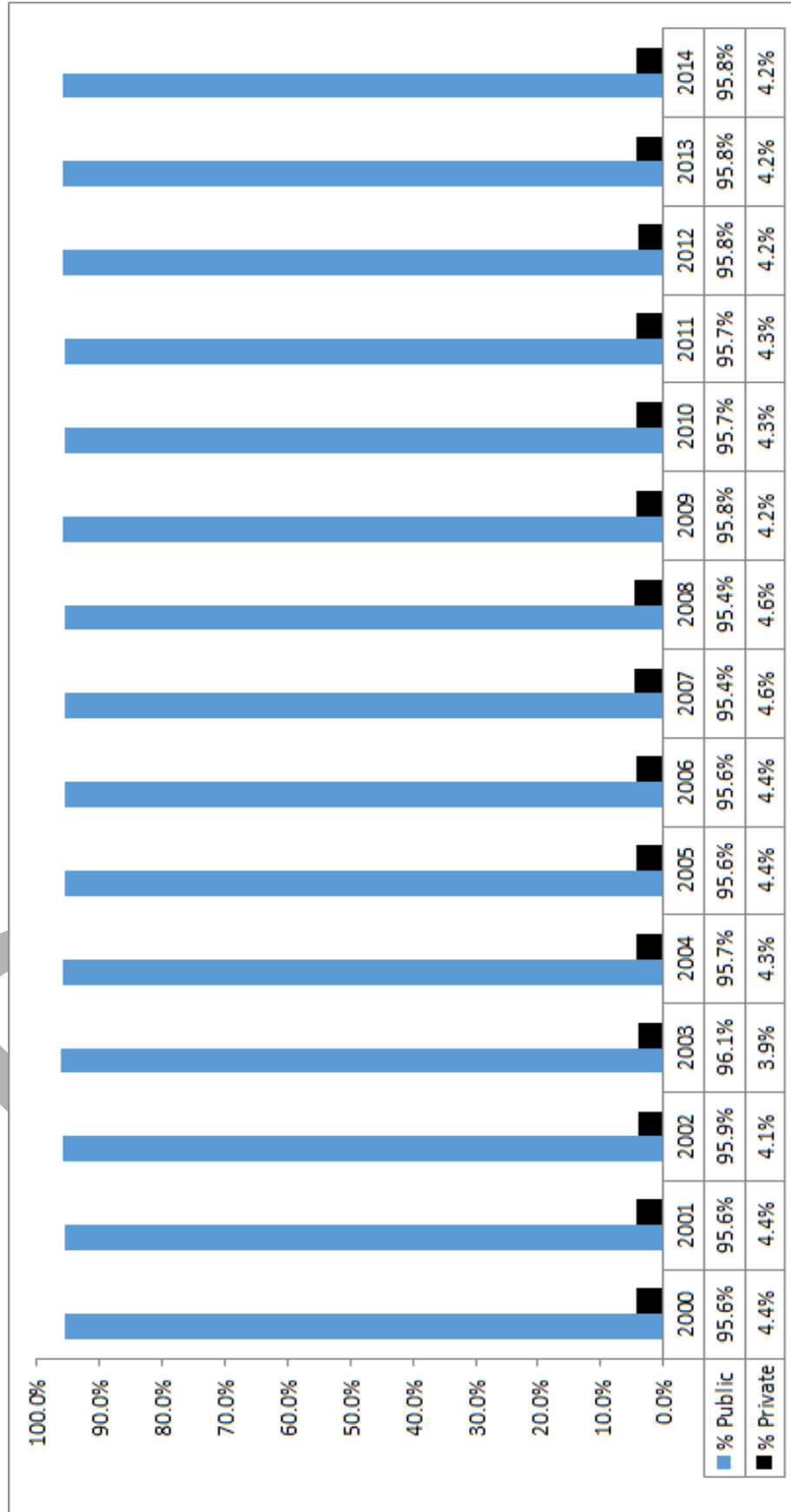
State Enrollment Reports





Percent of Students Enrolled in Public and Private Schools in Thurston County

Source: OSPI (Private School Enrollment Files and P223)



Olympia Enrollment Trends: Cohort Rates*

	<u>5 Year Cohort</u>	<u>3 Yr Cohort</u>	<u>10 Year Cohort</u>
Birth-K	22.0%	21.1%	22.4%
K-1	1.054	1.060	1.062
1-2	1.016	1.022	1.029
2-3	1.013	1.031	1.017
3-4	1.019	1.028	1.028
4-5	1.022	1.034	1.023
5-6	0.984	0.986	0.991
6-7	1.027	1.027	1.025
7-8	1.013	1.025	1.019
8-9	1.232	1.233	1.247
9-10	1.000	1.004	1.007
10-11	0.958	0.941	0.969
11-12	1.013	1.020	1.004

*Cohort rates at 1st through 12th grade are determined by dividing the enrollment at a given grade in a given year, say 2nd grade, by the enrollment at the previous grade from the previous year (1st). A ratio greater than one indicates that more families move in than move out over the course of the year. A ratio less than one means that more families move out than move in. At Kindergarten the ratio represents the District’s kindergarten enrollment as a share of the County births five years prior to the enrollment year. The ratios above show the averages for different time periods.

- Births in Thurston County have been trending up since 2007 with an average of about 500 more births per year than we saw between 1997 and 2006.
- As these larger birth cohorts have become eligible for school (beginning in 2012) kindergarten enrollment in Thurston County has gone up.
- The number of births in Thurston County is expected to remain right at, or above, 3,000 for the foreseeable future with a marked increase between 2015 and 2025. Part of this trend is generational as the grandchildren of baby boomers reach school age.
- Birth trends in the City of Olympia have mirrored the trends at the County level, rising above 1,000 per year since 2007.
- The Olympia School District’s share of the County birth cohort, (kindergarten enrollment compared to the number of births five years earlier) has trended down some in recent years but has essentially averaged about 22% over the past decade. The forecasts in this document assume it will be just below this rate over the next decade.
- The rise in births is one reason why we are predicting continued enrollment growth in Olympia and the County over the next decade.
- Between 2015 and 2025 we expect most of the Districts in Thurston County to see some enrollment gains due to the rise in births.
- We could see some slowing of enrollment growth between 2025 and 2030 as the larger graduating classes start to offset the effect of the large kindergarten classes

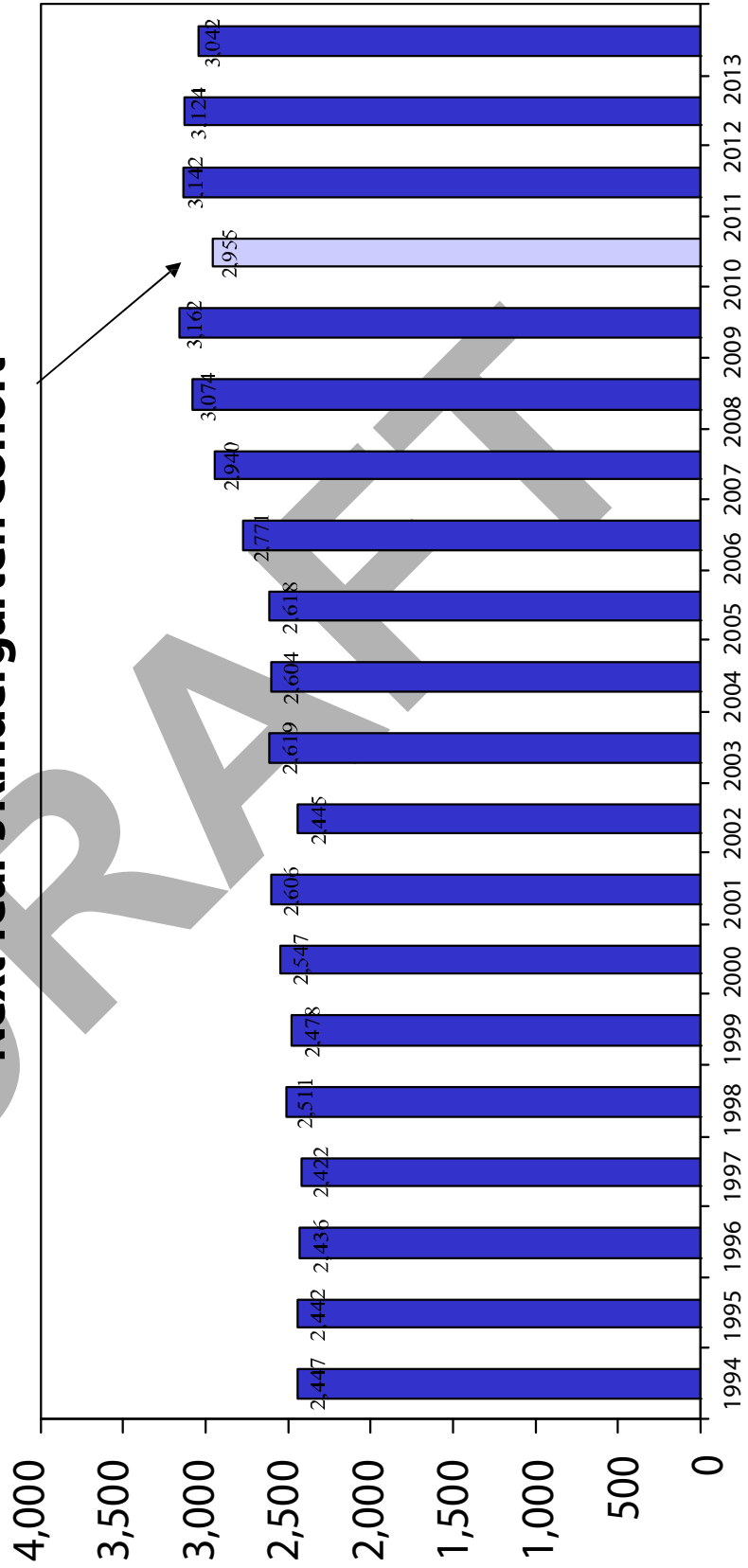


Thurston County Births

Source: Washington State Health Department



Next Year's Kindergarten Cohort

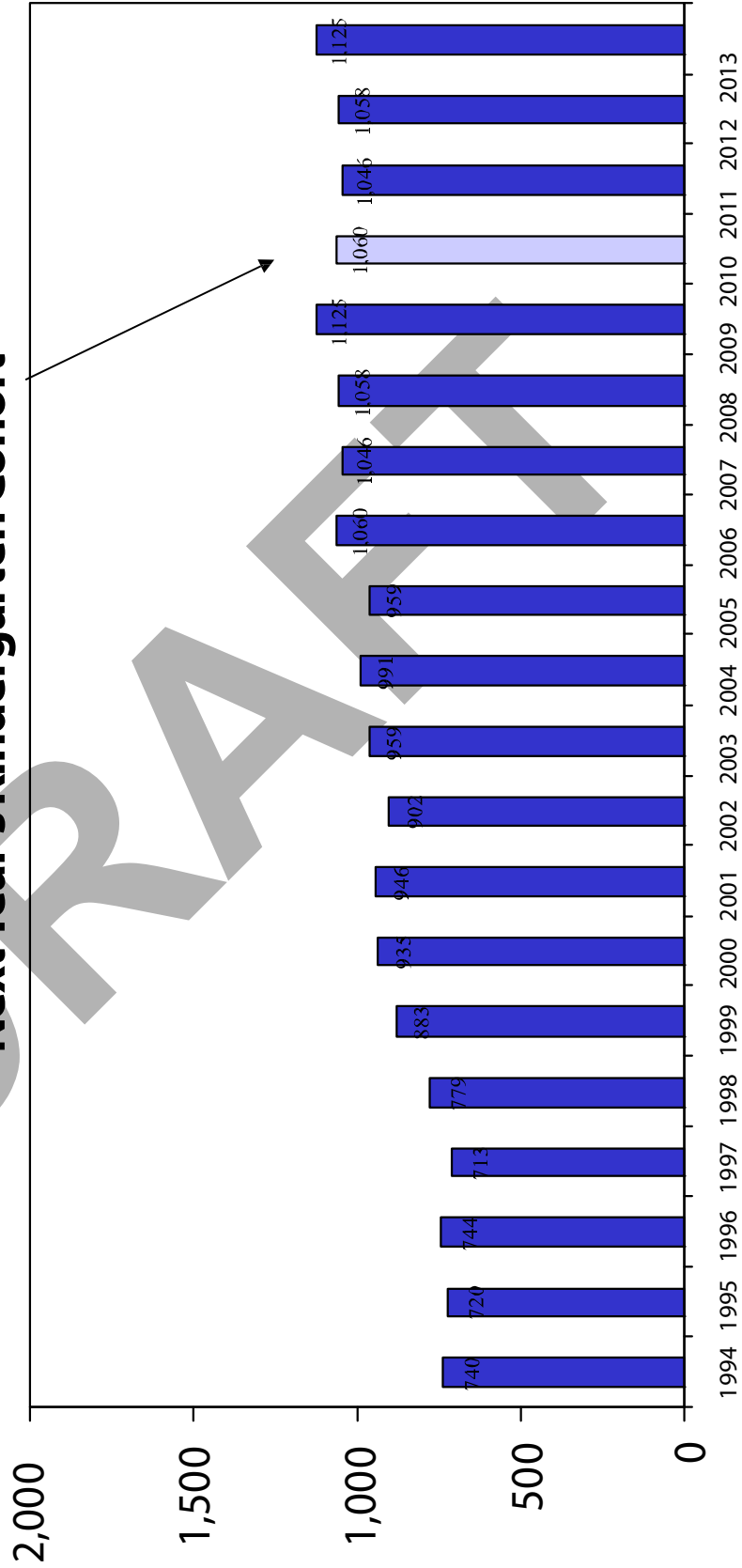


City of Olympia Births

Source: Washington State Health Department

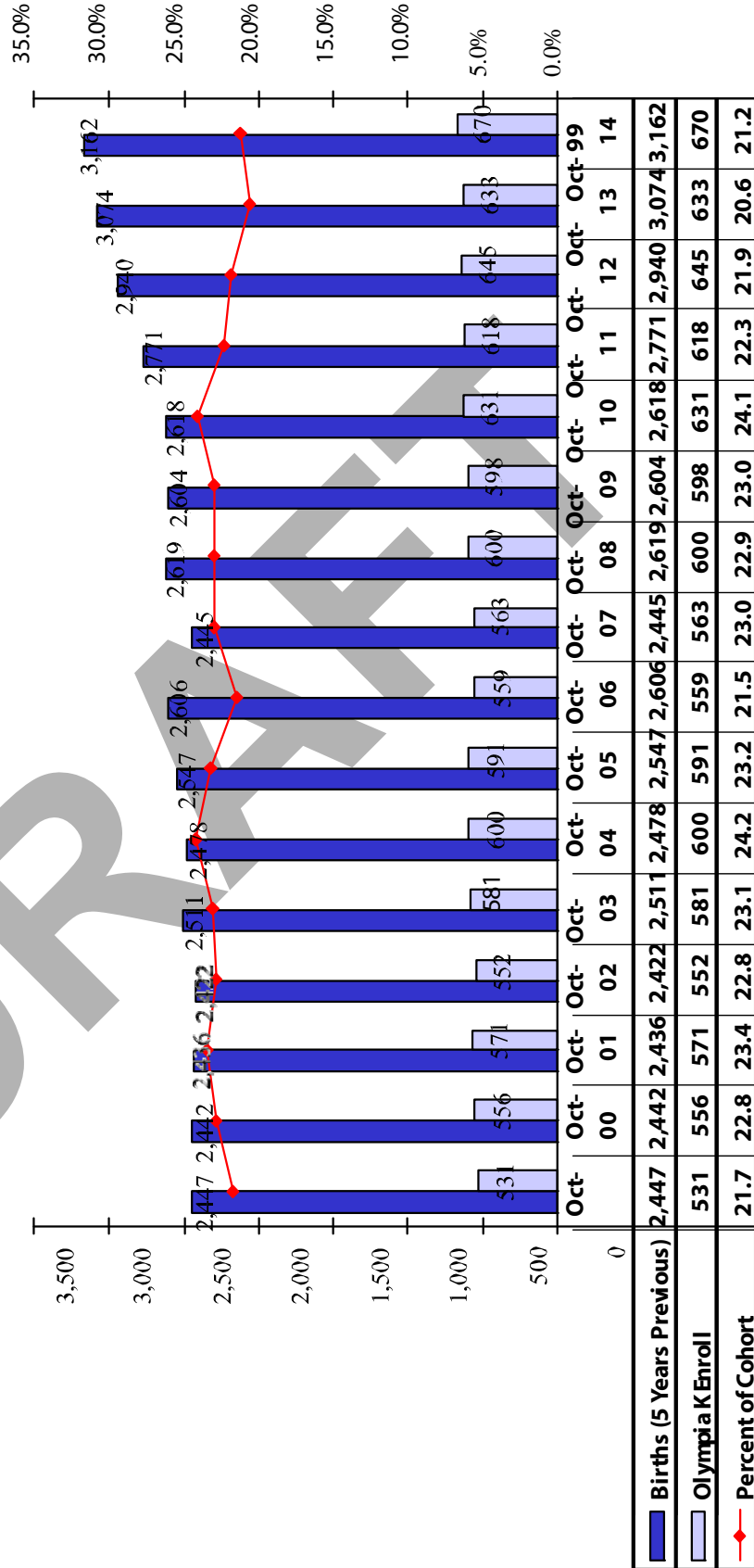


Next Year's Kindergarten Cohort



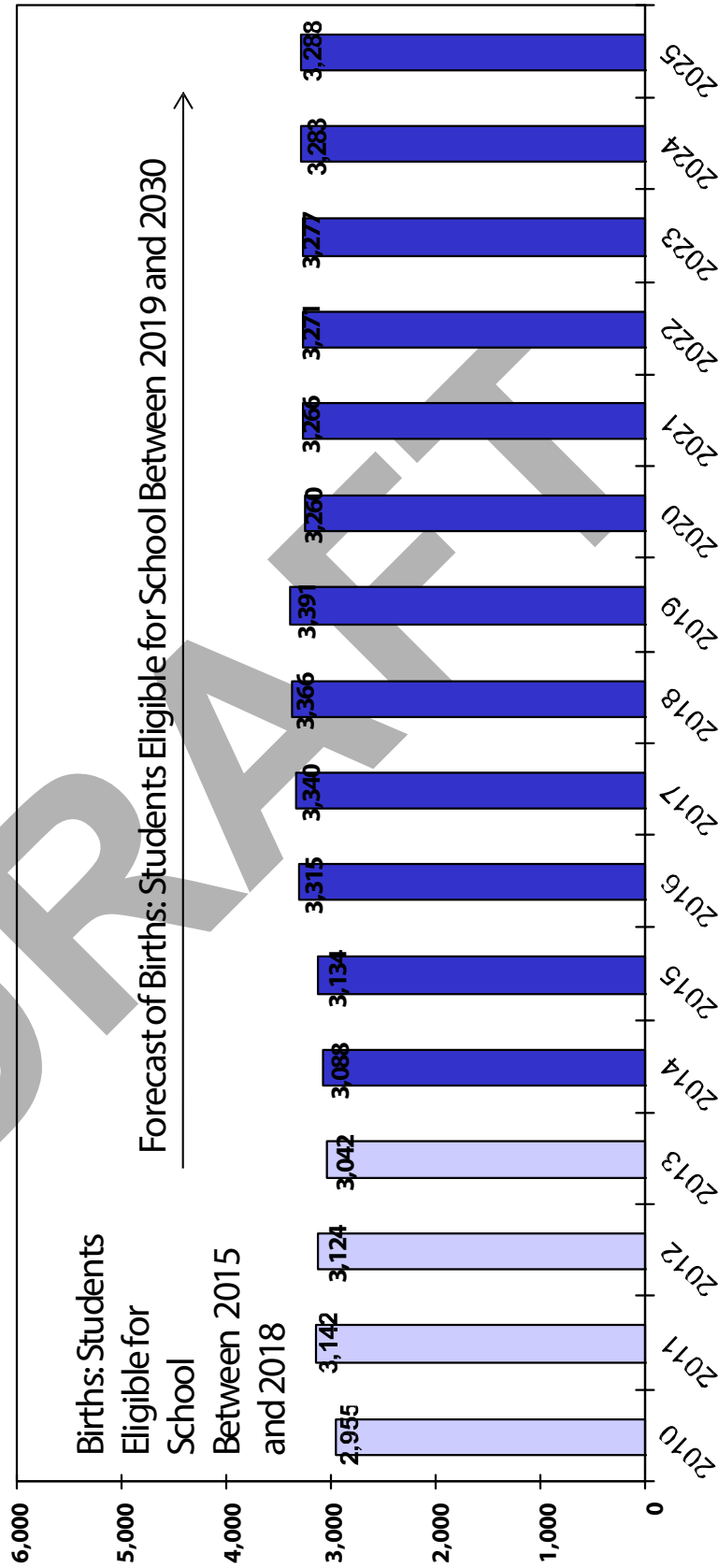


Kindergarten Enrollment Trend Olympia School District



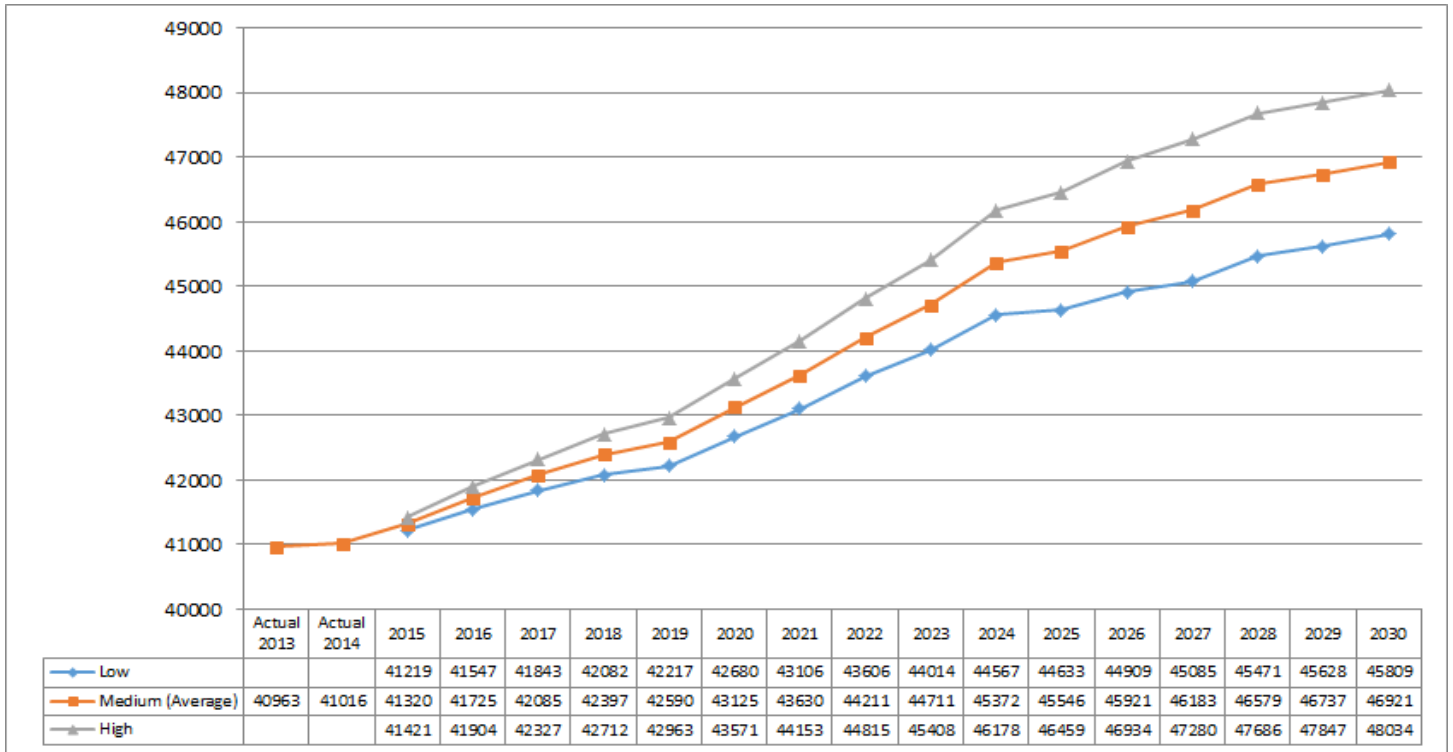
Forecast of Thurston County Births

Based on the Average of Recent Fertility Rates (Washington State Department of Health) and the Medium Range County Forecast of the Number of Women Between the Ages of 15 and 44 for the Forecast Period. (Office of Financial Management for the State of Washington)



Forecast of the Thurston County K-12 Public School Population Using Births and Historical Enrollment Trends Low, High, and Medium (Average of Low and High)

"More Births Means More Kids"

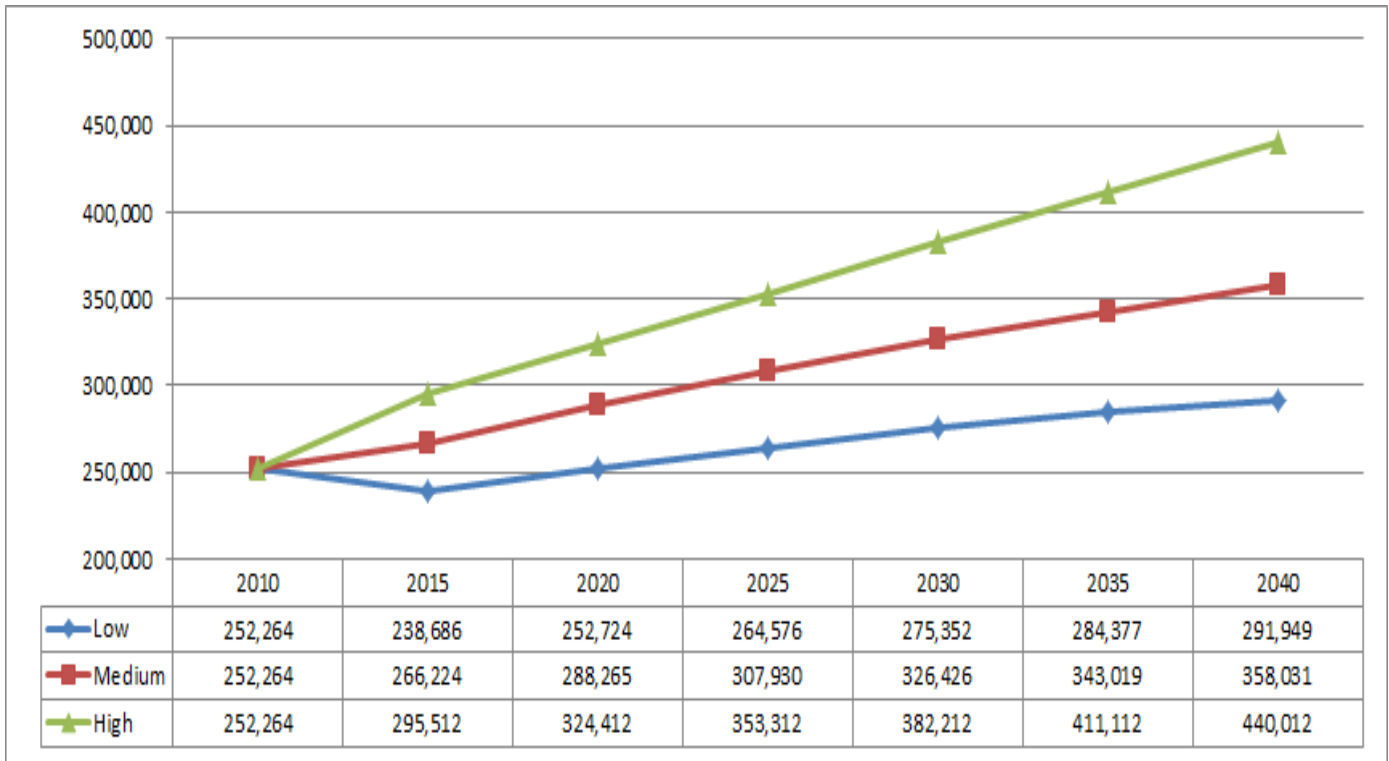


Population Trends and Forecasts – Highlights

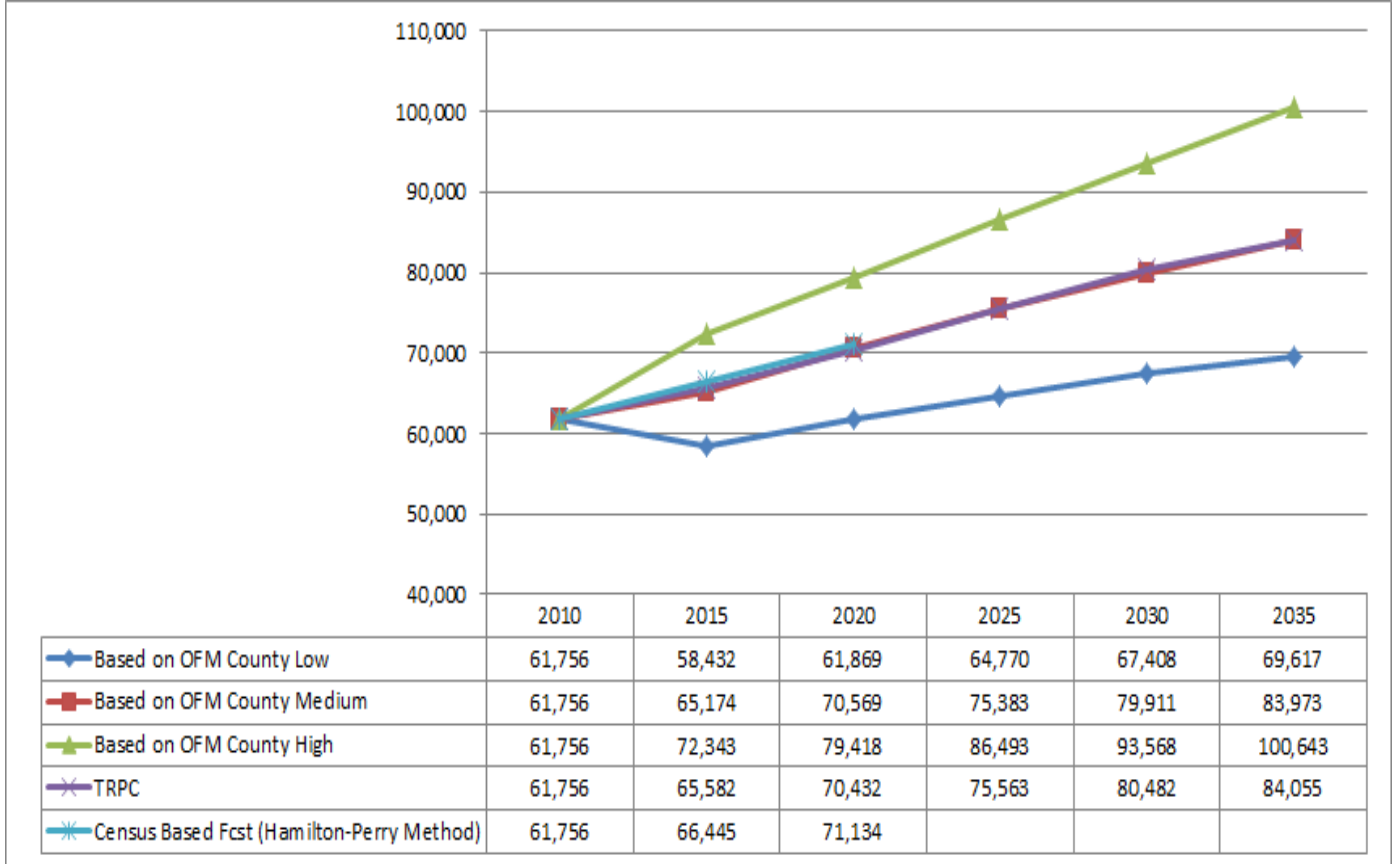
- The chart on page 27 shows alternative forecasts of the Thurston County population that were completed in 2012 by the Office of Financial Management (OFM) for the State of Washington. The latest population estimates suggest that the County population is trending close to the medium range forecast.
- The chart on page 28 shows several different alternative forecasts of the resident population for the Olympia School District. Three of the forecasts are based on the low, medium, and high range County forecasts from the State. They assume that Olympia grows at the same rate assumed for Thurston County as a whole.
- There is also a forecast from the Thurston Regional Planning Council (TRPC) that tracks well with the medium range OFM based forecast of Olympia’s population.
- There is also a forecast based on age-group trends from the past three Census periods. This estimate uses the Hamilton-Perry method that looks at net changes in age group populations over a ten year period to predict future populations for each age group (similar to the cohort survival method used for enrollment). This forecast is also very close to the medium range estimates based on the County projection and the TRPC estimate.

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Low, Medium, and High Range Population Forecasts from the Office of Financial Management (State of Washington) for Thurston County



Alternative Forecasts of the Olympia School District Resident Population Based on Alternative Growth Rates Derived from the Low, Medium, and High Thurston County State Forecasts, the Thurston Regional Planning Council, and Census Data



The State medium range forecast, the Census Forecast and TRPC Forecast Reach Similar Conclusions (About 1.3% Annual Growth Over the Forecast Period).

Population Trends: Age 5 through 19 and K-12 – Highlights

- The Hamilton-Perry method for predicting future populations allows us to predict the number of residents in the population that will be Age 5-19 in 2020 in the Olympia School District (see the following page).
- Using this estimate and the fact that the public school K-12 population in Olympia makes up about 80-82% of the Age 5-19 population, we can make a rough guess about Olympia's K-12 population in 2020.
- The table on **page xx** shows three estimates based on different assumptions about the percent of the Age 5-19 population that will be school age using the Age 5-19 population estimate obtained from the Hamilton-Perry method.
- The estimate predicts that Olympia's K-12 enrollment will be somewhere between 9,983 and 10,155 in 2020. This is a quick "back of the envelope" calculation that does not consider how students roll up through the grades. It does, however, lend support to the idea that enrollment is likely to trend up between now and 2020.

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Forecast of Olympia School District Resident Population Using the Hamilton-Perry Method

Olympia School District Census Data

Rates of Change

Average of 1990-2000 and 2000-2010 Trends

	Males		Females		Totals		Male Rates		Female Rates		Project 2020	
	1990	2010	1990	2010	1990	2010	90-00	00-10	90-00	00-10	Males	Females
0 to 4yrs	1,386	1,425	1,355	1,515	2,741	2,940					1,773	1,792
5 to 9 Yrs	1,583	1,825	1,674	1,615	3,257	3,440					2,084	1,915
10-14 yrs	1,287	1,825	1,135	1,800	2,422	3,625	1.32	1.35	1.33	1.24	2,125	1,969
15-19 yrs	1,447	1,895	1,529	2,215	2,976	4,110	1.20	1.18	1.32	1.31	2,098	2,220
20-24	1,810	2,205	1,888	2,525	3,698	4,730	1.71	1.42	2.22	1.43	3,014	3,443
25-29	1,632	2,090	1,664	1,740	3,296	3,830	1.44	1.19	1.14	0.96	2,828	2,217
30-34	1,768	1,830	1,948	1,765	3,716	3,595	1.01	0.87	0.93	0.79	2,432	2,227
35-39	2,203	1,825	2,222	2,090	4,425	3,915	1.12	0.92	1.02	1.18	2,295	2,591
40-44	1,985	2,130	2,048	2,385	4,033	4,515	1.20	1.09	1.15	1.23	2,209	2,445
45-49	1,248	2,245	1,533	2,480	2,781	4,725	1.02	1.12	1.07	1.10	2,059	2,278
50-54	1,041	2,155	958	2,110	1,999	4,265	1.09	1.04	1.06	1.03	2,127	2,241
55-59	783	1,290	896	1,455	1,679	2,745	1.03	0.99	1.01	0.95	2,073	2,282
60-64	813	930	1,006	900	1,819	1,830	0.89	0.88	0.88	0.94	1,963	2,383
65-69	785	745	996	875	1,781	1,620	0.95	0.94	0.94	0.98	2,093	2,497
70-74	755	570	836	900	1,591	1,470	0.70	0.81	0.75	0.89	1,422	1,904
75-79	427	545	612	910	1,039	1,455	0.69	0.79	0.74	0.91	901	1,229
80-84	170	470	383	485	553	955	0.62	0.73	0.68	0.58	506	552
85 and over	140	240	433	555	573	795	0.18	0.23	0.20	0.30	275	673
Totals	21,263	26,240	23,116	28,320	44,379	54,560	34,276	36,858	71,134	9,378	15.2%	9,378
			Change	10,181	23%	13.2%	Change	10,181	23%	13.2%	Percent Change	15.2%

Estimate of the Olympia K-12 Population in 2020 Using the Census Forecast and the Relationship between the K-12 Population and Age 5-19 Census Population

	<u>2000</u>	<u>2010</u>	Forecast 2020*		
			<u>Low</u>	<u>Medium</u>	<u>High</u>
Census Age5-19	11,175	11,525	12,411	12,411	12,411
Olympia	9,144	9,187	9,893	10,024	10,155
K-12% of Age 5-19	81.8%	79.7%	79.7%	80.8%	81.8%

***Note the Age 5-19 Forecast is from the Hamilton-Perry method presented earlier**

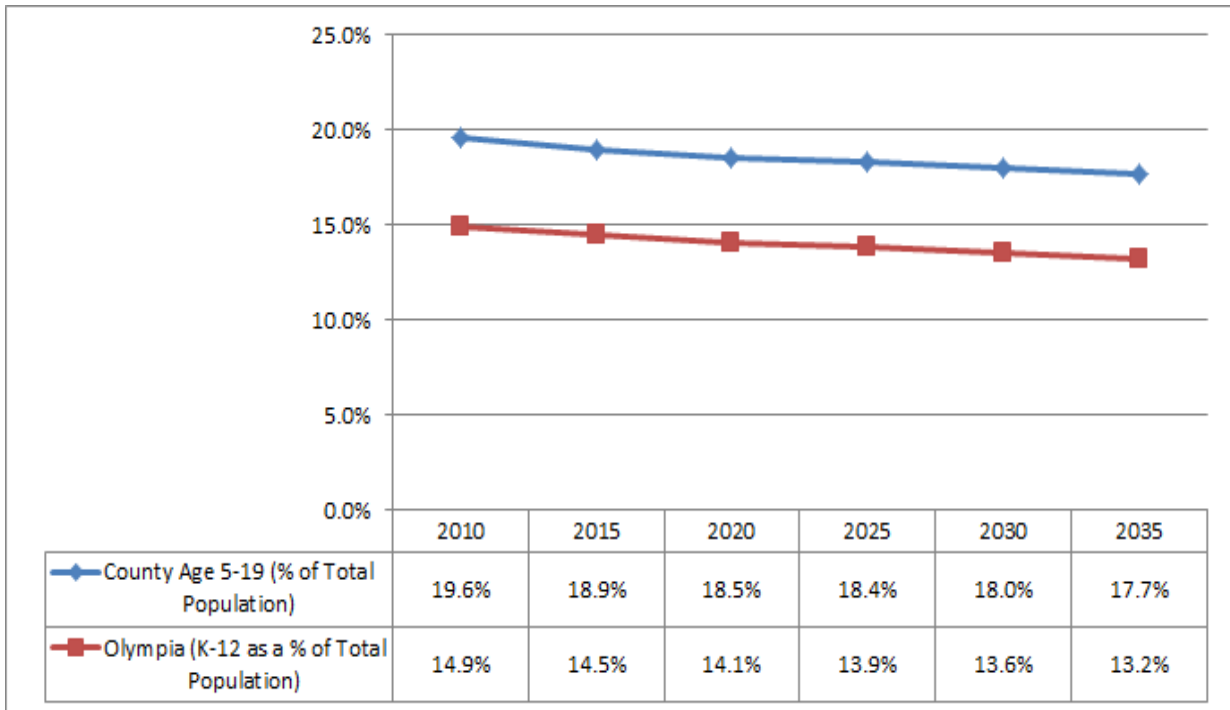
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Population Trends Continued: Age 5 through 19 and K-12 – Highlights

- Another method for predicting future K-12 enrollment is to use the medium range county forecast by age group from the State (OFM) to predict what percentage of the population will be at Age 5-19 in future years.
- The State forecast for Thurston County takes into account estimates of future births and predicted gains from people moving in and out of the County.
- The forecast predicts that the Age 5-19 population in the County will increase over time (due to births) but there will be a decline in the percent of the population that is in this age group because other age groups will grow at a faster rate.
- If we assume that the percentage of the population that is school age in Olympia mirrors the pattern predicted for Age 5-19 population in Thurston County, we can estimate the size of the future K-12 population in Olympia. To do this ,we use the different population forecasts we developed for Olympia based on the predicted growth rates for the overall county (Low, Medium, and High).
- The results of this analysis are shown on [page xx](#). Assuming the medium range population forecast is reasonable, this forecast shows that the Olympia K-12 population will be just under 10,000 by 2020, and reach 11,000 students by 2035.
- Again this forecast is based on the total K-12 population and does not consider how students roll up through the grades, but it does give us some sense of where enrollment is headed in the future.

Trends in the Age 5-19 Population in Thurston County Using the Medium Range County Forecast Compared to Trends in the School- Age Population in Olympia. (Percent of Total Population)

Chart Assumes that the Percent of the Population in Olympia that is K-12 Matches the County Trend for the Age 5-19 Population.



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Forecast of the Olympia K-12 Population Using Different Population Forecasts (Low, Medium, and High) and the Projected Percent Expected to be School Age (Previous Graph)

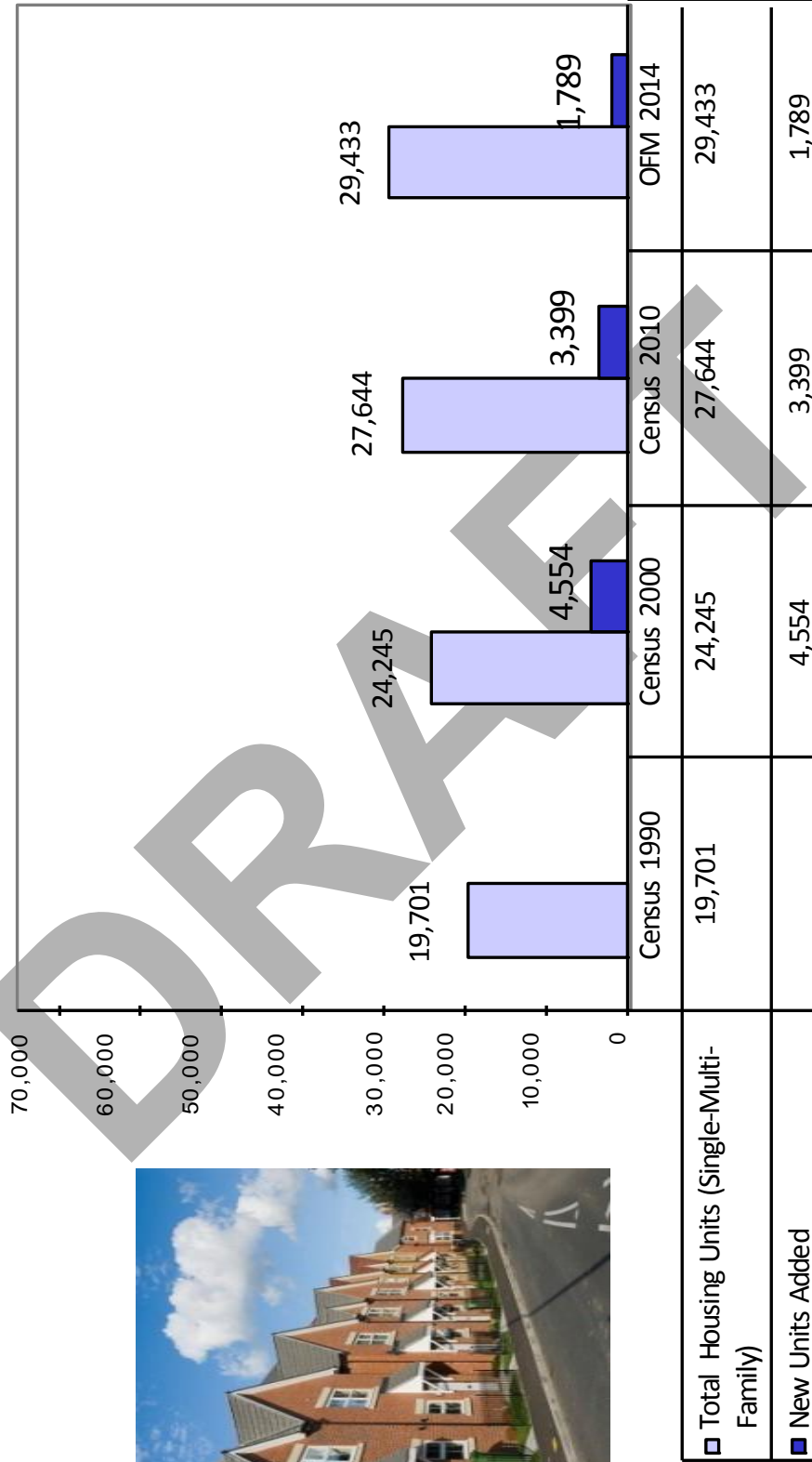


Housing Trends and Forecasts – Highlights

- The Olympia School District saw a net gain of 3,399 housing units between the 2000 and 2010 Census. This is lower than the gain that occurred between the 1990 and 2000 Census (4,554).
- Estimates from the State Office of Financial Management suggest that the District has added just under 1,800 housing units since the 2010 Census.
- This estimate is close to another estimate from Mike McCormick, who looked at permits over a five year period to estimate how many students enroll from new housing. His estimates show that the District added just over 1,600 housing units between 2009 and 2013.
- We have two different estimates of future housing development in the District. First we have the number of units currently in the pipeline that are in various stages of development. These units should be completed over the next five to seven years. We also have an estimate from the Thurston Regional Planning Council (TRPC) for the period between 2020 and 2030.
- Both of these estimates suggest that the District could see more housing growth over the next decade than it saw in the period covered by the McCormick study (2009 to 2013).
- Both estimates of future housing show slightly more single family units per year than the District saw between 2009 and 2013, and an even greater number of multi-family units.
- The timeline and actual development of future housing is difficult to predict. But these estimates can be useful for determining how many students will be added to the District's enrollment from new housing, at least over a short term period.
- The McCormick study shows that the District sees about 59 students for every 100 new single family homes that are built, and about 23 students for every 100 multi-family units. These estimates can be used together with information about past development and the number of homes in the pipeline to estimate future growth from new housing.

Housing Units in the Olympia School District:

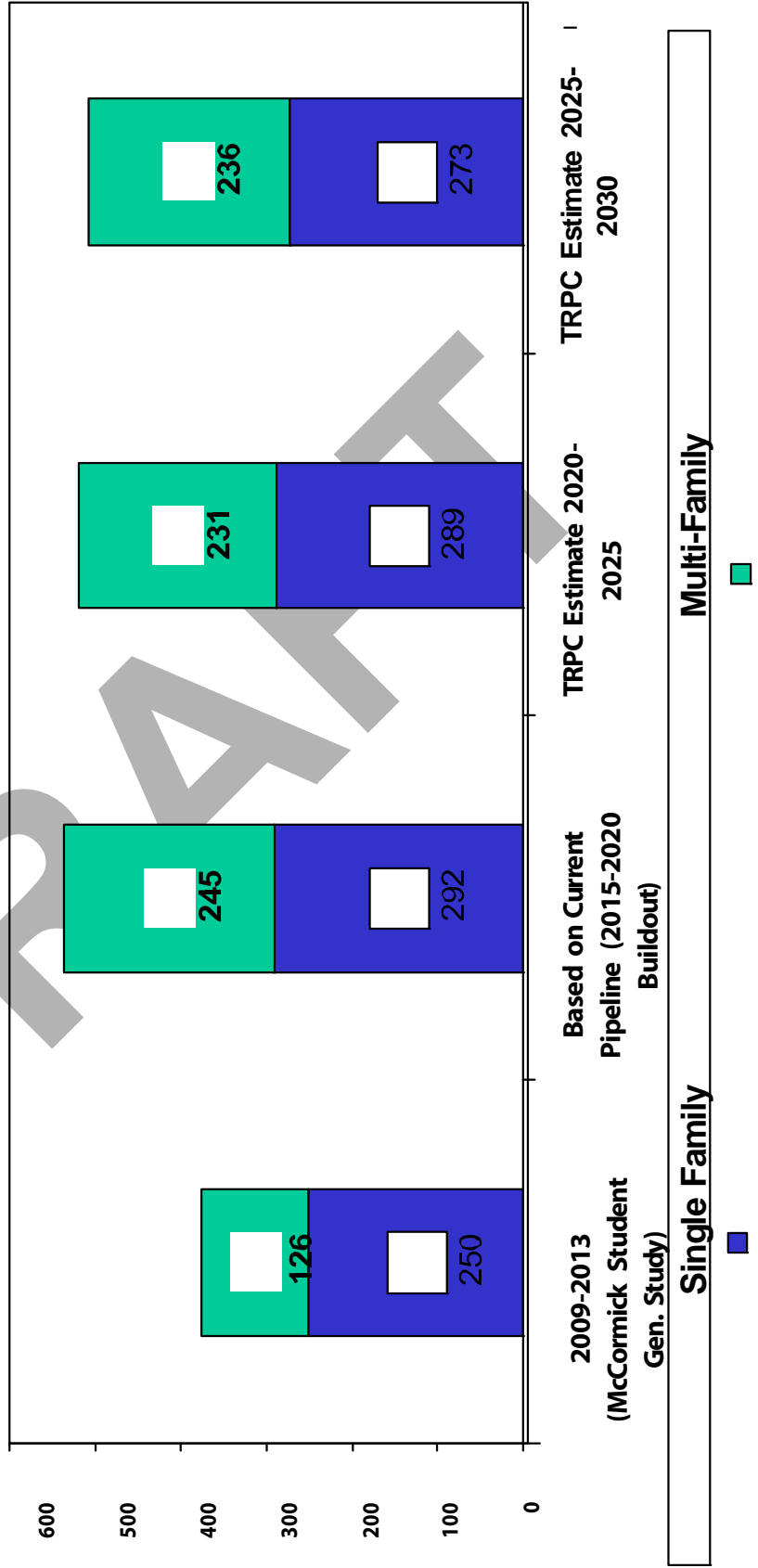
Census Data and a 2014 Estimate from the State Office of Financial Management (OFM)





Average Annual Number of New Housing Units

A Comparison of Different Estimates



Student Generation Rates

- **From McCormick Study**

- *All Units Permitted Between 2009-2013*

- 59 Students Per 100 Single Family Homes

- 31 Elementary
- 12 Middle School
- 16 High School

- 23 Students Per 100 Multi-Family Units

- 12 Elementary
- 5-6 Middle
- 5-6 High School

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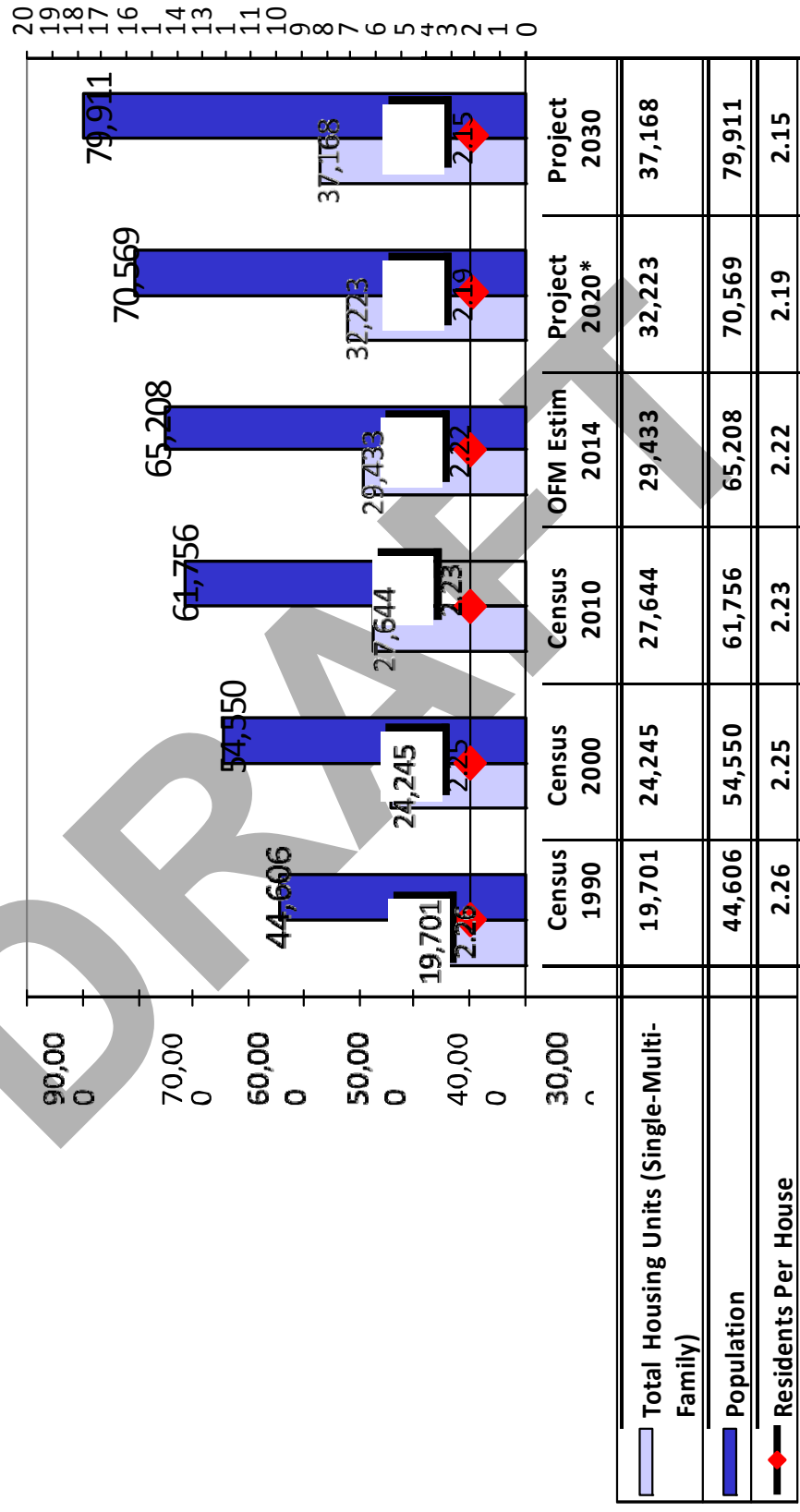
Housing Trends and Forecasts Continued – Highlights

- Given the uncertainty of future housing development timelines we have developed alternative methods for predicting future housing growth using the population estimates presented earlier.
- For this analysis we have used the medium range estimate of Olympia's population that assumed the District population would grow at about the same rate as the overall county. This forecast is very close to the Census based forecast and the TRPC forecast of the population.
- Using that forecast, a Census count of the number of housing units currently in the District, and average household size estimates from the Census and from the TRPC, we can predict how many housing units the District might see in future years.
- The average household size estimates are from the TRPC forecasts. They predict that the average household size will drop over time, primarily because people are having fewer children, and because more of the future housing stock is projected to be multi-family apartments, many of which will be designed for one to two residents per unit.
- The TRPC estimates of average household size are consistent with other estimates from the State and from the Census which show a decline in the average household size over time.
- If we divide the average household size estimates by the projected population growth (medium range forecast) we can estimate the number of future housing units in the Olympia School District. The chart on page 44 shows this estimate.
- This analysis suggests that there will be an average of 476 housing units added annually to the District's housing stock between now and 2030.
- The chart on page 45 shows the housing forecast along with an estimate of the number of K-12 persons per house from the Census, and an estimate of the number of K-12 persons per house over time (similar to the average household size estimates, these estimates assume that the number of students per house will drop, consistent with recent trends).
- The K-12 enrollment estimate on page xx provides another way to forecast the future enrollment in the Olympia School District. It shows a trend that is very similar to the estimates presented in the previous sections.
- In the present scenario, enrollment trends above 10,000 between 2015 and 2020, and reaches just over 11,000 students by 2030.
- Similar to the previous estimates, this housing based forecast does not consider how students roll up through the grades, or the size of each year's entering kindergarten and exiting 12th grade class.
- The final forecast numbers should be reasonably close to this estimate. They will differ, however, since they do take into account grade level enrollment trends (how students roll up through the grades) and the size of each year's entering kindergarten and exiting 12th grade.

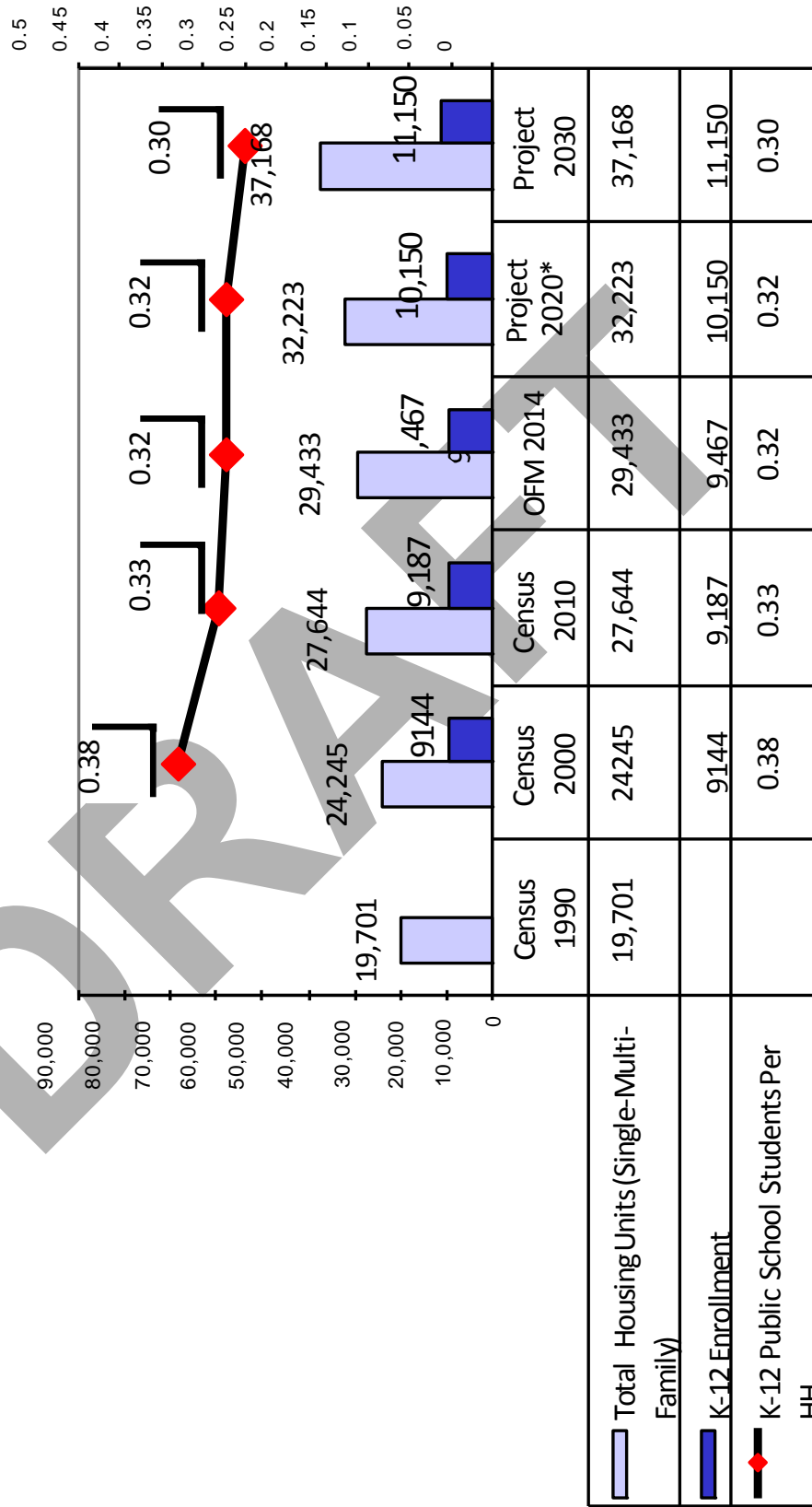
Preferred Forecast of Population and Housing for the Olympia School District

Based on Average Household Size Forecasts from the TRPC and the Medium Range Population

Forecast for the Olympia School District



Forecast of K-12 Students Per Household Using the Medium Range Population and Housing Forecast



Alternative Forecasts

Before deciding on a final method for forecasting enrollment, we created several alternative forecasts using different methods. Some of these were presented in previous sections. Below is a description of each method.

5-Year Cohort Survival: This forecast looks at average grade-to-grade growth and the average birth-to-k ratio over the past five years and uses these along with the projection of births to predict future enrollment. This method provides a forecast by grade level.

3-Year Cohort Survival: Similar to the five year cohort survival forecast but based on a weighted average of the trends from the past three years. The most recent years are weighted more heavily. This method provides a forecast by grade level.

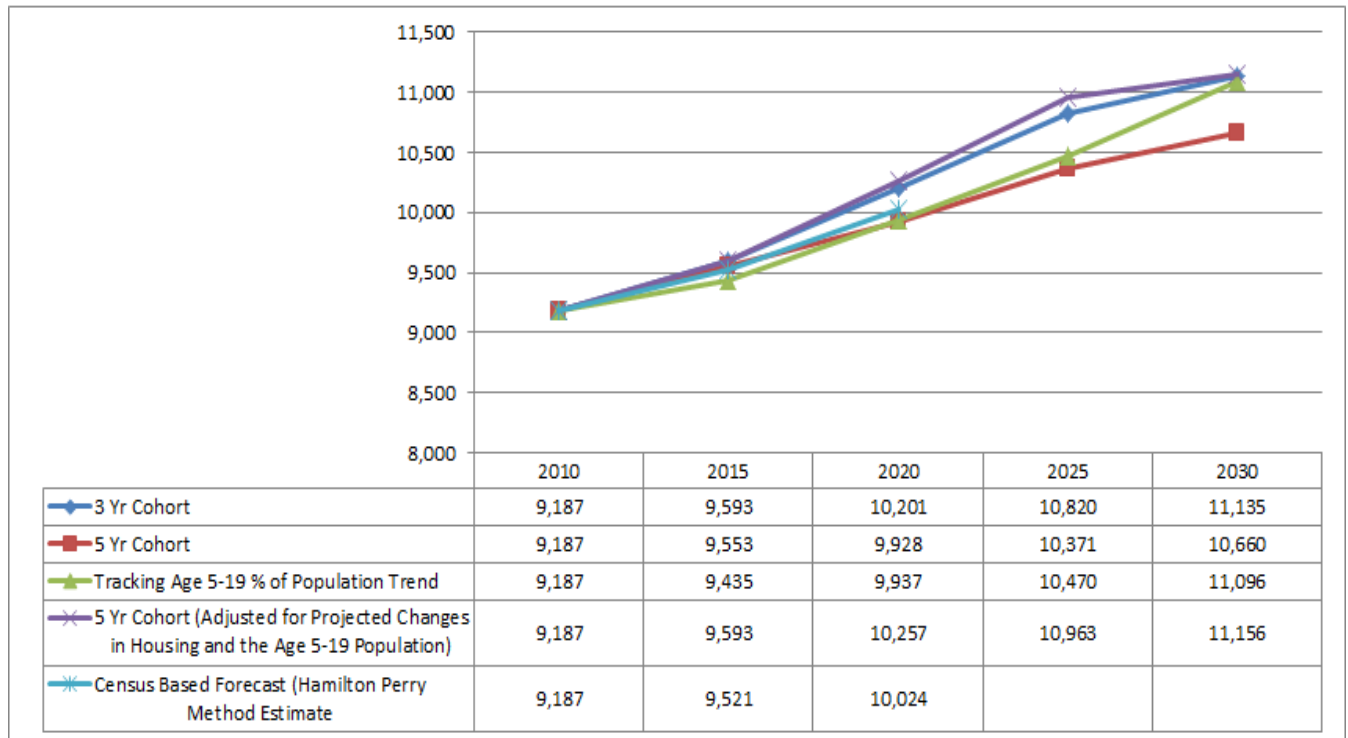
Age 5-19 Trend: This forecast was presented in an earlier section. It uses the medium range forecast of the population for the County and Olympia and assumes that the percentage of the population that is school age in Olympia mirrors the trend projected for the Age 5-19 population in the County. This method provides a forecast of the total enrollment but does not break it out by grade level.

Hamilton-Perry Method. This method was also presented earlier. It uses the forecast of the Age 5-19 population in Olympia to estimate the size of the K-12 population. In this forecast we assumed that the K-12 population would be about 81% of the Age 5-19 population, which is the average from the past two Census periods. This method provides a forecast of the total enrollment but does not break it out by grade level.

5-Year Cohort Survival (Adjusted for future housing growth and projected growth in the Age 5-19 population). This is our preferred forecast method. It uses the five year cohort method described earlier but adjusts for projected growth from new housing (using current projects in the pipeline) between now and 2020. The forecast beyond 2020 is adjusted for projected growth in the County Age 5-19 population over time. This method provides a forecast by grade level.

All of these methods produce similar estimates. They all show enrollment growth over time, with a slowing of the growth trend between 2025 and 2030.

Alternative Forecasts of Olympia’s K-12 Enrollment Using Different Methods



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Alternative Forecasts Continued

Our preferred method produces results that are consistent with the assumption that the District's population will grow at about 1.3% annually over the course of the forecast with approximately 476 new housing units added on an annual basis. The actual numbers in our medium range forecast match up very well with the total enrollment forecast presented on [page xx](#).

The next section presents the final medium range forecast by grade level along with low and high alternatives.

Final Forecasts by Grade

A final low, medium, and high range forecast by grade level was produced for the District. The medium forecast is recommended at this time.

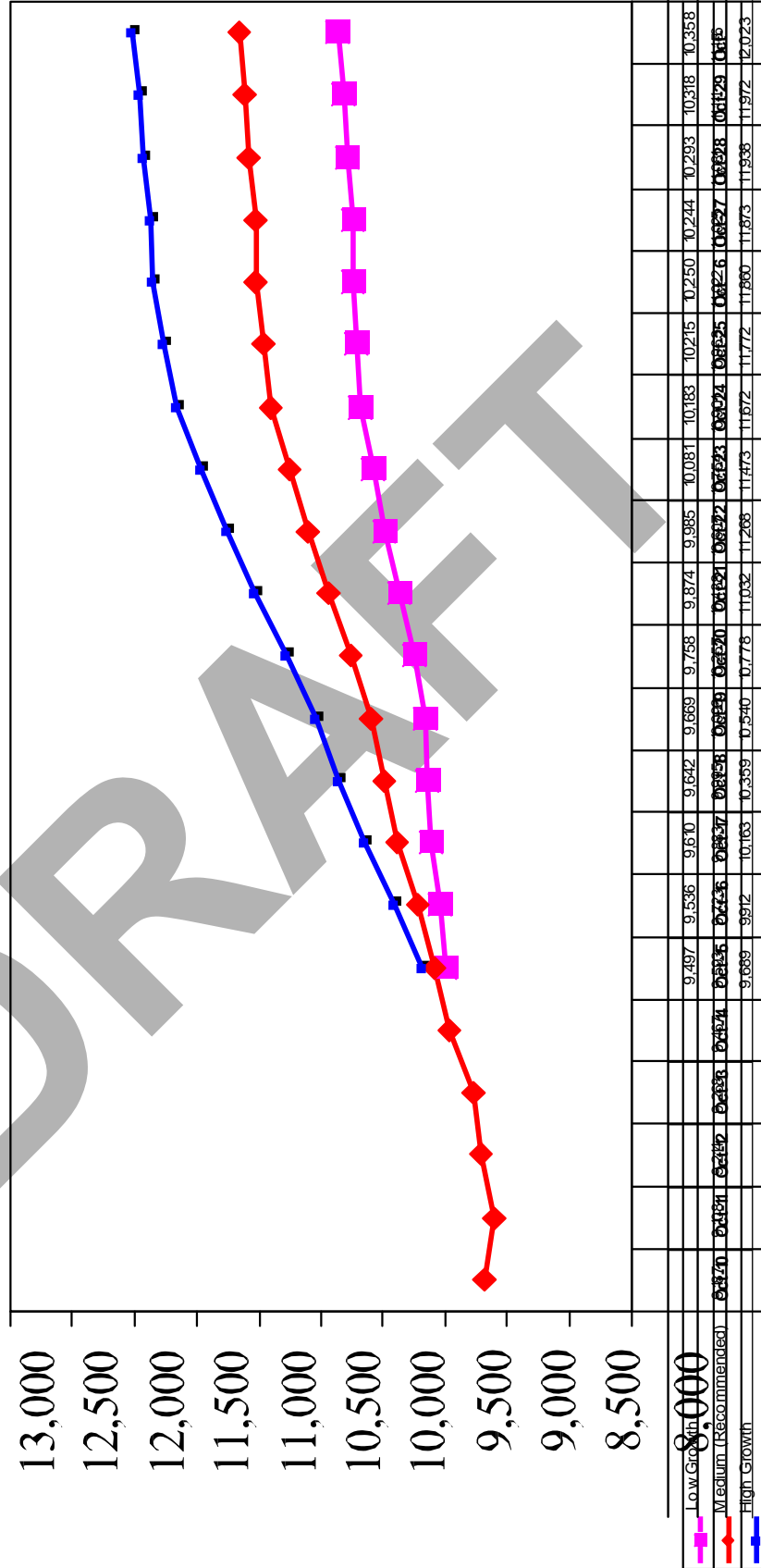
Medium Range Forecast: This forecast assumes the addition of approximately 476 new housing units annually and population growth of about 1.3% a year between now and 2030. It also assumes some overall growth in the school age population based on the expected rise in births and the forecast of the Age 5-19 County population (OFM Medium Range Forecast).

Low Range Forecast: This forecast assumes that the K-12 population will grow at a rate that is about 1% less on an annual basis than the growth projected in the medium range forecast.

High Range Forecast: This forecast assumes that the K-12 population will grow at a rate that is about 1% more on an annual basis than the growth projected in the medium range forecast.

Low, Medium, and High Range Forecasts 2015-2030

Based on Birth Trends and Forecasts, Grade-to-Grade growth and an adjustment for projected future changes in housing growth and growth in the Age 5-19 population.



Considerations

- Although multiple models lend credibility to our medium range forecast, there is always a possibility that our forecast of future trends (births, population, and housing) could turn out to be wrong. This is the reason for the low and high alternatives.
- There are several key indicators to keep in mind when looking at future enrollment trends. These indicators are helpful for knowing when enrollment might start trending higher or lower than expected.
 - **Births – If births between 2015 and 2025 are higher or lower than our present forecasts, we can expect a corresponding increase or decrease in the overall enrollment.**
 - **Also, it is useful to keep an eye on Olympia’s share of the county kindergarten enrollment. If it continues to decline as in recent years, or trends up more dramatically, this too will have a corresponding effect on long term enrollment growth.**
 - **Migration – There has been a lot of talk in recent years of young families opting for a more urban lifestyle in cities. This is certainly true of recent trends in Seattle where the K-12 enrollment has gone up dramatically as the number of families opting to stay in the City and attend city schools has increased. Similar trends can also be seen in the Bellevue School District. In Olympia, one should take note if there is more enrollment growth in the more urban areas of the District or, alternatively, less growth in outlying Districts like Yelm that saw tremendous population and housing growth between the 2000 and 2010 Census. These trends, if present, might indicate that enrollment will trend higher than we are predicting in our medium range model.**

Olympia October Enrollment History

Birth Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Birth to K Ratios		
County Births	2447	2442	2436	2422	2511	2478	2547	2606	2445	2619	2604	2618	2771	2940	3074	3162	5 Year	3 Year	10 Year
% of Cohort	21.7%	22.8%	23.4%	22.8%	23.1%	24.2%	23.2%	21.5%	23.0%	22.9%	23.0%	24.1%	22.3%	21.9%	20.6%	21.2%	22.0%	21.2%	22.4%
City of Olympia Births	740	720	744	713	779	883	935	946	902	959	991	959	1060	1046	1058	1125	61.0%	60.3%	61.3%
	71.8%	77.2%	76.7%	77.4%	74.6%	68.0%	63.2%	59.1%	62.4%	62.6%	60.3%	65.8%	58.3%	61.7%	59.8%	59.6%			

October Headcount Enrollment

GRADES	Oct99	Oct00	Oct01	Oct02	Oct03	Oct04	Oct05	Oct06	Oct07	Oct08	Oct09	Oct10	Oct11	Oct12	Oct13	Oct14	5 Year Cohort	3 Yr W Cohort	10 Year Cohort	
K	531	556	571	552	581	600	591	559	563	600	598	631	618	645	633	670	Birth-K	22.0%	21.1%	22.4%
1	593	580	596	574	572	600	633	614	609	603	659	643	644	648	685	673	K-1	1.054	1.060	1.062
2	659	594	577	591	586	585	617	633	674	642	621	665	646	662	654	705	1-2	1.016	1.022	1.029
3	657	680	610	597	604	589	583	622	681	671	662	615	661	661	674	681	2-3	1.013	1.031	1.017
4	659	654	696	608	601	611	609	599	660	699	697	664	620	682	670	699	3-4	1.019	1.028	1.028
5	690	668	681	685	634	597	624	637	628	673	686	699	663	653	694	696	4-5	1.022	1.034	1.023
6	659	688	676	659	656	623	605	599	643	635	671	675	675	668	638	683	5-6	0.984	0.986	0.991
7	657	680	702	662	678	671	629	610	639	662	635	695	688	695	684	656	6-7	1.027	1.027	1.025
8	676	674	703	710	669	682	671	632	632	686	666	648	693	687	697	717	7-8	1.013	1.025	1.019
9	855	852	855	871	878	842	851	867	837	805	802	817	816	837	833	875	8-9	1.232	1.233	1.247
10	859	861	851	832	863	869	857	854	884	856	807	804	806	814	850	831	9-10	1.000	1.004	1.007
11	801	864	837	839	819	832	865	848	841	848	832	795	782	766	774	791	10-11	0.958	0.941	0.969
12	832	793	824	811	837	813	829	831	836	854	864	836	796	796	782	790	11-12	1.013	1.020	1.004
	9128	9144	9179	8991	8977	8914	8964	8905	9127	9234	9200	9187	9108	9214	9268	9467				

Change	16	35	-188	-14	-63	50	-59	222	107	-34	-13	-79	106	54	199
% Change	0.2%	0.4%	-2.0%	-0.2%	-0.7%	0.6%	-0.7%	2.5%	1.2%	-0.4%	-0.1%	-0.9%	1.2%	0.6%	2.1%

K-5	3789	3732	3731	3607	3577	3582	3657	3664	3815	3888	3923	3917	3852	3951	4010	4124
6-8	1992	2042	2081	2031	2003	1976	1905	1841	1914	1983	1972	2018	2056	2050	2019	2056
9-12	3347	3370	3367	3353	3397	3356	3402	3400	3398	3363	3305	3252	3200	3213	3239	3287

**Olympia Forecast
Low Range Forecast**

		Projected Births															
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Birth Year		2,955	3,142	3,124	3,042	3,088	3,134	3,315	3,340	3,366	3,391	3,260	3,266	3,271	3,277	3,283	3,288
Births		21.2%	20.7%	20.8%	21.8%	21.2%	21.2%	21.4%	21.4%	21.4%	21.4%	21.4%	21.1%	21.1%	21.1%	21.1%	21.1%
% of Cohort		1,060	1,046	1,068	1,125	1,081	1,097	1,160	1,169	1,178	1,187	1,141	1,143	1,145	1,147	1,149	1,151
Olympia Births		59.2%	62.1%	61.5%	58.9%	60.5%	60.5%	61.1%	61.1%	61.1%	61.1%	61.1%	60.2%	60.2%	60.2%	60.2%	60.2%
		9497	9536	9610	9642	9669	9758	9874	9985	10081	10183	10215	10250	10244	10293	10318	10358
K		627	649	651	662	654	664	709	714	720	725	697	688	689	691	692	693
1		703	660	683	685	697	688	697	745	751	756	762	730	721	722	723	725
2		681	713	669	692	694	706	697	707	755	760	766	770	738	728	729	731
3		719	689	721	677	700	702	714	704	714	762	768	772	775	743	733	735
4		693	731	700	733	688	712	713	725	715	725	774	778	781	785	752	743
5		716	707	746	714	748	702	725	727	739	729	739	787	790	794	797	764
6		679	700	692	730	699	732	688	711	712	724	714	722	769	773	776	780
7		694	694	716	708	746	715	750	705	729	730	742	730	738	785	789	793
8		666	700	700	722	713	752	722	757	712	736	737	747	735	743	791	795
9		875	816	859	858	885	875	924	887	931	875	904	903	915	900	910	969
10		869	871	812	854	854	881	872	921	884	928	872	899	898	910	895	904
11		774	829	830	774	814	814	841	833	880	844	886	830	856	855	866	852
12		799	776	831	832	776	817	822	849	841	889	853	895	839	864	863	875
Change		30	39	74	32	27	89	116	111	96	102	32	35	-7	49	26	39
% Change		0.3%	0.4%	0.8%	0.3%	0.3%	0.9%	1.2%	1.1%	1.0%	1.0%	0.3%	0.3%	-0.1%	0.5%	0.2%	0.4%
K-5		4140	4149	4170	4163	4181	4174	4255	4321	4393	4458	4507	4524	4495	4463	4428	4390
6-8		2039	2095	2108	2159	2159	2199	2160	2173	2153	2190	2194	2199	2242	2301	2356	2367
9-12		3318	3292	3331	3319	3329	3386	3459	3491	3536	3536	3515	3527	3507	3529	3534	3601



Olympia Forecast High Range Forecast

Birth Year	Projected Births															
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Births	2,955	3,142	3,124	3,042	3,088	3,134	3,315	3,340	3,366	3,391	3,260	3,266	3,271	3,277	3,283	3,288
% of Cohort	21.7%	21.1%	21.3%	22.2%	21.6%	21.6%	21.8%	21.8%	21.8%	21.8%	21.8%	21.5%	21.5%	21.5%	21.5%	21.5%
Olympia Births	1,060	1,046	1,068	1,125	1,081	1,097	1,160	1,169	1,178	1,187	1,141	1,143	1,145	1,147	1,149	1,151
	60.4%	63.3%	62.8%	60.1%	61.7%	61.7%	62.3%	62.3%	62.3%	62.3%	62.3%	61.4%	61.4%	61.4%	61.4%	61.4%

	<u>Oct15</u>	<u>Oct16</u>	<u>Oct17</u>	<u>Oct18</u>	<u>Oct19</u>	<u>Oct20</u>	<u>Oct21</u>	<u>Oct22</u>	<u>Oct23</u>	<u>Oct24</u>	<u>Oct25</u>	<u>Oct26</u>	<u>Oct27</u>	<u>Oct28</u>	<u>Oct29</u>	<u>Oct30</u>
K	640	662	664	676	667	677	723	729	734	740	711	702	703	705	706	707
1	718	687	711	713	725	716	726	775	781	787	793	760	750	752	753	754
2	695	742	710	735	737	750	740	750	801	807	813	817	783	773	774	776
3	734	717	766	733	758	760	773	763	773	826	832	836	840	805	794	796
4	707	761	744	794	760	787	788	801	790	801	856	860	864	867	832	821
5	730	736	792	774	827	791	818	819	833	821	833	887	891	895	899	862
6	693	729	735	791	773	825	791	818	820	833	822	831	885	889	893	897
7	708	723	760	766	825	806	862	827	855	866	871	856	866	922	926	930
8	679	729	743	782	788	848	831	889	852	881	883	895	880	889	947	952
9	893	849	912	930	978	986	1063	1041	1114	1068	1105	1103	1118	1100	1112	1184
10	887	906	862	925	944	993	1003	1081	1059	1133	1086	1120	1118	1134	1115	1127
11	789	862	881	838	900	918	967	977	1054	1031	1104	1055	1088	1086	1101	1083
12	815	808	882	902	858	921	946	997	1007	1086	1063	1137	1088	1121	1120	1135
	9689	9912	10163	10359	10540	10778	11032	11268	11473	11672	11772	11860	11873	11938	11972	12023

Change	222	223	251	196	181	238	253	236	206	199	99	88	14	64	34	51
% Change	2.3%	2.3%	2.5%	1.9%	1.7%	2.3%	2.4%	2.1%	1.8%	1.7%	0.9%	0.7%	0.1%	0.5%	0.3%	0.4%
K-5	4224	4305	4387	4424	4475	4481	4568	4637	4713	4783	4839	4862	4831	4797	4758	4715
6-8	2080	2180	2238	2339	2386	2479	2484	2534	2527	2571	2575	2582	2630	2700	2766	2779
9-12	3385	3426	3537	3595	3679	3817	3979	4096	4233	4318	4358	4416	4412	4441	4447	4529

School Forecasts

Forecasts were also created for schools. This involved allocating the District medium range projection to schools based on assumptions of differing growth rates in different service areas based on the latest study of student growth rates.* Two sources of information were used for this forecast. First, development information by service area, provided by the Olympia School District, was used to forecast school enrollments between 2015 and 2020. The average enrollment trends by grade were extrapolated into the future for each school. The numbers were then adjusted to account for additional growth or change due to new home construction. For the period between 2020 and 2030 adjustments to the school trends were based on housing forecasts by service area obtained from the Thurston Regional Planning Council. *For future information, please see next section.

For secondary schools, the entry grade enrollment forecasts (grade 6 and 9) were based on enrollment trends and housing, as well as estimates of how students feed from elementary into middle school and middle into high school. For alternative schools and programs it was assumed that their share of future enrollment would be consistent with recent trends. This means that ORLA, for example, would increase its enrollment over time, consistent with the overall growth in the District's enrollment.

In all cases, the final numbers were balanced to the District medium projection which is assumed to be most accurate. This analysis by school allows the District to look at differential growth rates for different parts of the District and plan accordingly. Summary projections by school are provided on the following page.

Although we have carried the school projections out to 2030, it is very likely that changes in demographics, program adjustments, and even District policy changes will lead to strong deviations from the projected numbers that far out. Because school service area projections are based on small numbers (30-50 per grade level in some cases) they are subject to greater distortion than District level projections (especially over a longer range time period) and higher error rates. Estimates beyond five years should be used with caution.

Instead of focusing on the exact projection number for the period between 2020 and 2030, it is recommended that the focus be on the comparative general trend for each school. Is it going up more severely than other schools, down more severely, or staying about the same over time during this time frame?

School Service Areas

Summary Projections Based off of the Medium Range

District Forecast

Projection Summary by School (October Headcount 2015-2030) Medium Range Forecast

	Oct12	Oct13	Oct14	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
1																				
Boston Harbor	150	142	137	130	122	117	115	122	122	125	129	133	136	139	141	140	139	138	137	
Centennial	489	514	529	526	525	519	516	528	530	540	544	550	555	560	562	557	553	549	544	
Garfield	332	331	320	327	332	332	335	333	336	343	350	357	363	367	367	365	362	359	356	
Hansen	486	522	470	485	491	497	500	492	498	508	508	509	512	513	512	507	503	500	495	
Lincoln	295	297	294	300	293	293	302	308	310	316	322	328	334	338	339	337	335	333	330	
LP Brown	253	270	294	301	319	330	329	329	324	330	335	340	345	349	353	354	353	352	350	
Madison	206	204	248	271	289	298	293	296	281	286	290	294	298	301	303	300	298	296	293	
McKenny	357	352	362	361	359	370	370	368	372	379	401	422	439	453	457	454	448	442	437	
McLare	321	330	328	351	371	367	381	392	396	404	401	400	401	400	399	396	393	390	386	
Pioneer	420	442	440	459	465	481	491	498	504	513	510	510	510	510	509	503	499	494	489	
Roosevelt	393	373	420	406	399	410	401	400	394	402	419	434	447	457	465	466	464	462	459	
	3702	3777	3842	3916	3964	4015	4032	4065	4066	4145	4208	4276	4339	4388	4407	4379	4348	4314	4276	
2																				
Jefferson	366	400	413	402	375	367	383	414	434	429	426	421	428	430	432	443	456	468	472	
Marshall	392	370	384	387	384	387	408	428	422	430	428	431	433	426	420	420	425	430	429	
Reeves	418	442	403	391	402	420	443	437	476	452	465	445	456	462	470	485	504	522	528	
Washington	774	740	758	760	831	850	859	836	844	847	867	877	894	897	899	916	939	960	962	
	1950	1952	1958	1940	1991	2024	2094	2115	2176	2159	2187	2174	2211	2215	2221	2264	2324	2380	2391	
3																				
AHS	133	157	156	144	149	142	151	151	155	163	169	168	173	172	175	173	175	175	177	
CHS	1290	1335	1344	1350	1400	1459	1435	1430	1452	1462	1523	1581	1585	1594	1589	1583	1587	1579	1598	
OHS	1734	1703	1726	1802	1755	1754	1772	1809	1869	1963	1965	1992	2023	2019	2054	2050	2069	2082	2131	
	3157	3195	3226	3296	3304	3355	3359	3391	3476	3587	3657	3742	3780	3786	3818	3805	3830	3836	3906	
4																				
ORLA	304	215	285	265	266	269	271	273	276	280	284	288	292	295	296	296	297	298	299	
ORLA B	101	129	156	175	198	221	239	252	262	266	270	275	278	280	281	281	282	283	284	
	405	344	441	441	464	490	510	526	538	547	555	562	570	575	576	577	579	581	583	
Totals	9214	9268	9467	9593	9723	9883	9995	10096	10257	10438	10607	10754	10901	10963	11022	11025	11081	11111	11156	

Note: Numbers may not add to exact totals due to rounding

Student Generation Rates Used to Generate Enrollment and School Forecasts (Available at Time of Master Planning Effort)

Forecasts were also created for schools. This involved allocating the district medium projection to schools based on assumptions of differing growth rates in different service areas. Two sources of information were used for this forecast. First, development information by service area, provided by the City and County, was used to forecast school enrollments between 2011 and 2017. Student generation rates are based on City and County permits and OSD in-district enrollment data, 2005-2009.¹

Student Generation Rate Outcomes

Olympia Only (Griffin permits not included in totals)

Based on Cumulative File 2005-2009 Permits

Single Family

Year	Permits	Students	Rate	Rate by Level					
				K-5	6-8	9-12	K-5	6-8	9-12
2005	340	169	0.50	75	33	61	0.221	0.097	0.179
2006	272	94	0.35	43	27	24	0.158	0.099	0.088
2007	181	45	0.25	19	10	16	0.105	0.055	0.088
2008	96	19	0.20	10	5	4	0.104	0.052	0.042
2009	134	30	0.22	18	9	5	0.134	0.067	0.037
Totals	1023	357	0.35	165	84	110	0.161	0.082	0.108
Avg. Year	205	71							
% by Level				46.2%	23.5%	30.8%			

Multi-Family

Year	Units	Students	Rate	Rate by Level					
				K-5	6-8	9-12	K-5	6-8	9-12
2005	26	4	0.15	2	2	0	0.080	0.080	0.000
2006	64	7	0.11	2	3	2	0.030	0.050	0.030
2007	205	2	0.01	1	1	0	0.000	0.000	0.000
2008	32	4	0.13	2	2	0	0.060	0.060	0.000
2009	105	6	0.06	5	1	2	0.050	0.010	0.000
Totals	432	23	0.05	12	9	110	0.028	0.021	0.005
Avg.	86	5							

¹ A more recent Student Generation Rate (SGR) has been developed; this more recent rate is used to calculate the impact fee. The older SGR is used for the population forecast, due to be updated in 2015.

Based on this data, the district enrolls about 35 students for every 100 single family homes permitted over a 5-year period. The rate is highest in the most mature developments (50 per 100 units for homes built in 2005). The rates are lowest in the most recent years because it is likely that the district has not yet seen all the students. It is reasonable to assume that the district could see an average of 40 students per 100 homes once the real estate market starts to recover, but this assumption is not used in the school forecasts.

Again using the above data, the district enrolls about 5 students for every 100 multi-family units, but the rate varies considerably from year to year (most likely due to the type of development – rental, condo, townhome and the number of bedrooms of each). Utilizing the 5- year average is probably best practice because it includes enough units and types to provide a reliable measure of growth from multi-family homes. This analysis suggests that the effect of multi-family development on enrollment is minimal unless there are a large number of units being developed.

Once the students generated by development were calculated, the average enrollment trends by grade were then extrapolated into the future for each school. For the period between 2017 and 2025 adjustments to the school trends were based on housing forecasts by service area obtained from the Thurston Regional Planning Council.

For secondary schools, the entry grade enrollment forecasts (grade 6 and 9) were based on enrollment trends and housing, as well as estimates of how students feed from elementary into middle school and middle into high school. For alternative schools and programs it was assumed that their share of future enrollment would be consistent with recent trends. This means that ORLA, for example, would increase its enrollment over time, consistent with the overall growth in the district's enrollment.

In all cases, the final numbers were balanced to the district medium projection which is assumed to be most accurate. This analysis by school allows the district to look at differential growth rates for different parts of the district and plan accordingly. Summary enrollment forecasts by school are charted on the following pages. Elementary schools are grouped into east and west elementary school locations.

At the beginning of the forecast period, 2010, 2011, and 2012, actual enrollment dipped while forecasted enrollment grew. At the October 2013 point, 3 years into the enrollment forecast, enrollment is 174 students (K-12) below the forecast for 2013 that was made in 2010. However, actual enrollment has continued to grow and annual growth is somewhat consistent with the growth projected in the forecast.

The student generation rates above were based on the latest data available when developing the master plan and 2010 enrollment forecasts. Below is an update to student generation rates using more recent student enrollment data. These updated rates are used to calculate impact fees and to evaluate the enrollment growth assumptions described above.

Updated Student Generation Rates Used to Calculate Impact Fees (Updated in 2013)

To effectively plan for future capacity needs, the district reviews the location and number of proposed new housing developments within the district's service area. Typically, the enrollment model will incorporate historic trends and other factors for long-term projections. In addition, the district reviews upcoming housing starts to project for more immediate needs that may need to be addressed by temporary needs, such as placing portable (temporary) classrooms. In determining the number of new students that may result from new development, the district has developed update student generation rates that calculate new student impacts on existing school facilities for each level (elementary, middle, and high schools).

The rates below are based on a study in August 2013. The rates are generated using all territory within the boundaries of the Olympia School District. The analysis is based on projects constructed in calendar years 2008 through 2012; the addresses of all students were compared with the addresses of each residential development. Those which matched were aggregated to show the number of students in each of the grade groupings for each type of residential development. A total of 865 single family units were counted between the survey periods; 446 students were generated from these units. A total of 598 multiple family units were counted; and 127 students were associated with these units.

Based on this information, the resulting student generation rates are as follows:

	Single-Family	Multi-Family
Elementary Schools (K-5)	0.274	0.077
Middle Schools (6-8)	0.101	0.065
High Schools (9-12)	0.141	0.070
Total	0.516	0.212

Based on this data, for each 100 single family homes built in the district each year, 51 students will enroll and need facility space; for each 100 multiple family homes built, 21 students will enroll. About half of the enrollment will be at the elementary level and half at the secondary level. (In contrast, multiple family homes tend to generate more secondary students than elementary students.)

The 2013 student generation rates are notably higher than those prepared in 2011. The district is uncertain as to whether this result is an anomaly or an indication of an emerging pattern. Given this uncertainty, the district is taking a cautious approach in this update and using an average of the 2013 student generation rate and the 2005-2009 student generation rate for purposes of the impact fee calculation. This method results in student generation rates are as follows:

	Single-Family	Multi-Family
Elementary Schools (K-5)	0.203	0.050
Middle Schools (6-8)	0.078	0.038
High Schools (9-12)	0.096	0.039
Total	0.377	0.127

The district plans to revisit the student generation rate calculation with a data update in the 2015 Capital Facilities Plan, along with an update to the enrollment forecast.

Tables and charts below display the long-term enrollment trend by grade band and area of the district. [Page xx](#) identifies how the district uses the information described thus far to determine the potential enrollment growth and determine construction of new seats.

Given current permanent capacity ([pages x and x](#)), updated student generation rates, and projected enrollment in 2020 (the end of this CFP timeframe), the district will need new seats at the elementary and high school level.

Table D
Olympia School District Enrollment Projections (Calculated in 2010)

	Oct-12	Oct-13	Oct-14	Oct-15	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20	Oct-21	Oct-22	Oct-23	Oct-24	Oct-25
K	684	707	727	713	719	730	734	748	745	771	773	775	775	775
1	695	720	745	766	751	757	769	773	788	785	812	814	816	817
2	699	709	735	760	782	767	773	785	789	804	801	829	831	833
3	662	709	719	746	771	793	778	785	797	800	816	813	841	843
4	680	675	723	733	760	786	808	793	799	812	816	832	829	857
5	626	689	684	732	743	770	796	819	803	810	823	826	842	839
6	654	617	679	674	721	732	759	784	807	792	798	810	814	830
7	701	665	626	689	684	733	743	770	797	819	804	810	823	827
8	692	712	675	636	700	695	744	755	783	809	832	817	823	836
9	838	864	888	842	794	874	867	929	942	977	1010	1039	1019	1027
10	773	836	862	887	841	792	872	865	927	940	975	1008	1037	1017
11	797	754	816	841	865	820	773	850	844	904	917	951	983	1011
12	791	785	743	804	828	852	808	761	838	832	891	903	937	968
	9292	9442	9622	9823	9959	10101	10224	10417	10659	10855	11068	11227	11370	11480
Change	96	149	180	201	137	142	123	193	240	196	212	159	143	111
% of Change	1.0%	1.6%	1.9%	2.1%	1.4%	1.4%	1.2%	1.9%	2.3%	1.8%	1.9%	1.4%	1.3%	1.0%

Table E
OSD October Headcount Enrollment History
 October 2013

Grade	Oct-00	1-Oct	2-Oct	3-Oct	4-Oct	5-Oct	6-Oct	7-Oct	8-Oct	9-Oct	10-Oct	11-Oct	12-Oct	13-Oct
K	556	571	552	581	600	591	559	563	600	598	631	618	645	633
1	580	596	574	572	600	633	614	609	603	659	643	644	649	685
2	594	577	591	586	585	617	633	674	642	621	665	646	662	655
3	680	610	597	604	589	583	622	681	671	662	615	661	661	674
4	654	696	608	601	611	609	599	660	699	697	664	620	682	670
5	668	681	685	634	597	624	637	628	673	686	699	663	653	694
6	688	676	659	656	623	605	599	643	635	671	675	675	668	638
7	680	702	662	678	671	629	610	639	662	635	695	688	695	684
8	674	703	710	669	682	671	632	632	686	666	648	693	687	697
9	852	855	871	878	842	851	867	837	805	802	817	816	837	833
10	861	851	832	863	869	857	854	884	856	807	804	806	814	850
11	864	837	839	819	832	865	848	841	848	832	795	782	764	773
12	793	824	811	837	813	829	831	836	854	864	836	796	800	782
Total	9144	9179	8991	8978	8914	8964	8905	9127	9234	9200	9187	9108	9217	9268
Change		35	-188	-14	-63	50	-59	222	107	-34	-13	-79	109	51
% of Change		0.4	-2.0	-0.1	-0.7	0.6	-0.7	2.5	1.2	-0.4	-0.1	-0.9	1.2	0.6

In summary, the combination of enrollment projections, and student generation rates combined with development currently underway drives between 838 and 1,529 newly required classroom seats or student classroom capacity. Table E identifies the classrooms needed for each Student Generation Rate (SGR) option.

The original master plan, using the 2005-2009 student generation rate data, indicated a need for 838 classroom seats and the Master Plan was designed to address this need. New student generation rate data would indicate a need for between 977 and 1,529 new seats. However, two developments are proceeding at a very slow pace, and building schools for these developments now presents significant risk of over-building, and supporting empty facilities while we wait for the developments to proceed and sell to families.

Therefore the 2015 CFP assumptions are revised to target new seating capacity of 835, which is very near to the original master plan assumption of 838 seats, Column E of Table F below.

Table F: Classroom Seats Driven by Growth Given Multiple Growth Rate Assumptions

	Master Plan (Old 2005- 2009 SGR)	Blended SGR (2005-2009 and 2008-2012 averaged)	Recent SGR (2008-2012)	Blended SGR, Not Bentridge or Trillium
Elementary	339	493	725	421
Middle	385	200	357	168
High	114	284	447	246
Total	838	977	1,529	835
Elementary Classrooms	14	20	29	19
Middle Classrooms	14	7	13	6
High Classrooms	4	10	16	9
Total Classrooms	32	37	58	34

III. Six-Year Facilities and Construction Plan

History and Background

In September of 2010 Olympia School District initiated a Long Range Facilities Master Planning endeavor to look 15 years ahead at trends in education for the 21st century, conditions of district facilities, projected enrollment growth, utilization of current schools and the capacity of the district to meet these future needs. The 15 year planning horizon enabled the district to take a broad view of the needs of the community, what the district is doing well, the challenges the district should anticipate and some solutions to get started on.

The Planning Advisory Committee (PAC), consisting of parents and interested community citizens, was convened in October of 2010 and met regularly through July 2011. They made their presentation of development recommendations to the Olympia School Board on August 8th, 2011. During the course of the master plan process the following activities were conducted as part of the whole endeavor:

- 12 meetings of the Planning Advisory Committee
- 2 community forums (December 15, 2010 & February 16, 2011)
- 2 sessions with school district leadership (at General Administration meetings)
- Interviews with district departmental leaders and community partner institutions
- Community Survey, with participation by nearly 900 people
- Website on Wikispaces to share planning resources and communication among committee members
- School board study session and a subsequent presentation

PAC Recommendations

The Planning Advisory Committee reviewed and ranked the following master plan development recommendations to best meet those needs over the first half of the 15 year planning horizon:

- Build a New Centennial Elementary/Intermediate School
- Replace Garfield ES due to deteriorating conditions
- Full Modernization of three "Prototype" Schools; Centennial, McLane & Roosevelt ES
- Build a New Facility for Olympia Regional Learning Academy (ORLA)
- Expand Avanti High School into the entire Knox Building, relocate District Administration
- Replace 10 portables at Olympia HS with a Permanent Building
- Capital HS Improvements to support Advanced Programs and continued renovations
- Remodel a portion of Jefferson MS to support the new Advanced Middle School
- Small works and minor repairs for remaining schools

Development recommendations in the master plan are major projects that address the most critical needs in the District with respect to building conditions, ability to accommodate projected growth and support for choices in educational models offered by the District. Schools not included in the development recommendations may have minor improvements needed, could contribute to accommodating projected growth and offer well received alternatives in educational models. The Planning Advisory Committee chose a group of development recommendations that best meet the identified needs for the next 15 years. The PAC assumed a substantial small works investment to address systems modernizations necessary at other schools.

Each of these development recommendations represent single or multiple projects that bundled together would constitute a capital bond package.

The administration has largely agreed with the PAC recommendations. The one exception is that new information leads us to conclude that Garfield ES does not need to be wholly replaced. The gym and possibly the cafeteria must be replaced and the remainder of the school can be modernized and sufficiently address the deterioration identified in 2011. The administration has developed the specifics of the small works roster as the PAC only identified the need for a substantial investment in small works. In the remainder of the CFP the Garfield project scope is for modernization, not full replacement; the administration small works roster is assumed.

The following is a description of each of the capital projects as envisioned by the original Planning Advisory Committee. Each of the projects below is also summarized in Appendix B. Page 34 begins a discussion of class size reduction efforts that will impact the projects envisioned by the PAC and potential adjustments to the PAC recommendations.

New Centennial Elementary/Intermediate School

Enrollment projections show that over the next 15 years, enrollment in the elementary schools and the middle school in the southeast quadrant of the district will exceed the capacity of the schools. The growth in the Centennial boundary is the largest. Solutions need to be found for both elementary school and middle school students. Enrollment at Centennial, McKenny and Pioneer Elementary schools is projected to increase by about 300 students by 2020. Washington Middle School enrollment is projected to increase 161 students by 2020. In the Washington Middle School enrollment area the projection is for an additional 474 students over 2010 enrollments. Roughly 60% of the elementary school enrollment growth is projected to occur by 2016. Middle school growth occurs primarily in the years between 2016 and 2020. The amount of over enrollment projected at Washington Middle School would not be enough to justify a new middle school. And the elementary over enrollment projections won't generate a new elementary school.

To accommodate projected growth beyond capacity in the Washington Middle School enrollment area, a new Elementary/Intermediate School is recommended to serve fifth thru eighth grade students coming from Centennial Elementary School. The new facility would be located on district-owned property contiguous with Centennial Elementary. The new school will be sized to provide enough capacity to receive the students from Centennial ES who would have attended Washington MS and to house fifth grade students who would otherwise attend Centennial. That enrollment change would give Washington MS capacity to accommodate its own projected growth receiving fifth graders from McKenny and Pioneer ES when growth in those schools occurs. Existing Centennial Elementary would become a PK-4 school with enough room for the projected enrollment growth there.

This project is currently being developed more slowly than anticipated. The enrollment dip in 2010-12 impacted Washington Middle School, and Centennial enrollment has grown, but grown slowly. Land-use processes have overlapped with slow/declining enrollment and therefore this project will proceed on a slower timetable.

Partial Remodel at Jefferson Middle School—Completed 2012

The Master Planning Advisory Committee also considered building conditions, utilization and fitness for future models of education for all of the District's schools. The building conditions at Jefferson Middle School were some of the worst in the District, but many issues were addressed in the recent Capital Levy. The investment to modernize the whole school building in the context of other needs reviewed by the committee was not given a high enough priority to recommend such a large expenditure at this time. The school enrollment is relatively low, and a variety of special programs are housed at Jefferson Middle School. A new program, beginning in the fall of 2011 is Jefferson Advanced Math and Science (JAMS), which focuses on science, technology, math and engineering subjects as the core of a challenging and engaging curriculum. Enrollment in the new program is promising and the committee recommends remodeling a portion of Jefferson Middle School to accommodate these instructional needs.

In this recommendation, the northern portion of the school which houses home economics, shop, art and undersized science labs would be remodeled to provide properly sized science labs, upgrade the shop, potentially repurpose the home economics area and upgrade the learning technology in the classrooms and labs.

The remodel should also consider the future educational needs of students reviewed in the master plan, like these:

- More collaborative hands on projects so students learn how to work in teams and respect others,
- Place for hands-on, project based learning,
- Work with personal mobile technology that individualizes their learning,
- Creating settings for students to work independently,
- Meeting the needs of a diverse range of learning styles and abilities,
- Places for students to make presentations and display their work,
- Teacher planning and collaboration, and
- Fostering media literacy among students and teachers,

The total area of the remodel would be approximately 21,000 square feet. The remodel would be focused in the interior of the building and not upgrade major systems. Some systems upgrades are included in the small works plan.

Prototype Schools: Centennial, Garfield, McLane & Roosevelt Elementary School Modernizations

The four "prototype" schools built in the late 1980's have some of the worst building condition ratings in the District. The 2009 facility condition survey and interviews with leaders of the schools identified problems with heating and cooling, inconsistent technology, poor air quality, parking and drop off/pick up issues, poor drainage in the playfields, security at the front door and the multiple other entries, movable walls between classrooms that don't work, a shortage of office space for specialists, teacher meeting space that is used for instruction, security at the perimeter of the site, storage and crowded circulation through the school. We have also learned about the frequent use of the pod's shared area outside the classrooms; while it's heavily used, there isn't quiet space for small group or individual activities. These schools also lack a stage in the multipurpose room. The 2010 Capital Levy made improvements to some of these conditions, but a

comprehensive modernization of these schools is required to extend their useful life another 20-30 years and make improvements to meet contemporary educational needs.

The master plan is proposing a comprehensive modernization of Garfield, Centennial, McLane & Roosevelt Elementary Schools to improve all of these conditions. The intent of these projects is to do so as much as is feasible within the footprint of the school. The buildings are not well configured for additions. The exterior finishes of the schools will be refurbished; exterior windows and doors replaced as needed. Interior spaces will be reconfigured to enhance security, efficiency and meet a greater range of diverse needs than when the schools were first designed. Major building systems will be replaced and updated. Site improvements would also be made.

Recent discoveries in the building conditions at Garfield Elementary have led to the recommendation of replacing the existing gym and cafeteria, and modernizing the remainder of the building as described above. The modernized school should include three additional classrooms in permanent space to replace the portables currently on site.

The modernization and replacement projects should also consider aspects of the future educational vision outlined in the master plan, such as these:

- Accommodate more collaborative hands on projects, so children learn how to work in teams and respect others,
- Work with personal mobile technology that individualizes their learning,
- Creating settings for students to work independently,
- Meeting the needs of a diverse range of learning styles and abilities,
- Places for students to make presentations and display their work,
- Teacher planning and collaboration,
- Fostering media literacy among students and teachers,
- Make the building more conducive to community use, while reducing the impact on education and security,
- Support for music/art/science.

Olympia Regional Learning Academy (ORLA)

Founded in 2006, the Olympia Regional Learning Academy offers unique programs that are strongly supported by the district and have been growing. ORLA comprises three programs growing in various ways, with a fourth emerging. The current programs are: Homeschool Connect, iConnect Academy and ORLA Montessori. An emerging program is a concept for ORLA to be the “hub” for eLearning district-wide. Historically the programs at ORLA have drawn students and their families from neighboring school districts. The proportion of Olympia School District students has surpassed those from outside the district and is expected to continue to grow within the district.

Homeschool Connect serves about 350 students. On a peak day 270 kids are on site, with 160 parents and 33 staff and community specialists. Homeschool Connect currently uses 17 classrooms, shared by all K-12 students. 20 classrooms are projected to serve future needs. Enrollment in the program has dipped in the last two years, in part due to the quality of the current facility.

iConnect Academy currently serves about 100 students, many of them are enrolled part time at other schools, so the student count translates to about 50 FTE. Students come to the school building

for mentoring and testing a couple of times per week for a few hours. Most of their work is done online, so the students don't create a strong physical presence. ORLA is looking at a hybrid model where students would spend more time at the school and less online. ORLA has intentions to grow the program to support 140 – 180 students in the near future. Through scheduling alternatives space in the school could be shared with Homeschool Connect.

The Montessori program is relatively new. The school served 25 Montessori students in the 2010- 11 school year, with plans to add 30 per year after that as space allows. Ultimately, the plan is to serve 240 students in preschool through 6th grade. Future plans are for 8 classrooms total: 2 classrooms with combined preschool/K, 3 classrooms for combined 1-3 multi-grade classes 3 classrooms for combined 4/5 multi-grade classes, and 1 classroom for 6th grade.

The “hub” for eLearning district-wide is an initiative to support online learning in all of the district's schools and to support professional development among teachers to take advantage of new modes of meeting students' individual learning styles and aptitudes. ORLA would be the center for that professional development and production of online educational resources for use in the schools.

The growth of ORLA is bounded by the current facility. Future enrollment plans for the different programs are as follows:

- Montessori: ultimately 240 onsite at a time
- Homeschool Connect: 320+ on site at a time, 400 total (200 parents, 40 staff and community specialists)
- iConnect Academy: 80 students on site at a time (may blend with Homeschool or come later in the day)

Facility Considerations

For Homeschool Connect and iConnect Academy, the ORLA facility should provide shared amenities and learning settings they can't get at home or online. Most of these shared amenities can be made accessible to act as a community center, encouraging the public to see the learning that is going on in the school. The facility could include:

- Science/applied technology labs
- Social/collaborative learning (place to work on team projects)
- Study/conference areas for work in small groups and with teachers
- Music, art and technology studios
- Theater/presentation area
- Fitness/recreation
- Library/media literacy services
- District-wide eLearning resources

iConnect Academy has been the catalyst for thinking about these services to students in schools around the district. ORLA can be the “hub” for eLearning across the district. These are some of the thoughts that came out of conversations in the master plan process:

- Record live instruction for students online, could be a district center for online media production
- Sharing instructional personnel across the district, professional development for teachers

- Need place for parents in online and preschool, curriculum resource center, big manipulatives, tech lab and computer check out, students move from class to class like a community college
- Include gym, art, science, theater: spaces that support activities that are hard to replicate at home
- Online learning offers greater flexibility at the secondary level to reach kids. Satellite campuses that offer more mobile learning, learning out in the community. 9th and 10th graders are biding time, waiting to get into running start. They are waiting to get out of the comprehensive situation
- Demonstrate a place for 21st century learning
- Retain students who are leaving for alternative programs at college or skills centers
- Provide a multimedia production/online broadcast center for ORLA and other teachers in the district to record and broadcast classes, also used by students who choose to do the same
- Students learn through projects that encourage them to make contributions toward solving real problems.

New Building for ORLA

ORLA happens to be housed in the facility with the worst building condition rating, the Old Rogers Elementary School. It can only support planned growth of the current programs for a few more years. It was clear to the Planning Advisory Committee that a new facility for ORLA is the right solution. The OSD Board of Directors determined that ORLA should be built on the former McKinley Elementary School site at Boulevard and 15th Ave SE.

Each of the ORLA programs has particular considerations with respect to location within the district:

- Homeschool Connect parents are with their children at school, they drive and they will go anywhere in the district for the program.
- Many iConnect Academy students don't have cars or come to the school after work and would benefit from a central location tied to Intercity Transit routes. At the current Rogers site the bus comes only once per hour.
- ORLA Montessori draws students from across the district and would benefit parents with a more central location.

Other site considerations include:

- Outdoor amenities such as play equipment like an elementary, a field big enough to play soccer, a trail around the perimeter, separate play area for preschool and for kindergarten.
- Outdoor gathering areas and a garden.
- Parking for up to 160 parents and 40 staff, area for food service delivery and service vehicles.

A preliminary model of the spaces to include in the new building for ORLA demonstrates the need for a 66,278 square foot facility. This can serve a total of 667 students at a time. Because of the varied schedules of the programs and that iConnect Academy students are on site a more limited time (sharing space with Homeschool Connect) the facility can serve many more students than it has capacity for at any given time.

Site work and new construction began in spring 2013. The building is targeted for occupancy in January 2015.

Avanti High School

Through the master plan process, the district affirmed the importance of Avanti High School and directed that the master plan include options for the future of the school. Avanti has changed its intent in recent years to provide an arts-based curriculum delivery with an entrepreneurial focus. Enrollment will be increased to 250 students with greater outreach to middle school students in the district who may choose Avanti as an alternative to the comprehensive high schools, Olympia and Capital High Schools. The school appreciates its current location, close proximity to the arts & business community downtown and the partnership with Madison Elementary School.

The six classrooms in the building are not well suited to the Avanti curriculum as it is developing and hinder the growth of the school. The settings in the school should better reflect the disciplines being taught through “hands on” learning. The school integrates the arts as a way to get the basics. Avanti creates a different learning culture through personalizing education, keeping students’ interest and using their minds well. Avanti focuses on depth over breadth. Students form good habits of the heart and mind. They don’t gear up for summative assessments; formative assessments are provided, students must demonstrate their mastery. Students come together in seminars, so space is needed for “town hall” sessions. The auditorium is too one directional; while it works well for some activities the school needs more options.

Recently Avanti has expanded by two classrooms and Knox Administrative space has been reduced.

Facility Options Considered:

- Take over the Knox Center, move administration to another location
- Expand on the Knox Center site in the district warehouse space, move warehouse to the transportation site
- Find a new site for the school, either in leased space or on district owned property somewhere

Twelve learning settings were identified as an appropriate compliment of spaces with the intent for them all to support teaching visual and performing arts:

1. Drama (writing plays, production) - renovate existing stage/auditorium
2. Music/recording studio (writing songs) - look at renovation of warehouse space
3. Dance (math/rhythm) - look at renovation of warehouse space
4. Painting/drawing
5. Three dimensional art (physical & digital media, game design)
6. Photography/video/digital media (also support science & humanities)
7. Language arts
8. Humanities
- 9/10. Math/math
- 11/12. Science/science – need shop space to build projects, a blend of art and science, look at warehouse space

Additional support spaces: special needs, library, independent study, food service, collaborative study areas, administration/counselors, community partnerships.

This development recommendation proposes that Avanti High School move into the entire Knox Building, including the district warehouse space. Light renovation of the buildings would create appropriate space of the kind and quality that the curriculum and culture of the school need.

District administration would move to a facility where the office environment can be arranged in a more effective and space efficient manner. The Knox Building would return to full educational use. This option was seen by the Planning Advisory Committee to be the most cost effective alternative.

The long-term growth of Avanti High School is also seen as a way, over time, to relieve the pressure of projected enrollment growth at Olympia High School.

Olympia High School: Replace Portables with a Permanent Building

While there are still many physical improvements that need to be made at Olympia High School (HS), one of the greatest needs that the Planning Advisory Committee (PAC) identified is the replacement of 10 portables with permanent space. District policy states that 1,800 students is the desired maximum enrollment that Olympia HS should serve. These 10 portables, while temporary capacity, are part of the high school's capacity for that many students. The PAC's recommendation is that these portables should be replaced with a new permanent building and they considered some options with respect to the kinds of spaces that new permanent area should include:

1. Replicate the uses of the current portables in new permanent space
2. Build new area that operates somewhat separate from the comprehensive HS to offer a new model
3. Build new area that is complimentary to the comprehensive high school, but a distinction from current educational model (if the current educational model has a high proportion of classrooms to specialized spaces, build new area with primarily specialized spaces)

Following some of the themes the PAC considered for future learning environments, these are potential considerations they reviewed for the replacement of portables at Olympia HS with a new building:

- Demonstrate a place for 21st century learning.
- Retain students who are leaving for alternative programs at college or skills centers.
- Partner with colleges to deliver advanced services.
- Create a culture that equalizes the disparity between advanced students and those still needing remediation without holding either group back.
- Individualized and integrated assisted by personal mobile technology, a social, networked and collaborative learning environment.
- A place where students spend less of their time in classes, the rest in small group and individual project work that contributes to earning course credits.
- All grades, multi grade classes.
- Art and science blend.
- Convert traditional shops to more contemporary educational programs, environmental science, CAD/CNC manufacturing, health careers, biotechnology, material science, green economy/energy & waste, etc.
- More informal learning space for work done on computers by small teams and individuals.

- Collaborative planning spaces, small conference rooms with smart boards.
- A higher percentage of specialized spaces to classroom/seminar spaces.
- Focus on labs (research), studios (create) and shops (build) learn core subjects through projects in these spaces. (cross-credit for core subjects).
- Blend with the tech center building and curriculum.
- Consider the integration of specialized “elective” spaces with general education. All teachers contribute to integrated curriculum.
- Provide a greater proportion of area in the school for individual and small group project work.
- Support deep exploration of subjects and crafting rich material and media, support inquiry and creativity.

Music and science programs are strong draws to Olympia High School, which also offers an AP curriculum. Conversation with school leaders found support for the idea of including more specialized spaces in the new building. Some of the suggested programs include:

- More science, green building, energy systems, environmental sciences.
- Material sciences and engineering.
- Art/technology integration, music, dance, recording.
- Stage theater, digital entertainment.
- Need place for workshops, presentations, poetry out loud.

An idea that garnered support was to combine the development of a new building with the spaces in the school’s Tech Building, a relatively new building on campus, detached from the rest of the school. The Tech Building serves sports medicine, health career technician, biotechnology and microbiology. It also has a wood shop that is used only two periods/per day and an auto shop that is not used all day so alternative uses of those spaces should be considered.

A new building could be added onto the east side of the Tech Building to form a more diverse combination of learning settings that blend art and science.

Enrollment projections show that Olympia High School will exceed 1,800 students in the future by more than 400 students later in the 15 year planning horizon. A new building could serve alternative schedules, morning and afternoon sessions to double the number of students served by the building. ORLA at Olympia HS is already a choice many students are taking advantage of. A hybrid online arrangement could serve more students in the Olympia HS enrollment area without needing to serve more than 1,800 students on site at any given time.

If the combination of the Tech Building and this new addition was operated somewhat autonomously from the comprehensive high school, alternative education models could be implemented that would draw disaffected students back into learning in ways that engage them through more “hands on” experiential education.

The development recommendation proposed by the Planning Advisory Committee is a 20,000 square foot addition onto the Technology Building with four classrooms, four science labs, one shop and one studio, with collaborative learning spaces that support all of the specialized learning settings. The addition would be placed on the field to the east of the Tech Building.

Capital High School Modernization and JAMS Pathway

Capital High School has received three major phases of improvements over the last 15 years, but more improvements remain, particularly on the exterior of the building. The majority of the finishes on the exterior are from the original construction in 1975, approaching 40 years ago. Most of the interior spaces and systems have seen improvements made, but some changes for contemporary educational considerations can still bring improvement.

One of the primary educational considerations the Planning Advisory Committee (PAC) explored is driven by the creation of the new Jefferson Advanced Math and Science (JAMS) program, which is centered around Science, Technology, Engineering and Math (STEM) programs, and the need to provide a continuing pathway for JAMS students in that program who will later attend Capital HS. Relatively small improvements can be made to Capital HS that relate to STEM education and also support Capital High School's International Baccalaureate (IB) focus as well.

The conversations with the PAC and leaders in the school focused on 21st century skills like creative problem solving, teamwork and communication, proficiency with ever changing computing, networking and communication/media technologies.

Offering an advanced program at the middle school was the impetus for the new JAMS program. Career and Technical Education (CTE) is changing at Capital HS to support STEM education and accommodate the students coming from Jefferson. Math and science at Capital HS would benefit from more integration. Contemporary CTE programs are transforming traditional shop programs like wood and metal shop into engineering, manufacturing and green building technologies. Employers are looking for graduates who can think critically and problem solve; mapping out the steps in a process and knowing how to receive a part, make their contribution and hand it off to the next step in fabrication. Employers want good people skills; collaborating and communicating well with others. Increasingly these skills will be applied working with colleagues in other countries and cultures. Global awareness will be important. JAMS at the middle school level, and STEM and IB at high school level can be a good fit in this way.

The JAMS curriculum is a pathway into IB. The school is adjusting existing programs to accommodate IB programs. The JAMS program supports the Capital HS IB program through the advanced nature of the curriculum. 60 students are currently enrolled in IB and it was recently affirmed as a program the district would continue to support. The advanced nature of the JAMS program could increase enrollment in the Capital HS IB program. Leaders in the school intend that all students need to be part of this science/math focus.

At Jefferson, there will be a block schedule for JAMS in the morning, and afternoon will be open for electives. Jefferson students will come to Capital with the integrated /curriculum/learning and it may not be there for them otherwise when they get to Capital HS. Capital High School can start with a math/science block (Olympia HS has humanities block) and grow it over time. The program will start with freshmen and add grades over time.

Capital High School is intentional about connecting to employers and to people from other cultures through distance learning. The district is working with Intel as a partner, bringing engineers in and having students move out to their site for visits and internships. Currently there is video conferencing in Video Production studio space. College courses can be brought into the high school, concentrating on courses that are a pathway to the higher education. The district is already partnering with universities on their engineering and humanities programs to provide university credits; like with St. Martins University on CADD and Robotics. The University of Washington is interested in offering university credit courses at the high school in foreign language, social studies and English. Comcast is on the advisory committee for communication technologies.



The development recommendation for Capital High School is to remodel the classroom pods to bring back the open collaborative learning areas in the center of each pod. The more mobile learning assistive technologies like laptops and tablet computers, with full time access to a network of information and people to collaborate with are changing the way students can engage with the course material, their teachers and their peers. Further development is also recommended in the shops and adjacent media/technology studios. Minor renovations in these spaces can greatly enhance their fitness for supporting the contemporary JAMS initiatives. The building area of these interior renovations is estimated to be 10% of the total building area.

Extensive renovation of the original exterior walls, windows, doors and roof areas that have not been recently improved is the other major component of this development recommendation.

Future Small Works Roster

The small works roster is summarized below. The roster represents the facilities projects that must be undertaken in the near future. While we have attempted to plan for a six year small-works list, the new items may be identified during the life of the CFP.

	<i>Proposed Items</i>	<i>Projected</i>
1	Electrical service and new fire alarm systems at up to 10 schools	\$1,951,83
2	Replace controls and/or HVAC at up to 10 schools	\$1,924,810
3	8 Emerging projects	\$1,406,60
4	Interior and/or classroom improvements at 6 schools	\$1,283,305
5	Replace transformers at ORLA and Capital HS	\$1,041,00
6	Flooring at 7 schools	\$713,575
7	Renewable energy projects	\$630,000
8	Failed drainage and irrigation controls at 5 schools/sites	\$628,188
9	Emergency generators at 3 sites	\$573,750
10	Ingersoll concrete, roof, and track maintenance	\$563,500
11	Parking lots and paving at 5 schools	\$533,429
12	Re-roof of 1 school	\$324,000
13	Security cameras at up to 4 schools	\$123,750
14	All other	\$107,542
	Total	\$11,681,9

Utilization of Portables as Necessary

The enrollment projections that serve as the basis of this CFP identify that 9 of 11 elementary schools will experience enrollment growth beyond current capacity. Further, the enrollment growth does not reach a critical mass in any one or two adjacent boundary areas to make building a new elementary school feasible. As such, portable facilities will be used as necessary to address capacity needs at individual schools throughout the district.

In order to respond to the original enrollment forecast, the district expected to invest in 7 portables at the elementary level during the period covered by this CFP.

The CFP continues to include expenditures for portables, as these represent a foundation investment where enrollment is faster than expected. However, the school operations environment is changing and this will impact the capital and facilities planning effort.

Class Size Reduction Planning

The state of Washington and the citizens of Washington via an initiative (Initiative 1351) are seriously considering a significant reduction in class size.

- The Supreme Court is insistent on immediate implementation of Full-day Kindergarten and Class Size Reduction, as enacted by the Legislature in 2010. The Court has not wavered from initial requirement to be fully phased in for 2017-18 SY.
- As of summer 2014, Initiative 1351 for Class Size Reduction has enough signatures for the initiative to be on the ballot; if enacted will have a significant impact on school space.
 - 26-35% reduction in K-3 class size.
 - 7-11% reduction in 4th/5th class size.
 - 11-18% reduction in middle/high class size.

The impact of these class size reductions is identified in the table below. In order to implement full-day kindergarten across the district, and phase-out half-day kindergarten, the district will need to add 3 classrooms for kindergarten. In order to reduce class size at the elementary level, the district will need to add 37 elementary classrooms.

An inventory of secondary classrooms indicates that there are very few vacant classrooms. However, the district can explore other methods to “free-up” teaching stations at the secondary schools. Given projected 2014 enrollment, the district would need to identify space for 30 new teachers.

Table G

	Teachers	Classrooms
Full-day Kindergarten	6.0	3.0
Elementary Class Size	37.0	37.0
Secondary Class Size	30.0	Unknown at This Time
Total	73.0	At least 40.0

If enacted, the I-1351 reduces class size by the amounts identified above in Table G incrementally across 4 years, beginning in 2015-16. Table H identifies the number of classrooms needed by year, at the elementary level.

Table H

Elementary	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Enrollment Growth	4	4	4	3	3	3
Class Size Reduction and FDK		10	10	10	10	
Cumulative Total	4	18	32	45	58	61

Before embarking on a construction effort to create 61 classrooms at the elementary level and at least 30 at the secondary level, the district has several policy tools to use to deploy current space and accomplish class size reduction. The district can explore limitations on out-of-district enrollment, pilot offering music at an alternate site, limiting co-location, changing how we deliver technology instruction, and/or offering intervention and extra help after school. The district must also review where it sites special programs (gifted education, special needs, preschool and alternative learning). Finally, the district must review school boundaries in order to ensure even distribution of students.

At this time, the CFP and six-year plan assumes that the district will “capture” 18 classrooms for the 2015-16 SY via these policy decisions and the addition of portables as a safety net. For remaining classrooms that are necessary beginning in the 2016-17 SY, the district is altering the Planning Advisory Committee recommendations as follows. The recommendations below take advantage of new projects, and add projects where indicated by growth in the immediate prior years that is exacerbated by a potential reduction in class size.

Construction Planning to Address Both Class Size Reduction and Growth for New Enrollment

Current projects where we explore adding more seating than originally intended

- Centennial Intermediate School, minimum 450 seats plus additional new seating to be decided (TBD) in future.
- Olympia High School Portable Replacement, minimum 70 seats plus additional new seating TBD.

Current projects where we add seating that was not originally planned

- Centennial Elementary School renovation, replace portables with a 2-story building. New seating discussed below.
- McLane Elementary School renovation, replace portables with a 2-story building. New seating discussed below.
- Roosevelt Elementary School renovation, replace portables with a 2-story building. New seating discussed below.
- Capital High School, new seating to be decided in future.

New Projects

- New 2-story Pod structure at Hansen Elementary School.
- New 2-story Pod structure at Pioneer Elementary School.

The Pod structure that is identified for five elementary schools, accomplishes several improvements: portables are replaced with a permanent structure and can therefore better control the environment (heating/cooling), are foot-print efficient, and are more appealing. The pod can be designed to maximize classroom space (12 classrooms) or to include some centralized space that will free-up space if the core building is taxed for space. Examples include creating 2 small offices in the foyer for counselors, speech or other therapists to provide direct service to students or converting 2 of 12 classrooms into 1 large music space.

The pod structures are estimated to cost \$6.4 million for construction and provide classrooms space for 250 students, assuming 10 classrooms, a small group-work space in hallway leading to classrooms on each floor (similar to current pod designs in a classroom wing), 2 small service offices, and 1 large music room (and stairs and an elevator). The pod includes restrooms, of course.

Importantly, the district assumes a class size of 28 in designing the pods. This is the appropriate size for 4th and 5th grade classrooms (25 class size plus 3 for intermittent overload). The district needs to ensure that 4th and 5th grade classes can be placed in most classrooms, the pods would likely serve 4th and 5th grade classes, and the pod is a 30 year structure that must be designed to accommodate future state policy decisions regarding class size.

In summary the district is proceeding to prepare for state policy decisions that will reduce class size significantly. The district assumes that immediate class size reduction efforts will be accommodated with policy decisions regarding out-of-district enrollment, leasing space, and piloting innovative uses of buildings. The district assumes that for the 2016-17 SY, we will need to begin building more space related to class size reduction and any new space for growth

Capital Facilities Plan Project Revisions for Class Size Reductions

Table I on page 38 describes several components of the CFP analysis. First, the table describes the recommended construction built into the CFP (column 'CFP Projects'). Second, the table describes the potential current classrooms that could be converted to house a classroom once class sizes were smaller (e.g., less need for rooms for small group one-on-one assistance). Third, the table describes the number of new classrooms needed for growth, by school (column 'Growth (Current Developments)'). Fourth, the table displays the number of current portable classrooms that would be moved/sold/stored in order to build the pod as a replacement to these inefficient classrooms ('Convert Current Portable'). Fifth, the table displays the number of classrooms needed, by school, to reduce class size ('75% of I-1351'). Finally, the table identifies the balance of classrooms. A negative balance must be addressed via further policy initiatives and/or boundary changes.

The final column of the table identifies the net change to the CFP calculation of impact fees. In each cell, the table notes if the cost was previously in a CFP or if the cost is new to the 2015 CFP. Importantly, the value of class size reduction for current students is not included in the impact fee calculation.

Further, the value of converting a portable into permanent construction is included in full in the calculation of the impact fee. This bears further explanation. The impact fee calculation is based on construction costs (costs that are within the timeframe of the CFP) associated with growth, divided by the number of growth/seats/students. So, if the CFP includes a plan to construct a \$10 million structure to house 100 students; and 90 students are generated by new housing/developments, then the per student cost of construction to accommodate growth is \$90,000 $((\$10,000,000/100)*(90/100)=\$90,000)$. This is the amount that is included in the calculation of the impact fee. Even if the new building replaces 50 portable seats, the calculation is the same: what is the cost of planned construction, and what proportion is associated with seats needed to accommodate growth, and therefore, what is the per growth seat cost of construction regardless of prior use of portables?

The number of students expected to be driven by growth is the key factor (90 in this example). The student growth must be based on upcoming growth and cannot be based on prior growth (from the example above, it could not be based on 50 + 90). Importantly, in the table below, regardless of the number of portables being converted, a proportional cost of a \$6.4 million pod is included based on expected growth; portable conversion is not deducted from the calculation.

Table I: Capital Facilities Plan Adjustments for Elementary Schools

Classrooms	CFP Projects	Convert Use of Current Rooms	Growth (Current Developments)	Convert Current Portable	75% of I-1351**	Balance	\$ in CFP
Garfield	2 Classes	2	2	0	3	-1	\$0
McLane	10 + 1 Music*	0	4	2	2	2	\$2.7M (new)
Hansen	10 + 1 Music*	0	3	7	5	-5	\$1.7M (new)
Brown	2 Portable	2	1	0	2	2	portable
RES/MES	10 + 1 Music*	0	3	2	3	2	\$1.3M (new)
Boston H	0	1	0	0	1	0	\$0
McKenny	2 Portables	1	1	0	3	-1	portable
PES/LES	10 + 1 Music*	0	3	2	6	-1	\$2.1M (new)
Centennial	10 + 1 Music*	0	2	6	3	-1	\$6.4 M (prior)
Total	56	6	19	19	28	-3	

*A pod structure with 10 classrooms, plus 1 music room.

**Construction needed for years 2, 3, and 4 of initiatives class size reduction.

***Indicates that cost was included in prior years of the CFP "(prior)" or if cost is a newly planned expenditure for the current and future CFPs "(new)".

The adjusted construction and facilities plan adds 5 new pod structures for a cost of \$32 million, \$9 million of which is attributable to enrollment growth that will be included in the impact fee calculation.

Impact Fee Calculation

Table J on [page xx](#) and continued on page 40 displays the projects included in the CFP and the amount attributed to growth and therefore included in the impact fee calculation. Appendix B includes more detail on each of the projects listed in the table.

Table J

Project	Included in 2015 Impact Fee Calculation?	Reason	If Yes, Amount	Balance of Project
Jefferson MS	No	District is over capacity at middle school level. (And project was completed in 2012.)		
Centennial Intermediate (New)	Yes	Adds new elementary capacity. Expenditure may be at adjacent Centennial Elementary to add capacity.	\$6,370,750 for 113 K-5 th grade seats.	\$26.0 M
Olympia Regional (ORLA)	Yes	Adds elementary and high school capacity.	\$3,539,759 for 82 K-5 th grade seats. \$3,015,030 for 70 9-12 th	
Garfield Elementary	No	School adds 63 new K-5 th grade seats, but project is completed in 2014.		
Centennial Elementary School	No	Capacity associated with this project is included above. See new Intermediate School above.	See new Intermediate School above.	
McLane Elementary School	Yes	District needs additional elementary capacity. Project adds 107 new seats.	\$2,744,336	\$14,055,664
Roosevelt Elementary School	Yes	District needs additional elementary capacity. Project adds 51 new seats.	\$1,308,048	\$15,491,952
Capital High School Modernization	No	Plans re: adding capacity to CHS are not yet determined.		
Olympia High School	No	This project will add capacity, but may be completed beyond the timeframe of the 2015 CFP.		\$11.9 M
Avanti High School	No	This project will add capacity, but may be completed beyond the timeframe of the 2015 CFP.		\$13.8 M
Pioneer Elementary School	Yes	This project will add capacity for 82 students.	\$2,103,136	\$4.3 M
Hansen Elementary School	Yes	This project will add capacity for 67 students.	\$1,718,416	\$3.9 M
McKenny Elementary School	Yes	The plan includes the cost of 5 portables, a portion of which may be sited at McKenny. The specifics of this largely depends on progress of the Trillium and Bentrige developments. The CFP plans to accommodate 7 new students.	\$115,000	



Project	Included in 2015 Impact Fee Calculation?	Reason	If Yes, Amount	Balance of Project
Brown	No	The plan includes the cost of 5 portables, two of which will be sited at Brown to house 32 new students. These expenditures may be outside of the CFP window.		

Note:

The impact fee assumptions will be determined by the district's Board of Directors at 1st Reading on August 11, 2014.

Therefore, the fee is not displayed here. The Board must address several assumptions on August 11th:

- Is the Pod structure concept as envisioned for Pioneer, Hansen, McLane, Roosevelt and Centennial the desired approach to accommodating enrollment growth, or should the district build a new elementary school? Or should the district explore other means to address class size changes?
- What discount fee does the school board want to build into the impact fee calculation?
- Should the Board include the high school renovations and portable replacements in the CFP this soon or should the Board include these when there is a higher confidence that the project will proceed as planned?

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IV. Finance Plan

The following table identifies the historical impact fees and the proposed fees for 2015.

Historical Impact Fees

Year	Discount Percentage	Single Family Home Fee	Multi-Family Home Fee	Downtown Residence Fee	Mobile Home Fee
1992	67	\$894	\$746		\$791
1993	67	\$1,703	\$746		\$791
1994	55	\$1,717	\$742		\$1,385
1995	70	\$1,754	\$661		\$1,033
1996	52	\$1,725	\$661		\$1,176
1997	51	\$1,729	\$558		
1998	56	\$1,718	\$532		
1999	50 & 70	\$2,949	\$1,874		
2000	50 & 70	\$2,949	\$1,874		
2001	50 & 70	\$2,949	\$1,874	\$841	
2002	50 & 70	\$2,949	\$1,874	\$841	
2003	50 & 70	\$2,949	\$1,874	\$841	
2004	50 & 70	\$2,949	\$1,874	\$841	
2005	40 & 60	\$4,336	\$3,183	\$957	
2006	45 & 60	\$4,336	\$3,183	\$957	
2007	15	\$5,042	\$1,833	\$874	
2008	15	\$5,042	\$1,833	\$0	
2009	15	\$4,193	\$1,770	\$0	
2010	15	\$2,735	\$1,156	\$0	
2011	15	\$659	\$1,152	\$0	
2012	15	\$2,969	\$235	\$0	
2013	15	\$5,179	\$0	\$0	
2014	15	\$5,895	\$1,749	\$0	
2015	15	\$4,978	\$1,676	\$0	8/11/14 DRAFT
Prior 10-Yr Avg		\$3,940	\$1,633		
10-Yr Avg Incl 2015		\$4,103	\$1,459		

Capital Levy Revenue

During the fall of 2008, the Board of Directors authorized the formation of a Facility Advisory Committee (FAC) to analyze the districts’ facility needs. This committee assessed the physical condition of the existing facilities, and surveyed the educational program needs for all three levels; elementary school, middle school, and high school. The FAC brought forward its recommendation to the Board of Directors in November of 2009. The committee indicated their priorities by dividing recommendations into an A, B, and C set of investments.

Major capital improvements were recommended for Capital High School (structural upgrades required by the building department to meet current building code), Jefferson Middle School modernization work, and a three-classroom addition to Pioneer Elementary School. Other system improvements and upgrades were recommended for a variety of other schools in the district and included measures that will make all our facilities safe, dry, and conducive to teaching and learning.

The Board of Directors placed a levy measure on the February 2010 ballot in order to secure local funding for this new capital improvement program. The ballot measure was designed to reach the



"A" list projects, as prioritized by the FAC. The ballot measure passed and resulted in authorized local funding for these projects. The total proposed funding for this capital improvement was set to come from two sources:

Facility Levy Funding	\$15.5 million
School Impact and Mitigation Fees	\$1.0 million
Total Revenue	\$16.5 million

Funding for these levy capital projects does not include state assistance funds because none of the projects were eligible under state guidelines.

Insurance Reimbursement

In June of 2010, the district learned from our insurance carrier that the required structural upgrades at Capital High School will be covered by the insurance carrier. The levy included \$5.5 million in funding since it was not clear if insurance was going to provide any funding for these repairs and upgrades. The scope of work has grown since the levy was passed; the current cost estimate for this work at Capital High School is in the range of \$9 to \$10 million. However, the original \$5.5 million included in the levy for the structural work can be re-purposed to other projects of urgent nature and allowable by state law to the levy fund source.

Eligibility for OSPI Funding Assistance

A calculation of area within the district school inventory that is eligible for state funding assistance, based on the age and size of the schools, was provided to the district by the Office of the Superintendent of Public Instruction in February 2011. They estimated 200,000 square feet of eligible area for elementary and middle schools (K-8) and 25,000 square feet for the high schools (9-12).

Three factors need to be factored into the equation after determining the eligible area. The 2013 Construction Cost Allowance (CCA) of \$194.26, 2013 State Funding Assistance Percentage (SFAP) for Olympia School District of 49.23% and an 80% multiplier that is applied to funding that will be used for projects qualifying for state match. The state formula would generate a potential for \$15,659,454 in state funding assistance.

Projects implemented from the master plan would need to total the eligible area to get the full amount potentially available. For example, Garfield and ORLA would be eligible for the square footage of the existing buildings that are being replaced, even though the new buildings will be larger. Projects involving the replacement of buildings at the high school level are not part of the development recommendations. The 9-12 funding assistance can be applied to modernization projects for area that has not been previously improved with state funding assistance. The nature of the projects implemented from the master plan will have an impact on the ability of the district to receive the full potential amount of eligible funding assistance.

If we forecast to a 2014 CCA of \$198.08 and keep the SFAP constant, we qualify for a potential amount of \$16,821,463. These amounts are projections and the actual CCA and SFAP will be provided by OSPI at the time state assistance is applied for.

Bond Revenue

The primary source of school construction funding is voter-approved bonds. Bonds are typically used for site acquisition, construction of new schools, modernization of existing facilities and other capital improvement projects. A 60% super-majority voter approval is required to pass a bond. Bonds are then retired through the collection of local property taxes. Proceeds from bond sales are limited by bond covenants and must be used for the purposes for which bonds are issued. They cannot be converted to a non-capital or operating use. As described earlier, the vast majority of the funding for all district capital improvements since 2003 has been local bonds.

The projects contained in this plan exceed available resources in the capital fund, anticipated additional capital levy revenue, and anticipated School Impact and Mitigation Fee revenue. The Board of Directors sold bonds in June 2012, allowing an additional \$82 million in available revenue for construction projects.

Further, the amount of the requested 2012 bond will not fully cover the anticipated projects through 2019, described above. The Board of Directors will likely submit an additional Bonding Authority request during the period covered by this CFP, but the time is not yet specified. The Board will carefully watch enrollment pressure for district high schools, and may adjust the Avanti, Capital and Olympia High Schools project plans if the anticipated enrollment pressure is delayed, which would reduce the second bond request.

New elementary projects added to accommodate class size reduction will likely increase the upcoming bond request by approximately \$25 million.

Impact Fees

Impact fees are utilized to assist in funding capital improvement projects required to serve new development. For example, local bond monies from the 1990 authority and impact fees were used to plan, design, and construct Hansen Elementary School and Marshall Middle School. The district paid part of the costs of these new schools with a portion of the impact fees collected. Using impact fees in this manner delays the need for future bond issues and/or reduces debt service on outstanding bonds. Thurston County, the City of Olympia and the City of Tumwater all collect school impact fees on behalf of the district.

Impact fees must be reasonably related to new development and the need for public facilities. While some public services use service areas or zones to demonstrate benefit to development, there are four reasons why the use of zones is inappropriate for school impact fees: 1) the construction of a new school benefits residential developments outside the immediate service area because the new school relieves overcrowding in other schools; 2) some facilities and programs of the district are used by students throughout the district (Special Education, Options and PATS programs); 3) school busing is provided for a variety of reasons including special education students traveling to centralized facilities and transportation of students for safety or due to distance from schools; 4) uniform system of free public schools throughout the district is a desirable public policy objective.

The use of zones of any kind, whether municipal, school attendance boundaries, or some other method, conflict with the ability of the school board to provide reasonable comparability in public school facilities. Based on this analysis, the district impact fee policy shall be adopted and administered on a district-wide basis.



Current impact fee rates, current student generation rates, and the number of additional single and multi-family housing units projected over the next six year period are sources of information the district uses to project the fees to be collected.

These fees are then allocated for capacity-related projects as recommended by a citizens' facilities advisory committee and approved by the Board of Directors.

The district's planned projects that will yield more capacity by fall 2017 include: New ORLA facility (K-12), new intermediate/middle school adjacent to Centennial ES, addition at Garfield Elementary School, and nine portables across 11 elementary schools. For purposes of the impact fee calculation included in this Capital Facilities Plan, the district has chosen to use only the construction related costs of the above projects (rather than the total project costs).

Finance Plan Summary

The following table represents preliminary estimates of revenue associated with each group of projects.

Revenue Source		Amount
1	Capital Levy Revenue Balance Available	\$ 6,773,347
2	Impact and Mitigation Fees Already Collected	\$
3	Impact Fees and Mitigation Fees Collected 2011-2017	\$ 909,000
4	Bond Financing, Phase I (2012)	\$ 97,800,000
5	Bond Financing, Phase II (Election Year Not Yet Determined)	\$ 120,000,000
6	State Funding Assistance	\$ 15,300,757
7	Other Miscellaneous Capital Fund Balances	\$ 3,864,000
8	Total Revenue	\$ 246,338,104

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A. Appendix--Inventory of Unused District Property

Future School Sites

The following is a list of potential future school sites currently owned by the district. Construction of school facilities on these sites is not included in the six-year planning and construction plan.

- ***Boulevard and 15th Avenue SE (Old McKinley) Site***

This site is an 8.9 acre parcel that once served as the site for McKinley Elementary School. The building was replaced in 1989 by Centennial Elementary School located at 2637 45th Avenue SE, Olympia. The existing building was demolished in June 1991. The site is currently undeveloped. Future plans include the construction of a facility for the Olympia Regional Learning Academy, which is currently located in the old John Rogers Elementary School building.

- ***Mud Bay Road Site***

This site is a 16.0 acre parcel adjacent to Mud Bay Road and Highway 101 interchange. The site is currently undeveloped. Future plans include the construction of a new school depending on growth in the student enrollment of adjoining school service areas.

- ***Muirhead Site***

This is a 14.92 acre undeveloped site directly adjacent to Centennial Elementary School, purchased in 2006. Future plans include the construction of a new Intermediate/Middle school.

Other District Owned Property

- ***Henderson Street and North Street (Tree Farm) Site***

This site is a 2.25 acre parcel across Henderson Street from Pioneer Elementary School and Ingersoll Stadium. The site is currently undeveloped. Previously, the site was used as a tree farm by Olympia High School's vocational program. The district has no current plans to develop this property.

Future Site Acquisition

The district is seeking additional properties for use as future school sites. Construction of school facilities for these sites is not included in the six year planning and construction plan. The district has identified the following priorities for acquisition:

- New west side elementary school site - approximately 10 acres
- New east side elementary school site—approximately 10 acres



B. Appendix--Detail of Capital Facilities Projects

Middle School

Grades 5-8

Project Name:	Centennial Elementary/Intermediate School New Facility
Location:	2825 SE 45 th Ave, Olympia
Site:	15.11 acres
Capacity: <i>(Current Utilization Standard)</i>	450 students (113 new student capacity for 5 th grade level and 337 new student capacity for grades 6-8)
Square Footage:	65,000 s.f.
Cost:	Total project: \$34.4 million (\$6.4 million new student capacity costs, all elementary)
Project Description:	A new intermediate/middle school to support matriculating students from Centennial Elementary School. This facility will be built on property adjacent to Centennial Elementary forming a comprehensive K-8 grade campus.
Status:	The district anticipates this facility will be available within the time frame of this CFP. At this time the district may use a portion of the value of this project associated with elementary student capacity at Centennial Elementary School (\$6.4 million).

Middle School

Grades 6-8

Project Name:	Jefferson Middle School Remodel
Location:	2200 Conger Ave NW, Olympia
Site:	25 acres
Capacity: <i>(Current Utilization Standard)</i>	599 students (no new student capacity)
Square Footage:	94,151 s.f.
Cost:	Total project: \$4,074,000 million
Project Description:	Remodel existing wing of school to accommodate the new Advanced Math and Science program, as well as support educational trends.
Status:	The remodel is complete and the facility is currently in use; the costs have not been included in the CFP.



Alternative Learning Campus

Grades K-12

- Project Name:** Olympia Regional Learning Academy (ORLA) New Facility
- Location:** 1412 Boulevard Road SE, Olympia
- Site:** 8.6 acres
- Capacity:** 677 students (152 new student capacity)
(Current Utilization Standard)
- Square Footage:** 66,278 s.f.
- Cost:** Total project: \$28 million (\$6.5 million new student capacity costs for grades K-5 and for 9-12)
- Project Description:** Build a new facility for ORLA in order to serve the iConnect Academy, Home School Connect, and Montessori programs. This facility will be built on property that was the Old McKinley Elementary School site on Boulevard Road.
- Status:** The district anticipates this facility will be available in 2015 or 2016.

Elementary School Modernization / Addition

Grades K-5

- Project Name:** Garfield Elementary School Modernization / Addition
- Location:** 325 Plymouth Street NW, Olympia
- Site:** 7.7 acres
- Capacity:** 469 students (63 new student capacity)
(Current Utilization Standard)
- Square Footage:** 57,105 s.f.
- Cost:** Total project: \$21.3 million (\$2.4 million new student capacity costs)
- Project Description:** Demolition of existing gymnasium, cafeteria, and adjacent covered walkways. Replacement of gymnasium and cafeteria areas, major modernization of remaining existing school facility. Modernization work will include all new interior finishes and fixtures, furniture and equipment, as well as exterior finishes.
- Status:** The district anticipates this facility will be available in 2014 or 2015, therefore the costs are not included in the 2015 CFP.

Elementary School Modernization

Grades K-4

Project Name:	Centennial Elementary School Modernization
Location:	2637 45 th Ave SE, Olympia
Site:	11.8 acres
Capacity: <i>(Current Utilization Standard)</i>	479 students (no new student capacity)
Square Footage:	45,345 s.f.
Cost:	Total project: \$12.2 million.
Project Description:	Major modernization of existing school facility. Modernization work will include all new interior finishes and fixtures, furniture and equipment, as well as exterior finishes.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2017.

Elementary School Modernization

Grades K-5

Project Name:	McLane Elementary School Modernization
Location:	200 Delphi Road SW, Olympia
Site:	8.2 acres
Capacity: <i>(Current Utilization Standard)</i>	349 students (107 seats new student capacity)
Square Footage:	45,715 s.f.
Cost:	Total project: \$16.8 million, including a \$6.4 million second structure.
Project Description:	Major modernization of existing school facility. Modernization work will include all new interior finishes and fixtures, furniture and equipment, as well as exterior finishes.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2018.

Elementary School Modernization

Grades K-5

Project Name:	Roosevelt Elementary School Modernization
Location:	1417 San Francisco Ave NE, Olympia
Site:	6.4 acres
Capacity: <i>(Current Utilization Standard)</i>	439 students (51 seats new student capacity)
Square Footage:	47,616 s.f.
Cost:	Total project: \$16.6 million, including a \$6.4 million second structure.
Project Description:	Major modernization of existing school facility. Modernization work will include all new interior finishes and fixtures, furniture and equipment, as well as exterior finishes.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2018.

High School Modernization

Grades 9-12

Project Name:	Capital High School Modernization
Location:	2707 Conger Ave NW, Olympia
Site:	40 acres
Capacity: <i>(Current Utilization Standard)</i>	1,496 students (new student capacity not yet determined)
Square Footage:	254,772 s.f.
Cost:	Total project: \$19.7 million
Project Description:	Modify classroom pod areas and other portions of the existing school in order to support educational trends and students matriculating from the Jefferson Advanced Math and Science program. Replace older failing exterior finishes and roofing.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2018.



High School Addition

Grades 9-12

Project Name:	Olympia High School Addition / portable replacement
Location:	1302 North Street SE, Olympia
Site:	40 acres
Capacity: <i>(Current Utilization Standard)</i>	will limit to 1,811 students; adds 280 permanent seats, which is 70 new seating/student capacity
Square Footage:	233,960 s.f.
Cost:	Total project: \$11.9 million
Project Description:	Provide additional permanent building area to replace ten portable classrooms. Support educational trends with these new spaces.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2018.

Elementary School Expansion

Grades K-5

Project Name:	Pioneer and Hansen Elementary Schools
Capacity: <i>(Current Utilization Standard)</i>	Replace portables with new two-story structures at each school. Adds 250 student seats to each school to address new capacity of 82 students needed at Pioneer and 67 students needed at Hansen.
Cost:	Each structure will cost \$6.4 million. Pioneer costs associated with growth and therefore, impact fees, total \$2.1 million; Hansen growth costs total \$1.7 million.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2018.



High School Addition/Admin. Center

Grades 9-12

Project Name: Avanti High School
Addition & Modernization & Re-location of District Administrative Center

Location: Avanti HS:
1113 Legion Way SE, Olympia (currently located on 1st floor of district Administrative Center

District Administrative Center: To be determined

Site: Avanti HS: 7.5 acres

Capacity: Avanti HS: Will limit to 250 students
(Current Utilization Standard)

District Administrative Center: To be determined

Square Footage: Avanti HS: 78,000 s.f.

District Administrative center: To be determined

Cost: Avanti HS: Total project: \$8.5 million
District Administrative Center: Estimated \$5.3 million

Project Descriptions: Avanti HS:
Expand Avanti High School by allowing the school to occupy all three floors of the District Administrative Center. Expanding the school will allow additional programs and teaching and learning options that might not be available at the comprehensive high schools.

District Administrative Center: Provide a new location for administrative offices somewhere in the downtown vicinity.

Status: Subject to bond approval, the district anticipates this facility will be available in 2018.

C. Appendix—Impact Fee Calculations SF and MF Residence

SCHOOL IMPACT FEE CALCULATIONS								
DISTRICT	Olympia School District							
YEAR	2015 - SF and MF Residence(2)							
School Site Acquisition Cost:								
((AcresxCost per Acre)/Facility Capacity)xStudent Generation Factor								
	Facility	Cost/	Facility	Student	Student	Cost/	Cost/	
	Acreage	Acre	Capacity	SFR	MFR	SFR	MFR	
Elementary	10.00	\$ -	400	0.203	0.050	\$0	\$0	
Middle	20.00	\$ -	600	0.078	0.038	\$0	\$0	
High	40.00	\$ -	1,000	0.096	0.039	\$0	\$0	
				TOTAL		\$0	\$0	
School Construction Cost:								
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(permanent/Total Sq Ft)								
	%Perm/	Facility	Facility	Student	Student	Cost/	Cost/	
	Total Sq.Ft.	Cost	Capacity	SFR	MFR	SFR	MFR	
Elementary	99.00%	17,784,445	502	0.203	0.050	\$7,120	\$1,754	
Middle	99.00%		210	0.078	0.038	\$0	\$0	
High	99.00%	3,015,350	70	0.096	0.039	\$4,094	\$1,663	
				TOTAL		\$11,214	\$3,417	
Temporary Facility Cost:								
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(Temporary/Total Square Feet)								
	%Temp/	Facility	Facility	Student	Student	Cost/	Cost/	
	MFR Total Sq.Ft.	Cost	Capacity	Factor	Factor	SFR	MFR	
Elementary	1.00%	115,000.00	25	0.203	0.050	\$9	\$2	
Middle	1.00%		0	0.078	0.038	\$0	\$0	
High	1.00%		0	0.096	0.039	\$9	\$2	
				TOTAL		\$9	\$2	
State Matching Credit:								
Boeckh Index X SPI Square Footage X District Match % X Student Factor								
	Boeckh	SPI	District	Student	Student	Cost/	Cost/	
	Index	Footage	Match %	SFR	MFR	SFR	MFR	
Elementary	\$ 200.40	90	\$2.21%	0.203	0.050	\$1,912	\$471	
Junior	\$ 200.40	108	0.00%	0.078	0.038	\$0	\$0	
Sr. High	\$ 200.40	130	0.00%	0.096	0.039	\$0	\$0	
						\$1,912	\$471	
Tax Payment Credit:								
Average Assessed Value						\$238,839	\$67,531	
Capital Bond Interest Rate						4.29%	4.29%	
Net Present Value of Average Dwelling						\$1,909,532	\$539,914	
Years Amortized						10	10	
Property Tax Levy Rate						\$4.8094	\$4.8094	
Present Value of Revenue Stream						\$3,455	\$977	
Fee Summary:								
				Single	Multi-			
				Family	Family			
	Site Acquisition Costs			\$0	\$0			
	Permanent Facility Cost			\$11,214	\$3,417			
	Temporary Facility Cost			\$9	\$2			
	State Match Credit			(\$1,912)	(\$471)			
	Tax Payment Credit			(\$3,455)	(\$977)			
	FEE (AS CALCULATED)			\$5,857	\$1,972			
	FEE (AS DISCOUNTED 15%)			\$4,978	\$1,676			



Olympia School District Capital Facilities Plan 2016-2021

October 5, 2015

Please note, the Proposed Impact Fee is being calculated by legal counsel, and will be presented to the School Board October 12th. The following report provides the basis for assumptions for the upcoming six year period, which drive the impact fee calculation.

Executive Summary

The Olympia School District's 2016-2021 Capital Facilities Plan (CFP) has been prepared as the district's principal six-year facility planning document in compliance with the requirements of the Washington State Growth Management Act. This plan is developed based on the district's recent long range facilities master plan work, which looked at conditions of district facilities, projected enrollment growth, utilization of current schools and the capacity of the district to meet these needs from 2010 to 2025. This report is the result of a volunteer Facilities Advisory Committee (FAC) who worked with the district and a consulting team for nearly six months. In addition to this CFP and the 2011 master plan and the updates that are underway, the district may prepare other facility planning documents, consistent with board policies, to consider other needs of the district as may be required.

This CFP consists of four elements:

1. An inventory of existing capital facilities owned by the Olympia School District including the location and student capacity of each facility.
2. A forecast of future needs comparing student enrollment projections against permanent facility student capacities. The basis of the enrollment forecast was developed by demographer Dr. W. Les Kendrick. An updated student generation rate for this plan and to calculate the impact fee was developed by demographer Michael McCormick.

<ol style="list-style-type: none">1. The proposed locations and capacities of new and expanded facilities anticipated to be constructed or remodeled over the next six years and beyond.
--

3. A financing plan for the new and expanded facilities anticipated to be constructed over the next six years. This plan outlines the source of funding for these projects including state revenues, local bond revenue, local levy revenue, impact fees, mitigation fees, and other revenues.
4. This CFP contains updates to plans that address how the district will respond to state policies to reduce class size. The Legislature has recently enacted legislation that targets class size reduction by the 2017-18 school year (SY), the Supreme Court has mandated implementation of this legislation, and an initiative of the people (I-1351) was enacted, significantly impacting school housing needs. All three of these efforts/entities have included conversion of half-day kindergarten to full-day kindergarten as a high priority.

The 2011 Master Plan and updates contain multiple projects to expand the district's facility capacity and major modernizations. Specifically the plan includes major modernizations for Garfield (with expanded capacity), Centennial, McLane, and Roosevelt Elementary Schools; limited modernization for Jefferson Middle School; and modernizations for Capital High School. The plan calls for the construction of a new building, with expanded capacity, for the Olympia Regional Learning Academy. The plan calls for the construction of a new elementary/intermediate school (serving grades 5-8) on the east side of the district. In the 2015 Master Plan update, this new intermediate school project will not move forward. The district will expand capacity at five elementary schools via pods of permanent construction of 7-11 classrooms. In addition, in order to nearly double Avanti High

School enrollment, Avanti is scheduled to expand to use the entire Knox building; the administration would move to a different building. At Olympia High School, the district would reduce reliance on 10 portables by building a new permanent building of about 22 classrooms. Finally, the plan includes a substantial investment in systems modernizations and major repairs at facilities across the district.

This plan is intended to guide the district in providing new capital facilities to serve projected increases in student enrollment as well as assisting the district to identify the need and time frame for significant facility repair and modernization projects. The CFP will be reviewed on an annual basis and revised accordingly based on the updated enrollment and project financing information available.

DRAFT

Capital Facilities Plan 2016-2021

Olympia School District
October 5, 2015

Executive Summary

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Overview of 2015 Facilities Advisory Committee Phase II Master Plan Update

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I. School Capacity, Methodology and Levels of Service

The primary function of calculating school capacities is to allow observations and comparisons of the amount of space in schools across the Olympia School District (OSD) and plan for growth in the number of students anticipated at each school. This information is used to make decisions on issues such as locations of specialty program offerings, enrollment boundaries, portable classroom units, new construction and the like.

School capacities are a general function of the number of classroom spaces, the number of students assigned to each classroom, how often classrooms are used, and the extent of support facilities available for students, staff, parents and the community. The first two parameters listed above provide a relatively straightforward calculation, the third parameter listed is relevant only to middle and high schools, and the fourth parameter is often a more general series of checks and balances.

The district’s historical guideline for the maximum number of students in elementary school classrooms is as follows. The table below also identifies the guideline of the new initiative and the square footage guideline used for costing construction:

Class Size Guidelines	OSD Historical Guideline:	2014 I-1351 Enacted Law:	Square Footage Guideline:
Kindergarten	23 students	17 students	25-28 students
Grades 1-2	23 students	17 students	25-28 students
Grades 3	25 students	17 students	28 students
Grades 4-5	27 students	25 students	28 students

As the district constructs new classrooms, the class size square footage guideline is tentatively set to accommodate 25-28 students. Under the initiative (if enacted), the class size goal for 4th and 5th grade would be 25. Occasionally, class sizes for a class must exceed the guideline, and be in overload status. The district funds extra staffing supports for these classrooms when they are in overload status. In most cases, the district needs to retain flexibility to a) place a 4th or 5th grade into any physical classroom; and b) size the classroom square footage to contain a classroom in overload status where needed. In addition, there is the possibility that class sizes would be amended at a later time to increase or that state policy makers would never fully implement the guidelines of Initiative 1351. For these reasons, the district is maintaining its historical practice of constructing classrooms to hold 28 students comfortably.

Typically, OSD schools include a combination of general education classrooms, special education classrooms, and classrooms dedicated to supportive activities, as well as classrooms dedicated to enrichment programs such as art, music, language and physical education. Some programs, such as special education, serve fewer students but require regular-sized classrooms. An increased need for these programs at a given school can reduce that school’s total capacity. In other words, the more regular sized classrooms that are occupied by smaller numbers of students, the lower the school capacity calculation will be. Any school’s capacity, primarily at elementary level, is directly related to the programs offered at any given time.

Special education classroom use at elementary level includes supporting the Infant/Toddler Preschool Program, Integrated Kindergarten Program, DLC Program (Developmental Learning Classroom, which serves students with moderate cognitive delays), Life Skills Program (students with significant cognitive delays), LEAP Program (Learning to Engage, be Aware and Play Program for students with significant behavior disabilities) and the ASD Program (students with autism spectrum disorders.) At middle and/ or high level, special education classroom use includes supporting the DLC Program, Life Skills Program, HOPE Program (Help Our People Excel for students with significant behavior disabilities) and the ASD Program.

Classrooms dedicated to specific supportive activities include serving IEP's (Individual Education Plan) OT/PT services (Occupational and Physical Therapy), speech and language services, ELL services (English Language Learner), PATS services (Program for Academically Talented Students), as well as non-specific academic support for struggling students (primarily Title I of the No Child Left Behind Act.)

Of note, the district has a practice of limiting school size to create appropriately-sized learning communities. The district has a practice of limiting elementary school size to 500 students; middle school size to 800 students; and high school size to 1,800 students. These limits represent a guide, but not an absolute policy limit and in this CFP update the guideline is adjusted slightly. The district's 2015 review and update of the 2011 Master Plan included the FAC's recommendation that exceeding these sizes was desirable if the school still functioned well, and that a guideline should be exceeded when it made sense to do so. Therefore the plans for future enrollment growth are based on this advice and some schools are intended to grow past these sizes.

Methodology for Calculating Building Capacity

Elementary Schools

For the purpose of creating an annual CFP, student capacity at individual elementary schools is calculated by using each school's current room assignments. (E.g. How many general education classrooms are being used, and what grade level is being taught? How many different special education classrooms are being used? How many classrooms are dedicated to supportive activities like the PATS Program, ELL students, etc.?)

Throughout the district's elementary schools, special programs are located according to a combination of criteria including the proximity of students who access these special programs, the efficiency of staffing resources, and available space in individual schools. Since the location of special programs can shift from year to year, the student capacities can also grow or retract depending on where the programs are housed. This fluctuation is captured in what is termed the "Program Capacity" of each school. That is to say that "Program Capacity" is calculated based on the programs offered at a given school each year, instead of a simple accounting of the number of classroom spaces. (See Table A.)

Middle and High Schools

Capacity at middle schools and high school levels are based on the number of “teaching stations” that include general-use classrooms and specialized spaces, such as music rooms, computer rooms, physical education space, industrial arts space, and special education and/or classrooms dedicated to supportive activities. In contrast to elementary schools, secondary students simultaneously occupy these spaces to receive instruction. As a result, the district measures the secondary school level of service based on a desired average class size and the total number of teaching stations per building. The capacities of each secondary school are shown on Table B.

Building capacity is also governed by a number of factors including guidelines for maximum class size, student demands for specialized classrooms (which draw fewer students than the guidelines allow), scheduling conflicts for student programs, number of work stations in laboratory settings, and the need for teachers to have a work space during their planning period. Together these limitations affect the overall utilization rate for the district’s secondary schools.

This rate, in terms of a percentage, is applied to the number of teaching stations multiplied by the average number of students per classroom in calculating the effective capacity of each building. The levels of service for both middle and high school equates to an average class loading of 28 students based upon an 80% utilization factor. The only exception is Avanti High School, the district’s alternative high school program, which does not consist of any specialized classroom space and has relatively small enrollment, so a full 100% utilization factor was used to calculate this school’s capacity

The master plan includes estimates for both current and maximum utilization. In this CFP we have used the current utilization capacity level because it represents the ideal OSD configurations of programs and services at this time. It is important to note that there is very little added capacity generated by employing the maximum utilization standard.

Level of Service Variables

Several factors may impact the district’s standard Level of Service (LOS) in the future including program demands, state and federal funding, collective bargaining agreements, legislative actions, and available local funding. These factors will be reviewed annually to determine if adjustments to the district’s LOS were warranted. The district is experiencing growth in its special education preschool population and is exploring opportunities to provide other additional or expanded programs to students in grades K-12. This review may result in a change to the standard LOS in future Capital Facilities Plans.

Alternative Learning

The district hosts the Olympia Regional Learning Academy (ORLA), which serves students from both within and outside of the district’s boundaries. The program, which began in 2006, now serves approximately 350 students. Each year since 2006 the program’s enrollment has increased and the proportion of students from within the Olympia School District has increased. Therefore, over time, the program will have a growing positive impact on available capacity within traditional district schools. As more students from within district schools migrate to ORLA, they free up capacity to absorb projected growth.

The Olympia School District is also committed to serving as this regional hub for alternative education and services to families for non-traditional education. The program is providing education via on-line learning, home-school connect (education for students that are home-schooled), and Montessori elementary education.

Finally, Olympia School District is committed to providing families with alternatives to the traditional public education, and keeping up with the growing demand for these alternatives, and is committed to providing ORLA students and families with a safe facility conducive to learning.

Elementary School Technology

In capacity analyses, the district has assumed that current computer labs will be converted to classrooms. The ease of use, price, and industry trend regarding mobile computing afford the district the opportunity to eventually convert six classrooms/portables from a computer lab into a classroom.

Preschool Facilities

The district houses 10 special needs preschool classrooms across the district. Recently the district has been leasing space from a church due to a lack of classroom space. The CFP addresses the need to house these classrooms in district facilities. The analysis of classroom space assumes that if an elementary school currently houses a preschool classroom, that the school retains that preschool classroom. However, the Board of Directors will also consider an option to house preschool in one or two centralized spaces.

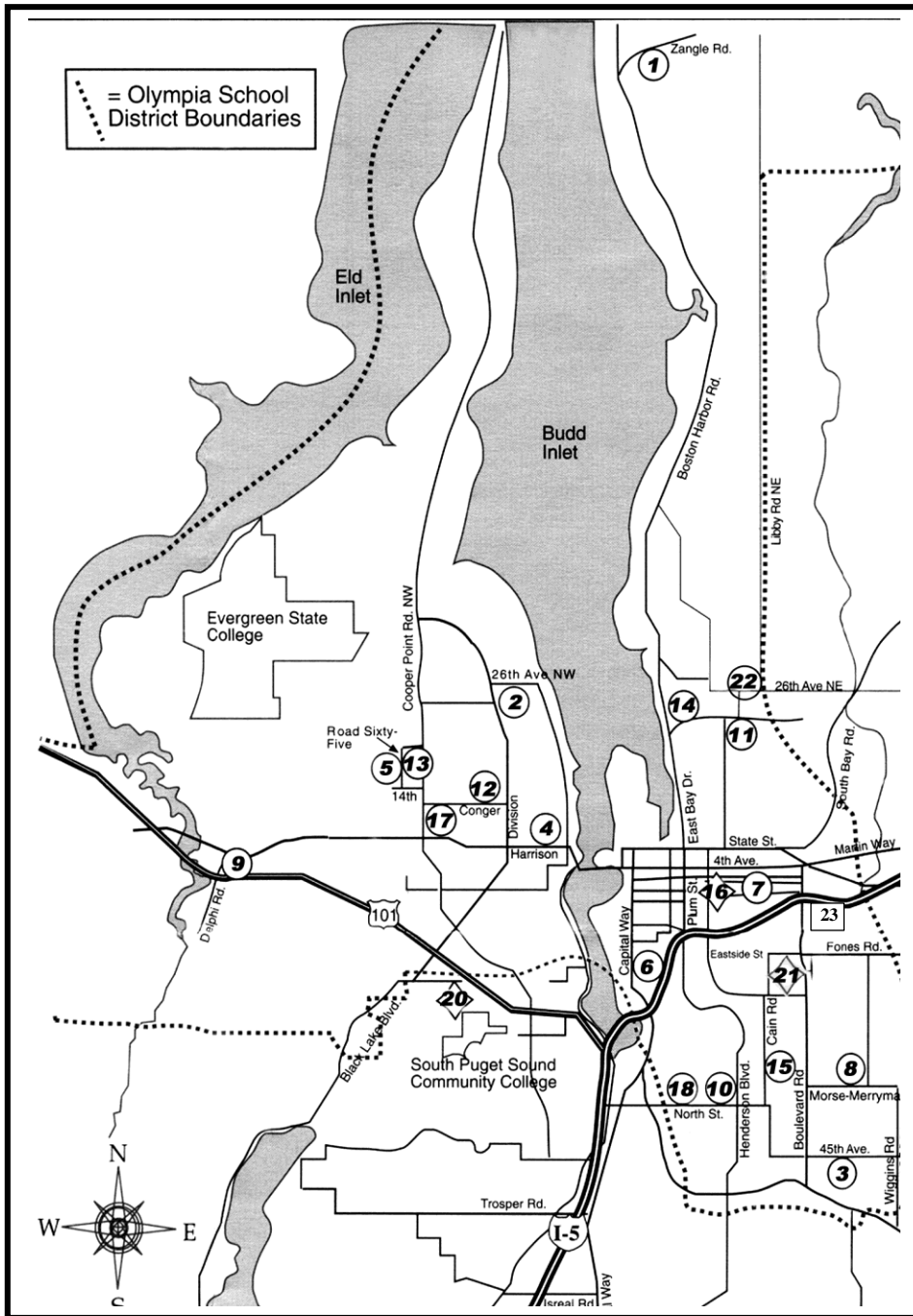
Table A
Elementary School Capacities (Current Utilization Standard and Current Class Size)

HC = Headcount	Oct HC 2014-15	Computer Labs Converted to Classroom			Computer Labs Converted to Classroom			
		Preschool Room Converted to K-5			Preschool Retained			
		Permanent	Portable	Total	Permanent	Portable	Total	
Elementary Schools								
Boston Harbor	137	168	42	210	168	0	168	
Brown, LP	294	339	0	339	339	0	339	
Centennial	529	357	105	462	357	105	462	
Garfield	320	441	16	457	399	16	415	
Hansen	470	399	105	504	399	105	504	
Lincoln	294	273	0	273	273	0	273	
Madison	248	252	0	252	231	0	231	
McKenny	362	331	63	394	310	63	373	
McLane	328	331	42	373	310	42	352	
Pioneer	440	365	42	407	365	42	407	
Roosevelt	420	386	0	386	386	0	386	
Totals	3,842	3,642	415	4,057	3,537	373	3,910	
West Side Elementary Totals (BES, GES, HES, McLES)	1,706	1,783	163	1,946	1,720	163	1,883	
East Side Elementary Totals (BHES, CES, LES, MES, McKES, PES, RES)	2,136	1,859	252	2,111	1,817	210	2,027	

**Table B
Middle and High School Capacities (Current Utilization Standard and Current Class Size)**

HC-Headcount	Oct HC 2014-15	Building Capacities with 2010-2011 Program Utilization				Building Capacities with 2010-2011 Program Utilization				Building Capacities with 2010-2011 Program Utilization				Building Capacities with 2010-2011 Program Utilization				Education Program Policy- Max. Capacity			
		General Education		Special Education		Special Education		Special Education		Special Education		Special Education		Specific Supportive Activities		Gen Ed		Perm. Capacity	Port. Capacity	Total Capacity (including portables)	
		# of classrooms	Perm. Capacity	# of portables	Port. Capacity	Total Capacity (including portables)	# of classrooms	Perm. Capacity	# of portables	Port. Capacity	Total Capacity (including portables)	# of classrooms	Perm. Capacity	# of portables	Port. Capacity	Gen Ed Capacity (including portables)	Perm. Capacity	Port. Capacity	Total Capacity (including portables)		
Middle Schools																					
	Jefferson	25	718	0	0	718	3	25	0	0	25	5	0	0	0	0	744	0	744		
	Marshall	23	660	0	0	660	1	10	0	10	10	3	0	0	0	0	670	0	670		
	Reeves	24	689	1	29	718	1	8	0	8	8	3	0	0	0	0	697	29	726		
	Washington	32	918	0	0	918	0	0	0	0	0	4	0	2	0	0	918	0	918		
	Totals	104	2,985	1	29	3,014	5	44	0	44	44	15	0	2	0	0	3,029	29	3,058		
*Utilization Factor for middle schools = 80%																					
High Schools																					
	Avanti	156	201	0	0	201	0	0	0	0	0	0	0	0	0	0	201	0	201		
	Capital	1,344	1,808	2	57	1,866	1	6	0	6	6	5	0	0	0	0	1,814	57	1,872		
	Olympia	1,716	2,066	6	172	2,239	2	12	3	24	36	2	12	3	24	0	2,078	156	2,235		
	High School Totals	3,216	4,075	8	230	4,305	3	18	3	24	42	5	0	0	0	0	4,093	254	4,347		
*Utilization Factor for Avanti = 100%																					
*Utilization Factor for comp. high schools = 80%																					

Olympia School District Building Locations



Elementary Schools

1. Boston Harbor
2. L.P. Brown
3. Centennial
4. Garfield
5. Hansen
6. Lincoln
7. Madison
8. McKenny
9. McLane
10. Pioneer
11. Roosevelt

Middle Schools

12. Jefferson
13. Marshall
14. Reeves
15. Washington

High Schools

16. Avanti
17. Capital
18. Olympia

Other Facilities

19. New Market Voc. Skills Center
20. Transportation
21. Support Service Center
22. John Rogers
23. Olympia Regional Learning Academy

II. Forecast of Future Facility Needs: Olympia School District Enrollment Projections

Summary Prepared by Demographer, Dr. Les Kendrick¹

Enrollment in the Olympia School District has trended up over the past three years. This is in sharp contrast to the relatively flat enrollment trend that was in place for much of the past decade. Over the past three years we have seen improvements in the local and regional real estate market, and the entering kindergarten classes have been larger as the bigger birth cohorts from 2007 to 2009 have become eligible for school. These trends have contributed to the recent net gains in enrollment. The question is, will these trends continue or do we expect a return to a flat or declining pattern over the next decade?

In a report completed in 2011, a demographer predicted Olympia would begin to see a general upward trend in enrollment between 2011 and 2025, due to larger birth cohorts entering the schools and projected population and housing growth within the District boundary area. For the most part this pattern has held true, though the official enrollment in October 2014 was approximately 150 students below the medium range projection completed in March 2011. The purpose of this report is to update the enrollment projections and extend them out to 2030.

The first part of this analysis provides a general narrative describing the recent enrollment and demographic trends with a discussion of what is likely to happen in the future. The next part of the analysis is divided into sections which highlight specific demographic trends and their effect on enrollment. Each section begins with a set of bulleted highlights which emphasize the important information and conclusions to keep in mind when viewing the accompanying charts and tables.

Following this discussion, the detailed forecasts by grade level for the District are included. This section provides a variety of alternative forecasts including low, medium, and high range options that emphasize the uncertainty we encounter when trying to predict the future. The medium range forecast is recommended at this time, though it is important to give at least some consideration to the low and high alternatives in order to determine what actions might be taken if enrollment were to trend close to these options.

The final section presents enrollment projections by school. These projections are balanced to the medium range District forecast and are designed to assist with facilities planning, boundary adjustments, or other matters that are relevant in school district planning.

Finally, it is worth noting that sometimes there will be unpredictable changes in the local or regional environment (dramatic changes in the economy, the housing market, or even natural disasters) that can lead to enrollment trends that diverge widely from the estimates presented here. For this reason the District will update the long range projections periodically to take advantage of new information; typically a new update is prepared every 5 years.

¹ Enrollment trends and projections prepared by Dr. William (“Les”) Kendrick, May 2015.

Enrollment Trends – Past, Present, and Future

As noted in the introduction, enrollment in the Olympia School District has trended up in the past three years. Olympia's share of the county K-12 public school enrollment has also increased during this time period. Between 2000 and 2010 the District's share of the County K-12 enrollment declined from 24.3% in October 2000, to 22.7% by October 2010. The North Thurston and Yelm school districts saw big gains in their K-12 population between 2000 and 2010, consistent with their overall gain in the general population. Since 2010, however, Olympia's share of the K-12 public school market has increased to 23.1%.

Shifts and changes in school age populations over time are not unusual as housing development, local economic changes, and family preferences can lead to shifts and changes from year to year. Over the next decade, however, it is likely that most, if not all, of the school districts in the County will see some gain in their enrollment as the larger birth cohorts from recent years become eligible for school. Since 2007, Thurston County has seen an average of about 3000 births per year, with recent years trending even higher. This compares to an average of 2500 births a year that we saw between 1997 and 2006. As these larger birth cohorts have begun to reach school age (kids born in 2007 would be eligible for school in 2012) overall kindergarten enrollment in Thurston County has increased. In Olympia specifically, the 2014 kindergarten class was larger than any class from the previous 13 years.

Looking ahead, births are expected to continue to trend up some at least through 2025, with births in the county remaining above 3,000 for the foreseeable future. This trend is partly generational, as the grandchildren of the baby boomers reach school age, and partially due to a good State economy that continues to attract young adults who already have children or might be expected to have children in the future. The forecast from the State for Thurston County predicts that there will be more women in the population between the ages of 20 and 45 over the next decade than we have seen in the previous decade. As a result, we expect larger birth cohorts with accompanying gains in K-12 enrollment. This trend is also evident in the counties near Seattle (King, Pierce, Kitsap, and Snohomish). More births throughout the region mean that there will be more families with school-age children buying houses over the next decade.

In addition to birth trends, the real estate market is improving. According to a recently completed report by Mike McCormick, the Olympia School District saw a net gain of over 1,000 new single family units and over 600 multi-family units between 2009 and 2013. These numbers are substantially higher than results of the 2011 analysis.

New housing development typically brings more families with children into the District. According to the McCormick analysis, Olympia saw a gain of about 59 students for every 100 new single family homes that were built, and about 23 students for every 100 new multi-family units. These gains are in line with the averages seen in the Puget Sound area where there is typically an average gain of about 50 students per 100 new single family homes and 20-25 students for every 100 new multi-family units. These are averages, of course, and the numbers can vary widely across districts.

The McCormick results are also consistent with estimates from the Office of Financial Management (OFM) for the State of Washington. OFM reports that just under 1,800 housing units have been added to the District's housing stock since the 2010 Census (2010 to 2014). If this pace were to continue, the District would see over 4,000 units added to the housing stock between 2010 and 2020.

There are reasons to project that the pace of new home development could be even greater. The OSD tracking of current housing projects shows that there are just over 3200 units (approximately 1,700 single family units and 1,500 multi-family units) that are in various stages of planning. Some of the units have been recently completed and others are moving at a very slow pace, so it is difficult to predict how many will be completed by 2020.² Assuming complete build-out by 2020, this would add an additional 3,200 units to those already completed, resulting in a net gain of approximately 5,000 housing units between 2010 and 2020. This is reasonably close to the housing forecasts produced by the Thurston Regional Planning Council (TRPC), though the latter forecast also predicts that the average household size in Olympia will continue to drop over time, resulting in fewer residents per house (and perhaps fewer students per house as well).

Housing estimates are one factor that can be used when predicting future enrollment. Information about housing developments that are currently in the pipeline (i.e., projects that we know are on the books) can be used to help us forecast enrollment over the next five to six year period. Beyond that point we either need housing forecasts (which are available from the TRPC) or more general estimates of population growth and even K- 12 population growth that we can use to help calibrate and refine our long range forecasts.

Addressing population growth specifically, various estimates suggest that the Olympia School District will grow at about the same rate as the overall county over the next ten to fifteen years. In addition, due to the larger birth cohorts referenced earlier, the Office of Financial Management (OFM) is predicting continued gains in the Age 5-19 population between now and 2030 in its medium range forecast for the County. Given the projected growth in housing and population, and the trends in births, the projections assume that enrollment in Olympia and the County will continue to grow between now and 2025 at a healthy pace, with a slowing growth trend between 2025 and 2030. The latter trend occurs because as we go out further, graduating 12th grade classes get larger (as the large kindergarten classes from recent years roll up through the grades). Between 2025 and 2030, some of the gains from the large kindergarten classes begin to be offset by the size of each year's exiting 12th grade class. In addition, the projections include a slight decline in the size of the birth cohorts that will be entering school during this time period.

There is, as always, some uncertainty in predicting the future. The hardest factor to predict is the net gain or loss in the population that occurs from people moving into or out of an area. These changes, referred to as "migration", can shift due to changes in the local, regional or State economy. In addition, large shifts in the military population in an area can also lead to unexpected changes in migration.

² This includes only those projects that are not yet complete or were recently completed in 2014.

As a result of this uncertainty alternative forecasts were developed. First, a series of forecasts, using different methods, were produced; these lend support to the medium range option recommended in the final section. And, in addition to the final medium range forecast, low and high alternatives that show what might happen if housing and population growth (especially K-12 population growth) were to be lower or higher than what assumed in the medium model. Accumulated over time, these differences show alternative scenarios for future enrollment. Although the medium range forecast is consistent with our expectations about births, population, and housing development, it is important to consider the low and high alternatives, since the unexpected does sometimes happen.

It should also be noted that the recommended forecast in this report is somewhat lower than the recommended forecast from 2011. This reflects the fact that the current birth forecasts, while still predicting gains compared to the previous decade, are lower than the forecasts from 2011. This difference reflects recent changes in fertility rates (the number of children born to women in their child-bearing years) and updated forecasts of the female population for Thurston County that were completed after 2011. It also reflects the latest kindergarten trends which show Olympia enrolling a smaller proportion of the County kindergarten population.

The current forecast also takes account of the latest forecast of the Thurston County population by age group, obtained from the Office of Financial Management (OFM). As a result of this information and the data on births and kindergarten enrollment, the present forecast is lower than the one completed in 2011.

Final Forecasts by Grade

A final low, medium, and high range forecast by grade level was produced for the District. The medium forecast is recommended at this time.

- **Medium Range Forecast:** This forecast assumes the addition of approximately 476 new housing units annually and population growth of about 1.3% a year between now and 2030. It also assumes some overall growth in the school age population based on the expected rise in births and the forecast of the Age 5-19 County population (OFM Medium Range Forecast).
- **Low Range Forecast:** This forecast assumes that the K-12 population will grow at a rate that is about 1% less on an annual basis than the growth projected in the medium range forecast.
- **High Range Forecast:** This forecast assumes that the K-12 population will grow at a rate that is about 1% more on an annual basis than the growth projected in the medium range forecast.

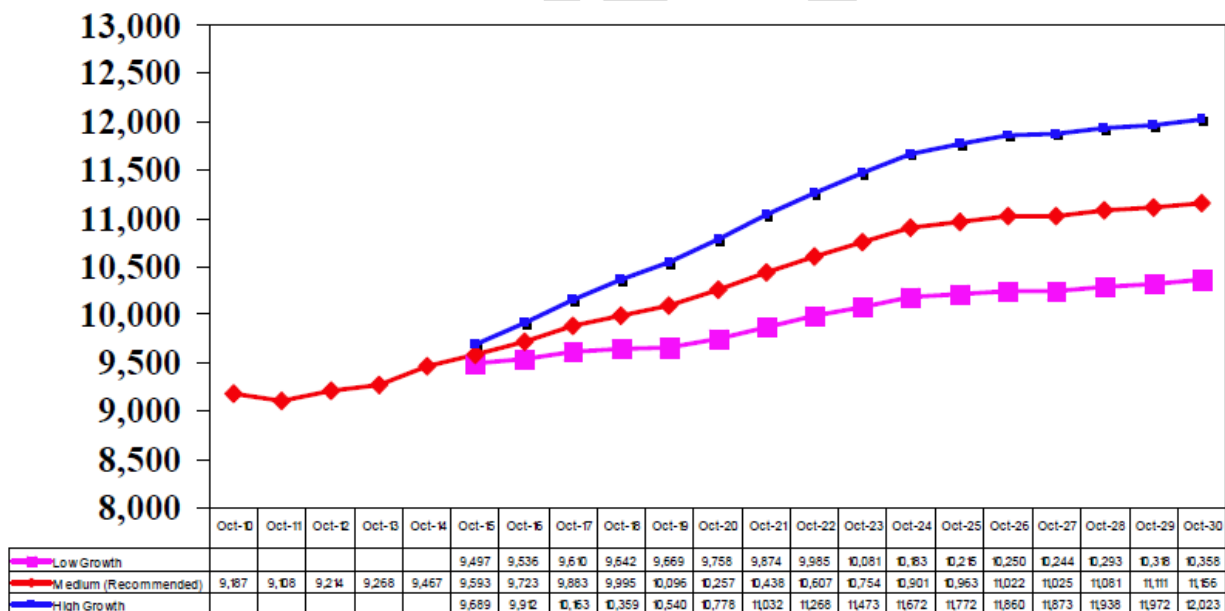
Considerations regarding the Forecast

Although multiple models lend credibility to our medium range forecast, there is always a possibility that our forecast of future trends (births, population, and housing) could turn out to be wrong. This is the reason for the low and high alternatives.

There are several key indicators to keep in mind when looking at future enrollment trends. These indicators are helpful for knowing when enrollment might start trending higher or lower than expected.

- Births – If births between 2015 and 2025 are higher or lower than our present forecasts, we can expect a corresponding increase or decrease in the overall enrollment.
- Also, it is useful to track the district’s share of the county kindergarten enrollment. If it continues to decline as in recent years, or trends up more dramatically, this too will have a corresponding effect on long term enrollment growth.
- Migration – There has been a lot of discussion in recent years of young families opting for a more urban lifestyle in cities. This is certainly true of recent trends in Seattle where the K-12 enrollment has gone up dramatically as the number of families opting to stay in the City and attend city schools has increased. Similar trends can also be seen in the Bellevue School District. In Olympia, one should take note if there is more enrollment growth in the more urban areas of the District or, alternatively, less growth in outlying Districts like Yelm that saw tremendous population and housing growth between the 2000 and 2010 Census. These trends, if present, might indicate that enrollment will trend higher than we are predicting in our medium range model.

Graph A: Low, Medium, and High Range Forecasts 2015-2030



Graph A is based on Birth Trends and Forecasts, Grade-to-Grade growth and an adjustment for projected future changes in housing growth and growth in the Age 5-19 population.

The table below displays the 10-year enrollment forecast, by grade level.

Table C

Grade	Oct '14	Oct '15	Oct '16	Oct '17	Oct '18	Oct '19	Oct '20	Oct '21	Oct '22	Oct '23	Oct '24	Oct '25
K		634	656	658	669	661	671	716	722	727	733	704
1		710	673	697	699	711	702	712	760	766	772	777
2		688	728	689	714	715	728	718	728	778	784	790
3		727	703	743	704	729	731	743	733	743	794	800
4		700	746	722	763	723	748	750	762	752	762	814
5		723	722	769	744	786	745	770	772	785	774	785
6		686	715	713	760	735	777	738	763	764	777	767
7		701	708	738	737	785	759	804	764	790	791	804
8		672	714	721	752	750	799	775	821	779	806	807
9		884	833	885	894	931	929	992	961	1,019	967	1,000
10		878	889	837	889	898	935	936	999	968	1,026	974
11		782	845	855	806	856	864	902	902	963	934	898
12		807	792	856	867	816	867	882	921	921	983	953
Total	9,467	9,593	9,723	9,883	9,995	10,096	10,257	10,438	10,607	10,754	10,901	10,963
Change		126	130	161	112	101	160	181	170	147	147	62
% of Change		1.33%	1.36%	1.66%	1.13%	1.01%	1.58%	1.76%	1.63%	1.39%	1.37%	0.57%

Chart 1 depicts the number of new students expected at the elementary level for each of the 3 enrollment projections: low, medium and high. Based on the medium projection, in 10 years the district will need to be housing an additional 567 elementary-age students.

Chart 1: Elementary School Cumulative Enrollment Change; Low, Medium and High Projections

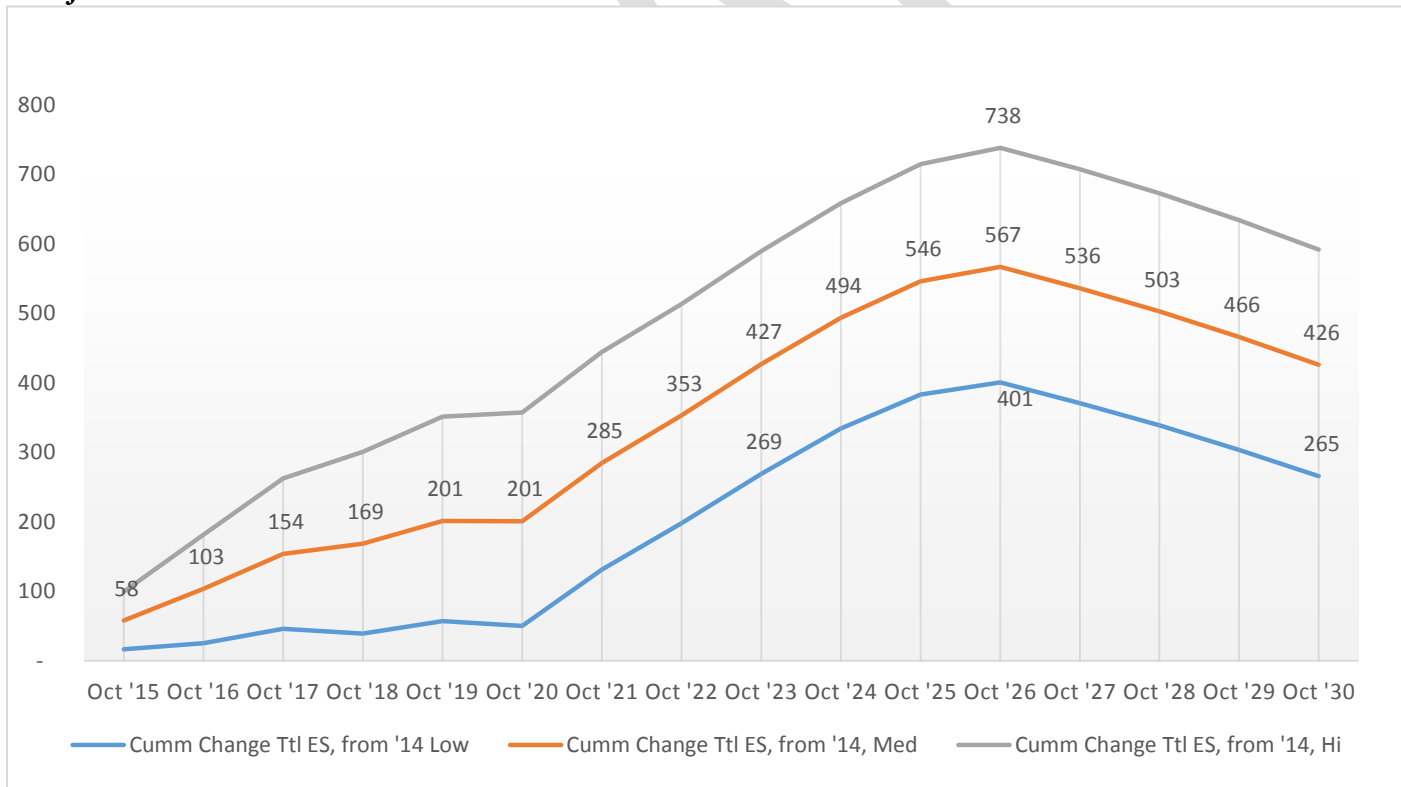


Chart 2 depicts the number of new students expected at the middle school level for each of the 3 enrollment projections: low, medium and high. Based on the medium projection, in 10 years the district will need to be housing an additional 322 middle school-age students.

Chart 2: Middle School Cumulative Enrollment Change; Low, Medium and High Projections

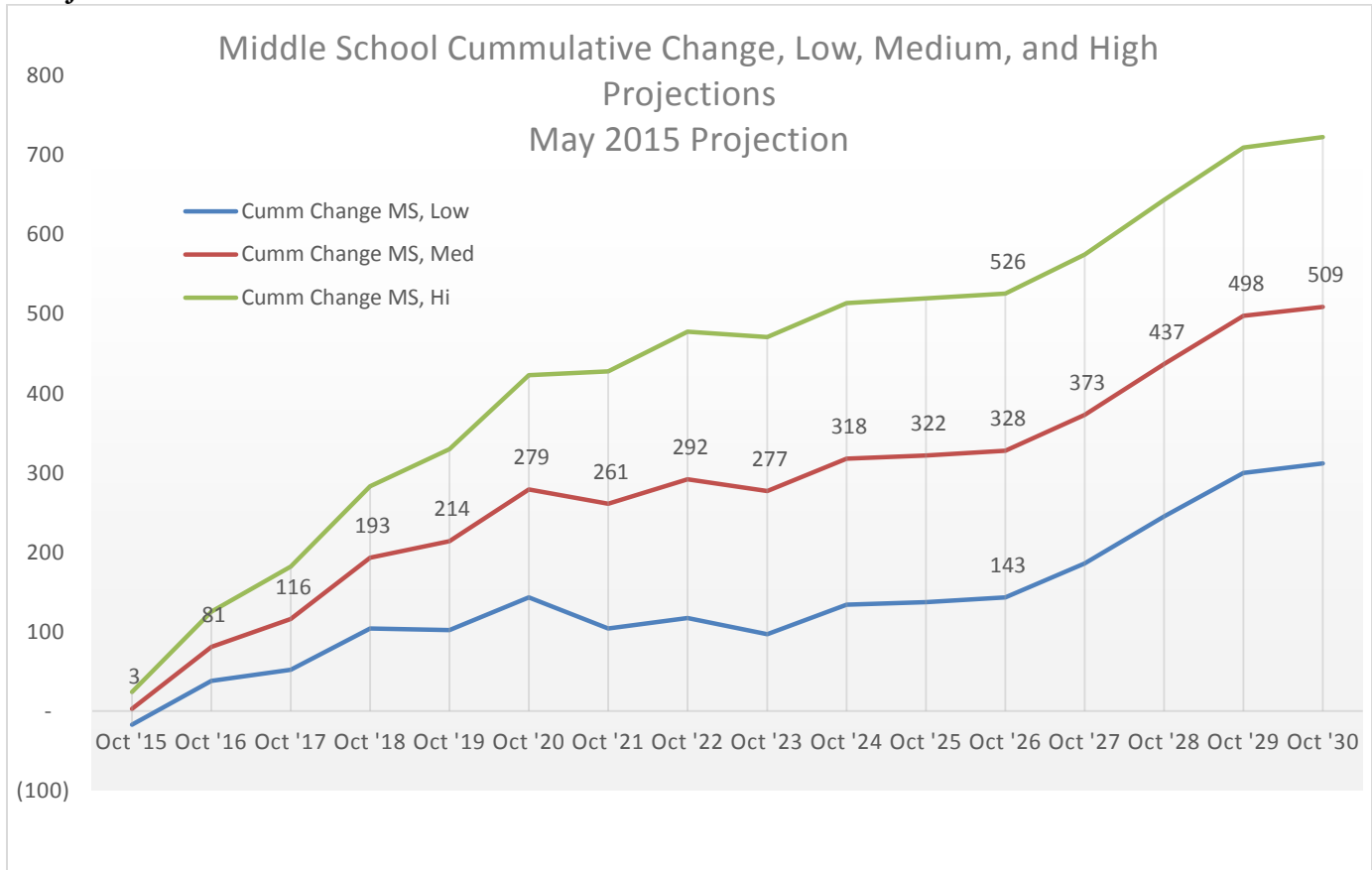
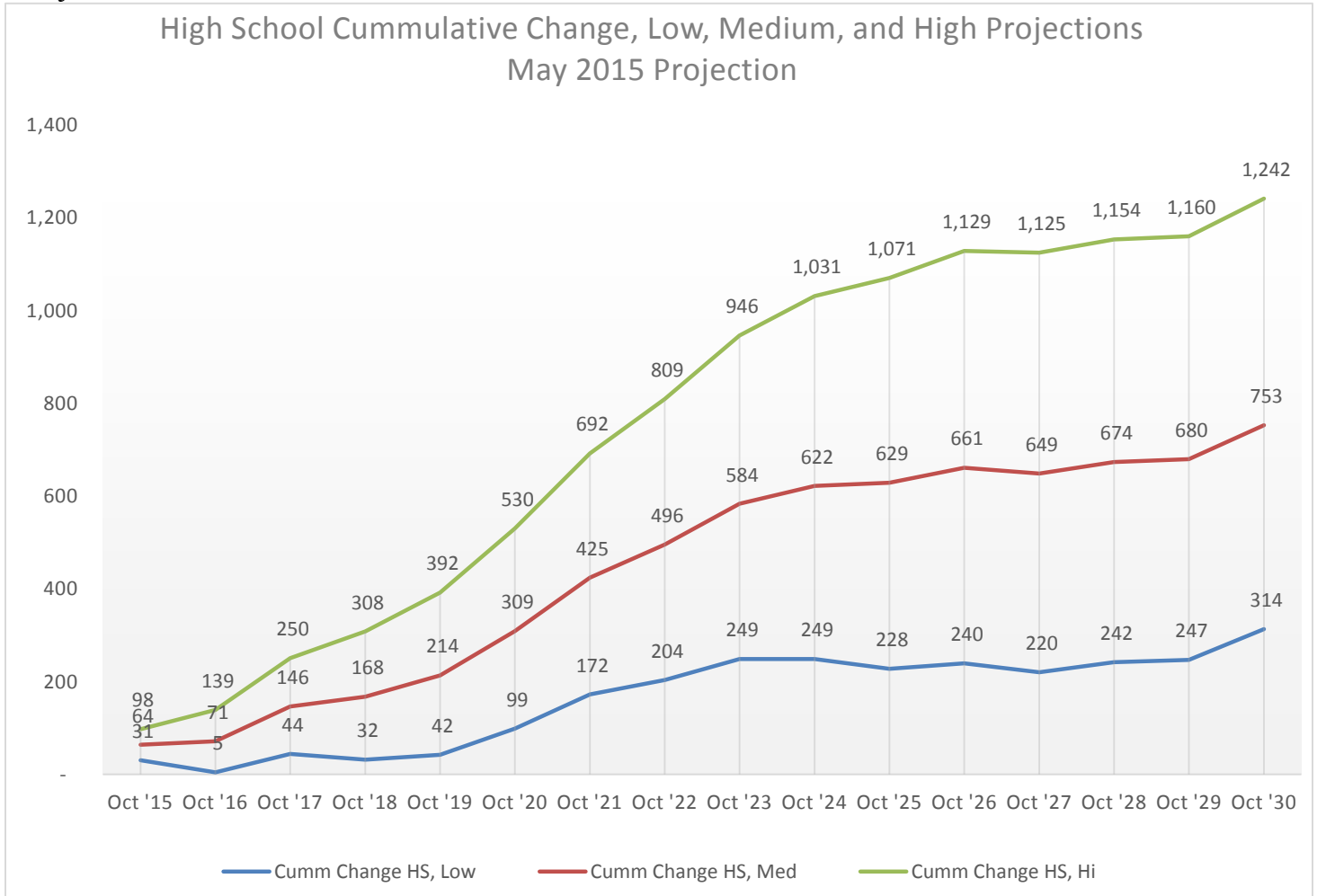


Chart 3 depicts the number of new students expected at the high school level for each of the 3 enrollment projections: low, medium and high. Based on the medium projection, in 10 years the district will need to be housing an additional 629 high school-age students.

Chart 3: High School Cumulative Enrollment Change; Low, Medium and High Projections



School Forecasts

Forecasts were also created for schools. This involved allocating the District medium range projection to schools based on assumptions of differing growth rates in different service areas. Two sources of information were used for this forecast. First, housing development information by service area, provided by the Olympia School District, was used to forecast school enrollments between 2015 and 2020. (See next section for Student Generation Rate study results.) The average enrollment trends by grade were extrapolated into the future for each school. The numbers were then adjusted to account for additional growth or change due to new home construction. For the period between 2020 and 2030 adjustments to the school trends were based on housing forecasts by service area obtained from the Thurston Regional Planning Council.

For secondary schools, the entry grade enrollment forecasts (grade 6 and 9) were based on enrollment trends and housing, as well as estimates of how students feed from elementary into

middle school and middle into high school. For alternative schools and programs it was assumed that their share of future enrollment would be consistent with recent trends. This means that ORLA, for example, would increase its enrollment over time, consistent with the overall growth in the District’s enrollment.

In all cases, the final numbers were balanced to the District medium projection which is assumed to be most accurate. This analysis by school allows the District to look at differential growth rates for different parts of the District and plan accordingly. Summary projections by school are provided on the following page.

Although the school projections are carried out to 2030, it is very likely that changes in demographics, program adjustments, and even District policy changes will lead to strong deviations from the projected numbers that far out. Because school service area projections are based on small numbers (30-50 per grade level in some cases) they are subject to greater distortion than District level projections (especially over a longer range time period) and higher error rates. Estimates beyond five years should be used with caution.

Instead of focusing on the exact projection number for the period between 2020 and 2030, it is recommended that the focus be on the comparative general trend for each school. Is it going up more severely than other schools, down more severely, or staying about the same over time during this time frame?

Table D: Projection Summary by School (October Headcount 2015-2030) Medium Range Forecast

Medium Projections																
School	Oct '15	Oct '16	Oct '17	Oct '18	Oct '19	Oct '20	Oct '21	Oct '22	Oct '23	Oct '24	Oct '25	Oct '26	Oct '27	Oct '28	Oct '29	Oct '30
Boston Harbor	130	122	117	115	122	122	125	129	133	136	139	141	140	139	138	137
Centennial	526	525	519	516	528	530	540	544	550	555	560	562	557	553	549	544
Garfield	327	332	332	335	333	336	343	350	357	363	367	367	365	362	359	356
Hansen	485	491	497	500	492	498	508	508	509	512	513	512	507	503	500	495
Lincoln	300	293	293	302	308	310	316	322	328	334	338	339	337	335	333	330
LP Brown	301	319	330	329	329	324	330	335	340	345	349	353	354	353	352	350
Madison	271	289	298	293	296	281	286	290	294	298	301	303	300	298	296	293
McKenny	361	359	370	370	368	372	379	401	422	439	453	457	454	448	442	437
McLane	351	371	367	381	392	396	404	401	400	401	400	399	396	393	390	386
Pioneer	459	465	481	491	498	504	513	510	510	510	510	509	503	499	494	489
Roosevelt	406	399	410	401	400	394	402	419	434	447	457	465	466	464	462	459
Jefferson	402	375	367	383	414	434	429	426	421	428	430	432	443	456	468	472
Marshall	387	384	387	408	428	422	430	428	431	433	426	420	420	425	430	429
Reeves	391	402	420	443	437	476	452	465	445	456	462	470	485	504	522	528
Washington	760	831	850	859	836	844	847	867	877	894	897	899	916	939	960	962
AHS	144	149	142	151	151	155	163	169	168	173	172	175	173	175	175	177
CHS	1,350	1,400	1,459	1,435	1,430	1,452	1,462	1,523	1,581	1,585	1,594	1,589	1,583	1,587	1,579	1,598
OHS	1,802	1,755	1,754	1,772	1,809	1,869	1,963	1,965	1,992	2,023	2,019	2,054	2,050	2,069	2,082	2,131
ORLA	265	266	269	271	273	276	280	284	288	292	295	296	296	297	298	299
ORLA B	175	198	221	239	252	262	266	270	275	278	280	281	281	282	283	284
	9,593	9,723	9,883	9,995	10,096	10,257	10,438	10,607	10,754	10,901	10,963	11,022	11,025	11,081	11,111	11,156

Note: Numbers may not add to exact totals due to rounding

Student Generation Rates Used to Generate School Forecasts and Calculate Impact Fees

Enrollment forecasts for each school involved allocating the district medium projection to schools based on assumptions of differing growth rates in different service areas. Two sources of information were used for this forecast of student data. First, housing development information by service area, provided by the City and County. Second, student generation rates are based on City and County permits and OSD in-district enrollment data, 2009-2013³. The student generation rates are applied to future housing development information to identify where the growth will occur.

The process of creating the student generation rates involved comparing the addresses of all students with the addresses of each residential development in the prior 5 completed years. Those which matched were aggregated to show the number of students in each of the grade groupings for each type of residential development. A total of 1,051 single family residential units were counted between 2009 and 2013 within the school district boundary. There are a total of 624 students from these units. A total of 632 multiple family units were counted. There are 148 students associated with these units.⁴

Based on this information, the resulting student generation rates are as follows:

Student Generation Rates

(Olympia only, not including Griffin; based on cumulative file 2009-2013 permits)

	<u>Single-Family</u>	<u>Multi-Family</u>
Elementary Schools (K-5)	0.309	0.119
Middle Schools (6-8)	0.127	0.059
High Schools (9-12)	0.158	0.057
Total	0.594	0.234
Change from August 2013 Study ⁵	15% Increase	11% Increase

Based on this data, the district enrolls about 59 students for every 100 single family homes permitted over a five-year period. The rate is highest in the most mature developments, The rates are lowest in the most recent years because it is likely that the district has not yet seen all the students.

Again using the above data, the district enrolls about 23 students for every 100 multi-family units, but the rate varies considerably from year to year (most likely due to the type of development- rental, condo, townhome, and the number of bedrooms of each). Utilizing the five-year average is probably best practice because it includes enough units and types to provide a reliable measure of growth from multi-family homes.

³ Student generation rate study was conducted by Mike McCormick, February 2015.

⁴ McCormick, February 2015.

⁵ August 2013 results were an average of 0.516 for single family homes and 0.212 for multi-family homes.

Class Size Reduction Assumptions

Elementary School

Elementary school class size represents a major set of assumptions to project adequacy of classroom space. As of July 2015, the state Legislature delayed implementation of Initiative 1351 by four years. However, the Legislature also reduced class size in kindergarten through the third grade. The Legislature did not decrease class size in grades 4 and 5, as presumably these will be addressed once the initiative is implemented. Importantly, the Legislature has decreased class size differentially at average (typical) income and low income schools. The table below depicts the class size reduction for grades K-3.

Table E: State Funded Class Size Reduction

Students per Teacher(s)	2014-15 SY		2015-16 SY		2016-17 SY		I-1351 Required	
	Typical Income Schools	High Poverty Schools	Typical Income School	High Poverty Schools	Typical Income Schools	High Poverty Schools	Typical Income Schools	High Poverty Schools
Kindergarten	25.23	20.30	22.00	18.00	19.00	17.00	17.00	15.00
1st Grade	25.23	20.30	23.00	19.00	21.00	17.00	17.00	15.00
2nd Grade	25.23	24.10	24.00	22.00	22.00	18.00	17.00	15.00
3rd Grade	25.23	24.10	25.00	24.00	22.00	21.00	17.00	15.00

One additional nuance to the class size planning effort is that the text of I-1351 and the Legislative implementation guidance includes specialist teachers in the calculation of class size. Therefore, to reach a K-3 class size of 17, a school district will meet requirements by pairing 1.1 teachers (1 full-time classroom and .05 PE and .05 music) with 19 students. All projections in this document assume that specialist teachers are contributing to the class size accountability tests.

The Legislature has universally funded full day kindergarten (FDK) for fall 2016. Therefore, full day kindergarten (FDK) is also a major factor to the classroom space equation. In the 2015-16 SY, the district will convert 5 schools to offer mainly FDK, but the number of new classrooms needed is small given that the district has been transitioning to FDK for several years. In the 2016-17 SY, the remaining 6 schools will offer mainly FDK; again only 2-3 new classrooms will be needed to make this conversion given the progress the school district has already made.

An additional assumption in this analysis is that all computer labs will be disbanded and replaced with mobile computer labs. This conserves several classrooms across the district and is consistent with best-resource practices.

Middle School

Analysis of the need for new classrooms is based the following assumptions:

- The district will continue to fund 1 teacher per 28 students; an enhanced level over the state allocation of 1 teacher for every 28.7 students. The Legislature may reduce class size to one teacher per 25 students, but we do not know when or if this will happen. Therefore, analysis below is shown for a reduction to 27 from 28.7, assuming that the Legislature will not fund grades 6-8 class size at 25 students per teacher.

- The district will build classrooms to accommodate 30-32 students so as to ensure viability over the 30 year life of new construction and flexibility regardless of shifts in funding and class offerings.
- The district will assume that each classroom is “empty” for 1 period per day the teacher can plan with his/her equipment rather than be forced to plan away from the classroom because the space is used for another classroom offering. (80% utilization rate.)
- For any major project, the district will maximize classrooms in order to accommodate potential class size reduction at grades 6-8. However, the district will not undertake a construction project for the sole reason of reducing class size; legislative policy is unpredictable and actions thus far indicate minimal commitment to secondary-grade class size reduction.

High School

Analysis of the need for new classrooms is based the following assumptions:

- The district will continue to fund 1 teacher per 28 students; an enhanced formula over the state allocation of 1 teacher for every 28.7 students. The Legislature may reduce class size to one teacher per 25 students; we do not know when or if this will happen.
- The district will build classrooms to accommodate 30-32 students so as to ensure viability over the 30 year life of new construction and flexibility regardless of shifts in funding and class offerings.
- The district will meet or exceed the state requirement for laboratory science.
- The district will raise retention rates toward graduation.
- The district will assume that each classroom is “empty” for 1 period so that the teacher can plan with his/her equipment rather than be forced to plan away from the classroom because the space is used for another classroom offering. (80% utilization rate.)
- For any major project, the district will maximize classrooms in order to accommodate potential class size reduction at grades 9-12. However, the district will not undertake a construction project for the sole reason of reducing class size; legislative policy is unpredictable and actions thus far indicate minimal commitment to secondary-grade class size reduction.

Need for New Classrooms

In summary, the combination of enrollment projections (based on updated student generation rates and developments underway) and class size reduction, the district will need new classroom seats or student classroom capacity.

The chart on the next page depicts that, if class size is reduced to 19 students per classrooms (17 students per teacher), the district will have an immediate need for additional classrooms. The seating capacity deficit, based on the medium projection totals 415 students by October 2020.

Chart 4: Seating Capacity by Year for Elementary Schools

Chart 4

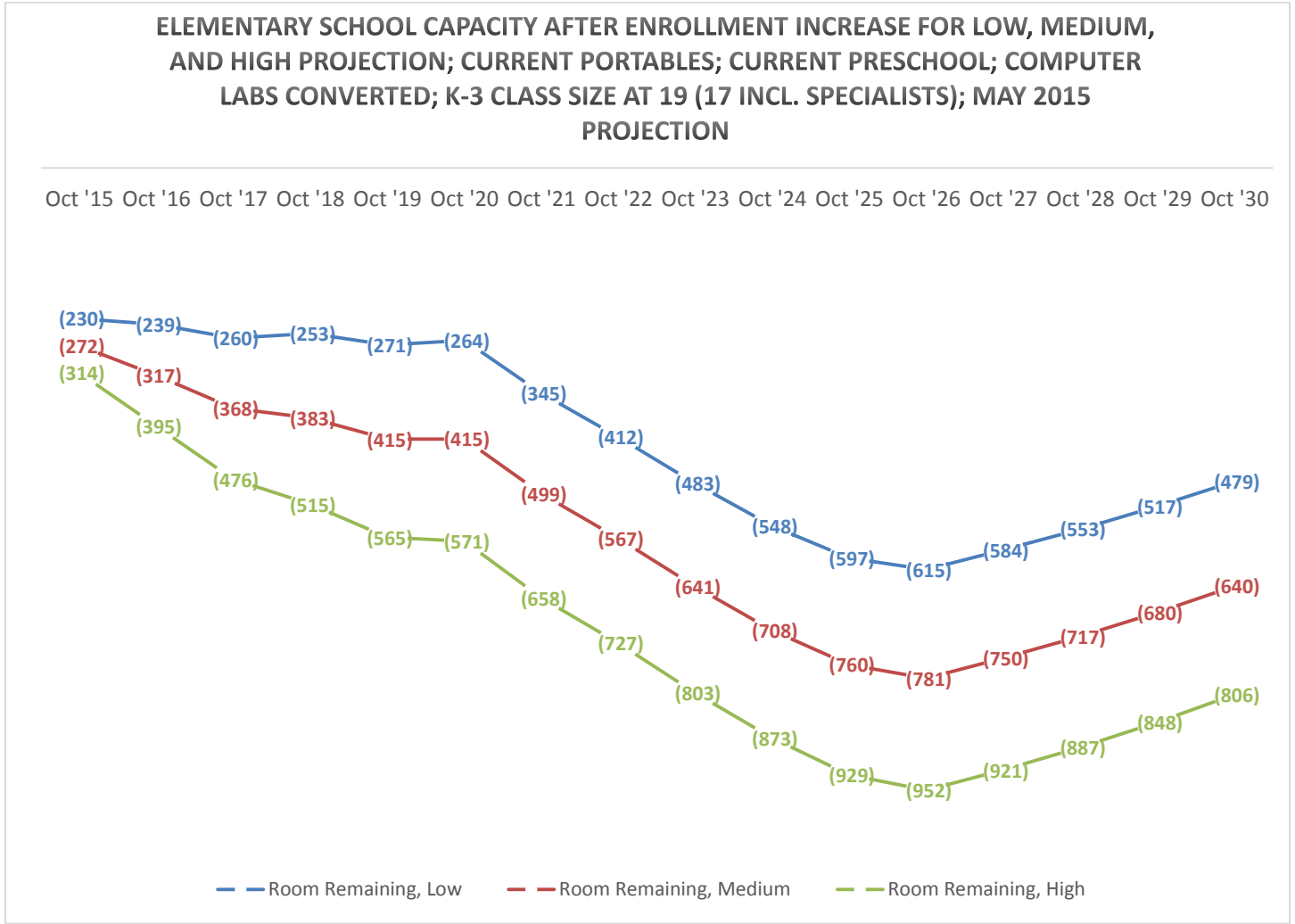


Chart 5: Seating Capacity by Year by Middle School

At the middle school level, seating capacity is sufficient at 3 of 4 middle schools. The deficit at Washington Middle School is highly dependent on development of two housing complexes: Bentrige and Ashton Woods.

Chart 5

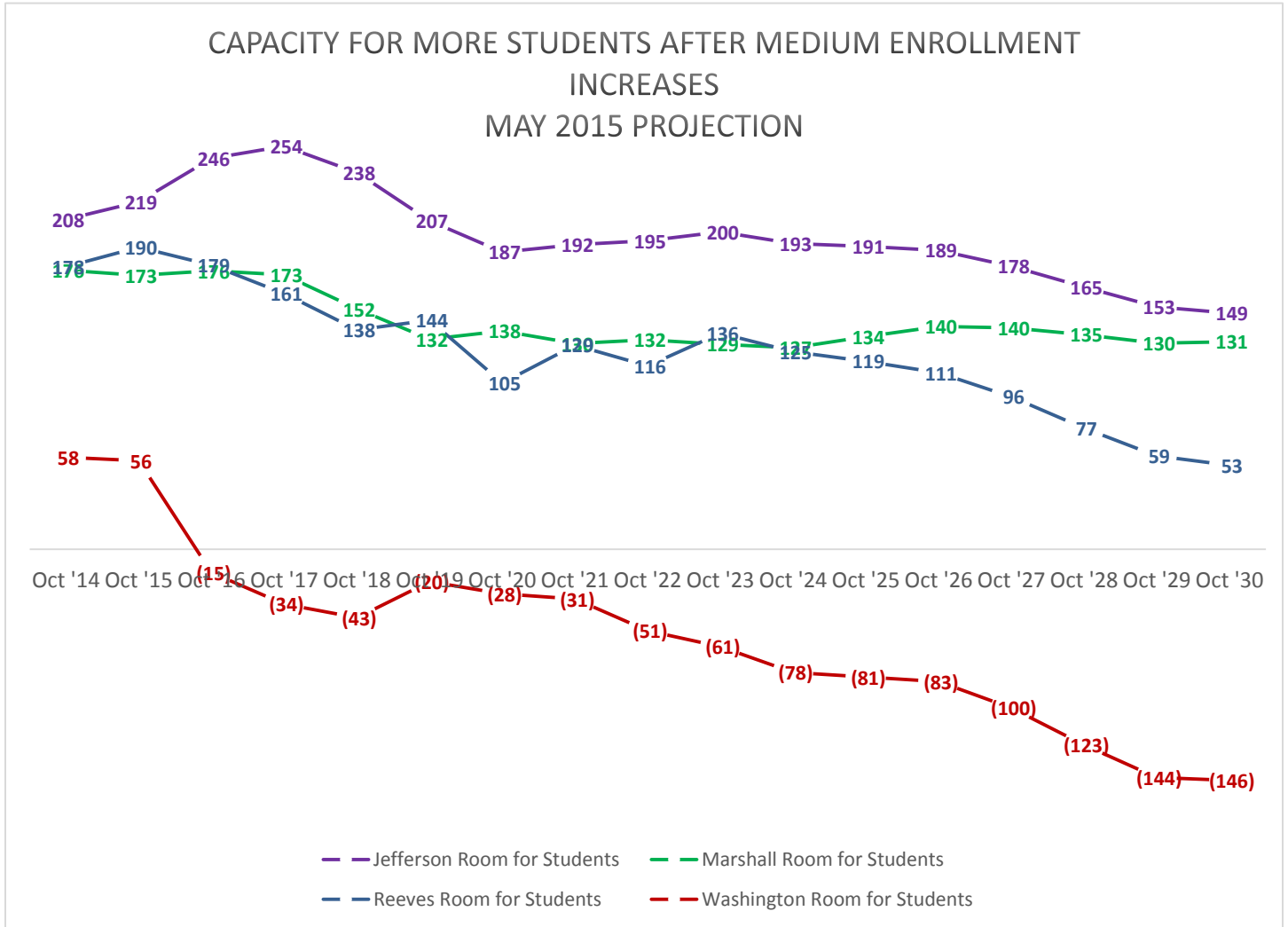
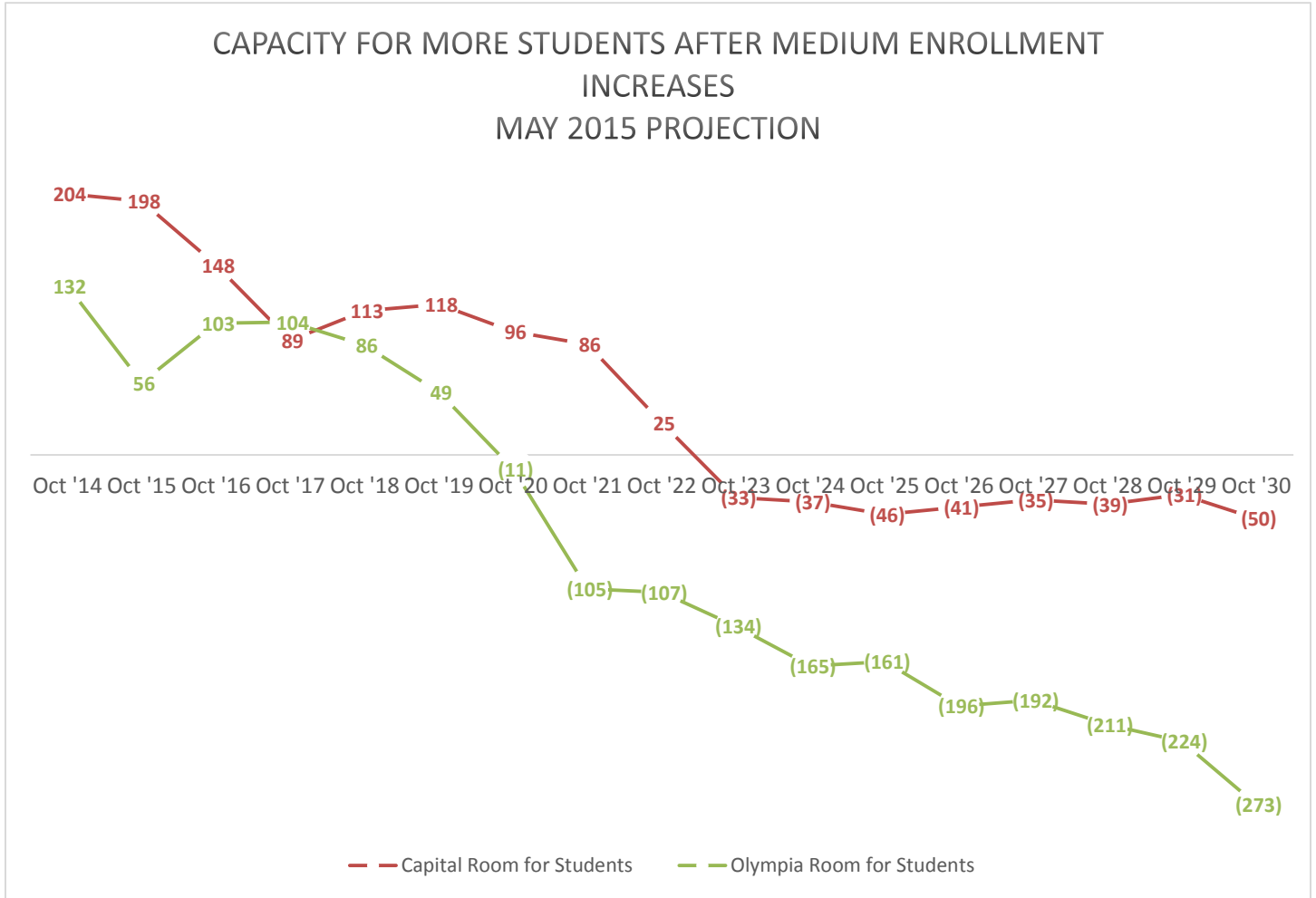


Chart 6: Seating Capacity by Year by High School

At the high school level, seating capacity is sufficient through October 2020 at Olympia High School and sufficient through October 2023 at Capital High School.

Chart 6



III. Six-Year Facilities and Construction Plan

History and Background

In September of 2010 Olympia School District initiated a Long Range Facilities Master Planning endeavor to look 15 years ahead at trends in education for the 21st century, conditions of district facilities, projected enrollment growth, utilization of current schools and the capacity of the district to meet these future needs. The 15 year planning horizon enabled the district to take a broad view of the needs of the community, what the district is doing well, the challenges the district should anticipate and some solutions to get started on.

The Planning Advisory Committee (PAC), consisting of parents and interested community citizens, was convened in October of 2010 and met regularly through July 2011. They made their presentation of development recommendations to the Olympia School Board on August 8th, 2011.

2011 Master Plan Recommendations

The following master plan development recommendations were identified to best meet needs over the first half of the 15 year planning horizon:

- Build a New Centennial Elementary/Intermediate School on the Muirhead Property.
- Renovate Garfield ES and build a new gym due to deteriorating conditions. (Completed)
- Full Modernization of three “Prototype” Schools; Centennial, McLane & Roosevelt ES.
- Build a New Facility for Olympia Regional Learning Academy (ORLA). (Completed)
- Expand Avanti High School into the entire Knox Building, relocate District Administration.
- Replace 10 portables at Olympia HS with a Permanent Building.
- Capital HS renovation of components not remodeled to date and Improvements to support Advanced Programs.
- Remodel a portion of Jefferson MS to support the new Advanced Middle School. (Completed)
- Small works and minor repairs for remaining schools. (Substantially Completed)

Each of these development recommendations represent single or multiple projects that bundled together would constitute a capital bond package. In 2012 voters approved a capital bond package for the first Phase of the Master Plan.

In 2015 the district undertook an update to the 2011 Master Plan in order to more thoroughly plan for Phase II.

2015 Planning for Phase II of Master Plan

The district formed a citizen’s Facilities Advisory Committee (FAC). Sixteen members of the community devoted time over 6 months to review enrollment projections and plan for enrollment growth, review field condition studies, review and score small works project requests, and ultimately make recommendations for the next phase of construction and small works.

The district contracted with experts for several updates:

- An analysis of play field conditions to determine how to ensure safe play by students and the community.
- Enrollment projections (discussed previously).
- Seismic analysis of each school to ensure that any needed seismic upgrades were built into the construction plan.
- A Site Study and Survey update for each school, a state-required analysis of major mechanical systems.

District staff analyzed space utilization and readiness for class size reduction.

In addition, school administrators generated a Facilities Condition Assessment which comprised items that each administrator felt must be addressed at their school. These items were analyzed to eliminate duplicates, identify items that were maintenance requirements (not new construction), and bundle items that were associated with a major remodel of the facility. Remaining items totaled about 120 small works items. These items analyzed for scope and cost, and were then scored using a rubric to rank urgency for investment. (The scoring rubric rates the condition, consequence of not addressing, educational impact of not addressing, and impact on capacity of the facility.) Finally, the Facilities Advisory Committee ranked each item on a 1-3 scale (1-most important for investment).

The following describes the administrative recommendations which are largely based on the recommendations of the FAC. Where the administration recommendation varies from the FAC recommendation, this variation is noted.

Overview of Phase II Master Plan Update Recommendations

1. Do not construct an Intermediate School adjacent to Centennial Elementary School.
2. Complete renovation of the remaining 26 year-old 3 Prototype Schools: Centennial, McLane and Roosevelt Elementary Schools. (Garfield renovation is completed.)
3. Reduce class size and accommodate enrollment growth by expanding the number of elementary classrooms across the school district with permanently constructed mini-buildings on the grounds of current schools (sometimes referred to as pods of classrooms).
4. Build a new building on the Olympia High School grounds to reduce reliance on portables and accommodate enrollment growth.
5. Renovate portions of Capital High School not previously renovated.
6. Build a sufficient theater for Capital High School.
7. Expand Avanti High School to create an alternative arts-based school and relieve enrollment pressure from Olympia and Capital High Schools. This requires moving the district administration office to another site.
8. Renovate playfields to improve safety and playability.
9. Invest in electronic key systems to limit access to schools and instigate lockdowns.
10. Address critical small works and HVAC or energy-improvement projects.

1. Do Not Construct an Intermediate School Adjacent to Centennial ES

In 2011 the Master Plan included a new school built on the Muirhead property. The recommendation was based on projected enrollment on the Eastside that would compromise the education quality. At this time, the school is NOT recommended for construction. Two factors

contribute to the updated recommendation. First, enrollment growth as proceed more slowly than projected. Two housing developments on the Eastside are delayed for construction, one is scaled down in size, and one may not proceed at all. Second, based on a species listing as Endangered on by the U.S. Fish and Wildlife Department, the district must develop a Habitat Conservation Plan (HCP) to mitigate the negative impact on the pocket gopher as a result of construction. The HCP is reliant on a larger county-wide effort to identify mitigation options. The district continues to make progress to gain approval by the U.S. Fish and Wildlife Department to construct on the site.

The delay due to a need for an HCP is fortuitous, as enrollment patterns do not warrant building of the school at this time.

The Muirhead land must likely be used for a school in the upcoming decades, and will be preserved for this purpose. However, in the meantime, the land can be used for its original purpose—agriculture. The districts farm-to-table program is housed on this site and will remain here for the near future.

Voters approved the resources for this construction in 2012. The resources have been retained and set-aside. The district will request voter approval on an updated construction request, and if approved, will devote the resources to Phase II of the Master Plan accordingly.

2. Complete the Remodel of Prototype Schools: Centennial, Garfield, McLane & Roosevelt Elementary School Modernizations (*Garfield was completed in 2014*)

The four “prototype” schools built in the late 1980’s have some of the worst building condition ratings in the District. The 2009 facility condition survey and interviews with leaders of the schools identified problems with heating and cooling, inconsistent technology, poor air quality, parking and drop off/pick up issues, poor drainage in the playfields, security at the front door and the multiple other entries, movable walls between classrooms that don't work, a shortage of office space for specialists, teacher meeting space that is used for instruction, security at the perimeter of the site, storage and crowded circulation through the school. We have also learned about the frequent use of the pod's shared area outside the classrooms; while it’s heavily used, there isn't quiet space for small group or individual activities. These schools also lack a stage in the multipurpose room. The 2010 Capital Levy made improvements to some of these conditions, but a comprehensive modernization of these schools is required to extend their useful life another 20-30 years and make improvements to meet contemporary educational needs.

The 2011 Master Plan proposed a comprehensive modernization of Garfield, Centennial, McLane and Roosevelt Elementary Schools to improve all of these conditions. The renovation of Garfield is now complete. The intent of the remaining projects is to do so as much as is feasible within the footprint of the school; the buildings are not well configured for additions. The exterior finishes of the schools will be refurbished; exterior windows and doors replaced as needed. Interior spaces will be reconfigured to enhance security, efficiency and meet a greater range of diverse needs than when the schools were first designed. Major building systems will be replaced and updated. Site improvements would also be made.

The modernization and replacement projects should also consider aspects of the future educational vision outlined in the master plan, such as these:

- Accommodate more collaborative hands on projects, so children learn how to work in teams and respect others,
- Work with personal mobile technology that individualizes their learning,
- Creating settings for students to work independently,
- Meeting the needs of a diverse range of learning styles and abilities,
- Places for students to make presentations and display their work,
- Teacher planning and collaboration,
- Fostering media literacy among students and teachers,
- Make the building more conducive to community use, while reducing the impact on education and security, and
- Support for music/art/science.

3. Invest in New Classrooms to Reduce Class Size and Respond to Enrollment Growth

In November 2014, statewide voters approved Initiative 1351 to significantly reduce class size, Kindergarten through 12th grade. The reduction in class size is about 30 percent at the elementary level, 12 percent at the middle school level, and 12 percent at the high school level.

The 2015 Legislature enacted Engrossed House Bill 2266 to delay implementation of the initiative for four years and simultaneously appropriated the operating resources to hire more teachers and reduce class size Kindergarten through 3rd grade in two increments over the next two years; the Legislature also created a lower class size for high poverty schools⁶. Please see page 18, Table E, for a summary of state funded class sizes.

In general, the district seating capacity at prior class sizes can hold 4,638 elementary students. At new class sizes (once fully implemented), the district can hold 4,057 students. This is a deficit of 28-30 classrooms by 2025.

As the district considered options to respond to this deficit, there are three main options: 1) Add portables to school grounds; 2) Build a new elementary school and change all boundaries to pull students into the new school and reduce enrollment at all other schools (only Boston Harbor boundaries would be unchanged); 3) Add mini-buildings of classrooms at schools across the school district. Table F on the following page displays on the following page displays the pros and cons of each of these options.

⁶ High poverty is defined as 50% or greater eligibility for Free or Reduced Price Lunch. In the 2015-16 SY, 3 schools qualify for this lower level of class size funding (LP Brown, Madison, and Garfield). In classroom-need projections the district has assumed that Hansen Elementary School may soon qualify for this lower class size threshold and therefore need more classrooms.

Table F: Benefits and Drawbacks of Investments in Portables, a New Building, or Mini-buildings

Table F (Green identifies a benefit of the option; orange identifies a concern of the option.)

Portable	New Building	Mini-Buildings or Pod of Classrooms
Land Intensive: Requires more vacant land + land for corridors between portables at each school site (corridor land)	Requires vacant land near center of district	Requires vacant land OR must replace portables and build enough classrooms to both replace portables and expand capacity, BUT at 2 stories are space efficient and requires less “corridor” land than portables
Cheapest option	Most expensive (\$35 million plus cost of land)	Less expensive than a new school because not buying new land
Can be distributed across the district, does not require boundary revisions	Requires re-drawing most boundaries	Can be distributed across the district, does not require boundary revisions
Least attractive	New building can be designed with full esthetic license	Nice looking (can be built to match school)
Variable number of portables can be added (as few or as many as required)	Can build variable number of classrooms (as few or as many as required)	Set # of classrooms; not as variable as portables but more flexible than a new school
Does not reduce strain on administrative space	Reduces strain on administrative space of current schools by drawing away excess enrollment	Reduces strain on administrative space if designed accordingly

The administrative concurs with the FAC: the district should be less reliant on portables, build mini-buildings instead of portables, and add mini-buildings to conserve resources and largely retain current boundaries.

Based on these options and specific growth and class size reduction readiness, the district makes the following set of Westside and eastside observations in Table G and Table H on the following pages.

Table G: Westside Observations

<u>Table G</u>	OK in 2016? (w/ Reduced Class Size)	OK in 2020? (w/ Reduced Class Size)	OK in 2025? (w/ Reduced Class Size)	Number New Classrooms by 2025	Mini-Building That Fits?
McLane (Remodel Planned in ~2018)	No, Team Teaching Required	No, Team Teaching or New Rooms Required	Same as 2020	3 New + 2 Replace Portable (RP) + Music + 1 Special Needs (SN)	Mini-building of 11 classrooms will fit w/o impinging on play area or fire lane.
Hansen (No Remodel Pending)	Yes, with minor Team Teaching. If HES reaches High Poverty Status, 3 Classrooms are Needed	Yes, with minor Team Teaching. If HES reaches High Poverty Status, 3 Classrooms are Needed	Dependent on Poverty Status	1 at current poverty level; 3 if High Poverty (HP)	Mini-building of 11 classrooms will fit.
Garfield (Remodel Completed)	Yes	Yes	Yes	0, even at HP	NA
LP Brown (No Remodel Pending)	Yes, with minor Team Teaching, or 1 classroom is need for no Team Teaching.	Yes, with minor Team Teaching, or 1 classroom is need for no Team Teaching.	Yes, with minor Team Teaching, or 2 classrooms are need for no Team Teaching.	1-2 depending on Team Teaching model	NA

Table H: Eastside Observations

<u>Table H</u>	OK in 2016? (w/ Reduced Class Size)	OK in 2020? (w/ Reduced Class Size)	OK in 2025? (w/ Reduced Class Size)	Number New Classrooms by 2025	Mini-Building That Fits?
McKenny (No Remodel Planned)	Yes	No; Need Team Teaching or 1 New Classroom	No; Need Team Teaching or 8 New Classrooms	8 New + 1 SN + Music	Mini-building of 11 classrooms will fit. Need is highly dependent on 2 housing developments.
Pioneer (No Remodel Pending)	No; Team Teaching Required	No; Team Teaching or New Rooms Required	Same as 2020	5 New + 2 RP* + Music + 1 SN	Mini-building of 7 classrooms will fit.
Lincoln (No Remodel Pending)	No; Team Teaching Required	No; Team Teaching or New Rooms Required	Same as 2020	3 New or Policy Options	Mini-building of 7 classrooms will not fit. A building of fewer classrooms is cost prohibitive. Pursue policy options.

<u>Table H</u>	OK in 2016? (w/ Reduced Class Size)	OK in 2020? (w/ Reduced Class Size)	OK in 2025? (w/ Reduced Class Size)	Number New Classrooms by 2025	Mini-Building That Fits?
Madison (No Remodel Pending)	No; Move Preschool or Team Teach	Same as 2016	Same as 2016	3 New or Policy Options	Mini-building of 7 classrooms will not fit. A building of fewer classrooms is cost prohibitive. Pursue policy options.
Roosevelt (Remodel Pending)	No; Team Teaching Required	No; Team Teaching or New Rooms Required	No; Team Teaching or New Rooms Required	4 New + 1 SN+ 2 RP + Music	Mini-building of 11 classrooms will fit.
Centennial (Remodel Pending)	No; Team Teaching Required	No; Team Teaching or New Rooms Required	Same as 2020	5 New +1 SN + 2 RP + Music	Mini-building of 7 classrooms will fit.
B Harbor (No Remodel Pending)	Yes	Yes	Yes	----	NA

Given these observations, the combination of enrollment growth, need for classrooms to respond to class size reductions, and available space on the school grounds to build a mini-building, the district has identified the following recommendation for additional construction in Table I.

Table I: Classroom Construction Recommendations

<u>Table I</u>	Elementary School	# Classrooms Needed by 2025	# Built	Classrooms / Mini-Building	Potential Cost
Mini-building Not Recommended	Lincoln	3	Building complexities and high cost; pursue policy potions and team teaching		
	Madison	3			
	LP Brown	2			
	McKenny	9 + 1 SN (special needs)	10 New	1 Mini of 11	\$6.5 M
Recommended Mini-building or Pod	McLane	3 + 1 M (music) + 1 SN	5 New + 2 PR (portable replacement)	1 Mini of 11	\$6.5 M
	Hansen	3 + 1 M	4 New + 4 PR	1 Mini of 11	\$6.5 M
	Pioneer	5 + 1 M + 1 SN	7 New + 2 PR	1 Mini of 7	\$4.9 M
	Roosevelt	4 + 1 M + 1 SN	6 New + 2 PR	1 Mini of 11	\$6.5 M
	Centennial	5 + 1 M + 1 SN	7 New + 2 PR	1 Mini of 7	\$4.9 M
	Subtotal	25 + 4 SN = 29	29 + 12 PR = 41	47	\$29.4 M
On Hold	McKenny, Washington or Preschool	9 + 1 SN	10 New	1 Mini of 11	\$7.7 M
Total Construction Financing Request					\$37.1

In addition, the administration recommends financing for one additional mini-building that can be deployed at McKenny or Washington if needed to address the construction of two housing developments or to build a preschool center, which frees-up classrooms through-out the district.

This will cost \$7.7 million; for a total investment in classrooms via the mini-building or option of \$37.1 million.

The mini-building structure that is identified for five to six elementary schools, accomplishes several improvements: portables are replaced with a permanent structure and can therefore better control the environment (heating/cooling), are foot-print efficient, and are more appealing. They can be designed to maximize classroom space (6-10 classrooms) or to include some centralized space that will free-up space if the core building is taxed for space. Examples include creating 2 small offices in the foyer for counselors, speech or other therapists to provide direct service to students or including 1 large music space.

The structures are estimated to cost \$6.5 million for construction and provide classrooms space for 210 students, assuming 10 classrooms, a small group-work space in hallway leading to classrooms on each floor (similar to current pod designs in a classroom wing), 2 small service offices, and 1 large music room (and stairs and an elevator). The mini-building includes restrooms, of course.

Importantly, the district assumes a class size of 25-28 in designing the mini-buildings. This is the appropriate size for 4th and 5th grade classrooms (25 class size plus 3 for intermittent overload). The district needs to ensure that 4th and 5th grade classes can be placed in most classrooms, the building would likely serve 4th and 5th grade classes, and the building is a 30 year structure that must be designed to accommodate future state policy decisions regarding class size.

4. Olympia High School: Reduce Reliance on Portables with a Permanent Building

While there are still many physical improvements that need to be made at Olympia High School (HS), one of the greatest needs that the Planning Advisory Committee (PAC) identified in 2010 is the replacement of 10 portables with permanent space. District informal guidelines targets 1,800 students is the desired maximum enrollment that Olympia HS should serve. These 10 portables, while temporary capacity, are part of the high school's capacity for that many students. The PAC's recommendation was that these portables should be replaced with a new permanent building and they considered some options with respect to the kinds of spaces that new permanent area should include:

- a. Replicate the uses of the current portables in new permanent space.
- b. Build new area that operates somewhat separate from the comprehensive HS to offer a new model.
- c. Build new area that is complimentary to the comprehensive high school, but a distinction from current educational model (if the current educational model has a high proportion of classrooms to specialized spaces, build new area with primarily specialized space following some of the themes the PAC considered for future learning environments, including:
 - Demonstrate a place for 21st century learning.
 - Retain students who are leaving for alternative programs at college or skills centers.
 - Partner with colleges to deliver advanced services.
 - Create a culture that equalizes the disparity between advanced students and those still needing remediation without holding either group back.

- Individualized and integrated assisted by personal mobile technology, a social, networked and collaborative learning environment.
- A place where students spend less of their time in classes, the rest in small group and individual project work that contributes to earning course credits.
- All grades, multi grade classes.
- Art and science blend.
- Convert traditional shops to more contemporary educational programs, environmental science, CAD/CNC manufacturing, health careers, biotechnology, material science, green economy/energy & waste, etc.
- More informal learning space for work done on computers by small teams and individuals.
- Collaborative planning spaces, small conference rooms with smart boards.
- A higher percentage of specialized spaces to classroom/seminar spaces.
- Focus on labs (research), studios (create) and shops (build) learn core subjects through projects in these spaces. (cross-credit for core subjects).
- Blend with the tech center building and curriculum.
- Consider the integration of specialized “elective” spaces with general education. All teachers contribute to integrated curriculum.
- Provide a greater proportion of area in the school for individual and small group project work.
- Support deep exploration of subjects and crafting rich material and media, support inquiry and creativity.

Music and science programs are strong draws to Olympia High School, which also offers an AP curriculum. Conversation with school leaders found support for the idea of including more specialized spaces in the new building. Some of the suggested programs include:

- More science, green building, energy systems, environmental sciences.
- Material sciences and engineering.
- Art/technology integration, music, dance, recording.
- Stage theater, digital entertainment.
- Need place for workshops, presentations, poetry out loud.

An idea that garnered support was to combine the development of a new building with the spaces in the school’s Tech Building, a relatively new building on campus, detached from the rest of the school. The Tech Building serves sports medicine, health career technician, biotechnology and microbiology. It also has a wood shop that is used only two periods/per day and an auto shop that is not used all day so alternative uses of those spaces should be considered.

A new building could be added onto the east side of the Tech Building to form a more diverse combination of learning settings that blend art and science.

Enrollment projections show that Olympia High School will exceed 1,800 students in the future by more than 400 students later in the 15 year planning horizon. A new building could serve alternative schedules, morning and afternoon sessions to double the number of students served by the building. A hybrid online arrangement could serve more students in the Olympia HS enrollment area without needing to serve more than 1,800 students on site at any given time.

If the combination of the Tech Building and this new addition was operated somewhat autonomously from the comprehensive high school, alternative education models could be implemented that would draw disaffected students back into learning in ways that engage them through more “hands on” experiential education.

5. Capital High School Modernization and STEM Pathway

Capital High School has received three major phases of improvements over the last 15 years, but more improvements remain, particularly on the exterior of the building. The majority of the finishes on the exterior are from the original construction in 1975, approaching 40 years ago. Most of the interior spaces and systems have seen improvements made, but some changes for contemporary educational considerations can still bring improvement.

One of the primary educational considerations the Planning Advisory Committee (PAC) explored is driven by the creation of the new Jefferson Advanced Math and Science (JAMS) program, which is centered around Science, Technology, Engineering and Math (STEM) programs, and the need to provide a continuing pathway for STEM students in that program who will later attend Capital HS. Relatively small improvements can be made to Capital HS that relate to STEM education and also support Capital High School’s International Baccalaureate (IB) focus as well.

The conversations with the PAC and leaders in the school focused on 21st century skills like creative problem solving, teamwork and communication, proficiency with ever changing computing, networking and communication/media technologies.

Offering an advanced program at the middle school was the impetus for the new JAMS program. Career and Technical Education (CTE) is changing at Capital HS to support STEM education and accommodate the students coming from Jefferson. Math and science at Capital HS would benefit from more integration. Contemporary CTE programs are transforming traditional shop programs like wood and metal shop into engineering, manufacturing and green building technologies. Employers are looking for graduates who can think critically and problem solve; mapping out the steps in a process and knowing how to receive a part, make their contribution and hand it off to the next step in fabrication. Employers want good people skills; collaborating and communicating well with others. Increasingly these skills will be applied working with colleagues in other countries and cultures. Global awareness will be important. JAMS at the middle school level, and STEM and IB at high school level can be a good fit in this way.

The JAMS curriculum is a pathway into IB. The school is adjusting existing programs to accommodate IB programs. The JAMS program supports the Capital HS IB program through the advanced nature of the curriculum. 60 students are currently enrolled in IB and it was recently affirmed as a program the district would continue to support. The advanced nature of the JAMS program could increase enrollment in the Capital HS IB program. Leaders in the school intend that all students need to be part of this science/math focus.

Capital High School is intentional about connecting to employers and to people from other cultures through distance learning. The district is working with Intel as a partner, bringing engineers in and having students move out to their site for visits and internships. Currently there is video conferencing in Video Production studio space. College courses can be brought into the high school, concentrating on courses that are a pathway to the higher education. The district is already partnering with universities on their engineering and humanities programs

to provide university credits; like with St. Martins University on CADD and Robotics. The University of Washington is interested in offering university credit courses at the high school in foreign language, social studies and English. Comcast is on the advisory committee for communication technologies.

The development recommendation for Capital High School is to remodel the classroom pods to bring back the open collaborative learning areas in the center of each pod. The more mobile learning assistive technologies like laptops and tablet computers, with full time access to a network of information and people to collaborate with are changing the way students can engage with the course material, their teachers and their peers. Further development is also recommended in the shops and adjacent media/technology studios. Minor renovations in these spaces can greatly enhance their fitness for supporting the contemporary JAMS initiatives. The building area of these interior renovations is estimated to be 10% of the total building area.

Extensive renovation of the original exterior walls, windows, doors and roof areas that have not been recently improved is the other major component of this development recommendation.

6. Build a Theater sized for the Student-body of Capital High School

In 2000 when Capital High School was partially remodeled, construction costs were escalating and a decision had to be made to address a too-small cafeteria and commons area. At the time, the available solution was to reduce the theater by 200 seats. As the school has grown, and will grow further in the next 10 years, the reduced-size theater is now too small for the school. The theater cannot hold even one class of students, and can barely hold an evening performance for the Jefferson or Marshall Middle School orchestra, choir or band.

Remodeling the current theater was designed and priced. The cost of the remodel is as much as building a new theater and the remodeled theater would have several deficiencies. (In order to remodel the theater, the roof would need to be raised and the commons reduced.)

Therefore, the administration is recommending the construction of a new theater on the south-side of the gyms. The new theater will have 500 seats, 200 more than the current theater.

7. Avanti High School

Through the master plan process in 2010 and 2015, the district affirmed the importance of Avanti High School and directed that the master plan include options for the future of the school. Avanti has changed its intent in recent years to provide an arts-based curriculum delivery with an entrepreneurial focus. Enrollment will be increased to 250 students with greater outreach to middle school students in the district who may choose Avanti as an alternative to the comprehensive high schools, Olympia and Capital High Schools. The school appreciates its current location, close proximity to the arts and business community downtown and the partnership with Madison Elementary School.

The six classrooms in the building are not well suited to the Avanti curriculum as it is developing and hinder the growth of the school. The settings in the school should better reflect the disciplines being taught through “hands on” learning. The school integrates the arts as a way to learn academic basics. Avanti creates a different learning culture through personalizing education, focuses on depth over breadth, and teaches good habits of the heart and mind. Students come together in seminars, so space is needed for “town hall” communication sessions. The auditorium does not work well for the town hall sessions; it is designed for presentations of information to an audience and seating impedes audience participation--the school needs more options.

Recently Avanti has expanded by two classrooms and Knox Administrative space has been reduced.

Facility Options Considered:

- Take over the Knox Center, move administration to another location,
- Expand on the Knox Center site in the district warehouse space, move warehouse to the transportation site, or
- Find a new site for the school, either leased space or on district-owned property.

Twelve learning settings were identified as an appropriate compliment of spaces with the intent for them all to support teaching visual and performing arts:

1. Drama (writing plays, production)
2. Music/recording studio (writing songs)
3. Dance (math/rhythm)
4. Painting/drawing
5. Three dimensional art (physical & digital media, game design)
6. Photography/video/digital media (also support science & humanities)
7. Language arts
8. Humanities
- 9/10. Math/math
- 11/12. Science/science

Additional support spaces: special needs, library, independent study, food service, collaborative study areas, administration/counselors, community partnerships.

This development recommendation proposes that Avanti High School move into the entire Knox Building, including the district warehouse space. Light renovation of the buildings would create appropriate space of the kind and quality that the curriculum and culture of the school need.

District administration would move to a facility where the office environment can be arranged in a more effective and space efficient manner and the warehouse is sufficient to eliminate the need for leased warehouse space. The Knox Building would return to full educational use. This option was seen by the 2010 Planning Advisory Committee to be the most cost effective alternative.

The long-term growth of Avanti High School is also seen as a way, over time, to relieve the pressure of projected enrollment growth at Olympia High School.

The 2015 Facility Advisory Committee also supported the expansion of Avanti, regardless of whether or not the school would ultimately reduce enrollment pressure at Olympia or Capital High Schools.

The administration recommendation is to budget \$9.9 million to remodel the 2nd and 3rd floors of the Knox building, expanding Avanti by about 12 classrooms. At this time the recommendation does not include a remodel of the current warehouse, as this is cost prohibitive.

8. Renovate Playfields to Improve Safety and Playability

Based FAC support for improved fields and playgrounds, the district is recommending the installation of 2 turf fields and renovation of an additional 8 fields. The cost is estimated at \$6.9 million. Specifically, the district recommends the following improvements:

- a) North Street field at OHS: renovate the field with installation of new sod.
- b) Henderson Street field at OHS: install a synthetic turf field, low level lighting and minor fencing.
- c) Football/soccer field at CHS: install a synthetic turf field, low level lighting and minor fencing.⁷
- d) Jefferson, Marshall and Reeves field: renovate the field with sod.
- e) Lincoln: renovate the playfield with seed and improve the playground.
- f) Centennial, McLane and Roosevelt: renovate the fields with seeds (after remodel of the buildings).

9. Invest in Electronic Key Systems to Limit Access to Schools and Instigate Lockdowns

The district is recommending the investment of \$2 million in key systems across the district, targeting schools that have not been upgraded as part of a remodel.

10. Address Critical Small Works and HVAC or Energy-Improvement Projects

The district will pursue state of Washington energy grants for a portion of a total investment of \$8.5 million.

In addition, the small works roster is summarized below. The roster represents the facilities projects that must be undertaken in the near future. While we have attempted to plan for a six year small- works list, the new items may be identified during the life of the CFP.

Improve and upgrade:

- parking lots and paving at five schools;
- drainage and controls, and/or repair foundations at five schools/sites;
- electrical service and new fire or intrusion alarm systems at four schools, security cameras at multiple schools, access controls at multiple schools and perimeter fencing at five schools;
- roofing at three schools, install roof tie-off safety equipment at multiple sites, and caulk and/or paint and renovate siding at four sites;
- gutter systems at two schools;

⁷ The administrative recommendation for turf fields includes low-level lighting and fencing for each; lighting/fencing is included to extend play hours to off-set the higher expense of a turf field (with natural in-fill). The CHS football and Henderson turf field with natural in-fill and lighting and fencing will cost \$3.3 million. If the hours cannot be extended with lighting, the administrative recommendation is to renovate the Capital football and Henderson fields with improved drainage and new sod, instead of turf, and use the remaining resources to renovate the Capital soccer, Washington, Jefferson, and Marshall fields (drainage/sod) and running tracks. This alternative increases the hours-of-play available generally in the community as these fields are generally considered less "playable" in their current state. Improved drainage and new sod at the Henderson field, Washington, and CHS football and soccer fields, and drainage, sod and improve running tracks at Jefferson and Marshall fields would cost \$3 million; roughly the same as the two turf fields.

- interior and classroom capital improvements at twelve sites; and
- wiring and electrical systems at two sites.

In addition, the district Board of Directors will determine the next steps for the John Rogers building. This building has been in service for 50 years and requires significant upgrades. In the upcoming six-year period the district will either demolish the building (and seed the field), or the district will perform small repairs to decommission the building for possible use at a later time (when Roosevelt or other buildings are being remodeled)

Utilization of Portables as Necessary

The CFP continues to include expenditures for portables, as these represent a foundation investment where enrollment is faster than expected. Portables are considered to be a last-resort and are utilized where other options are not possible.

Capital Facilities Plan (CFP) Project Revisions for Class Size Reductions

Table J below describes several components of the CFP analysis. First, the table describes the recommended construction built into the district’s facilities plan. The second column identifies if the project is included in the Impact Fee Calculation; the third column identifies the reason the project is included or not. The fourth column identifies how much of the total project cost is associated with responding to growth; the final column identifies the cost of the balance of the project.

Table J: CFP Considerations

Project	Included in 2016 Impact Fee Calculation?	Reason	If Yes, Amount in Impact Fee Calculation	Balance of Project
Centennial Intermediate (New)	No	This school will not be built at this time. Therefore, the new seating will not be added.		
Centennial Elementary School	Yes.	This project adds seating capacity for 126 students. However, very few seats are required to accommodate new growth--as most developments are nearly built.	\$4.9 million mini-building adds seating capacity for 126; new growth requires 14 new seats in the upcoming 6 years. \$544,444 included in fee calculation.	\$4,355,555 not included in fee calculation.
Roosevelt Elementary School	Yes	This project adds seating capacity for 210 students. However, very few seats are required to accommodate new growth: -4.	\$0	\$ 6,500,000

Project	Included in 2016 Impact Fee Calculation?	Reason	If Yes, Amount in Impact Fee Calculation	Balance of Project
McLane Elementary	Yes	This project adds seating capacity for 210 students. 52 new seats are required to accommodate new growth.	\$6.5 million mini-building adds seating capacity for 210; new growth requires 52 new seats in the upcoming 6 years. \$1,609,523 is included in fee calculation.	\$ 4,890,476
Hansen Elementary School	Yes	This project adds seating capacity for 210 students. 23 new seats are required to accommodate new growth.	\$6.5 million mini-building adds seating capacity for 210; new growth requires 23 new seats in the upcoming 6 years. \$711,900 is included in fee calculation.	\$ 5,788,095.24
Pioneer Elementary School	Yes	This project adds seating capacity for 210 students. 54 new seats are required to accommodate new growth.	\$4.9 million mini-building adds seating capacity for 126; new growth requires 54 new seats in the upcoming 6 years. \$2,100,000 included in fee calculation.	\$ 2,800,000.00
Olympia High School	Yes	This project will add capacity to accommodate additional growth of 176 students.	\$24,332,029 adds capacity for 440 students; the value for 176 students is \$9,732,811.	\$ 14,599,217.40
Portables	Yes	The plan includes the cost of 5 portables.	\$575,000	
Capital High School Modernization	No	Plans re: adding capacity to CHS are not yet determined.		
Avanti High School	No	This project will add capacity, but may be completed beyond the timeframe of the 2015 CFP.		

Note: The impact fee assumptions will be determined by the district's Board of Directors at the 1st Reading on October 5th. Therefore, the fee is not displayed here. The Board must address several assumptions on October 5, 2015:

- Is the mini-building structure concept as envisioned for Pioneer, Hansen, McLane, Roosevelt and Centennial the desired approach to accommodating enrollment growth, or

should the district build a new elementary school? Or should the district explore other means to address class size changes?

- What discount fee does the school board want to build into the impact fee calculation?
- Should the Board include the high school renovations and portable replacements in the CFP this soon or should the Board include these when there is a higher confidence that the project will proceed as planned?

Cost of Converting Portables to Permanent Construction

Further, the value of converting a portable into permanent construction is included in full in the calculation of the impact fee. This bears further explanation. The impact fee calculation is based on construction costs (costs that are within the timeframe of the CFP) associated with growth, divided by the number of growth/seats/students. So, if the CFP includes a plan to construct a \$10 million structure to house 100 students; and 90 students are generated by new housing/developments, then the per student cost of construction to accommodate growth is \$90,000 ($(\$10,000,000/100) \times (90/100) = \$90,000$). This is the amount that is included in the calculation of the impact fee. Even if the new building replaces 50 portable seats, the calculation is the same: what is the cost of planned construction, and what proportion is associated with seats needed to accommodate growth, and therefore, what is the per growth seat cost of construction regardless of prior use of portables?

The number of students expected to be driven by growth is the key factor (90 in this example). The student growth must be based on upcoming growth and cannot be based on prior growth (from the example above, it could not be based on 50 + 90). It is important to note from that, regardless of the number of portables being converted, a proportional cost of a \$6.5 million mini-building is included based on expected growth; portable conversion is not deducted from the calculation.

IV. Finance Plan

Impact Fees

Impact fees are utilized to assist in funding capital improvement projects required to serve new development. For example, local bond monies from the 1990 authority and impact fees were used to plan, design, and construct Hansen Elementary School and Marshall Middle School. The district paid part of the costs of these new schools with a portion of the impact fees collected. Using impact fees in this manner delays the need for future bond issues and/or reduces debt service on outstanding bonds. Thurston County, the City of Olympia and the City of Tumwater all collect school impact fees on behalf of the district.

Impact fees must be reasonably related to new development and the need for public facilities. While some public services use service areas or zones to demonstrate benefit to development, there are four reasons why the use of zones is inappropriate for school impact fees: 1) the construction of a new school benefits residential developments outside the immediate service area because the new school relieves overcrowding in other schools; 2) some facilities and programs of the district are used by students throughout the district (Special Education, Options and PATS programs); 3) school busing is provided for a variety of reasons including special education students traveling to centralized facilities and transportation of students for safety or due to distance from schools; 4) uniform system of free public schools throughout the district is a desirable public policy objective.

The use of zones of any kind, whether municipal, school attendance boundaries, or some other method, conflict with the ability of the school board to provide reasonable comparability in public school facilities. Based on this analysis, the district impact fee policy shall be adopted and administered on a district-wide basis.

Current impact fee rates, current student generation rates, and the number of additional single and multi-family housing units projected over the next six year period are sources of information the district uses to project the fees to be collected.

These fees are then allocated for capacity-related projects as recommended by a citizens' facilities advisory committee and approved by the Board of Directors.

The fee calculation is prescribed by law:

- The calculation is designed to identify the cost of the need for new classrooms space for new students associated with new development.
- The cost of constructing classrooms for current students is not included in the impact fee calculation.
- The calculation includes the cost of sit acquisition costs, school construction costs, any costs for temporary facilities.
 - $\text{Facility Cost} / \text{Facility Capacity} = \text{Cost per Seat} / \text{Student Generation Rate} = \text{Cost per Single Family Home (or Cost per Multi-family Home)}$.
 - The Cost per Single Family Home is then discounted for 1) any state construction funding the district receives and 2) a credit for the taxes that the home will generate for the upcoming 10 years.

- In this example, a \$15,000,000 facility, and a .20 single-family home student generation rate is calculated as such: $\$15,000,000 / 500 = \$30,000 * .20 = \$6,000$. This \$6,000 is then reduced by state construction funds (\$9 per home in \$2015) and a 10-year tax credit (\$1,912 in 2015). This leaves a single family home rate of \$4,079 for a single family home.
- The Olympia School District Board of Directors would then reduce the \$4,079 by a “discount rate”. This is the margin that districts use to ensure that they do not collect too much impact fee (and possibly pay back part of the fees if construction costs are reduced or state construction funding is increased.) The Olympia School District has typically used a discount rate of 15%, which would leave a single family home impact fee of \$3,467 ($\$4,079 * .85$).

The Table K on the following page identifies the historical impact fees.

DRAFT

Table K: Historical Impact Fees

Table K

Year	Discount Percentage	Single Family Home Fee	Multi-Family Home Fee	Downtown Residence Fee	Mobile Home Fee
1992	67	\$894	\$746		\$791
1993	67	\$1,703	\$746		\$791
1994	55	\$1,717	\$742		\$1,385
1995	70	\$1,754	\$661		\$1,033
1996	52	\$1,725	\$661		\$1,176
1997	51	\$1,729	\$558		
1998	56	\$1,718	\$532		
1999	50 & 70	\$2,949	\$1,874		
2000	50 & 70	\$2,949	\$1,874		
2001	50 & 70	\$2,949	\$1,874	\$841	
2002	50 & 70	\$2,949	\$1,874	\$841	
2003	50 & 70	\$2,949	\$1,874	\$841	
2004	50 & 70	\$2,949	\$1,874	\$841	
2005	40 & 60	\$4,336	\$3,183	\$957	
2006	45 & 60	\$4,336	\$3,183	\$957	
2007	15	\$5,042	\$1,833	\$874	
2008	15	\$5,042	\$1,833	\$0	
2009	15	\$4,193	\$1,770	\$0	
2010	15	\$2,735	\$1,156	\$0	
2011	15	\$659	\$1,152	\$0	
2012	15	\$2,969	\$235	\$0	
2013	15	\$5,179	\$0	\$0	
2014	15	\$5,895	\$1,749	\$0	
2015	15	\$4,978	\$1,676	\$0	
Prior 10-Yr Avg		\$3,940	\$1,633		
10-Yr Avg Incl 2015		\$4,103	\$1,459		

Please note, the Proposed Impact Fee is being calculated by legal counsel, and will be presented to the School Board October 12th. The following report provides the basis for assumptions for the upcoming six year period, which drive the impact fee calculation.

Eligibility for State Funding Assistance

The district is currently in the process of applying for state construction funding assistance. Based on eligibility criteria, and experience obtaining funding for the remodel of Garfield Elementary, we estimate that the district will qualify for at least \$12 million for the remodel of Centennial, McLane, and Roosevelt Elementary Schools. This is a conservative estimate, as the district qualified for about \$6 million for the Garfield remodel.

Bond Revenue

The primary source of school construction funding is voter-approved bonds. Bonds are typically used for site acquisition, construction of new schools, modernization of existing facilities and other capital improvement projects. A 60% super-majority voter approval is required to pass a bond. Bonds are then retired through the collection of local property taxes. Proceeds from bond sales are limited by bond covenants and must be used for the purposes for which bonds are issued. They cannot be converted to a non-capital or operating use. As described earlier, the vast majority of the funding for all district capital improvements since 2003 has been local bonds.

The projects contained in this plan exceed available resources in the capital fund, and anticipated School Impact and Mitigation Fee revenue. The Board of Directors sold bonds in June 2012, allowing an additional \$82 million in available revenue for construction projects.

Further, the amount of the requested 2012 bond will not fully cover the anticipated projects through 2019, described above. The Board of Directors will likely submit an additional Bonding Authority request during the period covered by this CFP, but as of September 2015, the Board has not yet finalized action on a February 2016 request to voters. As of this drafting, the finance plan assumes that the Board will request voter approval of \$161 million in construction bond authority for the February 2016 election.

Current Balance in Capital Fund

The finance plan for this schedule of capital plan is heavily dependent on the current balance in the district's Capital Fund. The balance of \$42.2 million is made up of many sources, but 2 main sources. First, in 2012 voters approved bond resources for construction of an Intermediate School. Construction of the school has not been undertaken due to a lag in enrollment and listing of an endangered species on the property. The district is working through a Habitat Conservation Plan, to gain the ability to build on the property. However, the most recent citizen's planning committee (FAC discussed earlier) has recommended that this school not be built. Therefore, the \$28 million in bond resources have been preserved and are available to be devoted to this project. Second, the district successfully qualified for state construction assistance of \$10 million for the construction of ORLA and remodel of Garfield. These resources are preserved. The balance of resources are a combination of impact fees, mitigation fees, and a small amount of capital levy funds.

Finance Plan Summary

The following Table L represents preliminary estimates of revenue associated with each group of projects.

Table L: Preliminary Revenue Estimates

Item Description	Project Amount	Cumulative Total
1. New Classrooms (Pods at Pioneer, Hansen, Centennial, Roosevelt, McLane, + 1 additional)	\$37,063,000	\$37,063,000
2. Phase II of 2011 Master Plan (Multiple Items Above)	\$136,559,394	\$173,622,394

Item Description	Project Amount	Cumulative Total
3. Capital High School Theater	\$12,665,000	\$186,287,394
4. Small Works Projects, Categorized as Immediate Need	\$10,733,848	\$197,021,242
5. John Rogers Demolition and Re-seed	\$520,000	\$197,541,242
6. Security-Access Control Systems	\$2,000,000	\$199,541,242
7. Heating/ Ventilation Improvements and Energy Savings	\$8,484,000	\$208,025,242
8. Field and Playground Renovations	\$6,873,845	\$214,899,087
Subtotal of Planned Investments	\$214,899,087	
Existing Resources (Capital Fund Balance)	- \$42,200,000	
Estimated New State Construction Funding	- \$12,000,000	
New Construction Bond Authority Request to Voters	= \$160,699,087	

Appendix A - Inventory of Unused District Property

Future School Sites

The following is a list of potential future school sites currently owned by the district. Construction of school facilities on these sites is not included in the six-year planning and construction plan.

- ***Mud Bay Road Site***

This site is a 16.0 acre parcel adjacent to Mud Bay Road and Highway 101 interchange. The site is currently undeveloped. Future plans include the construction of a new school depending on growth in the student enrollment of adjoining school service areas.

- ***Muirhead Site***

This is a 14.92 acre undeveloped site directly adjacent to Centennial Elementary School, purchased in 2006. Future plans include the construction of a new Intermediate/Middle school.

Other District Owned Property

- ***Henderson Street and North Street (Tree Farm) Site***

This site is a 2.25 acre parcel across Henderson Street from Pioneer Elementary School and Ingersoll Stadium. The site is currently undeveloped. Previously, the site was used as a tree farm by Olympia High School's vocational program. The district has no current plans to develop this property.

Future Site Acquisition

The district is seeking additional properties for use as future school sites. Construction of school facilities for these sites is not included in the six year planning and construction plan. The district has identified the following priorities for acquisition:

- New west side elementary school site - approximately 10 acres
- New east side elementary school site—approximately 10 acres

Appendix B - Detail of Capital Facilities Projects

Elementary School Modernization

Grades K-4

Project Name:	Centennial Elementary School Modernization
Location:	2637 45 th Ave SE, Olympia
Site:	11.8 acres
Capacity: <i>(Current Utilization Standard)</i>	479 students (no new student capacity)
Square Footage:	45,345 s.f.
Cost:	Total project: \$27.9 million, including a \$4.9 million mini-building of 7 classrooms and a \$800,000 field renovation.
Project Description:	Major modernization of existing school facility. Modernization work will include all new interior finishes and fixtures, furniture and equipment, as well as exterior finishes.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2019.

Elementary School Modernization

Grades K-5

Project Name:	McLane Elementary School Modernization
Location:	200 Delphi Road SW, Olympia
Site:	8.2 acres
Capacity: <i>(Current Utilization Standard)</i>	349 students (107 seats new student capacity)
Square Footage:	45,715 s.f.
Cost:	Total project: \$23.5 million, including a \$6.5 million mini-building of 11 classrooms and a \$700,000 field renovation.
Project Description:	Major modernization of existing school facility. Modernization work will include all new interior finishes and fixtures, furniture and equipment, as well as exterior finishes.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2019.

Elementary School Modernization

Grades K-5

Project Name:	Roosevelt Elementary School Modernization
Location:	1417 San Francisco Ave NE , Olympia
Site:	6.4 acres
Capacity: <i>(Current Utilization Standard)</i>	439 students (51 seats new student capacity)
Square Footage:	47,616 s.f.
Cost:	Total project: \$22.4 million, including a \$6.5 million mini-building and \$800,000 field renovation.
Project Description:	Major modernization of existing school facility. Modernization work will include all new interior finishes and fixtures, furniture and equipment, as well as exterior finishes.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2020.

High School Modernization

Grades 9-12

Project Name:	Capital High School Modernization
Location:	2707 Conger Ave NW, Olympia
Site:	40 acres
Capacity: <i>(Current Utilization Standard)</i>	1,496 students (new student capacity not yet determined)
Square Footage:	254,772 s.f.
Cost:	Total project: \$20.6 million
Project Description:	Modify classroom pod areas and other portions of the existing school in order to support educational trends and students matriculating from the Jefferson Advanced Math and Science program. Replace older failing exterior finishes and roofing.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2021.

High School Addition

Grades 9-12

Project Name:	Olympia High School Addition / portable replacement
Location:	1302 North Street SE, Olympia
Site:	40 acres
Capacity: <i>(Current Utilization Standard)</i>	will limit to 1,811 students; adds 280 permanent seats, which is 70 new seating/student capacity
Square Footage:	233,960 s.f.
Cost:	Total project: \$24.3 million
Project Description:	Provide additional permanent building area to replace ten portable classrooms. Support educational trends with these new spaces.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2020.

Elementary School Expansion

Grades K-5

Project Name:	Pioneer and Hansen Elementary Schools
Capacity:	Replace portables with new two-story structures at each school. Adds 250 student seats to each school to address new capacity of 82 students needed at Pioneer and 67 students needed at Hansen.
Cost:	Each structure will cost \$6.5 million. Pioneer costs associated with growth and therefore, impact fees, total \$2.1 million; Hansen growth costs total \$700,000.
Status:	Subject to bond approval, the district anticipates this facility will be available in 2019.

High School Addition/Admin. Center

Grades 9-12

Project Name: Avanti High School
Addition & Modernization & Re-location of district Administrative Center

Location: Avanti HS:
1113 Legion Way SE, Olympia (currently located on 1st floor of district Administrative Center

District Administrative Center:
To be determined

Site: Avanti HS: 7.5 acres

Capacity: Avanti HS: Will limit to 250 students
(Current Utilization Standard)

District Administrative Center: To be determined

Square Footage: Avanti HS: 78,000 s.f.

District Administrative center: To be determined

Cost: Avanti HS : Total project: \$9.9 million
District Administrative Center: Estimated \$7.8 million

Project Descriptions: Avanti HS:
Expand Avanti High School by allowing the school to occupy all three floors of the District Administrative Center. Expanding the school will allow additional programs and teaching and learning options that might not be available at the comprehensive high schools.

District Administrative Center: Provide a new location for administrative offices somewhere in the downtown vicinity.

Status: Subject to bond approval, the district anticipates this facility will be available in 2020.

Appendix C – Impact Fee Calculations

The Impact Fee Calculation is being calculated by legal counsel, and will be presented to the School Board October 12th.

SCHOOL IMPACT FEE CALCULATIONS							
DISTRICT	Olympia School District						
YEAR	2015 - SF and MF Residence(2)						
School Site Acquisition Cost:							
((AcrexCost per Acre)/Facility Capacity)xStudent Generation Factor							
	Facility Acreage	Cost/Acre	Facility Capacity	Student Factor SFR	Student Factor MFR	Cost/SFR	Cost/MFR
Elementary	10.00	\$ -	400	0.203	0.050	\$0	\$0
Middle	20.00	\$ -	600	0.078	0.038	\$0	\$0
High	40.00	\$ -	1,000	0.096	0.039	\$0	\$0
	TOTAL					\$0	\$0
School Construction Cost:							
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(permanent/Total Sq Ft)							
	%Perm/Total Sq.Ft.	Facility Cost	Facility Capacity	Student Factor SFR	Student Factor MFR	Cost/SFR	Cost/MFR
Elementary	99.00%	\$ 17,784,445	502	0.203	0.050	\$7,120	\$1,754
Middle	99.00%		210	0.078	0.038	\$0	\$0
High	99.00%	\$ 3,015,350	70	0.096	0.039	\$4,094	\$1,663
	TOTAL					\$11,214	\$3,417
Temporary Facility Cost:							
((Facility Cost/Facility Capacity)xStudent Generation Factor)x(Temporary/Total Square Feet)							
	%Temp/Total Sq.Ft.	Facility Cost	Facility Size	Student Factor SFR	Student Factor MFR	Cost/SFR	Cost/MFR
Elementary	1.00%	\$ 115,000.00	25	0.203	0.050	\$9	\$2
Middle	1.00%	\$ 0	0	0.078	0.038	\$0	\$0
High	1.00%	\$ 0	0	0.096	0.039	\$0	\$0
						\$9	\$2
State Matching Credit:							
Boeckh Index X SPI Square Footage X District Match % X Student Factor							
	Boeckh Index	SPI Footage	District Match %	Student Factor SFR	Student Factor MFR	Cost/SFR	Cost/MFR
Elementary	\$ 200.40	90	52.21%	0.203	0.050	\$1,912	\$471
Junior	\$ 200.40	108	0.00%	0.078	0.038	\$0	\$0
Sr. High	\$ 200.40	130	0.00%	0.096	0.039	\$0	\$0
						\$1,912	\$471
Tax Payment Credit:							
						SFR	MFR
Average Assessed Value						\$238,839	\$67,531
Capital Bond Interest Rate						4.29%	4.29%
Net Present Value of Average Dwelling						\$1,909,532	\$539,914
Years Amortized						10	10
Property Tax Levy Rate						\$1.8091	\$1.8091
Present Value of Revenue Stream						\$3,455	\$977
Fee Summary:							
				Single Family	Multi-Family		
Site Acquisition Costs				\$0	\$0		
Permanent Facility Cost				\$11,214	\$3,417		
Temporary Facility Cost				\$9	\$2		
State Match Credit				(\$1,912)	(\$471)		
Tax Payment Credit				(\$3,455)	(\$977)		
FEE (AS CALCULATED)				\$5,857	\$1,972		
FEE (AS DISCOUNTED 15%)				\$4,978	\$1,676		

RESOLUTION 539
CAPITAL FACILITIES PLAN 2016-2021

WHEREAS, the Olympia School District No. 111 (the "District") is responsible for providing public educational services at the elementary, middle and high school levels to students now residing or who will reside in the District, and;

WHEREAS, new residential developments have major impacts on the public school facilities in the District, and;

WHEREAS, the District is often unable to fund and construct permanent school facilities to keep pace with the rate residential developments are constructed, and;

WHEREAS, the intent of the Legislature in enacting the Growth Management Act (the "GMA") is to ensure that adequate facilities are available to serve new growth and development, and;

WHEREAS, the GMA authorizes impact fees in order to provide an additional source of revenue for financing public facilities, and;

WHEREAS, the GMA authorizes counties, cities and towns to impose school impact fees on behalf of school districts, and;

WHEREAS, the District desires to cooperate with the cities of Olympia and Tumwater (the "cities") and with Thurston County in the implementation of the GMA and in the assessment and collection of school impact fees, and;

WHEREAS, the GMA requires impact fees to be imposed through established procedures and criteria, and;

WHEREAS, the GMA requires a schedule of fees for each type of development activity and requires that the schedule be based upon a formula or other method of calculating such impact fees, and;

WHEREAS, the GMA permits local jurisdictions to provide for an exemption from the payment of impact fees for low-income housing and other development activities with broad public purposes; and

WHEREAS, the Board of Directors supports such an exemption for low-income housing located within the District; and

WHEREAS, the District has studied the need for additional school facilities to serve new developments and has developed a Capital Facilities Plan, and;

WHEREAS, the District has reviewed the cost of providing school facilities and evaluated the need for new revenues to finance additional facilities, and;

WHEREAS, the District has developed, after extensive study and analysis, a methodology for calculating school impact fees, and;

WHEREAS, the results of the study are set forth in the *Olympia School District Capital Facilities Plan (the "CFP") 2016-2021*, and;

WHEREAS, the CFP provides a schedule of fees for each type of development activity in compliance with the GMA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Olympia School District No. 111, Thurston County, Washington, as follows:

1. That the Board of Directors of the Olympia School District No. 111, hereby adopts the *Olympia School District Capital Facilities Plan 2016-2021*, which sets forth, among other components, the need for district capital projects, the cost of providing school facilities, the need for new revenues to finance additional facilities, the methodology for calculating school impact fees, and a schedule of fees for each type of development activity as required by the GMA; and,
2. That the Board of Directors of the Olympia School District No. 111 requests the cities of Olympia and Tumwater, and Thurston County, to adopt the CFP as the basis for imposing school impact fees within the cities of Olympia and Tumwater, and in Thurston County; and,
3. That the Board of Directors of the Olympia School District No. 111 requests the cities of Olympia and Tumwater to provide for an exemption from the payment of school impact fees for low-income housing, and that Thurston County include such an exemption in a County ordinance adopting school impact fees.

ADOPTED by the Board of Directors of the Olympia School District No. 111, Thurston County, Washington, at an open public meeting thereof, notice of which was given as required by law, held the 2nd day of November, 2015, the following Directors being present and voting therefore:

OLYMPIA SCHOOL DISTRICT NO. 111
A municipal corporation of the State of Washington

Justin L. Montermini, President

Allen T. Miller, Vice President

Mark C. Campeau, Director

Attest:

Eileen Thomson, Director

Dominic G. Cvitanich, Secretary

Frank L. Wilson, Director

DETERMINATION OF NONSIGNIFICANCE

Issued with a 14 day comment and appeals period

Description of Proposal:

This threshold determination analyzes the environmental impacts associated with the following actions, which are so closely related to each other that they are in effect a single course of action:

1. The adoption of the Olympia School District's Capital Facilities Plan 2015-2020 by the Olympia School District No. 111 for the purposes of planning for the facilities needs of the District;
2. The amendment of the Comprehensive Plans of the Cities of Tumwater and Olympia to include the Olympia School District's Capital Facilities Plan 2015-2020 as part of the Capital Facilities Element of these jurisdictions' Comprehensive Plans; and
3. The possible amendment of the Thurston County Comprehensive Plan by Thurston County to include the Olympia School District's Capital Facilities Plan 2015-2020 as part of the Capital Facilities Element of Thurston County's Comprehensive Plan.

Proponent: Olympia School District No. 111

Location of the Proposal:

The Olympia School District includes an area of approximately 80 square miles. The City of Olympia and parts of the City of Tumwater and parts of unincorporated Thurston County fall within the District's boundaries.

Lead Agency:

Olympia School District No. 111

The lead agency for this proposal has determined that the proposal does not have a probable significant adverse environmental impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after a review of the completed environmental checklist and other information on file with the lead agency. This information is available to the public upon request.

This Determination of Nonsignificance (DNS) is issued under WAC 197-11-340(2). The lead agency will not act on this proposal for 14 days from the date of issue. Comments must be submitted before 12:01 p.m., September 12, 2014. The responsible official will reconsider the DNS based on timely comments and may retain, modify, or, if significant adverse impacts are likely, withdraw the DNS. If the DNS is retained, it will be final after the expiration of the comment deadline.

Responsible Official: Mr. Timothy Byrne, AIA
Supervisor, Capital Planning & Construction
Olympia School District No. 111

Telephone: (360) 596-8560

Address: 1113 Legion Way S.E.
Olympia School District, Room 300
Olympia, WA 98501

You may appeal this determination in writing before 12:01 p.m., September 12, 2013, to Mr. Timothy Byrne, Supervisor, Capital Planning & Construction, Olympia School District No. 111, 1113 Legion Way S.E., Olympia, WA, 98501.

Date of Issue: August 28, 2014
Date Published: August 29, 2014

ENVIRONMENTAL CHECKLIST – OLYMPIA SCHOOL DISTRICT - CAPITAL FACILITIES PLAN 2015-2020

Purpose of checklist:

The State Environmental Policy Act (SEPA), chapter 43.21C RCW, requires all governmental agencies to consider the environmental impacts of a proposal before making decisions. An environmental impact statement (EIS) must be prepared for all proposals with probable significant adverse impacts on the quality of the environment. The purpose of this checklist is to provide information to help you and the agency identify impacts from your proposal (and to reduce or avoid impacts from the proposal, if it can be done) and to help the agency decide whether an EIS is required.

Instructions for applicants:

This environmental checklist asks you to describe some basic information about your proposal. Governmental agencies use this checklist to determine whether the environmental impacts of your proposal are significant, requiring preparation of an EIS. Answer the questions briefly, with the most precise information known, or give the best description you can.

You must answer each question accurately and carefully, to the best of your knowledge. In most cases, you should be able to answer the questions from your own observations or project plans without the need to hire experts. If you really do not know the answer, or if a question does not apply to your proposal, write "do not know" or "does not apply." Complete answers to the questions now may avoid unnecessary delays later.

Some questions ask about governmental regulations, such as zoning, shoreline, and landmark designations. Answer these questions if you can. If you have problems, the governmental agencies can assist you.

The checklist questions apply to all parts of your proposal, even if you plan to do them over a period of time or on different parcels of land. Attach any additional information that will help describe your proposal or its environmental effects. The agency to which you submit this checklist may ask you to explain your answers or provide additional information reasonably related to determining if there may be significant adverse impact.

Use of checklist for Non-project proposals:

Complete this checklist for Non-project proposals, even though questions may be answered "does not apply." IN ADDITION, complete the SUPPLEMENTAL SHEET FOR NON-PROJECT ACTIONS (part D).

For Non-project actions, the references in the checklist to the words "project," "applicant," and "property or site" should be read as "proposal," "proposer," and "affected geographic area," respectively.

A. BACKGROUND

1. Name of proposed project, if applicable:

The adoption of the Olympia School District's (OSD) 2015-2020 Capital Facilities Plan (CFP) for the purposes of planning for the District's facilities needs. The City of Olympia and the City of Tumwater will incorporate the District's CFP into their Comprehensive Plans. Thurston County may also incorporate this Plan into the County's Comprehensive Plan. A copy of the District's CFP is available for review in the District's offices.

2. Name of applicant: **Olympia School District No. 111**

3. Address and phone number of applicant and contact person:

**Timothy Byrne
Capital Planning & Construction
Olympia School District
1113 Legion Way SE
Olympia, WA 98501**

4. Date checklist prepared: **August 28, 2014**

5. Agency requesting checklist: **Olympia School District is Lead Agency**

6. Proposed timing or schedule (including phasing, if applicable):

The CFP is scheduled to be adopted by the District in October, 2014. After adoption, the District will forward the CFP to the City of Olympia and the City of Tumwater for inclusion in the Comprehensive Plans for these jurisdictions. The District will also forward the CFP to Thurston County for possible inclusion in the County's Comprehensive Plan. The District will continue to update the CFP annually. The projects included in the CFP have

been or will be subject to project-level environmental review when appropriate.

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

The CFP sets forth the capital improvement projects that the District plans to implement over the next six years. This includes a new Intermediate Middle School, as well as adding possible new permanent or “portable” classroom facilities to address potential State implementation of Full Day Kindergarten and / or decreasing class sizes at the elementary school level, and several “small works” projects at schools across the District.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

The projects included in the CFP have undergone or will undergo additional environmental review, when appropriate, as they are developed.

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

None known of.

10. List any government approvals or permits that will be needed for your proposal, if known.

The District anticipates that the City of Olympia and the City of Tumwater will adopt the CFP into the Comprehensive Plans for these jurisdictions. Thurston County may also adopt the CFP into its Comprehensive Plan.

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

This is a non-project action. This proposal involves the adoption of the OSD CFP 2015-2020 for the purpose of planning the District's facilities needs. The District's CFP will be incorporated into the Comprehensive Plans of the City of Olympia and the City of Tumwater. Thurston County may also incorporate the CFP into its Comprehensive Plan. The projects included in the CFP have been or will be subject to project-level environmental review when appropriate. A copy of the CFP may be viewed at the District's offices.

12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

The CFP will affect the OSD. The District includes an area of approximately 80 square miles. The City of Olympia and parts of the City of Tumwater and unincorporated Thurston County fall within the District's boundaries. A detailed map of the District's boundaries can be viewed at the District's offices.

B. ENVIRONMENTAL ELEMENTS

1. Earth

a. General description of the site (circle one): Flat, rolling, hilly, steep slopes, mountainous, other.

The OSD is comprised of a variety of topographic land forms and gradients. Specific topographic characteristics of the sites at which the projects included in the CFP are located have been or will be identified during project-level environmental review when appropriate.

b. What is the steepest slope on the site (approximate percent slope)?

Specific slope characteristics at the sites of the projects included in the CFP have been or will be identified during project-level environmental review.

- c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farmland.

Specific soil types found at the sites of the projects included in the CFP have been or will be identified during project-level environmental review when appropriate.

- d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.

Unstable soils may exist within the OSD. Specific soil limitations on individual project sites have been or will be identified at the time of project-level environmental review when appropriate.

- e. Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.

Individual projects included in the CFP have been or will be subject, when appropriate, to project-level environmental review and local approval at the time of proposal. Proposed grading projects, as well as the purpose, type, quantity, and source of any fill materials to be used have been or will be identified at that time.

- f. Could erosion occur as a result of clearing, construction, or use? If so, generally describe.

It is possible that erosion could occur as a result of the construction projects currently proposed in the CFP. The erosion impacts of the individual projects have been or will be evaluated on a site-specific basis at the time of project-level environmental review when appropriate. Individual projects have been or will be subject to local approval processes.

- g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?

The construction projects included in the CFP have required or will require the construction of impervious surfaces. The extent of any impervious cover constructed will vary with each project included in the CFP. This issue has been or will be addressed during project-level environmental review when appropriate.

- h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any:

The erosion potential of the projects included in the CFP and appropriate control measures have been or will be addressed during project-level environmental review when appropriate. Relevant erosion reduction and control requirements have been or will be met.

2. Air

- a. What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.

Various emissions, many construction-related, may result from the individual projects included in the CFP. The air-quality impacts of each project have been or will be evaluated during project-level environmental review when appropriate. Please see the Supplemental Sheet for Non-project Actions.

- b. Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.

Any off-site sources of emissions or odor that may affect the individual projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

- c. Proposed measures to reduce or control emissions or other impacts to air, if any:

The individual projects included in the CFP have been or will be subject to project-level environmental review and relevant local approval processes when appropriate. The District has been or will be required to comply with all

applicable air regulations and air permit requirements. Proposed measures specific to the individual projects included in the CFP have been or will be addressed during project-level environmental review when appropriate. Please see the Supplemental Sheet for Non-project Actions.

3. Water

a. Surface:

- 1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.

There is a network of surface water bodies within the OSD. The surface water bodies that are in the immediate vicinity of the projects included in the CFP have been or will be identified during project level environmental review when appropriate. When necessary, the surface water regimes and flow patterns have been or will be researched and incorporated into the designs of the individual projects.

- 2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.

The projects included in the CFP may require work near the surface waters located within the OSD. Applicable local approval requirements have been or will be satisfied.

- 3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.

Information with respect to the placement or removal of fill and dredge material as a component of the projects included in the CFP has been or will be provided during project-level environmental review when appropriate. Applicable local regulations have been or will be satisfied.

- 4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.

Any surface water withdrawals or diversions required in connection with the projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

- 5) Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.

Each project included in the CFP, if located in a floodplain area, has been or will be required to meet applicable local regulations for flood areas.

- 6) Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.

Specific information regarding the discharge of waste materials that may be required as a result of the projects included in the CFP has been or will be provided during project-level environmental review when appropriate. Please see the Supplemental Sheet for Non-project Actions.

b. Ground:

- 1) Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.

Individual projects included in the CFP may impact groundwater resources. The impact of the individual projects included in the CFP on groundwater resources has been or will be addressed during project-level environmental

review when appropriate. Each project has been or will be subject to applicable local regulations. Please see the Supplemental Sheet for Non-project Actions.

- 2) Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals. . . ; agricultural; etc.). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

The discharges of waste material that may take place in connection with the projects included in the CFP have been or will be addressed during project-level environmental review.

c. Water runoff (including stormwater):

- 1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.

Individual projects included in the CFP may have stormwater runoff consequences. Specific information regarding the stormwater impacts of each project has been or will be provided during project-level environmental review when appropriate. Each project has been or will be subject to applicable local stormwater regulations.

- 2) Could waste materials enter ground or surface waters? If so, generally describe.

The projects included in the CFP may result in the discharge of waste materials into ground or surface waters. The specific impacts of each project on ground and surface waters have been or will be identified during project-level environmental review when appropriate. Each project has been or will be subject to all applicable regulations regarding the discharge of waste materials into ground and surface waters. Please see the Supplemental Sheet for Non-project Actions.

d. Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:

Specific measures to reduce or control runoff impacts associated with the projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

4. Plants

a. Check or circle types of vegetation found on the site:

- _____ deciduous tree: alder, maple, aspen, other
- _____ evergreen tree: fir, cedar, pine, other
- _____ shrubs
- _____ grass
- _____ pasture
- _____ crop or grain
- _____ wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other
- _____ water plants: water lily, eelgrass, milfoil, other
- _____ other types of vegetation

A variety of vegetative zones are located within the OSD. Inventories of the vegetation located on the sites of the projects proposed in the CFP have been or will be developed during project-level environmental review when appropriate.

b. What kind and amount of vegetation will be removed or altered?

Some of the projects included in the CFP may require the removal or alteration of vegetation. The specific impacts on vegetation of the projects included in the CFP have been or will be identified during project-level environmental review when appropriate.

- c. List threatened or endangered species known to be on or near the site.

The specific impacts to these species from the individual projects included in the CFP have been or will be determined during project-level environmental review when appropriate.

- d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:

Measures to preserve or enhance vegetation at the sites of the projects included in the CFP have been or will be identified during project-level environmental review when appropriate. Each project is or will be subject to applicable local landscaping requirements.

5. Animals

- a. Circle any birds and animals which have been observed on or near the site or are known to be on or near the site:

birds: hawk, heron, eagle, songbirds, other:

mammals: deer, bear, elk, beaver, other:

fish: bass, salmon, trout, herring, shellfish, other:

An inventory of species that have been observed on or near the sites of the projects proposed in the CFP has been or will be developed during project-level environmental review when appropriate.

- b. List any threatened or endangered species known to be on or near the site.

Inventories of threatened or endangered species known to be on or near the sites of the projects included in the CFP have been or will be developed during project-level environmental review when appropriate.

- c. Is the site part of a migration route? If so, explain.

The impacts of the projects included in the CFP on migration routes have been or will be addressed during project-level environmental review when appropriate.

- d. Proposed measures to preserve or enhance wildlife, if any:

Appropriate measures to preserve or enhance wildlife have been or will be determined during project-level environmental review when appropriate.

6. Energy and natural resources

- a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.

The State Board of Education requires the completion of a life-cycle cost analysis of all heating, lighting, and insulation systems before it will permit specific school projects to proceed. The energy needs of the projects included in the CFP have been or will be determined at the time of specific engineering and site design planning when appropriate. Please see the Supplemental Sheet for Non-project Actions.

- b. Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.

The impacts of the projects included in the CFP on the solar potential of adjacent projects have been or will be addressed during project-level environmental review when appropriate

- c. What kinds of energy conservation features are included in the plans of this proposal?
List other proposed measures to reduce or control energy impacts, if any:

Energy conservation measures proposed in connection with the projects included in the CFP have been or will be considered during project-level environmental review when appropriate.

7. Environmental health

- a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so, describe.

Please see the Supplemental Sheet for Non-project Actions.

- 1) Describe special emergency services that might be required.

Please see the Supplemental Sheet for Non-project Actions.

- 2) Proposed measures to reduce or control environmental health hazards, if any:

The projects included in the CFP comply or will comply with all current codes, standards, rules, and regulations. Individual projects have been or will be subject to project-level environmental review and local approval at the time they are developed, when appropriate.

b. Noise

- 1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?

A variety of noises from traffic, construction, residential, commercial, and industrial areas exists within the OSD. The specific noise sources that may affect the projects included in the CFP have been or will be identified during project-level environmental review when appropriate.

- 2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.

The projects included in the CFP may create normal construction noises that will exist on short-term bases only. The construction projects could increase traffic around the construction sites on a short-term basis. Because the construction of additional high school capacity will increase the capacity of the District's school facilities, this project may create a slight increase in traffic-related or operations-related noise on a long-term basis. Similarly, the placement of portables at school sites will increase the capacity of school facilities and may create a slight increase in traffic-related or operations-related noise. Neither of these potential increases is expected to be significant. Please see the Supplemental Sheet for Non-project Actions.

- 3) Proposed measures to reduce or control noise impacts, if any:

The projected noise impacts of the projects included in the CFP have been or will be evaluated and mitigated during project-level environmental review when appropriate. Each project is or will be subject to applicable local regulations.

8. Land and shoreline use

- a. What is the current use of the site and adjacent properties?

There are a variety of land uses within the OSD, including residential, commercial, industrial, institutional, utility, open space, recreational, etc.

- b. Has the site been used for agriculture? If so, describe.

The known sites for the projects included in the CFP have not been used recently for agriculture.

c. Describe any structures on the site.

The structures located on the sites for the projects included in the CFP have been or will be identified and described during project-level environmental review when appropriate.

d. Will any structures be demolished? If so, what?

The structures located on the sites for the projects included in the CFP have been or will be identified and described during project-level environmental review when appropriate.

e. What is the current zoning classification of the site?

The sites that are covered under the CFP have a variety of zoning classifications under the applicable zoning codes. Site-specific zoning information has been or will be identified during project-level environmental review when appropriate.

f. What is the current comprehensive plan designation of the site?

Inventories of the comprehensive plan designations for the sites of the projects included in the CFP have been or will be completed during project-level environmental review when appropriate.

g. If applicable, what is the current shoreline master program designation of the site?

Shoreline master program designations of the sites of the projects included in the CFP have been or will be identified during project-level environmental review when appropriate.

h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.

Any environmentally sensitive areas located on the sites of the projects included in the CFP have been or will be identified during project-level environmental review.

i. Approximately how many people would reside or work in the completed project?

The OSD currently serves approximately 9,000 full-time equivalent (FTE) students. Enrollment is expected to continue to increase over the next 20 years. The District employs approximately 1,200 people.

j. Approximately how many people would the completed project displace?

Any displacement of people caused by the projects included in the CFP has been or will be evaluated during project-level environmental review when appropriate. However, it is not anticipated that the CFP, or any of the projects contained therein, will displace any people.

k. Proposed measures to avoid or reduce displacement impacts, if any:

Individual projects included in the CFP have been or will be subject to project-level environmental review and local approval when appropriate. Proposed mitigating measures have been or will be developed at that time, when necessary.

l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

The compatibility of the specific projects included in the CFP with existing uses and plans has been or will be assessed as part of the comprehensive planning process and during project-level environmental review when appropriate.

9. Housing

- a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.

No housing units would be provided in connection with the completion of the projects included in the CFP.

- b. Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.

It is not anticipated that the projects included in the CFP will eliminate any housing units. The impacts of the projects included in the CFP on existing housing have been or will be evaluated during project-level environmental review when appropriate.

- c. Proposed measures to reduce or control housing impacts, if any:

Measures to reduce or control any housing impacts caused by the projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

10. Aesthetics

- a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

The aesthetic impacts of the projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

- b. What views in the immediate vicinity would be altered or obstructed?

The aesthetic impacts of the projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

- c. Proposed measures to reduce or control aesthetic impacts, if any:

Appropriate measures to reduce or control the aesthetic impacts of the projects included in the CFP have been or will be determined on a project-level basis when appropriate.

11. Light and glare

- a. What type of light or glare will the proposal produce? What time of day would it mainly occur?

The light or glare impacts of the projects included in the CFP have been or will be addressed during project-level environmental review, when appropriate.

- b. Could light or glare from the finished project be a safety hazard or interfere with views?

The light or glare impacts of the projects included in the CFP have been or will be addressed during project level environmental review when appropriate.

- c. What existing off-site sources of light or glare may affect your proposal?

Off-site sources of light or glare that may affect the projects included in the CFP have been or will be evaluated during project-level environmental review when appropriate.

- d. Proposed measures to reduce or control light and glare impacts, if any:

Proposed measures to mitigate light and glare impacts have been or will be addressed during project level environmental review when appropriate.

12. Recreation

- a. What designated and informal recreational opportunities are in the immediate vicinity?

There are a variety of formal and informal recreational facilities within the OSD.

- b. Would the proposed project displace any existing recreational uses? If so, describe.

The recreational impacts of the projects included in the CFP have been or will be addressed during project-level environmental review when appropriate. The projects included in the CFP, including proposed new school facilities, may enhance recreational opportunities and uses.

- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:

Adverse recreational effects of the projects included in the CFP have been or will be subject to mitigation during project-level environmental review when appropriate. School facilities usually provide recreational facilities to the community in the form of play fields and gymnasiums.

13. Historic and cultural preservation

- a. Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.

There are no known places or objects listed on, or proposed for, such registers for the project sites included in the CFP. The existence of historic and cultural resources on or next to the sites has been or will be addressed in detail during project-level environmental review when appropriate.

- b. Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.

An inventory of historical sites at or near the sites of the projects included in the CFP has been or will be developed during project-level environmental review when appropriate.

- c. Proposed measures to reduce or control impacts, if any:

Appropriate measures will be proposed on a project-level basis when appropriate.

14. Transportation

- a. Identify public streets and highways serving the site, and describe proposed access to the existing street system. Show on site plans, if any.

The impact on public streets and highways of the individual projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

- b. Is site currently served by public transit? If not, what is the approximate distance to the nearest transit stop?

The relationship between the specific projects included in the CFP and public transit has been or will be addressed during project-level environmental review when appropriate.

- c. How many parking spaces would the completed project have? How many would the project eliminate?

Inventories of parking spaces located at the sites of the projects included in the CFP and the impacts of specific projects on parking availability have been or will be conducted during project-level environmental review when appropriate.

- d. Will the proposal require any new roads or streets, or improvements to existing roads or streets, not including driveways? If so, generally describe (indicate whether public or private).

The need for new streets or roads, or improvements to existing streets and roads has been or will be addressed during project-level environmental review when appropriate.

e. Will the project use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

Use of water, rail, or air transportation has been or will be addressed during project-level environmental review when appropriate.

f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.

The traffic impacts of the projects included in the CFP have been or will be addressed during project-level environmental review when appropriate.

g. Proposed measures to reduce or control transportation impacts, if any:

The mitigation of traffic impacts associated with the projects included in the CFP has been or will be addressed during project-level environmental review when appropriate.

15. Public services

a. Would the project result in an increased need for public services (for example: fire protection, police protection, health care, schools, other)? If so, generally describe.

The District does not anticipate that the projects identified in the CFP will significantly increase the need for public services.

b. Proposed measures to reduce or control direct impacts on public services, if any.

New school facilities have been or will be built with automatic security systems, fire alarms, smoke alarms, heat sensors, and sprinkler systems.

16. Utilities

a. Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other.

Electricity, natural gas, water, refuse service, telephone, and sanitary sewer utilities are available at the known sites of the projects included in the CFP. The types of utilities available at specific project sites have been or will be addressed in more detail during project-level environmental review when appropriate.

b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

Utility revisions and construction needs have been or will be identified during project-level environmental review when appropriate.

D.SUPPLEMENTAL SHEET FOR NON-PROJECT ACTIONS

(do not use this sheet for project actions)

Because these questions are very general, it may be helpful to read them in conjunction with the list of the elements of the environment.

When answering these questions, be aware of the extent the proposal or the types of activities likely to result from the proposal, would affect the item at a greater intensity or at a faster rate than if the proposal were not implemented. Respond briefly and in general terms.

1. How would the proposal be likely to increase discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise?

To the extent the CFP makes it more likely that school facilities, including new high school, middle school, and elementary capacity, as well as several small works projects, will be constructed, some of these environmental impacts will be more likely. Additional impermeable surfaces, such as roofs, access roads, and sidewalks could increase stormwater runoff, which could enter surface or ground waters. Heating systems, emergency generators, and other school equipment that is installed pursuant to the CFP could result in air emissions. The projects included in the CFP should not require the production, storage, or release of toxic or hazardous substances, with the possible exception of the storage of diesel fuel or gasoline for emergency generating equipment. The District does not anticipate a significant increase in the production of noise from its facilities, although the projects included in the CFP will increase the District's student capacities.

Proposed measures to avoid or reduce such increases are:

Proposed measures to mitigate any such increases described above have been or will be addressed during project-level environmental review when appropriate. Stormwater detention and runoff will meet applicable County and/or City requirements and may be subject to National Pollutant Discharge Elimination System (NPDES) permitting requirements. Discharges to air will meet applicable air pollution control requirements. Fuel oil will be stored in accordance with local and state requirements.

2. How would the proposal be likely to affect plants, animals, fish, or marine life?

The CFP itself will have no impact on these elements of the environment. The projects included in the CFP may require clearing plants off of the project sites and a loss to animal habitat. These impacts have been or will be addressed in more detail during project-level environmental review when appropriate. The projects included in the CFP are not likely to generate significant impacts on fish or marine life.

Proposed measures to protect or conserve plants, animals, fish, or marine life are:

Specific measures to protect and conserve plants, animals, and fish cannot be identified at this time. Specific mitigation proposals will be identified, however, during project-level environmental review when appropriate.

3. How would the proposal be likely to deplete energy or natural resources?

The construction of the projects included in the CFP will require the consumption of energy.

Proposed measures to protect or conserve energy and natural resources are:

The projects included in the CFP will be constructed in accordance with applicable energy efficiency standards.

4. How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection; such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?

The CFP and individual projects contained therein should have no impact on these resources.

Proposed measures to protect such resources or to avoid or reduce impacts are:

Appropriate measures have been or will be proposed during project-level environmental review when appropriate. Updates of the CFP will be coordinated with Thurston County and the Cities of Tumwater and Olympia as part of the Growth Management Act process, one of the purposes of which is to protect environmentally sensitive areas. To the extent the District's facilities planning process is part of the overall growth management planning process, these resources are more likely to be protected.

5. How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?

The CFP will not have any impact on land or shoreline use that is incompatible with existing comprehensive

plans, land use codes, or shoreline management plans. The District does not anticipate that the CFP or the projects contained therein will directly affect land and shoreline uses in the area served by the District.

Proposed measures to avoid or reduce shoreline and land use impacts are:

No measures to avoid or reduce land use impacts resulting from the CFP or the projects contained therein are proposed at this time.

6. How would the proposal be likely to increase demands on transportation or public services and utilities?

The construction projects included in the CFP may create temporary increases in the District's need for public services and utilities. The new school facilities will increase the District's demands on transportation and utilities. These increases are not expected to be significant.

Proposed measures to reduce or respond to such demand(s) are:

No measures to reduce or respond to such demands are proposed at this time.

7. Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.

The CFP will not conflict with any laws or requirements for the protection of the environment.

DRAFT



October 6, 2015

Olympia City Council
PO Box 1967
Olympia, WA 98507

Dear Mayor Buxbaum and City Councilmembers:

The Olympia Planning Commission (OPC) has conducted its review of the City of Olympia's 2016-2021 Preliminary Capital Facilities Plan (Draft CFP) as required by the Growth Management Act. We agree that maintaining our existing resources should be the major emphasis of the plan. Following is a summary of our recommendations for your consideration.

CAPITAL FACILITIES ELEMENT GOALS AND POLICIES

The 2014 Planning Commission CFP letter included a recommendation to revise the 2013 the Capital Facilities Element (CFE) goals and policies that are found on page 119 of this year's Draft CFP. One of our main objectives was to ensure that projects in the Capital Facilities Plan are consistent with the Comprehensive Plan recommended by the Planning Commission and now under review by Council. The revised CFE goals and policies, as proposed by the Planning Commission, are included in this year's draft CFP and will be adopted in conjunction with the adoption of the draft CFP.

Recommendation: The Planning Commission believes that the revised CFE goals and policies, when adopted, should guide the development of the annual CFP updates. As the key document for CFP development and a component of the City's comprehensive plan, we recommend that these goals and policies be highlighted in the introduction section of the final 2016-2021 CFP and all future CFPs.

MAINTENANCE FUNDING

The Planning Commission agrees that protection of our assets should be the first priority of capital funding in the Draft CFP. Additional funding is needed for parks and street maintenance. The City needs to find ways to more fully fund its maintenance responsibilities now or deficiencies will increase in size and cost, and negatively impact quality of service and future budgets.

Recommendation: The Planning Commission recognizes that, given the current financial conditions and the breadth of City needs, meeting our maintenance funding needs is no simple task. However, we believe that the City should place a priority on implementing

revenue measures that address maintenance needs, especially those related to parks and roads.

PARKS

Parks Funding

Parks are a valuable amenity to Olympia residents and demand for parks continues to grow. According to a recent Elway survey, 95% of respondents had visited an Olympia park in the last year. Parks and open space enhance quality of life; provide natural habitat and recreational opportunities for residents.

Community, Neighborhood Parks and Open Space are valuable assets for the City. According to the 2010 Parks, Arts and Recreation Plan (PAR) the City is currently under its target Level of Service Standards for neighborhood and community parks. To keep pace with projected population growth an additional 40 acres of park land and associated development are needed every ten years to meet the City's service standards. The 2016-2021 CFP includes \$1,935,000 for park land acquisition in 2016 and \$1,000,000 per year from 2017 through 2021 for park land acquisition.

In the 2015 PAR Plan Survey respondents identified maintenance of existing facilities and improving and upgrading existing City parks as top priorities. Through its Condition Assessment and Major Maintenance Program (CAMMP), the Parks Department has identified a \$4 million deficiency backlog in major parks maintenance projects and requested \$500,000 in 2016 and \$2,500,000 for 2017 through 2021 to address the backlog.

Percival Landing is a popular destination spot and major capital asset of the City. Given the extensive capital cost for repairs and reconstruction, the facility merits its own program. We support establishing Percival Landing major maintenance and reconstruction as a separately funded program.

The Parks & Recreation Department is finalizing a business plan as a component of its next update of its long-range Parks, Arts, and Recreation Plan due in early 2016. The business plan will provide a comprehensive analysis of park needs, existing and potential revenue sources, and funding scenarios.

Recommendation: Current funding levels are insufficient to sustain the City's Service Level Standard of Neighborhood Parks, Community Parks and Open Space land acquisition. It is important for the City to find ways to increase revenues rather than reducing Park standards and allocating revenue with the Parks Plan and allocate such revenue in accordance with the Parks Plan. Impact fees should continue to be used for land acquisition (they are prohibited from being used for maintenance). The Parks Business Plan is critical tool for future parks capital facility planning efforts.

The City should consider devoting some portion of any new funding source it implements to parks maintenance. As stated earlier in the letter, we believe maintenance of existing infrastructure should be a top priority for the City.

TRANSPORTATION

Multimodal Investment

The multi-modal approach to meeting transportation needs, as strongly supported by the Comprehensive Plan, provides the logic for the use of transportation impact fees. Increased and improved bicycle lanes, including protected bike lanes where indicated, increased and improved sidewalks, and transit improvements such as dedicated lanes and turnouts, can contribute significantly to a reduction in car traffic generation from new development and reduce the need for investments in car-related facilities. On a per-trip basis, bicycle, pedestrian, and transit facilities can often be more cost-effective than investments to accommodate more cars.

Recommendation: The City should proceed as expeditiously as possible with a proposed traffic engineering study to define an appropriate level of investment in bicycle, pedestrian, and transit facilities funded by transportation impact fees. Concurrently, the City should perform or have performed legal analysis to assure such investments are done in a manner consistent with the Growth Management Act.

Bicycle Facilities Program

We commend the work of the City on the identification of potential bikeways on low-traffic streets in the neighborhoods of the City and look forward to signage, maps, and outreach to encourage use of the first of these routes in the next year.

Because of higher traffic on all routes going into and through the downtown, \$170,000 which was provided in the past 2 CFP's is being used for identification and implementation of bicycle routes to and through the downtown.

We are aware that the cost of a "through town" route exceeds available funds and that instead; the City proposes a "to town" route that terminates near Sylvester Park. We recognize this as a positive first step.

Recommendation: Given the limited funding available, we urge that a "to town" route and a possible "through town" route be first tested with appropriate striping and impermanent structures, e.g. temporary bollards, to determine public response prior to investment of the major portions of the allocated funds.

Our recommendation of continued consideration of a "through town" route reflects our concern that without a route to destinations beyond Sylvester Park, e.g. the Farmers'

Market and Capitol Lake, and without an increase in protected bike lanes in the downtown, the current investment will not be optimized.

Sidewalks, Pathways, and Other Pedestrian Programs

The Parks and Pathways–Sidewalk Program (p. 56) and the Sidewalk Construction Program (p. 59) both address the City’s sidewalk needs. The Draft CFP provides \$6.5 million and \$153,000, respectively, for these two programs. Since 2003, only 9.2% of the sidewalk miles included in the 2003 Program Sidewalk Plan have been completed. At the current rate, the sidewalk “needs” will not be met for many decades. We need to adjust our expectations, increase funding, or find ways to make our investment go farther.

The Parks and Pathways – Neighborhood Pathways Program is funded at \$125,000 for 2016 and the following five years (p. 54). Neighborhood involvement in this program in 2014 and 2015 has been very encouraging and the completed projects are widely supported in the community.

Recommendation: The OPC recommends that the City consider revising the technical requirements and construction standards for sidewalks to make our dollars go farther.

Based on evidence that “walkability” depends to a significant extent on walkable destinations, investment in sidewalks should be closely tied to existing and future neighborhood centers. We suggest that exploration of an additional route through downtown be included as a component of the Downtown Strategy.

The City should reassess the 2003 sidewalk priority list by accepting input from neighborhood associations and other citizen groups on local sidewalk priorities. This input would be based in part on the planned neighborhood planning process.

The OPC supports continued funding of the Neighborhood Pathways Program out of Parks and Pathways utility tax funds.

Hazard Elimination Pedestrian Crossing Improvements

We strongly support the pedestrian safety projects in the Hazard Elimination (p.53), Pedestrian Crossing Improvements (p. 57), and ADA Requirements (p. 61) programs. These programs should be very high priorities of the City for at least three reasons: the value of human life, the need to encourage walking, and the potential cost to the City from liability claims.

Recommendation: In conjunction with the Hazard Elimination Pedestrian Crossing Improvements, we recommend that the City explore a “Vision Zero” program with the stated objective of reducing injuries and deaths of pedestrians, bicyclists, and car drivers to

zero. This will also encourage pedestrian and bicycle travel by creating a more bicycle and pedestrian environment.

While improved physical facilities such as protected bike lanes, wider sidewalks, and improved crossings are important, they are not sufficient. To achieve a desired elimination of injury and death from collisions between cars, pedestrians, and bicyclists, we recommend a much-enhanced level of education and enforcement of traffic and pedestrian safety by the City.

Street Repair and Reconstruction

The assumed out-year funding of \$2.6 million falls far short of the \$5 million annual funding needed to keep street condition ratings from declining over the next 20 years. Staff estimates that, in current dollars, meeting the backlog of rehabilitation in 2013 would require \$48 million dollars. Seven million dollars per year (an additional \$4 million) is needed to eliminate the backlog in 20 years. The currently proposed funding of \$2.6 million per year remains well below the \$4+ million annual investment required to keep the street condition rating from further decline.

Recommendation: In response to the deteriorating rating for existing streets and the increasing backlog of streets in need of rehabilitation, the City should consider a public process to describe in clear and concise terms the existing street conditions and trends and the current street rating target. It should then invite public comment on a desired street rating target and the possible means to fund the desired level of street repair and reconstruction.

The 2015 State Legislature passed legislation allowing local governments to increase the vehicle license fee to \$40 and after two years by another \$10 without a public vote. We recommend that the Council implement a process to determine public support for increasing the Transportation Benefit District vehicle license fee from the current \$20 per vehicle to \$40, and, if there is sufficient public support, vote to increase the TBD fee.

TRANSPORTATION WITH IMPACT FEES

Use of Transportation Impact Fees in the Downtown

We recognize that transportation impact fees must be spent on facilities related to amelioration of traffic congestion resulting from the residential and commercial facilities generating increased traffic. Recent analysis reveals that 20% of trips generated by new residential development in Olympia terminate or pass through the downtown.

Recommendation: Therefore, we recommend that the downtown be included in consideration of appropriate traffic mitigation investments funded by transportation

impact fees. These improvements can include improved bicycle, pedestrian, and transit facilities that can reduce the number of car trips to or through the downtown.

GENERAL CAPITAL FACILITIES

Urban Forestry

The adopted 2014 Comprehensive Plan contains numerous references to the value of trees in our community as stated in GN3-“ A healthy and diverse urban forest is protected, expanded, and valued for its contribution to the environment and community”. As well as the following:

PN3.1 Manage the urban forest to professional standards, and establish program goals and practices based on the best scientific information available.

PN3.2 Measure the tree canopy and set a citywide target for increasing it through tree preservation and planting.

An important tool that may be used in implementing the above referenced goals and practices, would be an Urban Forestry Master Plan. It would be a significant resource tool for protecting and supporting the City’s long-range urban forestry goals as well as understanding the existing and future tree needs of the community.

Recommendation: It was recommended, in the Olympia Planning Commission’s CFP review letter for 2014, that an Urban Forestry Master Plan be developed. We urge the City to continue the efforts to build a strong and vibrant asset in developing an Urban Forestry Master Plan to accomplish the Comprehensive Plan goals and policies within the six-year timeframe.

OLYMPIA SCHOOL DISTRICT

Under provisions of the Growth Management Act, the City collects school impact fees, which are then transferred to the Olympia School District (District). Because of the role of the City in collecting school impact fees, the City routinely reviews the Capital Facilities Plan (CFP) of the Olympia School District.

The CFP of the District and the calculation of impact fees contained therein is the exclusive responsibility of the District. Any concerns or challenges to the fee, the manner in which it is calculated, or the transparency of the calculation are matters for the District and not the City to resolve. However, the Commission continues to express concern regarding the fluctuation of school impact fees and interest in creating a more consistent impact fee structure.

Fluctuation of School Impact Fees

The wide annual variation in impact fees over recent years and the significant difference between the fees for single family residences and multi-family residences requires a detailed explanation and elimination in future capital facility plans of the District. For example, the single-family home impact fee was \$2,735 in 2010, \$659 in 2011, \$2,969 in 2012, and \$5,179 in 2013. The multi-family home impact fee was \$1,152 in 2011, \$235 in 2012, \$0 in 2013 and \$1,749 in 2014. (p. 41)

These very large swings undercut public confidence in the impact fee process and appear unfair to homeowners and developers who pay the higher amounts. A methodology employing a multi-year average of both new home and apartment construction and of new school facilities construction resulting from this new home and apartment construction in the planning period needs to be considered to reduce the seemingly random fee schedule.

OPC has expressed concerns related to fluctuating impact fees to the OSD and is awaiting a response addressing those concerns. The OPC will provide an additional letter to Council on the OSD.

RECOMMENDATIONS FROM 2014 LETTER

We ask that this letter be viewed as a supplement to the CFP recommendation letter the Planning Commission submitted to Council in October 2014. To avoid repetition, we have not brought forward our language on several recommendations in that letter. However, we encourage you to revisit the following issues in the 2014 letter, which we continue to support:

- Developing a comprehensive funding plan for Percival Landing.
- Converting to a two-year budget for capital and operating expenditures.
- Implementing volume-based rates for residential wastewater use.

CONCLUSION

The Olympia Planning Commission and its Finance Subcommittee appreciate the opportunity to provide these comments and recommendations regarding the 2016-2021 Capital Facilities Plan. We hope the Council finds them helpful in their budget deliberations. We will gladly answer any questions that might arise from this letter.

We also would like to express our appreciation for the work of all those who helped develop the Draft CFP and OSD CFP, and for those who patiently answered our many questions, including Jane Kirkemo, Mark Russell, Randy Wesselman, Sophie Stimson, David Hanna, David Okerlund, and Andy Haub of City staff and Jennifer Priddy of OSD. Many

thanks to Todd Stamm, Leonard Bauer, and Nancy Lenzi of Community Planning and Development for their support of our Finance Subcommittee. We would also like to thank the Utility Advisory Committee, Bicycle and Pedestrian Advisory Committee, and members of the public who provided comments and letters.

Sincerely,



Carole Richmond, CHAIR
Olympia Planning Commission



Jessica Bateman, CHAIR
OPC Finance Subcommittee



MEMORANDUM

TO: Mayor Buxbaum and Members of the Olympia City Council
FROM: Clark Gilman, Chair, Bicycle & Pedestrian Advisory Committee
DATE: October 13, 2015
SUBJECT: 2016 *Preliminary Capital Facilities Plan and Bicycle/Pedestrian Priorities*

The purpose of this memorandum is to provide comment and input from the Bicycle and Pedestrian Advisory Committee (BPAC) on the 2016 Preliminary Capital Facilities Plan (CFP).

Executive Summary:

1. The BPAC applauds the work to consolidate the CFP and create a more accessible document.
2. The \$100,000 investment in the Bike Improvements Program will keep us moving forward.
3. As the \$360,000 price tag of the Bike Corridor pilot demonstrates, it costs money to improve walking, bicycling and transit options.
4. Olympia is underinvesting in these practical transportation options, whether measured as a percentage of total street improvement spending or measured against other cities. We have a stated goal expressed in the *2009 Mobility Strategy* of moving people, not just cars.
5. Widening a street to create additional motor vehicle capacity brings more traffic which, in turn, creates more danger for people walking and biking. Improving practical transportation options may deliver more transportation improvement for the dollar invested than road widening.

The Olympia Bicycle and Pedestrian Advisory Committee is pleased to see modest dedicated funding for bicycle infrastructure return to the CFP after many years of zero funding. We appreciate that revisions to the transportation chapter reflect concerns our committee expressed about prior CFPs. We also find the new consolidated format and online layout of the CFP much more readable.

The proposed \$50,000 funding for Other Improvements in the Bike Improvements Program is encouraging for our committee. \$50,000 is enough to get started on a design to fix a gap in the existing bike network: the disappearing bike lane on Cooper Point Road approaching Caton Way. In our experience, one dangerous spot can ruin an entire route that is much bigger. In this case, an investment to address a small gap would improve the utility of our existing bike network.

This modest level of funding keeps us moving forward, but we are concerned that at a rate of \$50,000 a year it would take many years to address all the gaps in the existing bike network. We are underinvesting in walking, biking and transit as practical transportation, whether expressed as a percentage of total spending on Olympia streets, or a comparison with other cities. A stated goal in the *2009 Mobility Strategy* quoted at the beginning of the Transportation Chapter is: "Address system capacity by moving people – not just cars – through walking, biking, and transit."

Mayor Buxbaum and Members of the Olympia City Council
October 13, 2015
Page 2 of 2

Thank you for your support of the pilot bike corridor. This project recognizes that bike lanes on busy streets are not a great way to move "interested but concerned" cycling families safely through our city. We look forward to seeing the pilot corridor constructed in 2016. The \$360,000 cost of implementing this pilot project demonstrates the expense of even modest improvements.

We believe you get good value for the money invested in making our city more bikeable.

Appealing to the "interested but concerned," or people who do not feel comfortable riding bicycles on our current network of bike lanes on busy streets, is necessary to become a bikeable community that people of all ages and abilities feel safe riding in. We will need sustainable funding to make the changes necessary to attract them out of their cars.

The committee is also encouraged that the City Council has funded the initial work to create a multimodal concurrency program. We support impact fees being spent to increase system capacity for all modes of transportation, not just motor vehicles. We also support a method of measuring the number of people who move through intersections, rather than only counting vehicles. This is consistent with the *2009 Mobility Strategy* of moving people, not just cars.

To illustrate our thinking we'd like to describe our considerations about the Fones Road widening project. As currently described this project does not detail how it will integrate with the bike network. Fones Road is near the Chehalis Western Trail and actually intersects with the Olympia Woodland Trail. While road expansion increases capacity for motor vehicles, we want to point out that widening a road also creates more traffic, which in turn creates more danger for people walking and biking. The intersection of Fones Road and the Olympia Woodland Trail is not comfortable for cyclists or cars right now. What will it be like when Fones Road is expanded and there is an increase in motor vehicle traffic? Why is there no discussion of expanded trail access, or a protected bike lane along Fones Road instead of a new motor vehicle lane? We would argue that you can move many more people on bicycles on a street than people in cars.

This Capital Facilities Plan takes many steps in the right direction. We appreciate the time and energy Council has invested in practical transportation, and look forward to continuing to advise your efforts. Thank you for taking the time to consider BPAC's recommendations during the course of your CFP review process.

Sincerely,



CLARK GILMAN

Chair

Bicycle & Pedestrian Advisory Committee

CG:ms:hr

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cc: Michelle Swanson, Senior Program Specialist, Public Works Transportation
BPAC Members



MEMORANDUM

TO: Olympia Planning Commission

FROM: Jim Nieland, Chair *JRN*
Parks and Recreation Advisory Committee (PRAC)

DATE: September 18, 2015

SUBJECT: *Preliminary 2016-2021 Capital Facilities Plan (CFP)*
PRAC Recommendation to the Olympia Planning Commission

At our August 6, 2015 meeting, and again during our September 17, 2015 meeting, PRAC members reviewed the list of proposed park projects included in the Parks Chapter of the *2016-2021 Preliminary Capital Facilities Plan*.

Although a quorum was not present at the September 17, 2015 meeting, the members present expressed unanimous support for the projects proposed for inclusion in the Parks Chapter of the *2016-2021 Preliminary Capital Facilities Plan*.

Thank you for taking the time to consider our recommendation in the course of your CFP review process. Please feel free to contact me by telephone at (360) 431-4581 or by email at jnieland@ci.olympia.wa.us if you have questions or comments.



July 10, 2015

Carole Richmond, Chair
Olympia Planning Commission
c/o Todd Stamm, Principal Planner
City of Olympia
PO Box 1967
Olympia, WA 98507-1967

Dear Chair Richmond:

SUBJECT: Utility Advisory Committee (UAC) Review of Draft 2016-2021 Capital Facilities Plan

At our June 4, 2015 meeting, the UAC reviewed the draft Drinking Water, Wastewater and Stormwater sections of the draft *2015-2020 Capital Facilities Plan* (CFP). Andy Haub, Water Resources Director, facilitated the review. The UAC has not yet discussed the utility rate implications of this CFP, but thinks that they will be in line with those in recent years, given staff's preliminary estimates.

The UAC's comments on the draft CFP are as follows:

Drinking Water Utility

The UAC expresses support for the proposed Drinking Water CFP.

As presented, the draft Drinking Water CFP for 2016-2021 includes \$25 million in capital projects over the next six years, down from \$37 million for the past six years' CFP. Proposed CFP funding for Drinking Water in 2016 is \$8.4 million.

A large portion of the past Drinking Water CFP was funded by a low interest State loan, and State loans remain an important source of funding for the Utility. The City anticipates submitting a \$3 million dollar loan application this year for a State-mandated water quality improvement project.

While financial challenging, the draft CFP remains consistent with the 2009-2014 Water System Plan and begins to incorporate findings from the evolving 2015-2020 Plan anticipated for completion by the end of this year.

Wastewater Utility

The UAC supports the proposed Wastewater CFP.

Proposed funding for wastewater CFP funding is up in 2016. The CFP includes approximately \$10.5 million capital projects over the next six years, up from \$8.7 million in the past CFP. Proposed funding in 2016 is approximately \$2.8 million compared to a six-year average of \$1.7 million.

The Wastewater CFP is consistent with the 2013-2018 Management Plan adopted by City Council in fall 2014. The Plan provides a 20-year CFP and associated financial analysis. Based on the staff's analysis, the long-term CFP can be supported by the existing rate structure. Municipal bonding for future projects is not anticipated.

The current draft Wastewater CFP proposes funding for small-scale sewer extensions to support onsite septic system conversions to public sewer. Increased funding for conversions is proposed for 2017 (\$680,000). Converting onsite septic systems to municipal sewer is a regional water quality priority. Since the cost per conversion is not trivial, the UAC hopes this program will be able to effectively locate septic systems that are actually causing water quality problems, and will focus these extensions on connecting those sites to sewer.

Storm and Surface Water Utility

The UAC also supports the proposed Storm and Surface Water CFP, with the understanding that staff will commence an update in 2016 of the 2003-2010 Storm and Surface Water Management Plan. Updates to the Plan could result in new priorities and capital needs in future years. This year's proposed CFP implements the intent of the 2003 Storm and Surface Water Management Plan and is adapting to new management dynamics.

The proposed six-year CFP includes approximately \$13.1 million in projects, up from \$12.6 million in the past CFP. Funding for stormwater projects in 2016 is proposed to be \$1.7 million. City staff has been successful in acquiring grant funds over the past few years although stormwater grant funding remains uncertain from year-to-year.

Consistent with discussion and recommendations over the past several years, the Utility continues to support funding for land acquisition, stewardship and enhancement (\$1.2 million). With UAC and OPC support in 2013, a habitat restoration and stewardship program was established within the stormwater utility.

Conclusion

The UAC continues to support the CFP and the ongoing water-related planning work of the Public Works Department. To review a detailed account of the draft 2016 2012 CFP, see file number 15-0549 on the UAC's June 4, 2015 agenda.

If you have any questions, I can be reached via e-mail at curtzt@nuprometheus.com

Sincerely,



THAD CURTZ

Chair

Utility Advisory Committee

TC/lm

\\calvin\PW Shared Workgroup\UAC\2015 UAC\UAC Correspondence\Letter to OPC Re 2016-2021 CFP\UAC Letter to OPC Re 2016-2021.docx

ec:

Olympia City Council

Utility Advisory Committee

Rich Hoey, P.E., Public Works Director

Andy Haub, Water Resources Director



City Council

Public Hearing and 1st Reading of the 2016 Ad Valorem Tax Ordinance

Agenda Date: 11/17/2015
Agenda Item Number: 5.C
File Number: 15-1075

Type: ordinance **Version:** 1 **Status:** Public Hearing

Title:

Public Hearing and 1st Reading of the 2016 Ad Valorem Tax Ordinance

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager's Recommendation:

Hold a public hearing, close the hearing, and move to approve the ordinance on first reading and forward to second reading.

Report

Issue:

Whether to hold a public hearing to set the Ad Valorem Tax amount and the amount of increase for the budget year 2016, and approval of ordinance on first reading to set the Ad Valorem Tax for 2016 collections.

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

Dean Walz, Fiscal Services Director, Administrative Services Department

Jane Kirkemo, Administrative Services Director, 360.753.8499

Background and Analysis:

The City is required to adopt a property tax levy ordinance and file a levy certification with the County by November 30, 2015. If no certification is filed, the County will levy the lesser of the amount levied for 2015 or any other legal limit which may be applied to the levy.

A public hearing on General Fund revenues sources, including property tax, is required prior to the adoption of the property tax levy (RCW 84.55.120). The schedule of proposed 2016 General Fund revenues is attached. Notice of the hearing was published on November 3 and November 10, 2015.

The 2016 general levy is based on a 1% increase over the previous highest legal levy, plus estimated amounts for new construction, a contingency, and a refund levy to be collected in 2016. An increase in the levy is limited to the lower of 1% or the inflation rate as measured by the implicit price deflator (IPD) plus new construction. The IPD affecting 2016 tax assessments is 0.251%. To increase the levy beyond the IPD to 1% requires the Council to pass a resolution of substantial need with a super majority off the Council present. To increase the levy beyond these limits requires voter approval (levy lid lift).

A contingency of \$50,000 is included because the final values and changes in State assessed properties (utilities) are not known at this time. The maximum the City can collect in property taxes is limited to the lesser of the legal limit or the amount specified in the authorizing ordinance.

Once a levy is set there may be adjustments made which lower the amount of taxes to be collected, e.g. lower assessed valuations. The amount not collected due to adjustments can be added to the next year's levy as a refund levy.

Estimated Regular Levy for 2016 Collections -

The estimated regular levy for 2016 collections is \$13,955,601.43 including new construction, a refund levy, and contingency. The estimated rate per \$1,000 of assessed valuation is \$2.41. The current rate is \$2.40. Assessed value for 2016 tax collections is estimated at \$5.78 billion - an increase of \$105 million. Preliminary estimated increase in assessed valuation from new construction (included in above) is \$57.46 million. This will generate about \$140,000 in annual property tax revenue.

The maximum regular levy rate is \$3.325, assuming the Timberland Library District levied its full levy capacity of \$0.50 per \$1,000 of assessed value. The current levy rate of the District is \$0.4107.

Additionally, the City will collect property tax to pay debt service on bonds issued with voter approval to fund fire facilities and equipment. (In 2008, voters approved an excess levy to pay for a fire station, fire training facility, and equipment. Bonds were issued in 2009.) This levy for 2016 will be \$1,206,074.43 including a refund levy. Estimated levy rate is \$0.210. The 2014 levy for the fire bonds is \$0.228. The tax levy to pay the debt service on the fire bonds is not part of the public hearing.

The ordinance approving the levy must include the amount and percentage of change compared to the prior year levy (2015). The comparison is based on the highest legal levy.

\$13,554,508.83	Highest legal levy
13,690,053.92	101% of above
<u>Less 13,598,435.66</u>	2015 levy
\$ 91,618.26	Increase of 0.67375%

Neighborhood/Community Interests (if known):

N/A

Options:

1) Close the hearing and move to approve the ordinance on first reading and forward to second reading. This ordinance would allow for the maximum property tax collections.

- 2) Move the ordinance to second reading with changes as identified by the Council.
- 3) Continue the hearing to another date and direct staff to present the ordinance at another date. If the ordinance is not delivered to the County by November 30, then the amount of taxes to be levied for 2016 may be limited.
- 4) Do not pass the ordinance. The County would levy property taxes at the same level as 2015.

Financial Impact:

The proposed ordinance will provide an increase in the general levy of \$332,166:

\$13,690,053.92	1% increase over highest legal levy
\$ 140,683.00	New construction
\$ 74,864.60	Refund levy
<u>\$ 50,000.00</u>	Contingency pending final values from the County
\$13,955,601.52	

Ordinance No. _____

AN ORDINANCE SETTING THE AD VALOREM TAX AMOUNT AND AMOUNT OF INCREASE FOR THE BUDGET YEAR 2016.

WHEREAS, the Olympia City Council held a public hearing on November 17, 2015, to consider the City of Olympia ad valorem tax levy for 2016 collections; and

WHEREAS, the City Council, after the hearing and after duly considering all relevant evidence and testimony presented, has determined that the City of Olympia requires an increase in property tax revenue from the previous year, in addition to the increase resulting from additions of new construction and improvements to property, areas added by annexation, and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City in its best interest; and

WHEREAS, the City must identify in the ad valorem tax ordinance the amount and percentage increase compared to the previous year; and

WHEREAS, the City issued bonds to pay for a Fire Station, Fire Training Facility, and Equipment, such bonds approved by voters in 2008; and

WHEREAS, the City of Olympia has been advised by the Thurston County Treasurer that the City of Olympia is eligible for a refund levy of \$74,864.60 related to the general levy; and

WHEREAS, the City of Olympia has been advised by the Thurston County Treasurer that the City of Olympia is eligible for a refund levy of \$7,934.53 related to the Fire Station bond levy; and

WHEREAS, final assessed values are not yet available, a contingency of \$50,000 is included in the General Levy; and

WHEREAS, the City Council passed a resolution finding a substantial need to levy the ad valorem tax above the rate of inflation, and

WHEREAS, the City is required to certify the amount to be raised by taxation on assessed valuation with the clerk of the county legislative authority by November 30.

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

Section 1. A \$91,618.26 increase in the regular property tax levy is hereby authorized for levy amounts to be collected in 2016, which is an increase of 0.67375% percent from the previous year.

This is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, and any annexations that have occurred and refunds made.

Section 2. There is hereby fixed as the amount of property tax collections necessary to raise an amount equal to the estimated expenditures less the total estimated revenue from all sources other than ad valorem taxation, the following sum:

OLYMPIA	AMOUNT
General Levy (Regular Property Tax Levy)	\$13,880,736.92
Excess Levy (Fire Station Bonds)	1,198,140.00
Administrative Refund Levy, General Expense	74,864.60
Administrative Refund Levy, Bond levy	7,934.53
	\$15,161,676.05

Section 3. On or before the 30th day of November, 2015, the City Clerk shall file with the Clerk of the Thurston County Board of Commissioners a certified estimate of the total amount to be raised by the ad valorem tax levied herein on property within the City of Olympia.

ADOPTED THIS _____ day of November, 2015.

MAYOR

MAYOR PRO-TEM

COUNCILMEMBER

COUNCILMEMBER

COUNCILMEMBER

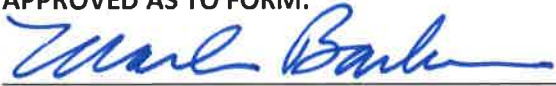
COUNCILMEMBER

COUNCILMEMBER

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED:



City Council

Public Hearing on the 2016 City of Olympia Operating Budget

Agenda Date: 11/17/2015
Agenda Item Number: 5.D
File Number: 15-1084

Type: public hearing **Version:** 1 **Status:** Public Hearing

Title

Public Hearing on the 2016 City of Olympia Operating Budget

Recommended Action

Committee Recommendation:

Various City advisory committees forwarded written recommendations to the Council at an earlier date.

City Manager Recommendation:

Hold the public hearing and receive testimony on the 2016 City of Olympia Preliminary Operating Budget. At the end of comments, close the public hearing for oral presentations and accept written comments until Friday, November 20, 2015 at 5:00 p.m.

Report

Issue:

The hearing is an opportunity for the public to comment on the 2016 Operating Budget.

Staff Contact:

Steve Hall, City Manager, 360.753.8447

Jane Kirkemo, Administrative Services Director, 360.753.8499

Presenter(s):

Steve Hall, City Manager

Jane Kirkemo, Administrative Services Director

Background and Analysis:

The 2016 Preliminary Operating Budget was presented on October 27, 2015. This hearing provides additional opportunity for the Council to hear from the public on the Operating Budget of the City. The Operating Budget includes a property tax increase, utility rate increases, and recommendations for the Lodging Tax.

2016 Operating Budget: The 2016 City of Olympia Preliminary Operating Expense Budget is \$129 million representing a 3.5% increase over the 2015 budget. The General Fund, comprising the basic municipal services is \$67.9 million, or a 4.4% increase in expenditures.

The utilities comprise about 45% of the total expenditures. The utility budgets include the following increases in residential rates:

Drinking Water - 7.3% revenue increase

Wastewater - 0% rate increase*

Stormwater - 6.7% rate increase

LOTT - 3% rate increase

Waste Resources:

Residential - 5.5% increase

Commercial - 4% rate increase

Organics - 9% rate increase

* Rates reflect implementation of volumetric-based billing.

Lodging Tax Advisory Committee (LTAC) - Also included in the Operating Budget is the recommendation from LTAC. Councilmember Hankins is the Council Representative on the committee. The committee recommends \$250,035 in tourism service contracts for 2016. (See attachment.)

Neighborhood/Community Interests (if known):

The 2016 Operating Budget includes \$23,000 for neighborhood matching grants plus \$5,000 for support for the Coalition of Neighborhood Associations agreement.

Options:

Hold the public hearing. In addition, staff recommends Council allow written comment until 5:00 p.m. on Friday, November 20, 2015.

Financial Impact:

The 2016 Operating Expenditure Budget is \$129 million. The Preliminary Operating Budget (including LTAC recommendations and utility rate increases) is available on the City website for public review.



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

Contact Information

City of Olympia, PO Box 1967, Olympia WA 98507

Phone: 360.753.8325 / Fax: 360.753.8165

olympiawa.gov

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	

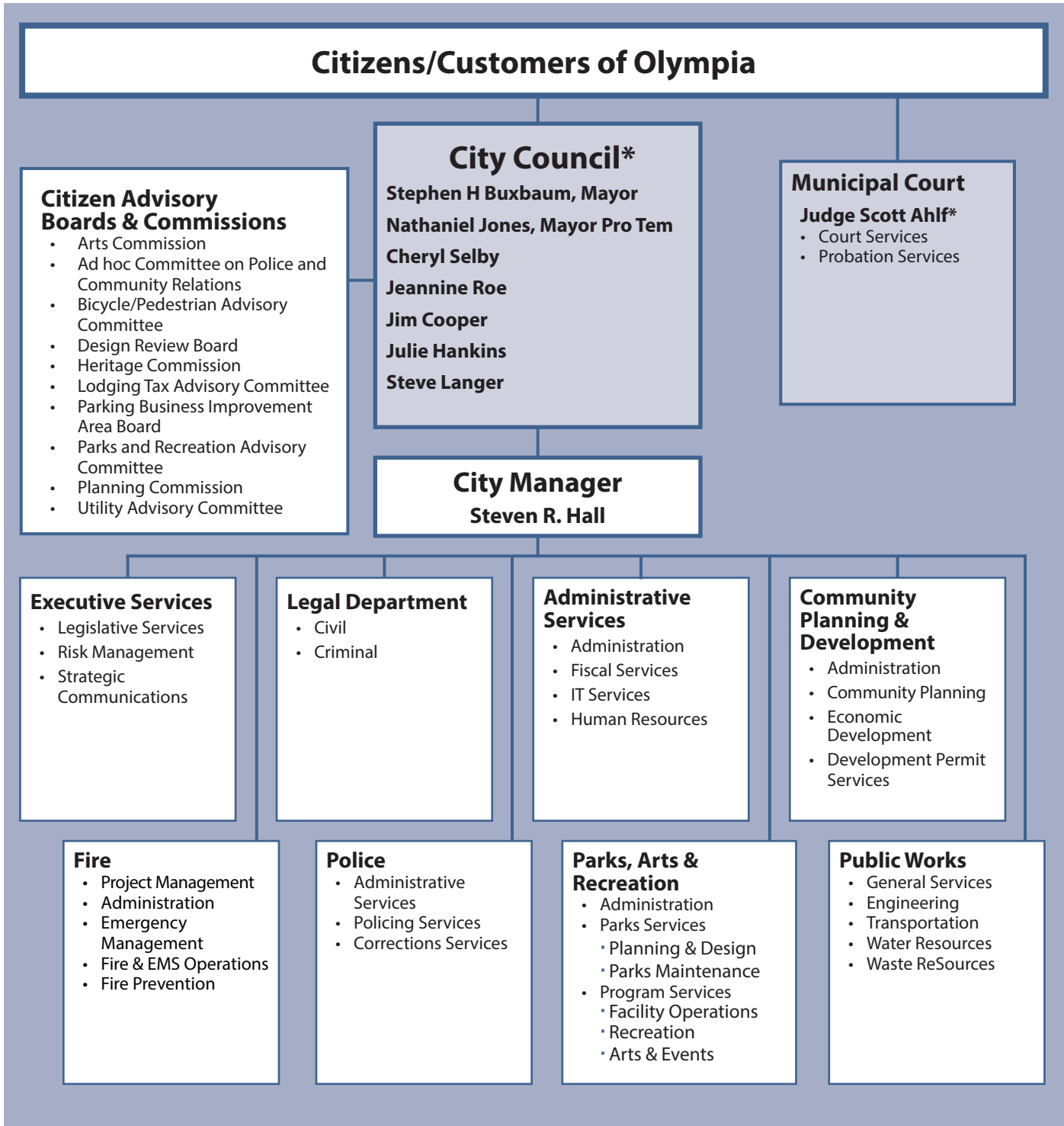
Police

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:

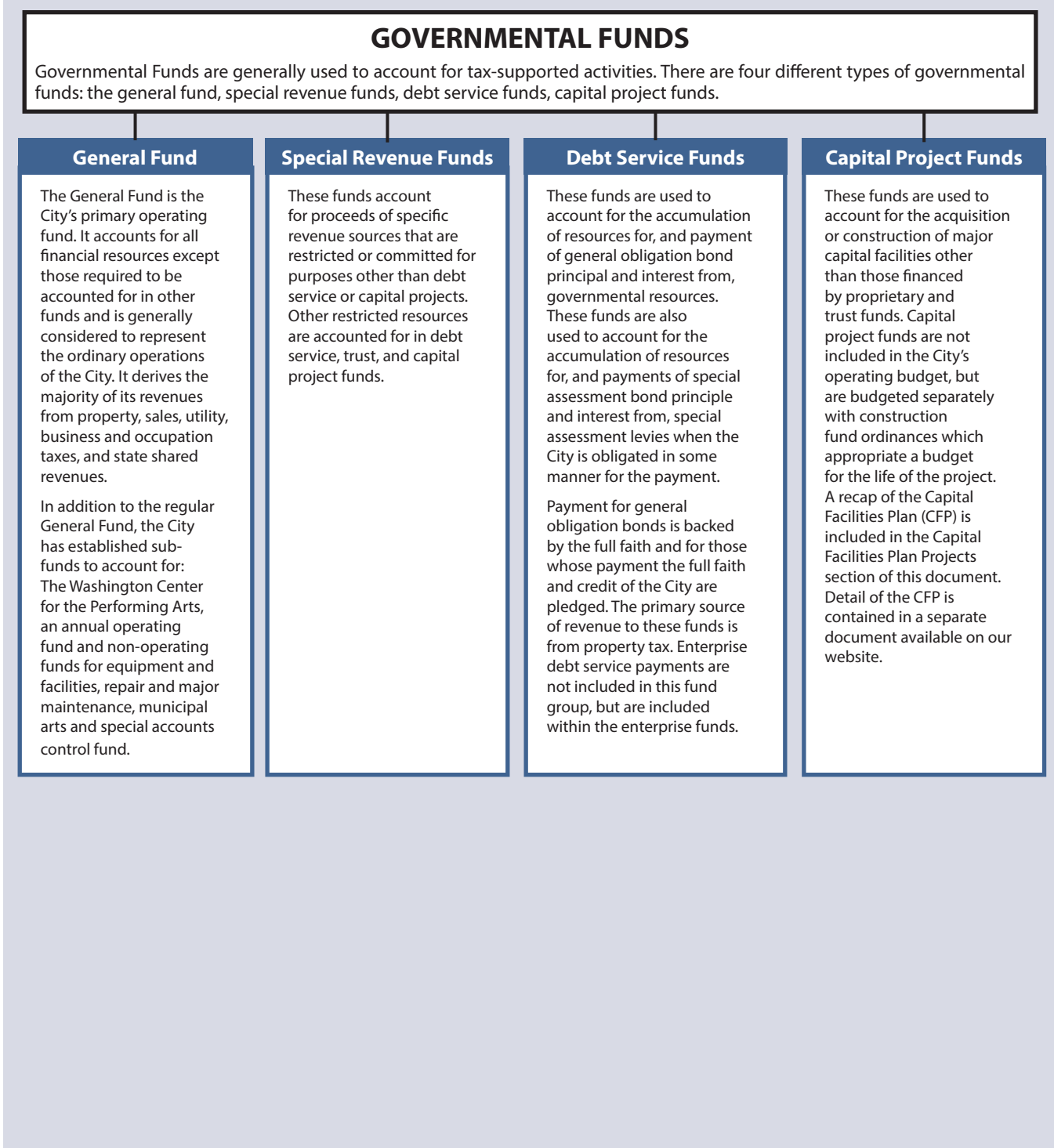
- Jim Cooper, Committee Chair
- Nathaniel Jones
- Cheryl Selby

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.

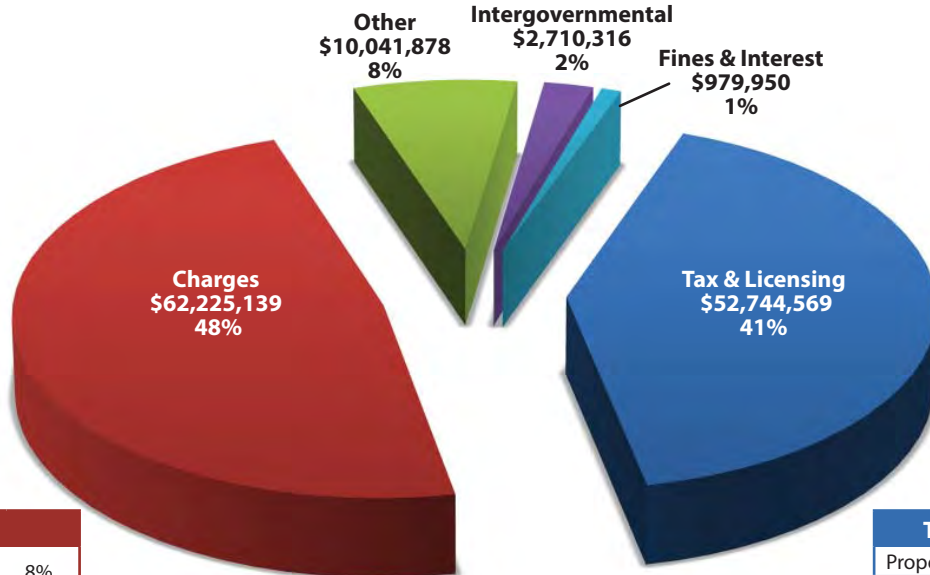
The modified accrual basis differs from the accrual basis in the following ways:

- 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

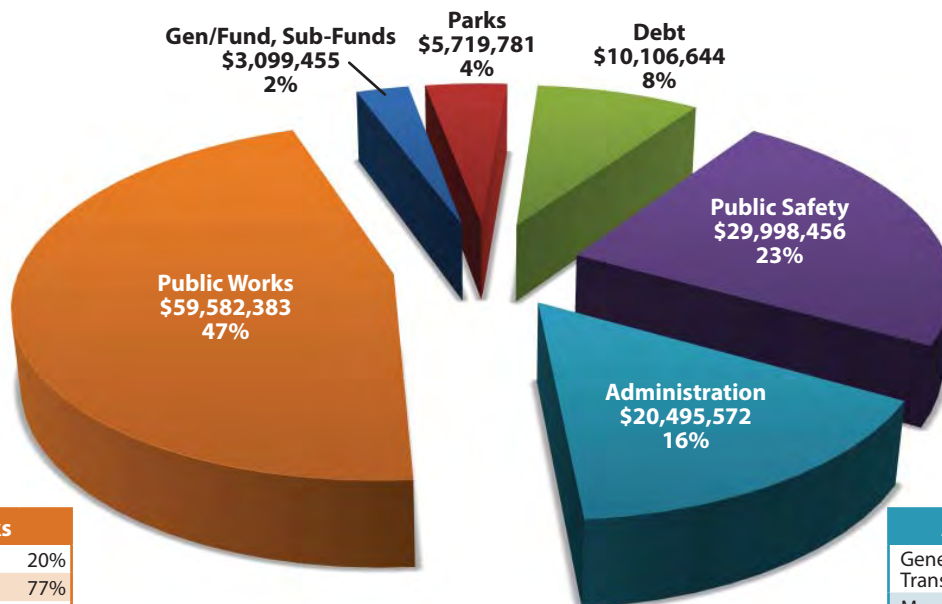


Charges	
Security (Persons & Property)	8%
General Government	12%
Drinking Water	19%
Wastewater	30%
Stormwater	8%
Waste ReSources	17%
Equipment Rental	3%
Other	3%

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.

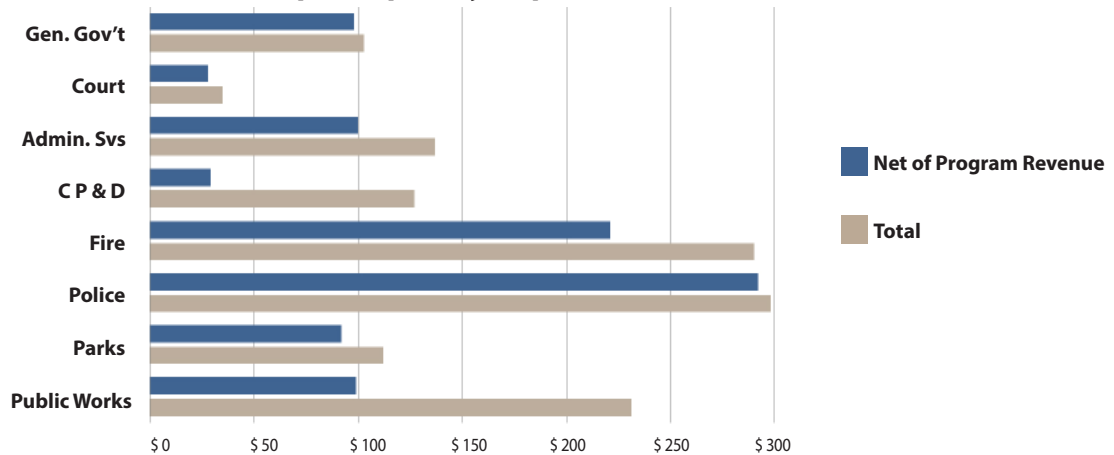
Significant use of fund equity in 2016:

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.

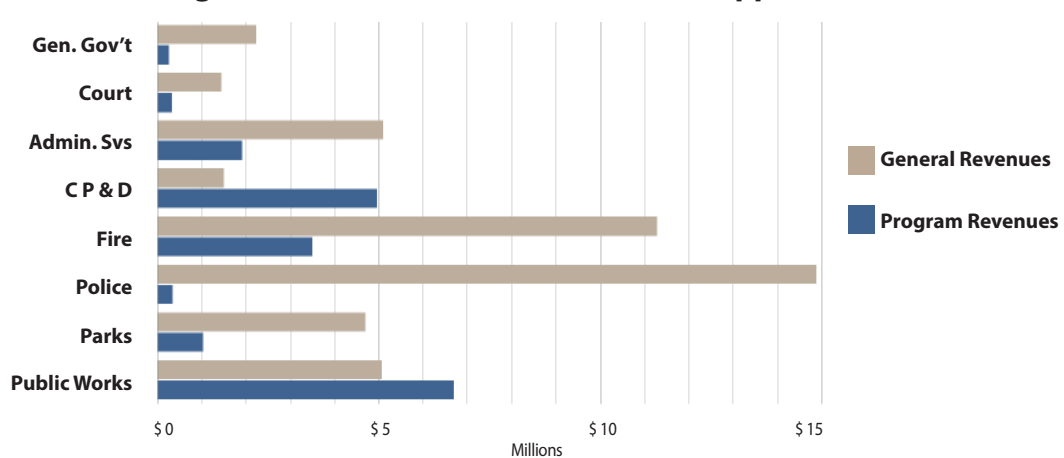
Combining Summary of Expenditures by Budget Classification General Fund by Department - 2016 Budget with Comparative Totals for 2015 Budget

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

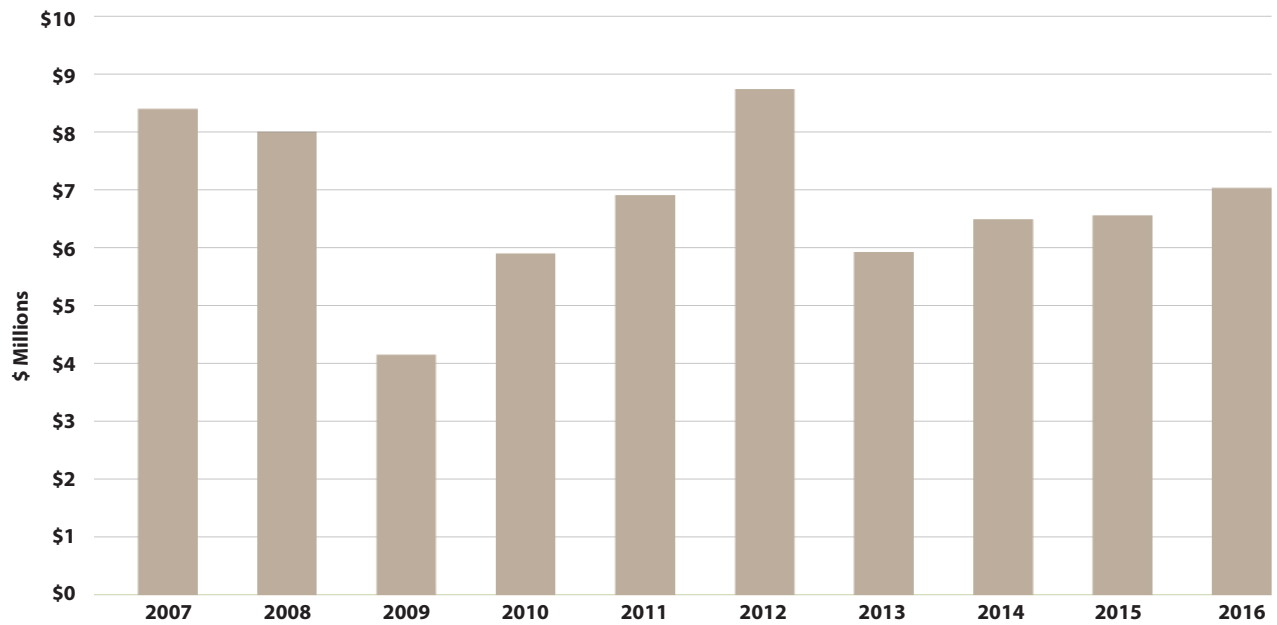


2016 Program Revenue vs. General Revenue Support

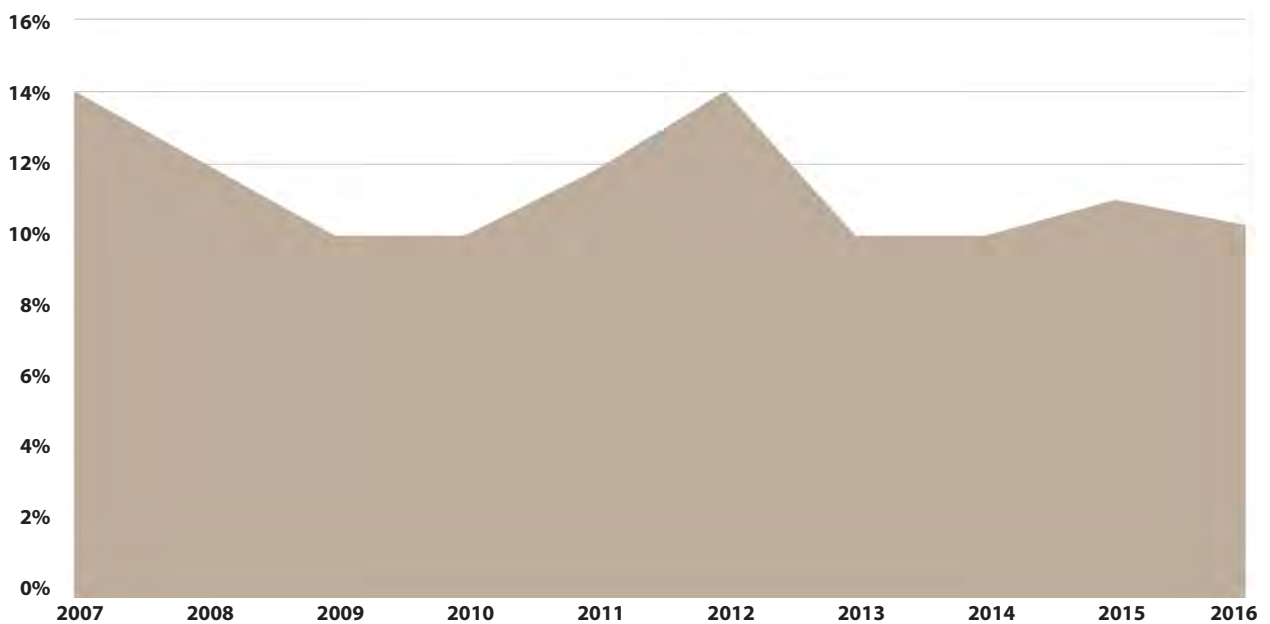


General Fund Balance as of January 1

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	-

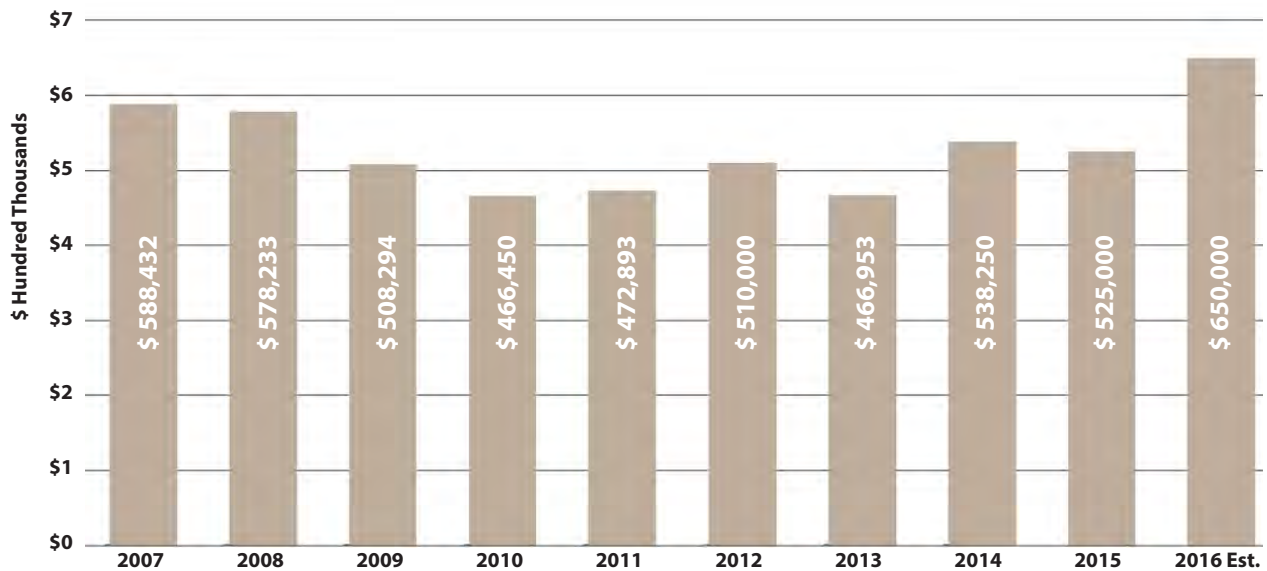
Lodging Tax Fund

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



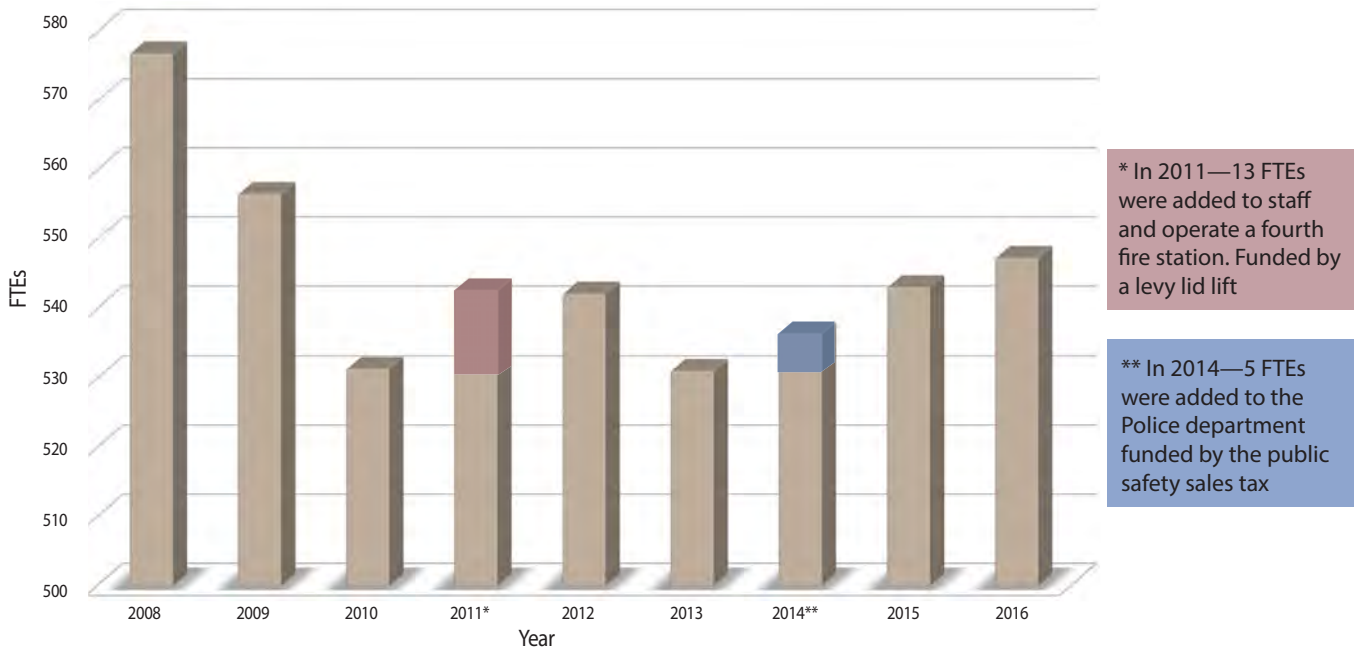
The difference between what is allocated to programs and what is collected remains in the account balance.

Staffing Summary - All Departments

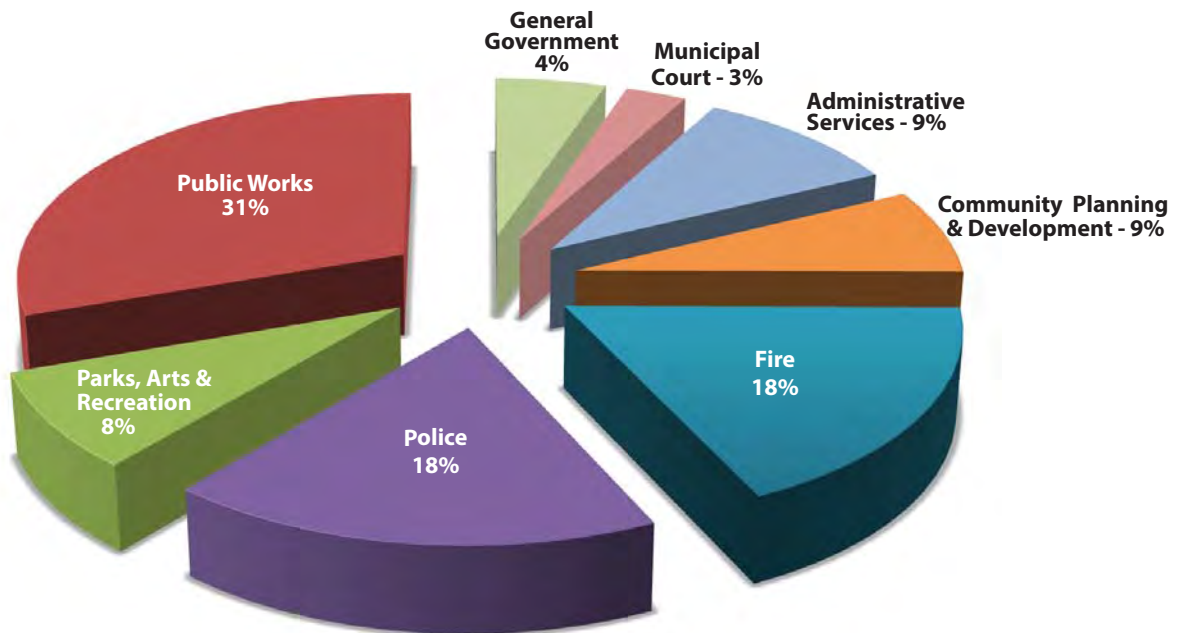
	2014	2015	2016	FTE Change
General Government				
Legislative Services	7.00	7.00	7.00	-
Executive Services	11.00	11.00	8.00	(3.00)
Legal Department	8.60	8.60	8.60	-
Total General Government	26.60	26.60	23.60	(3.00)
Municipal Court				
Court Services	9.00	9.00	9.00	-
Probation Services/Day Reporting Center	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.



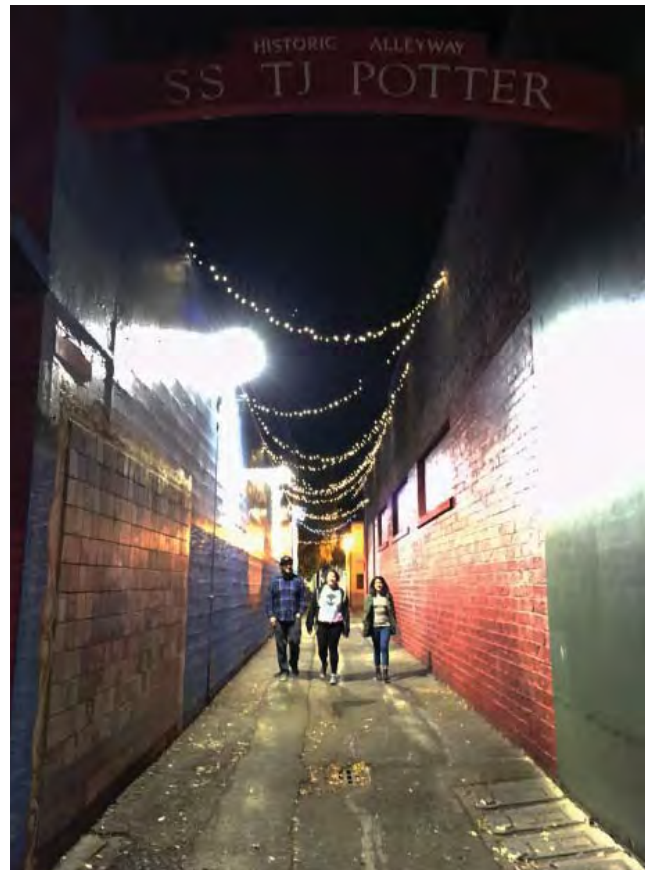
- ❖ Savings of 41% per year since 2011 in energy costs for the Olympia Timberland Library.
- ❖ Decreased cooling and maintenance costs at the Olympia Center after installation of a new, higher efficiency chiller.
- ❖ Eliminated a redundancy in locating notification software resulting in savings of \$6,500.
- ❖ 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

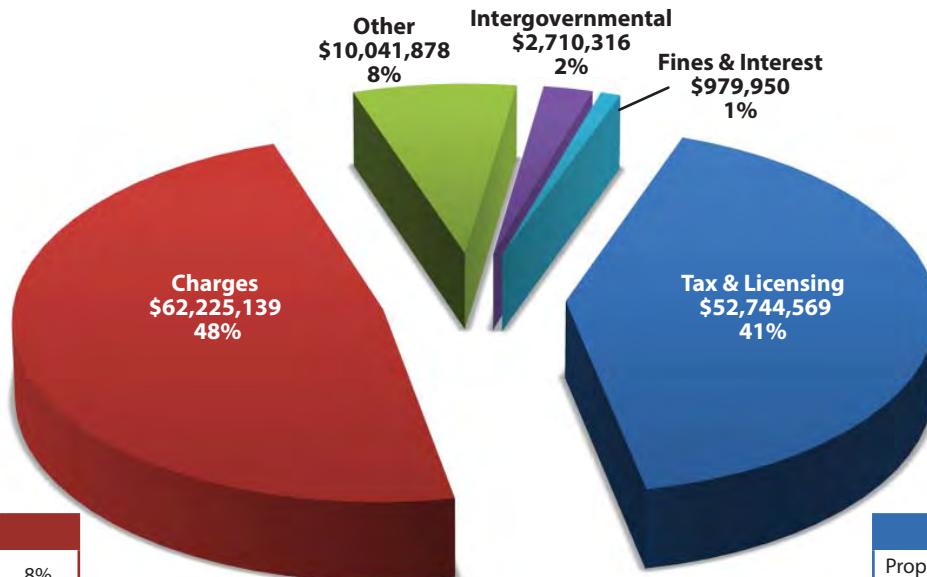






Where the Money Comes From - Total Operating Revenues

\$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
	\$ 44,129,181	\$ 46,322,345	\$ 47,053,539	\$ 44,100,318	\$ 48,935,958
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
	\$ 3,818,984	\$ 3,925,136	\$ 3,277,634	\$ 3,599,399	\$ 3,808,611
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
	\$ 3,565,438	\$ 3,322,959	\$ 2,579,478	\$ 1,934,090	\$ 2,710,316
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
	\$ 53,239,750	\$ 56,774,801	\$ 59,238,964	\$ 59,196,459	\$ 62,225,139
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
	\$ 1,021,477	\$ 980,104	\$ 1,084,500	\$ 992,527	\$ 979,950
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
	\$ 15,417,541	\$ 10,916,469	\$ 9,752,715	\$ 5,756,254	\$ 10,041,878
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

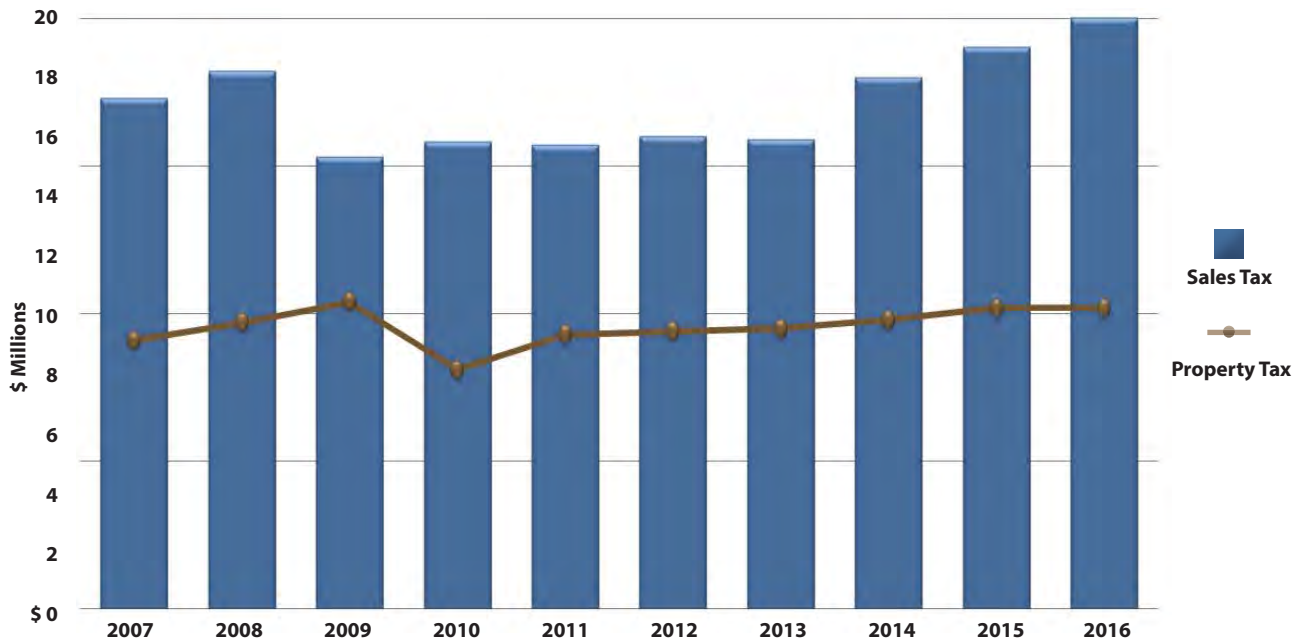
General Fund - Program Revenue by Type

	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.

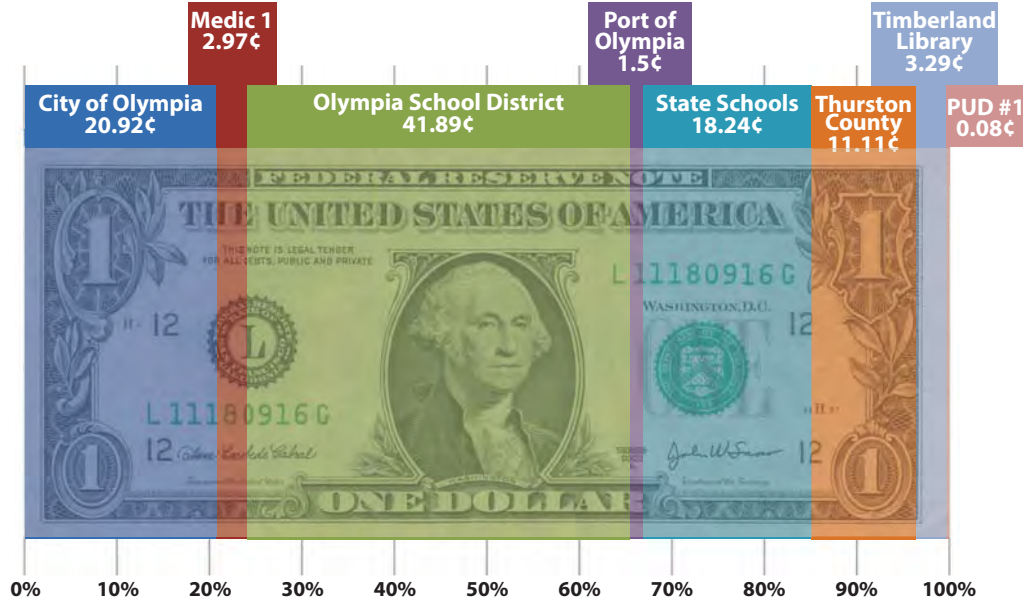
A City is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services. This amount does not include voter approved special levies, and may be reduced for any of the following reasons:

- 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



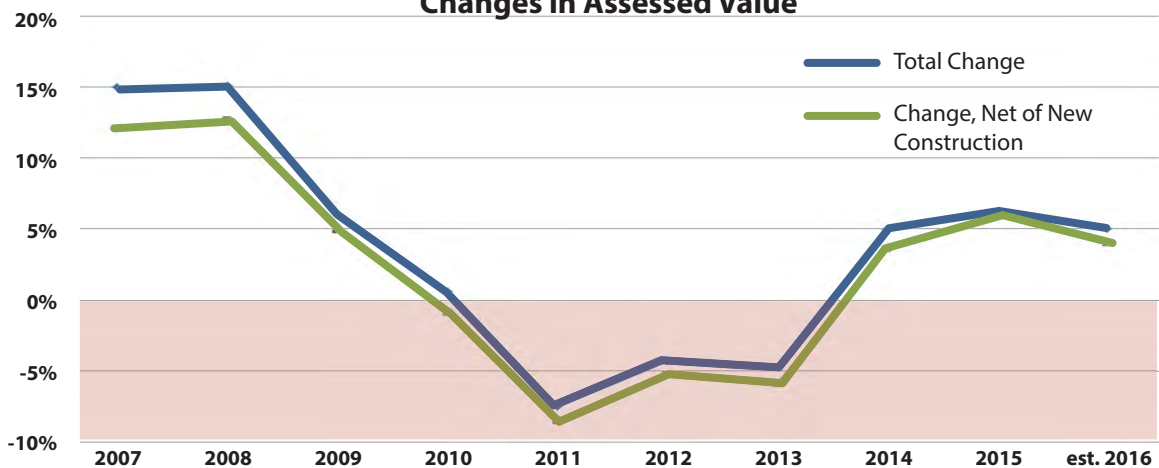
Property Tax Forecast

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.

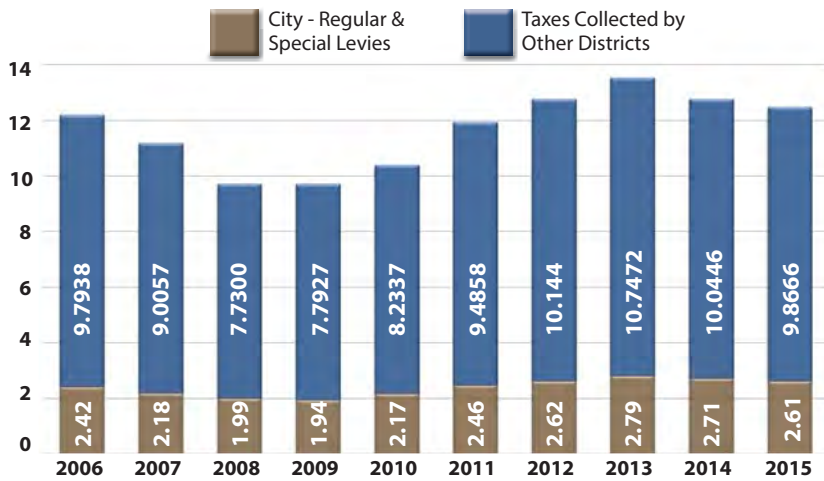
Note: There are eight taxing areas within the City of Olympia. The amount shown is for the area which applies to the majority of the City. The range for all areas for 2014 is \$12.48 to \$13.01. Most properties are levied at \$12.48.

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.

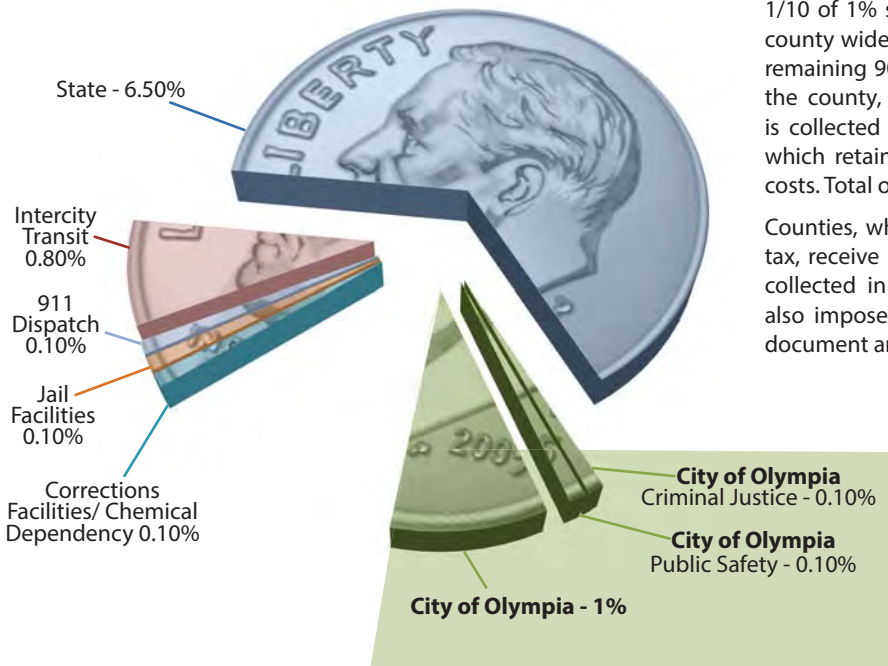
The following chart is an example of how an increase in a homeowner's assessed valuation is impacted by a change in the levy rate.

	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)

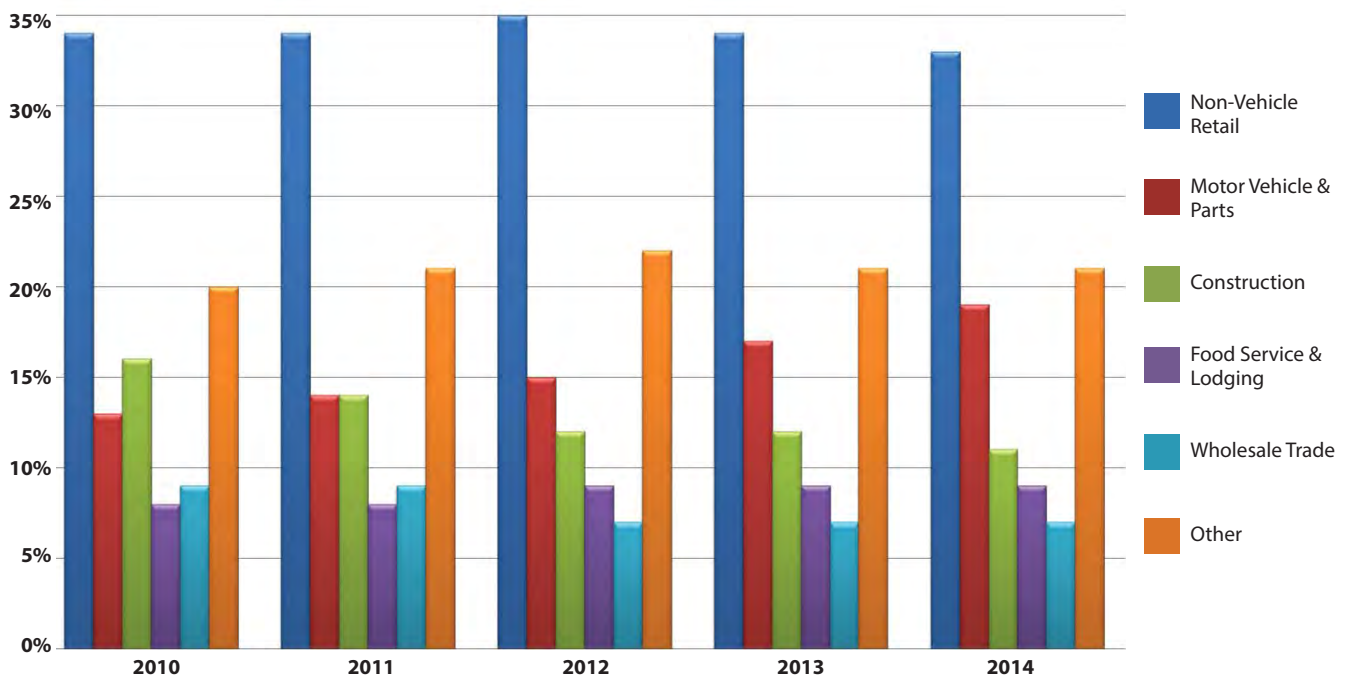
2016 Sales Tax Forecast

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

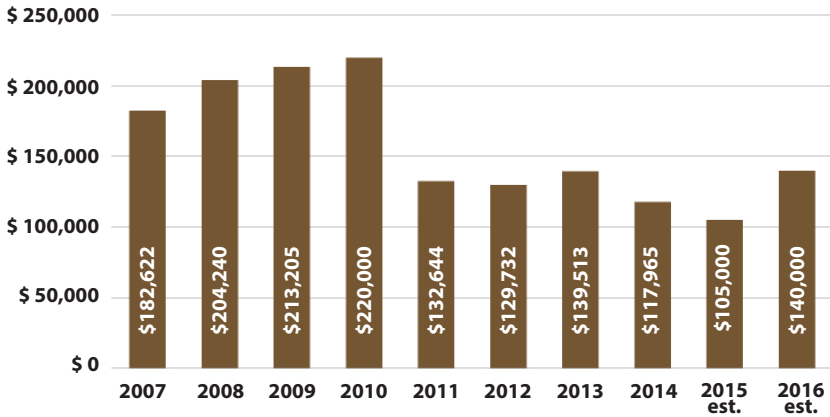
Gambling Taxes (RCW 9.46)

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 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.

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



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.

2016 Development Related Fees

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

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				
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

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.

* 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 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 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 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.

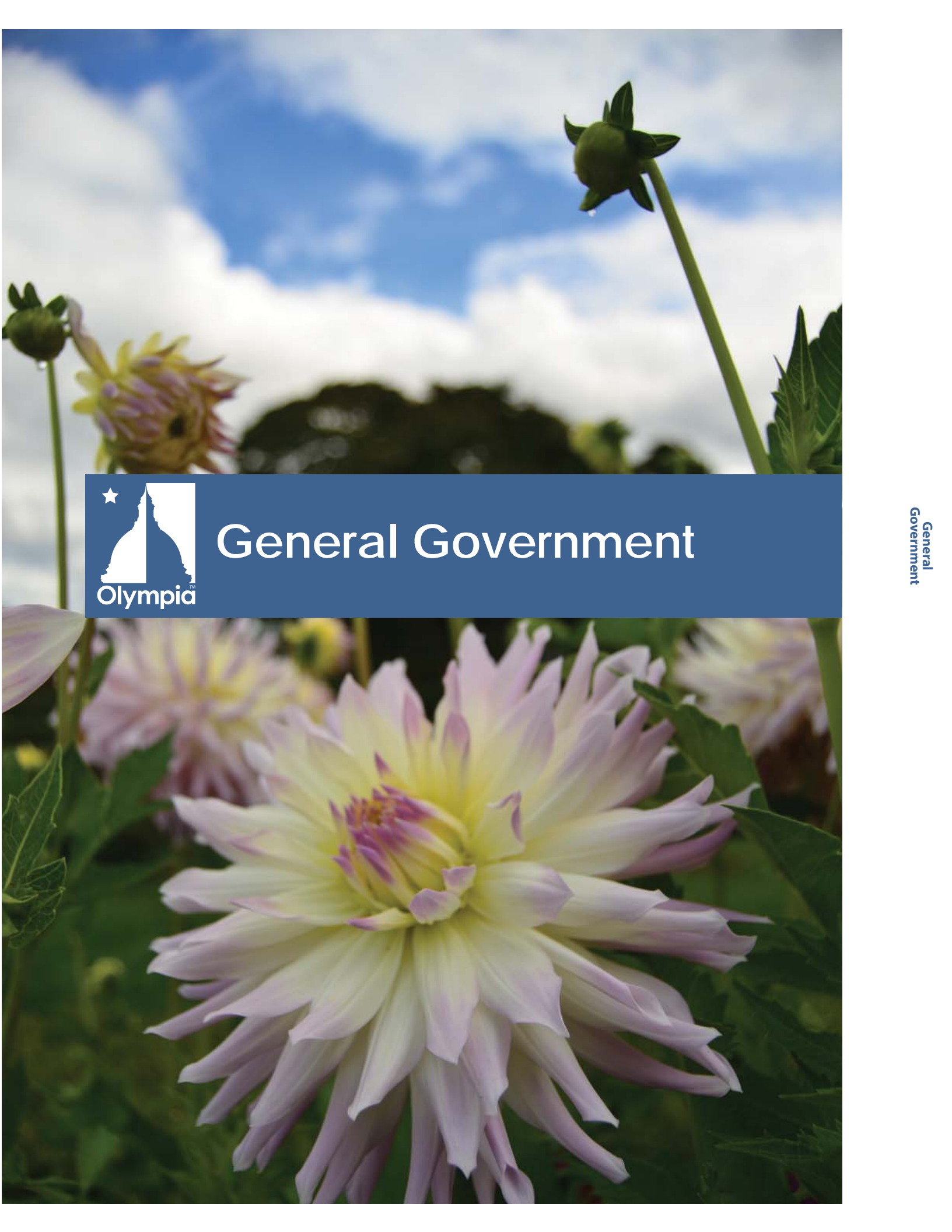
Fines, Forfeits, and Penalties (Non Parking)

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.



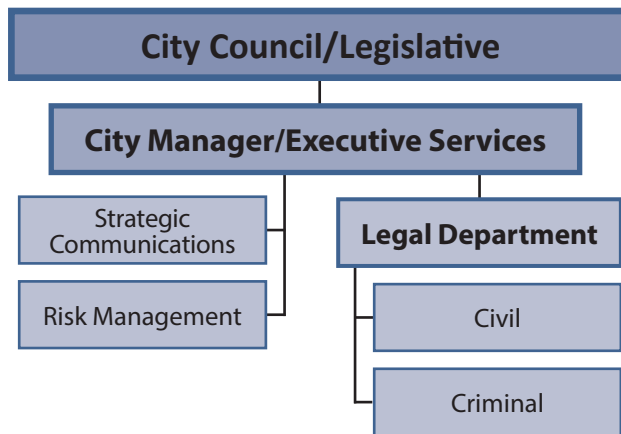


General Government





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		
Police Officers & Uninsured Costs for Current LEOFF I Police Officers	\$ 652,000	\$ -
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.

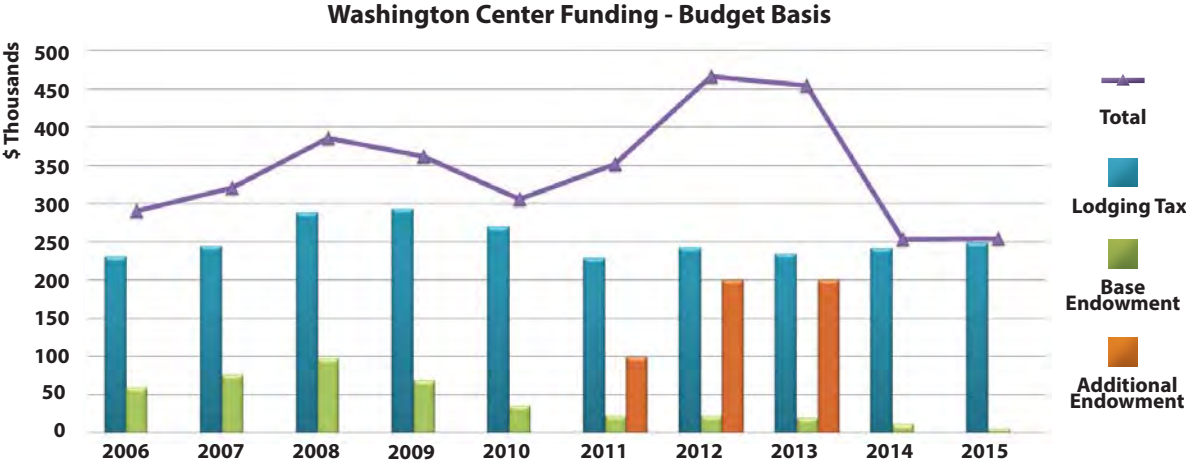
In addition to the City's contributions, the Center generates revenue from events and usage of the center plus the "Black Box" rehearsal room. Due to the fall in both interest earnings and hotel stays, the revenue has declined in recent years.

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.







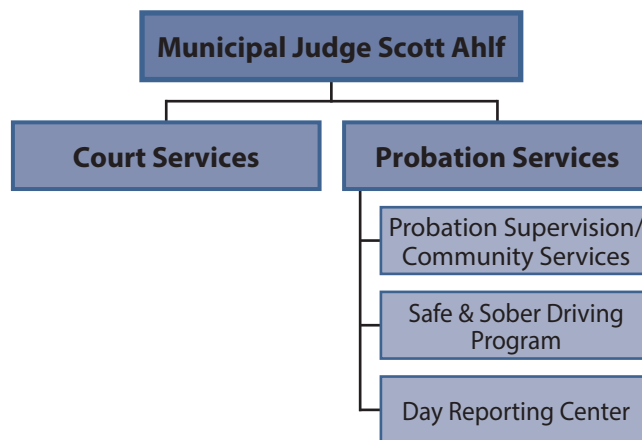
Municipal Court







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 PBIa (\$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

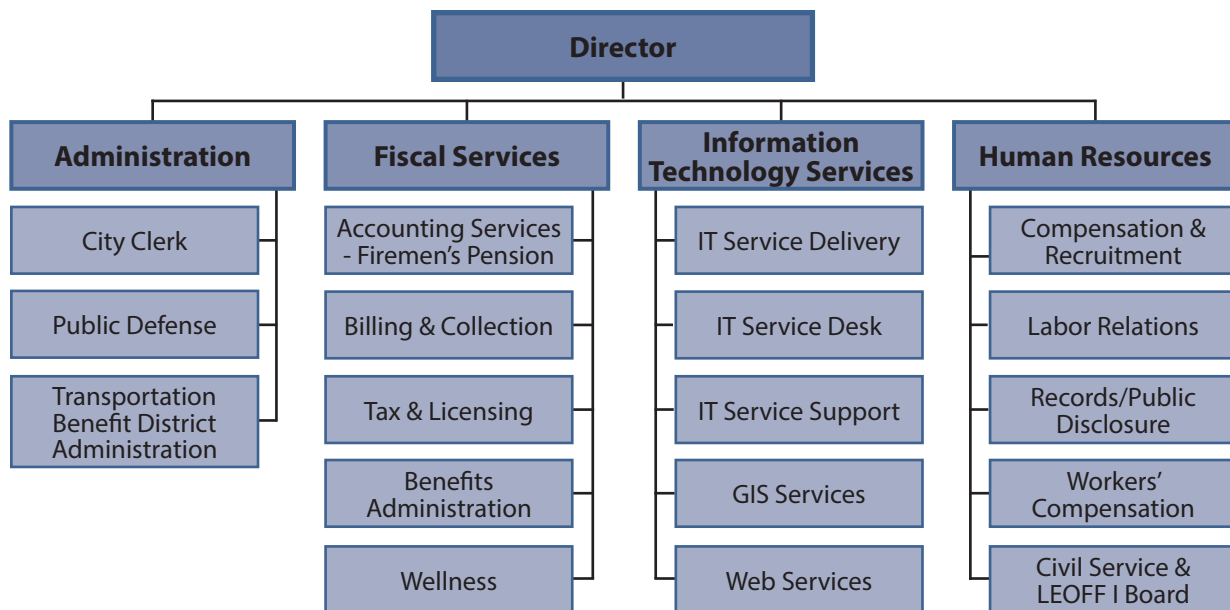


Administrative Services





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)

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

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 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

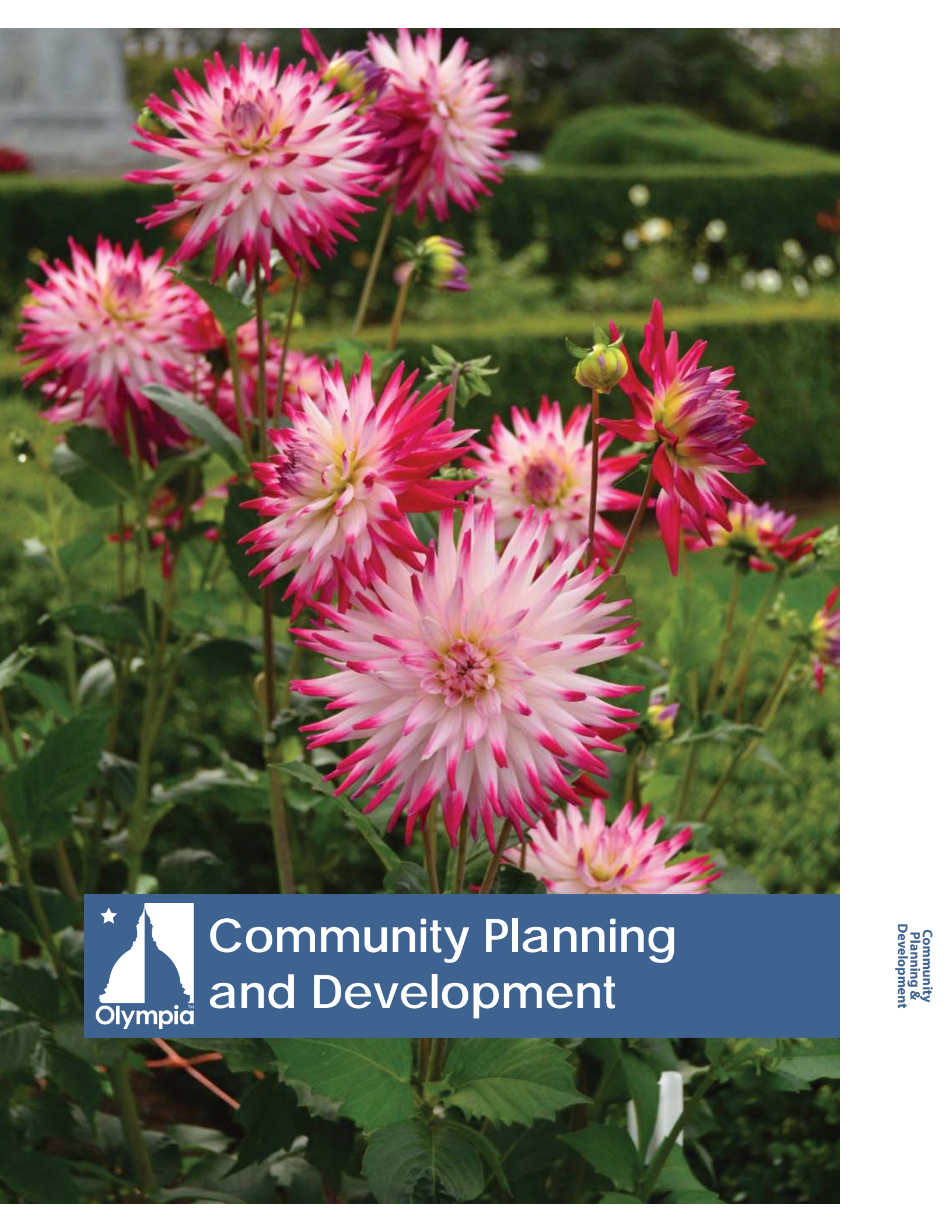
- Implemented a new citywide email management system.
- Redesigned the police department records request process in WebQA to improve efficiency and clarity of police records requests.
- Coordinated citywide records management, public disclosure training, and hosted Records Month.
- Trained and transitioned 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

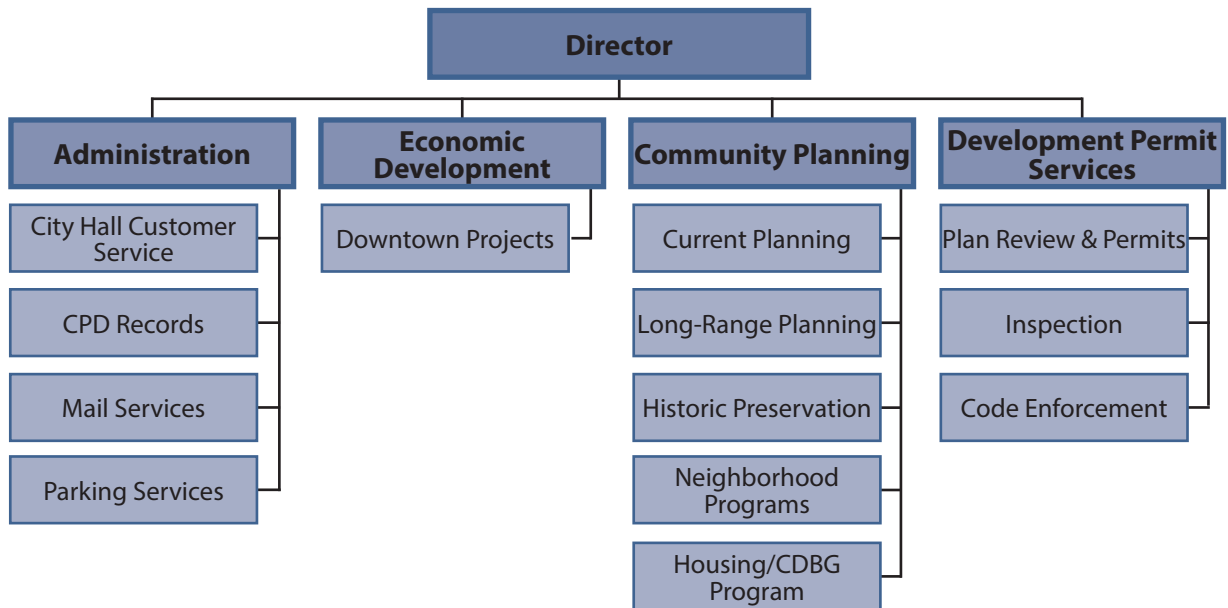


Community Planning and Development





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

	<i>Target or Goal</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
New Program - Developed in 2015/2016	TBD	TBD	TBD	TBD

Service Profiles - Economic Development

	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
New Program - Developed in 2015/2016	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

<i>Program Cost Summary</i>	<i>2014 Actual</i>	<i>2015 Estimate</i>	<i>2016 Budget</i>	<i>Variance</i>
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.

<i>Program Staffing</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
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)

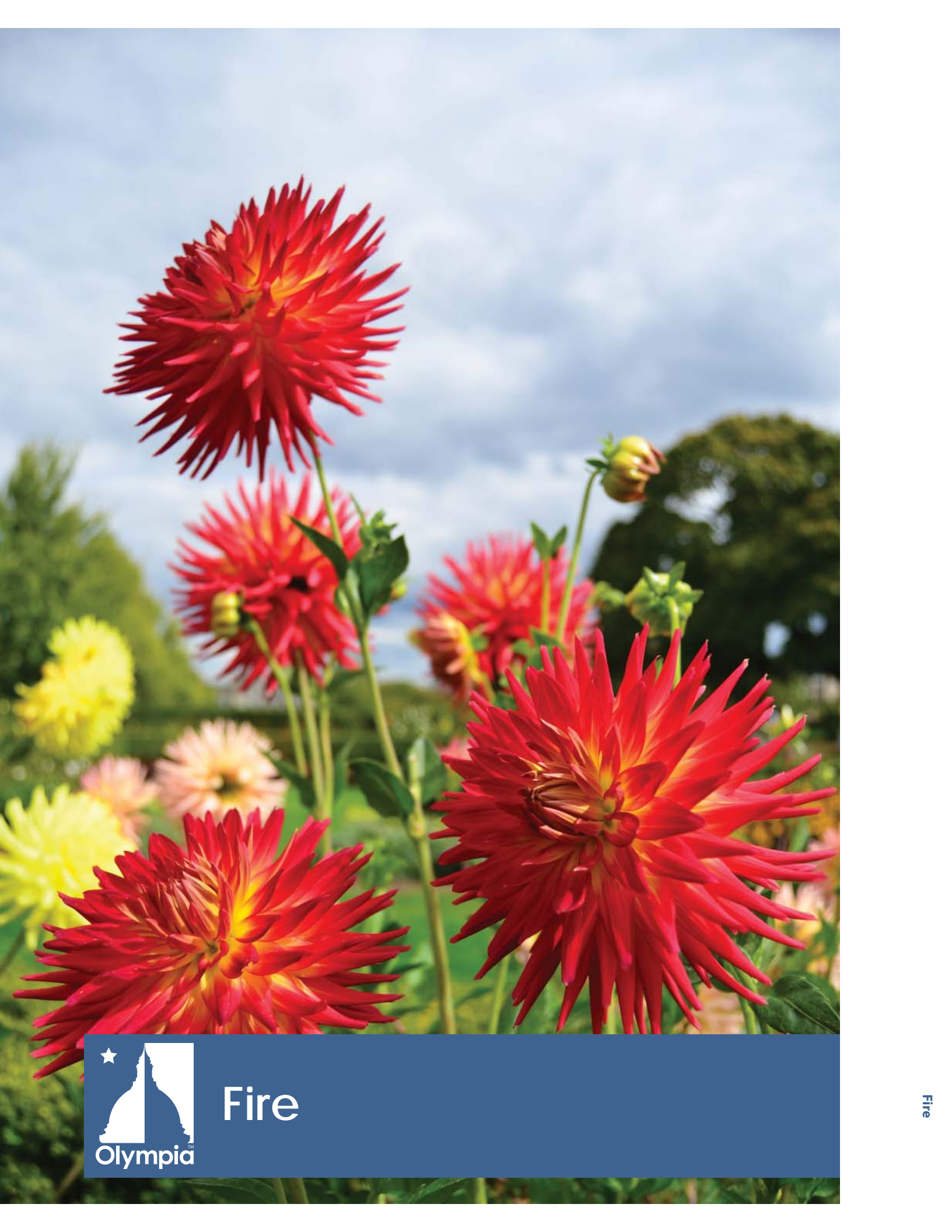
Recent Accomplishments

- 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



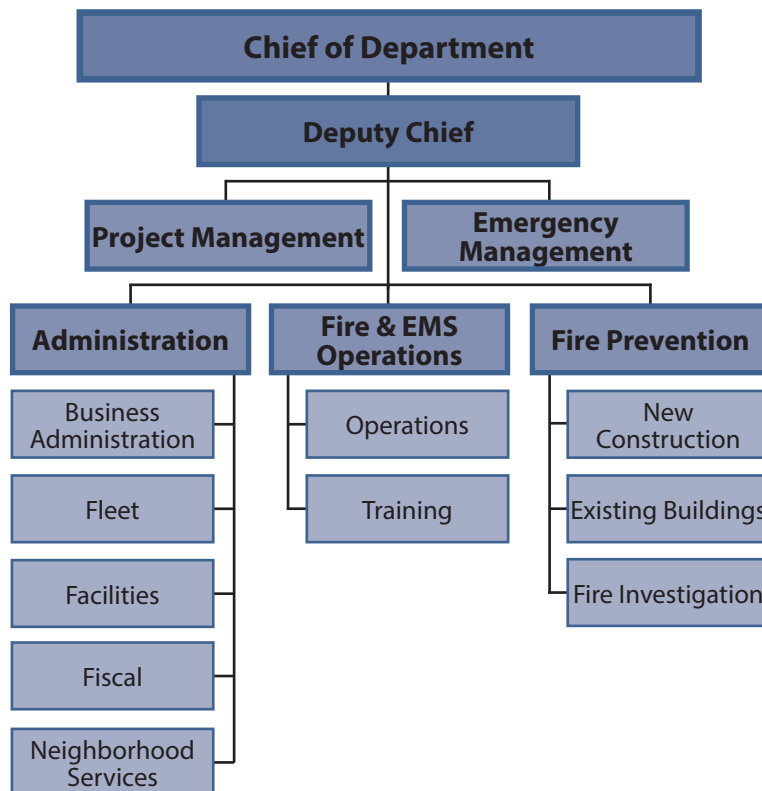


Fire





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.

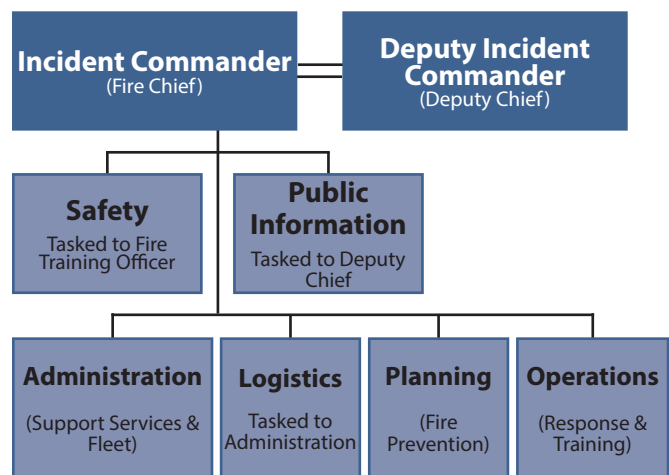
Organizational Design to Meet the Department's Mission

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







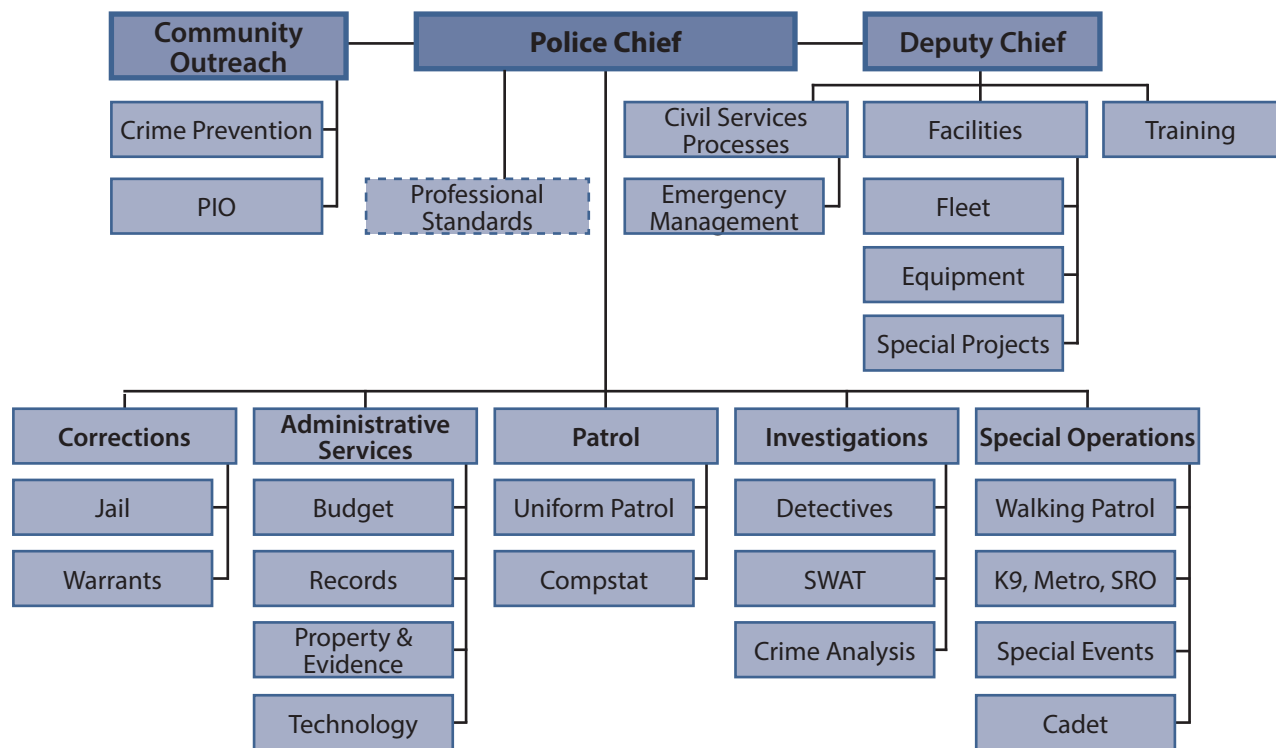
Police







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
Expenditures				
Personnel Services	\$ 727,731	\$ 770,654	\$ 786,478	\$ 15,824
Supplies & Services	191,129	213,370	212,161	(1,209)
Interfund Payments	-	-	-	-
Total Expenditures	\$ 918,860	\$ 984,024	\$ 998,639	\$ 14,615
Program Revenue	149,432	153,956	149,125	(4,831)
Funding from General Revenues	\$ 769,428	\$ 830,068	\$ 849,514	\$ 19,446

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Maintenance Worker I (Oly Center)	3.50	3.50	3.50
Maintenance Worker II	1.00	1.00	1.00
Program Specialist	0.40	0.65*	0.65
Public Service Representative	3.00	3.00	3.00
Supervisor II	1.00	1.00	1.00
Total	8.90	9.15	9.15

*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)

<i>Service Profiles - Planning & Design</i>	<i>FY 14 Actual</i>	<i>FY 15 Estimate</i>	<i>FY 16 Budget</i>
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

<i>Planning & Design Current & Proposed Projects</i>	<i>2015 Projects</i>	<i>2016 Projects</i>
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



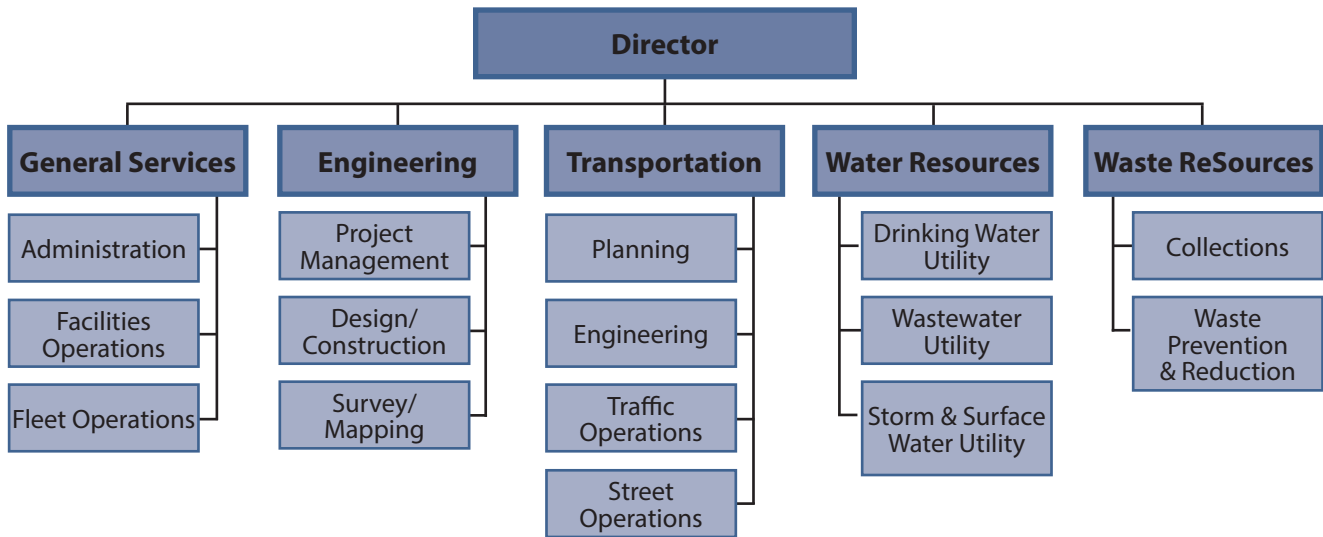
Public Works







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

Program Cost Summary	2014 Actual	2015 Estimate	2016 Budget	Variance
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

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
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.

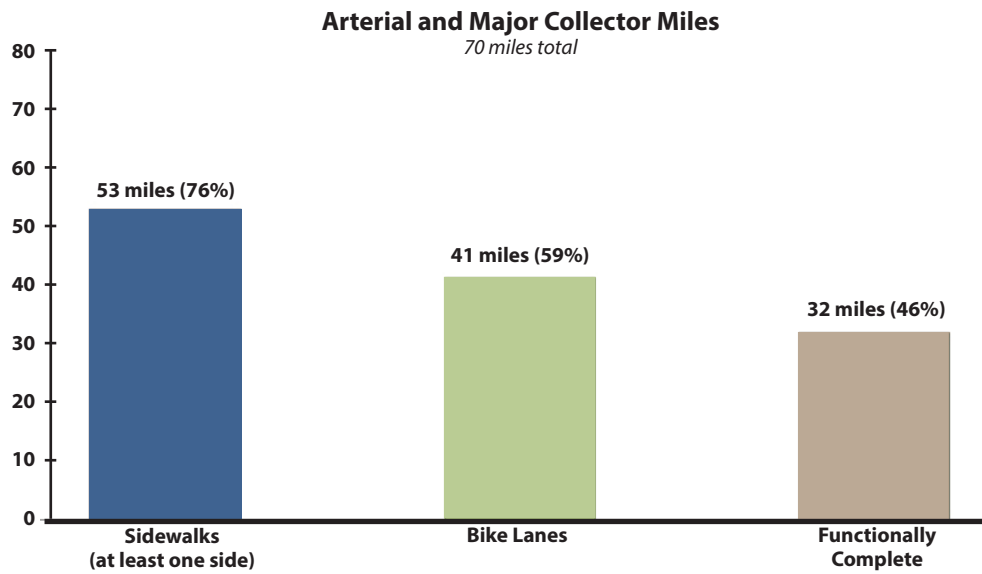
Future Challenges and Opportunities

- 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.

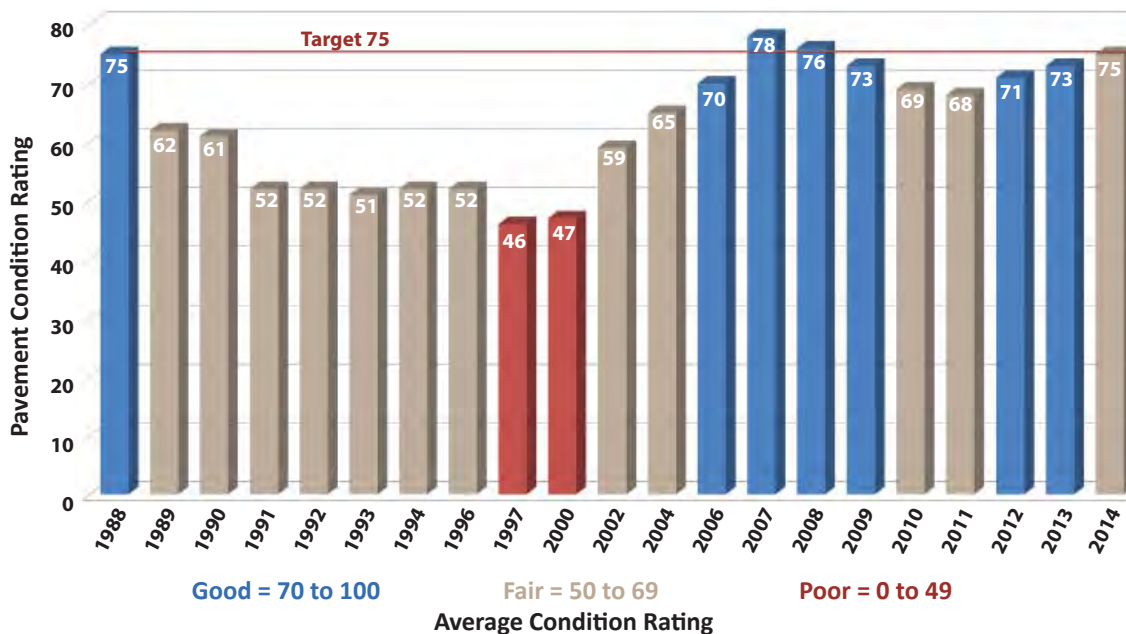
Future Challenges and Opportunities

- 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.

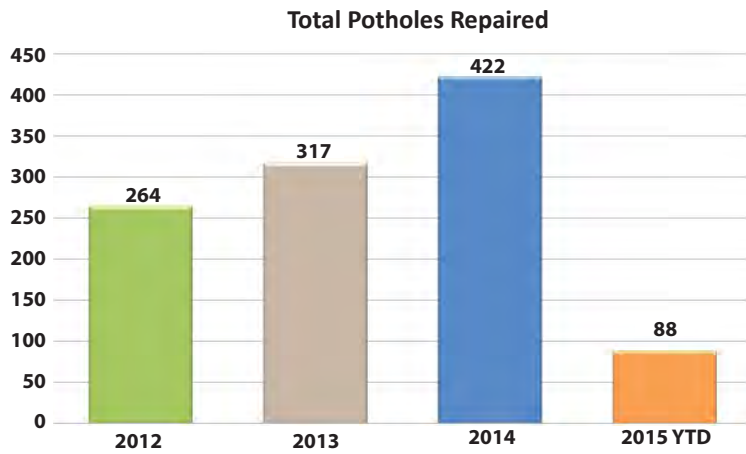
Accomplishments

- 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%



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)

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.

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			

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
Recap of Expenditures				
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				
<u>Revenues:</u>				
<i>Projected Revenues from rate increases</i>				
\$ 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%.				
<u>Expenditures:</u>				
\$ 81,925 - Disposal fee increases.				
\$ 58,823 - Increase in City and State taxes.				
\$ 21,000 - Increase in interfund in direct overhead and engineering charges.				
<u>Critical Needs Funded:</u>				
\$ 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.

<i>Key Result Measures - Waste ReSources</i>	<i>2006 Baseline</i>	<i>FY 12 Actual</i>	<i>FY 13 Actual</i>	<i>FY 14 Actual</i>	<i>FY 15 Actual</i>	<i>FY 16 Budget</i>
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
Expenditures				
Personnel Services	\$ 2,161,587	\$ 2,363,756	\$ 2,522,755	\$ 158,999
Supplies & Services	5,175,402	5,582,792	5,720,341	137,549
Debt Service	16,394	-	-	-
Interfund Payments	1,636,963	1,823,355	1,862,256	38,901
Interfund Transfers	12,500	12,500	-	(12,500)
Total Expenditures	\$9,002,846	\$9,782,403	\$10,105,352	\$ 322,949
Program Revenue	9,044,054	9,596,291	10,124,232	527,941
Use of (or Additions to) Reserves	\$ (41,208)	\$ 186,112	\$ (18,880)	\$(204,992)

Program Staffing	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Accounting Technician	1.00	1.00	1.00
Associate Line of Business Director	1.00	1.00	1.00
Lead Worker	2.00	2.00	2.00
Maintenance Worker I	1.00	1.00	2.00*
Maintenance Worker II	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Refuse/Recycle Collector	16.00	16.00	16.00
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

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.

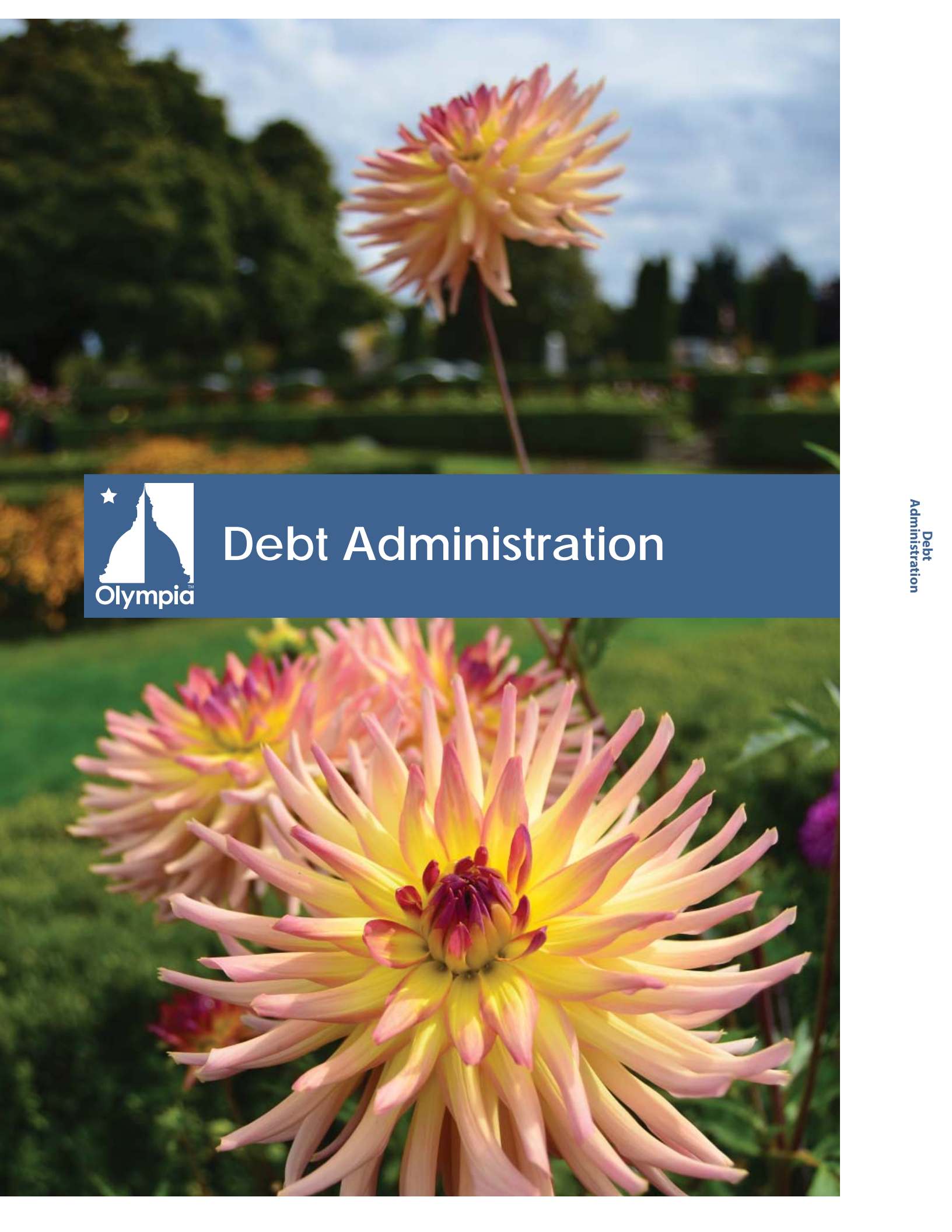
- Continued participation on the Site Plan Review Committee to ensure functionality of commercial container enclosures on commercial and multi-family development.
- Provided outreach to all customers within the new one-side road collection areas with letters, maps and instructions. This enabled almost 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.

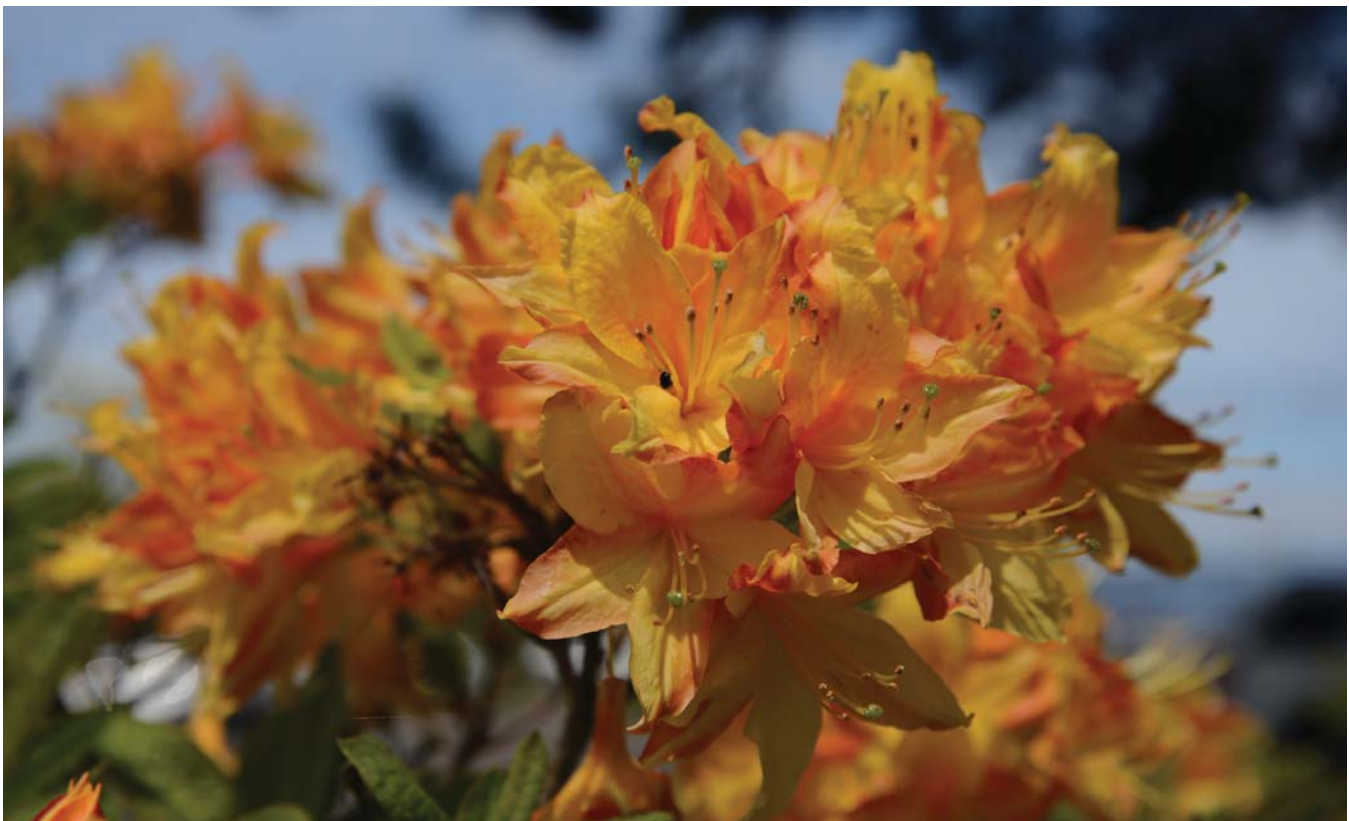
Service Profiles - Waste Prevention & Reduction	FY 14 Actual	FY 15 Estimate	FY 16 Budget
Saturday Drop-off Site			
Customers Utilizing the Site	940	920	1,000
Tons of Material Collected	125	100	125
School Education			
Number of Presentations	28	30	30
Number of Field Trips	15	17	17
Special Recycle Events—Tons 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





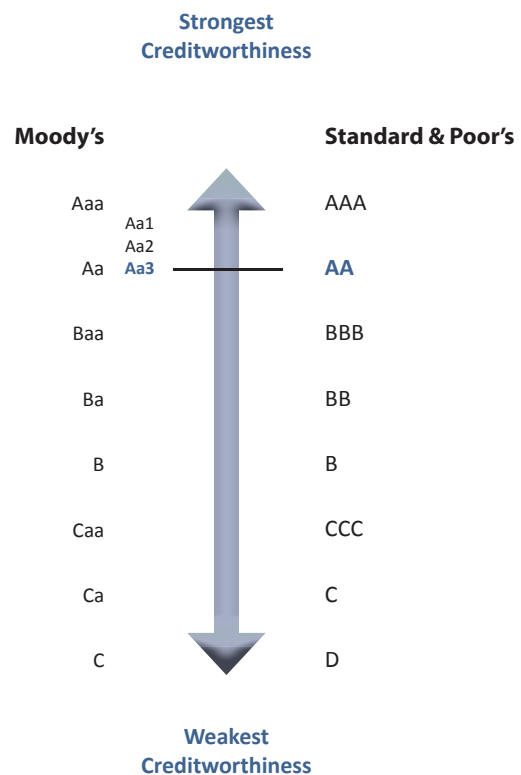
Debt Administration

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.

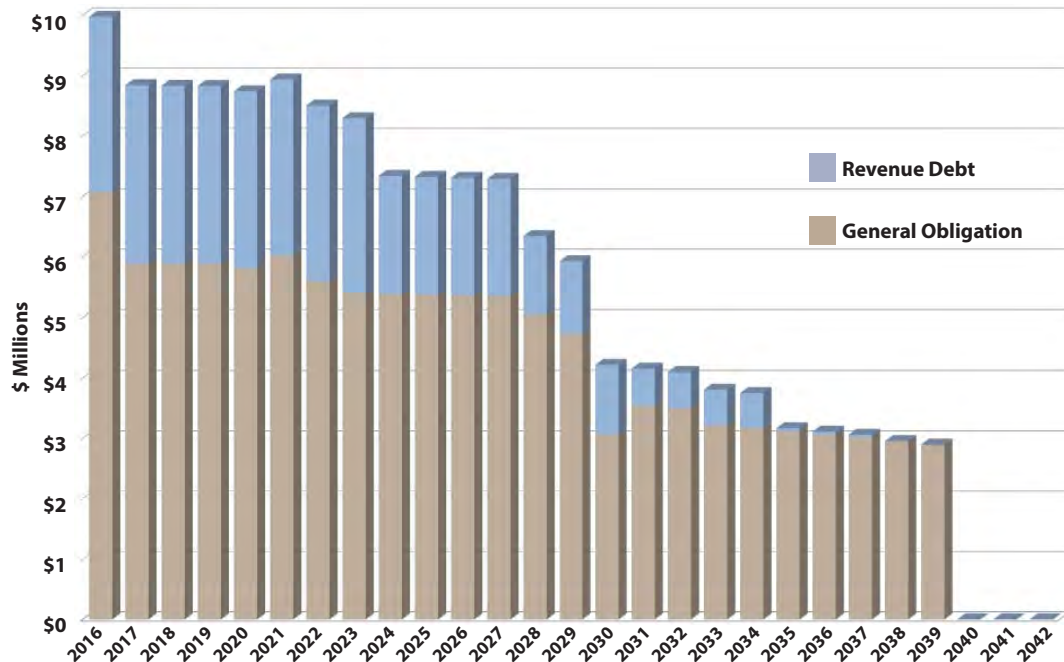


General Obligation Debt and Revenue Debt

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.

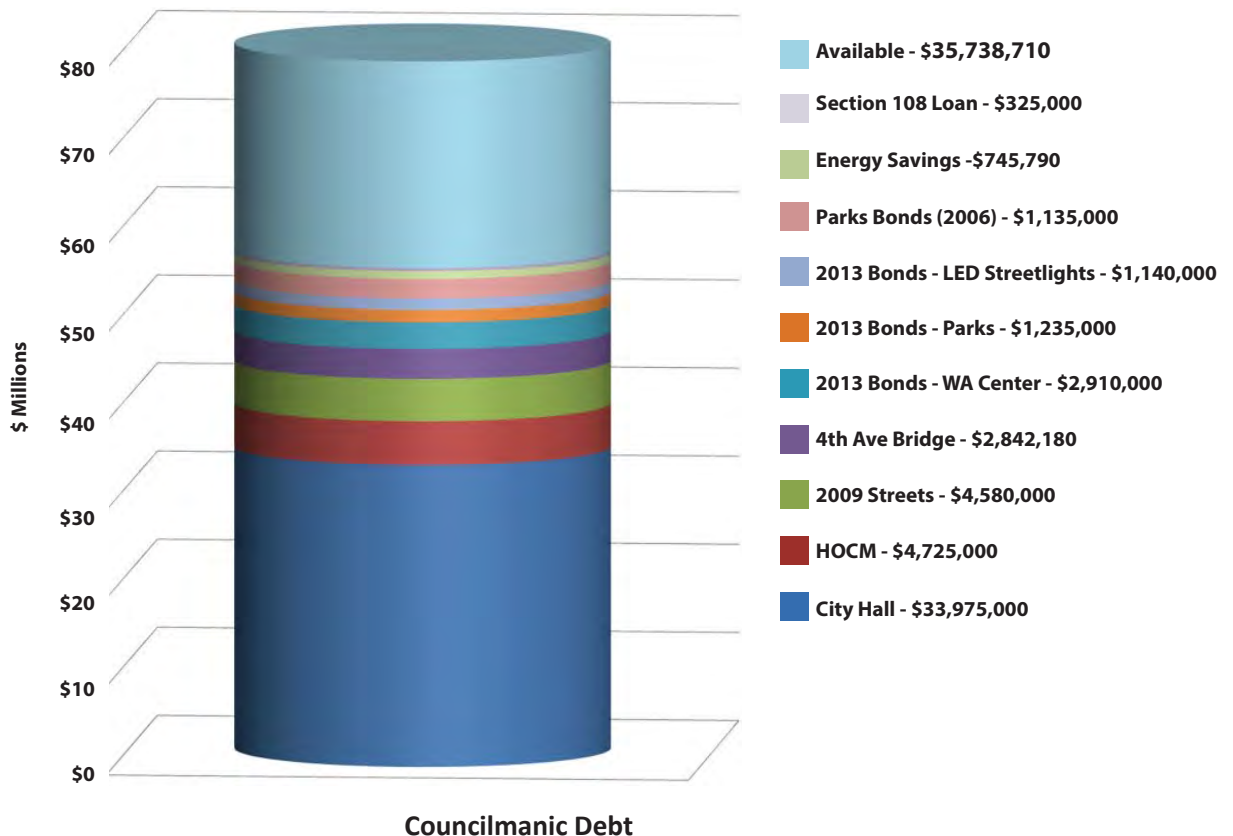
The goal of Olympia’s debt policy is to maintain the ability to provide high quality, essential City services in a cost effective manner. Council members weigh this goal against maintaining the ability to borrow at the lowest possible rates. The City uses the following guidelines before financing projects 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:**

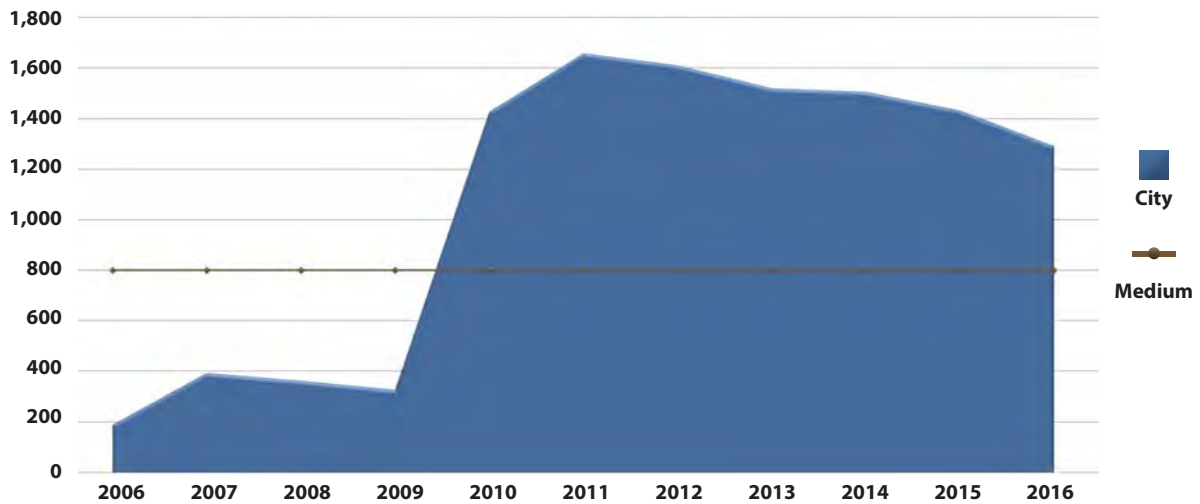
Revenue	Revenue bonds
PWTF	State of Washington, Public Works Trust Fund loan
LTGO	Limited Tax General Obligation bond (non-voter approved)
ULTGO	Unlimited Tax General Obligation bond (voter approved)
LOCAL	State of Washington, Local Option Capital Asset Lending program. This is an obligation of the State 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



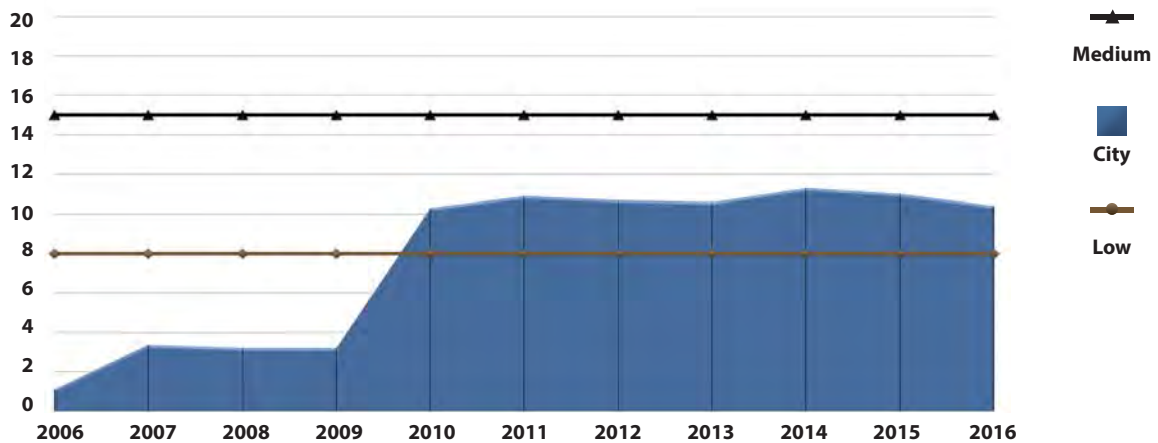
Use of Ratios to Assess Credit Quality

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 PWTf 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	2016 Pay					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						Number of FTEs		
			Step 1	Step 2	Step 3	Step 4	Step 5	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		3.00	2.00	3.00
Personnel Analyst		56	\$4,969	\$5,220	\$5,482	\$5,751	\$6,040		1.00	1.00	1.00
Personnel Assistant		48	\$4,260	\$4,471	\$4,964	\$4,930	\$5,177		1.00	1.00	1.00
Police Cadet		26	\$2,307	\$2,423	\$2,546	\$2,667	\$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		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		4.00	4.00	4.00
Police Officer	Police Guild	810	\$5,919	\$6,242	\$6,588	\$6,868	\$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		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		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		8.00	8.00	8.00
Police Services Specialist	Teamsters	644	\$3,942	\$4,138	\$4,343	\$4,563	\$4,788		6.40	5.90	5.90
Probation Officer I		48	\$4,260	\$4,470	\$4,694	\$4,930	\$5,177		2.00	2.00	2.00
Probation Services Supervisor		70	\$6,212	\$6,524	\$6,846	\$7,190	\$7,548		1.00	1.00	1.00
Probation Work Crew Leader		44	\$3,905	\$4,099	\$4,300	\$4,520	\$4,744		2.00	2.00	2.00
Program & Planning Supervisor		72	\$6,390	\$6,707	\$7,044	\$7,392	\$7,766		10.00	8.00	8.00
Program Assistant		46	\$4,083	\$4,286	\$4,502	\$4,727	\$4,961		10.00	12.00	12.00
Program Manager		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905		2.00	2.00	2.00
Program Specialist		48	\$4,260	\$4,470	\$4,694	\$4,930	\$5,177		6.50	9.25	10.25
Project Engineer I		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905		3.00	4.00	4.00
Project Engineer II		68	\$6,035	\$6,337	\$6,656	\$6,985	\$7,335		9.75	7.75	8.00
Public Defense Coordinator		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199		0.00	0.50	0.50
Public Service Representative		40	\$3,551	\$3,727	\$3,914	\$4,108	\$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		3.00	3.00	3.00
Recreation Specialist		26	\$2,307	\$2,423	\$2,546	\$2,667	\$2,804		3.42	3.42	3.42
Refuse/Recycle Collector	AFSCME	446	\$4,101	\$4,304	\$4,521	\$4,748	\$4,986		16.00	16.00	16.00
Remote Systems Technician	AFSCME	456	\$5,053	\$5,309	\$5,570	\$5,851	\$6,140		2.00	2.00	2.00
Safety Officer		52	\$4,611	\$4,846	\$5,091	\$5,344	\$5,610		1.00	1.00	1.00
Secretary	Teamsters	646	\$4,121	\$4,326	\$4,545	\$4,772	\$5,008		2.00	3.00	3.00
Senior Accountant		62	\$5,502	\$5,780	\$6,068	\$6,372	\$6,689		1.00	1.00	1.00
Senior Master Mechanic	AFSCME	462	\$5,628	\$5,909	\$6,205	\$6,515	\$6,841		1.00	1.00	1.00
Senior Personnel Analyst		76	\$6,743	\$7,082	\$7,420	\$7,809	\$8,199		2.00	2.00	2.00
Senior Planner		64	\$5,680	\$5,963	\$6,262	\$6,573	\$6,905		3.00	5.00	5.00
Senior Program Specialist		56	\$4,969	\$5,220	\$5,482	\$5,751	\$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).

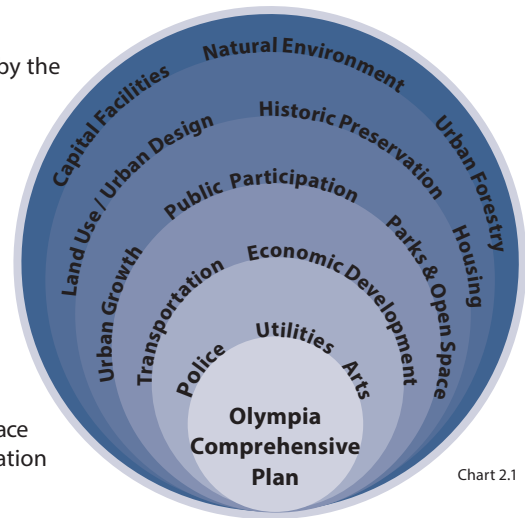


Chart 2.1

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.

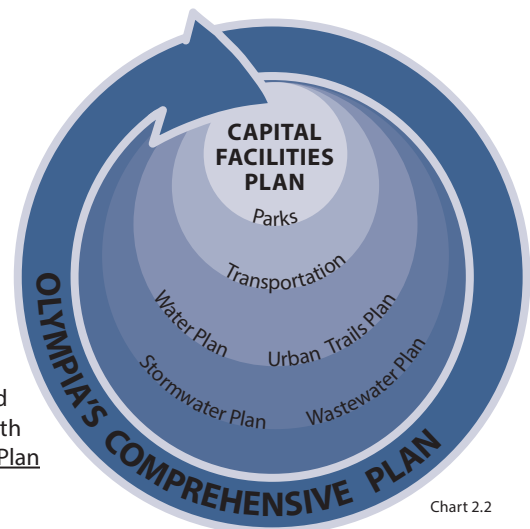


Chart 2.2

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

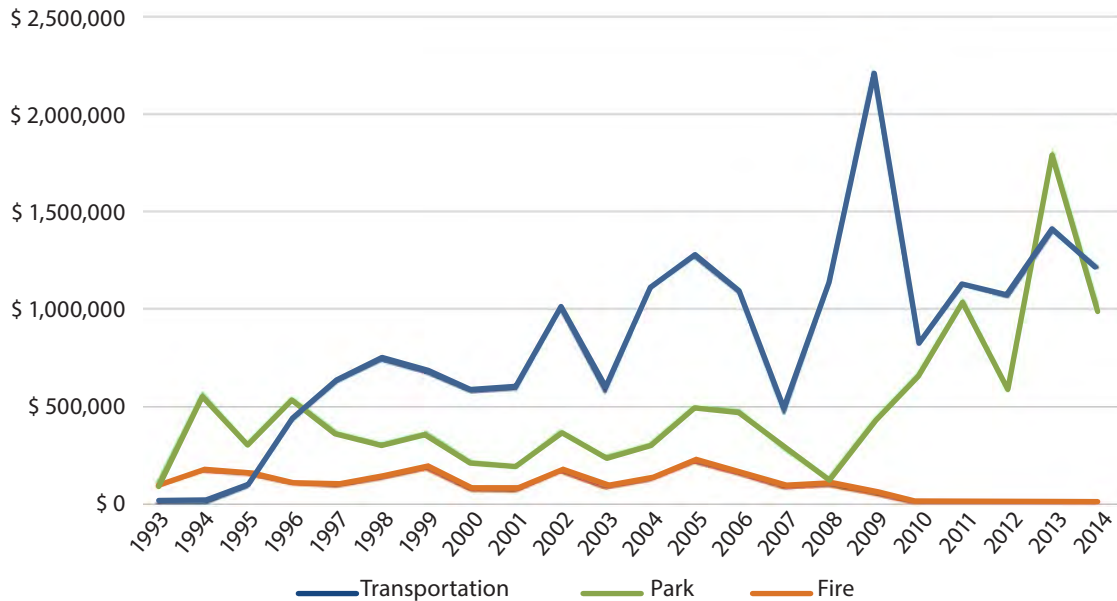
Revenues Dedicated to the CFP

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.

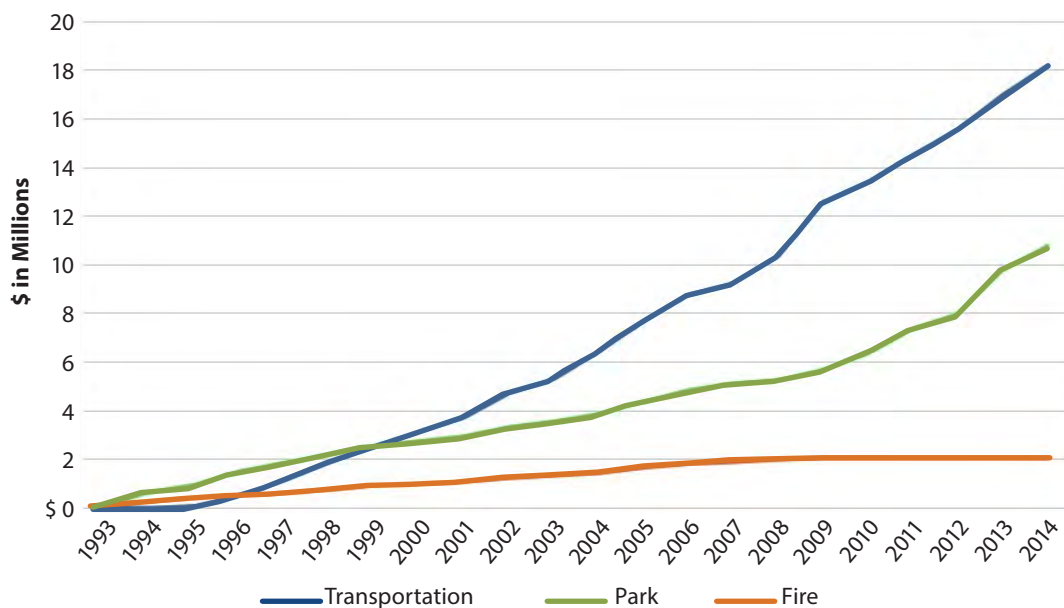
Annual Impact Fee Collections

22 Year Period - 1993 to 2014



Cumulative Impact Fee Collections

22 Year Period - 1993 to 2014



Revenues Dedicated to the CFP (continued)

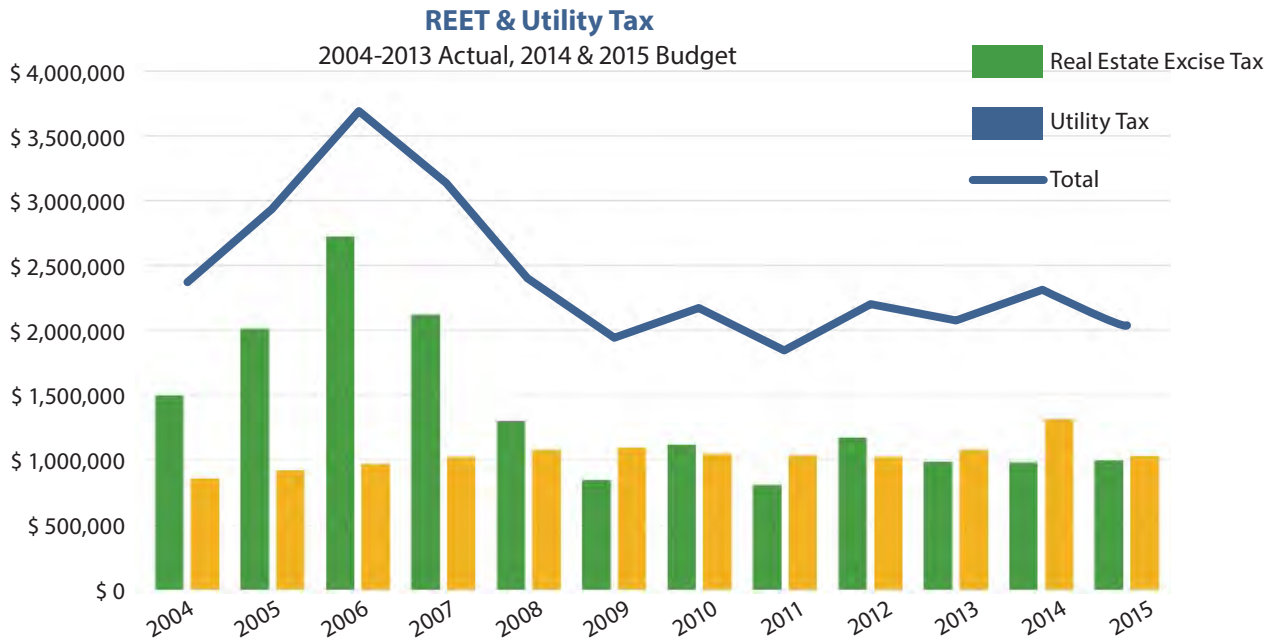
Real Estate Excise Tax (REET)

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

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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

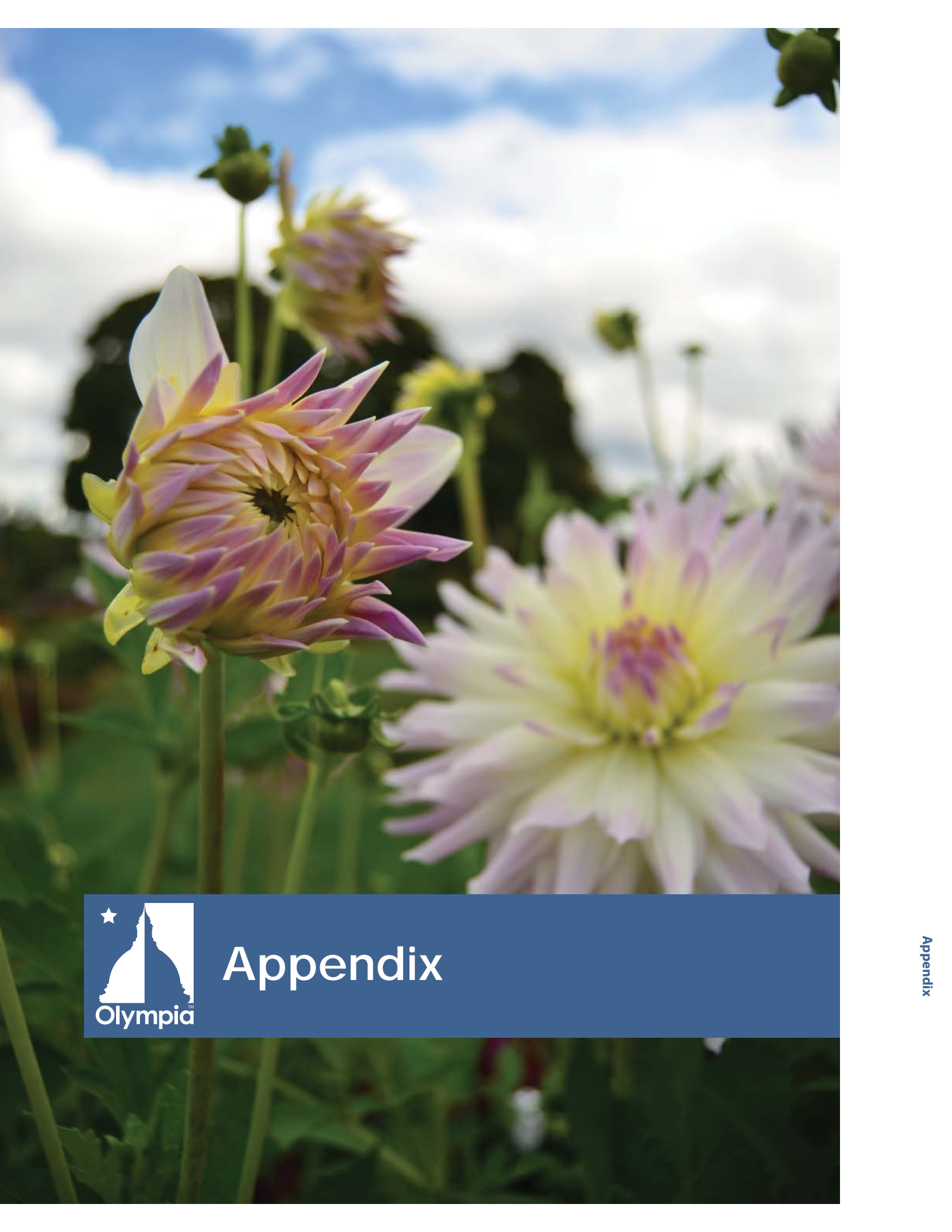
Funding Sources	2016	2017-2021	TOTAL
CIP Fund	\$ 3,944,000	\$ 15,945,000	\$ 19,889,000
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
General Facility Charges	\$ 2,086,500	\$ 6,752,150	\$ 8,838,650
Grant	\$ 1,572,500	\$ 15,024,172	\$ 16,596,672
Impact Fees	\$ 2,787,663	\$ 27,172,240	\$ 29,959,903
Rates	\$ 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

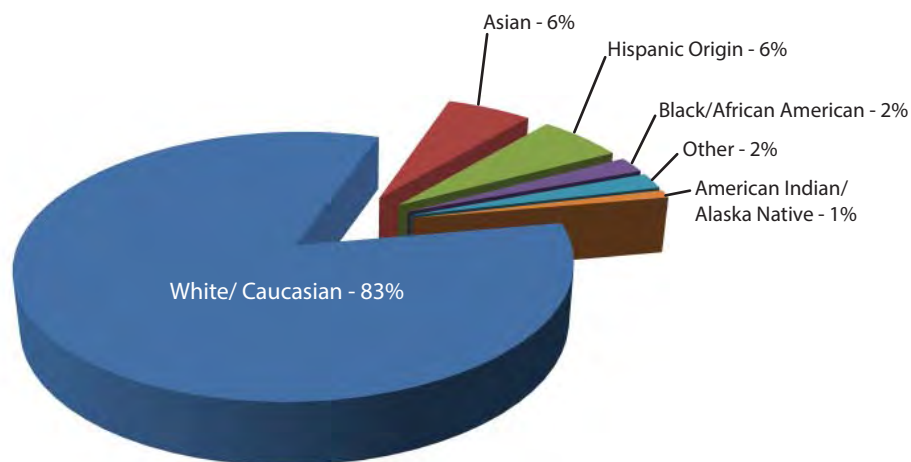
Source: State of Washington, Office of Financial Management, April 1, 2015

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

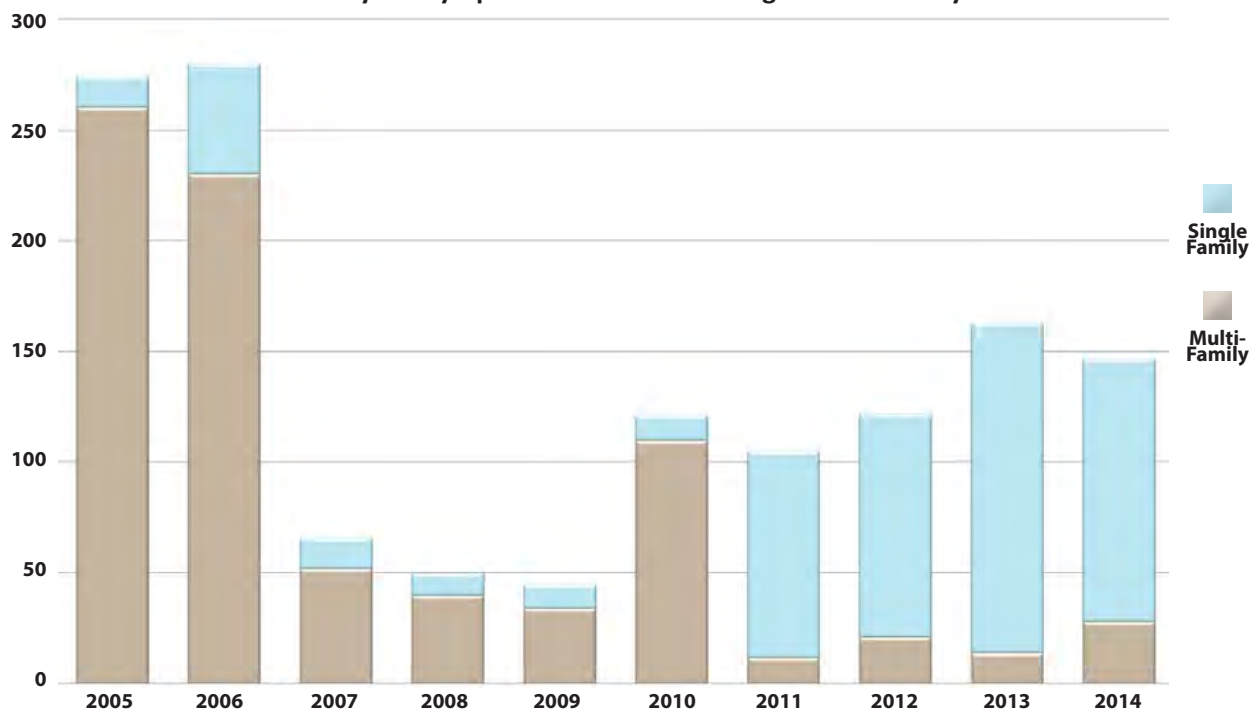
Apartment Rental Rates, Thurston County
(Source: WA Center for Real Estate Research, 12/2014)

	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.

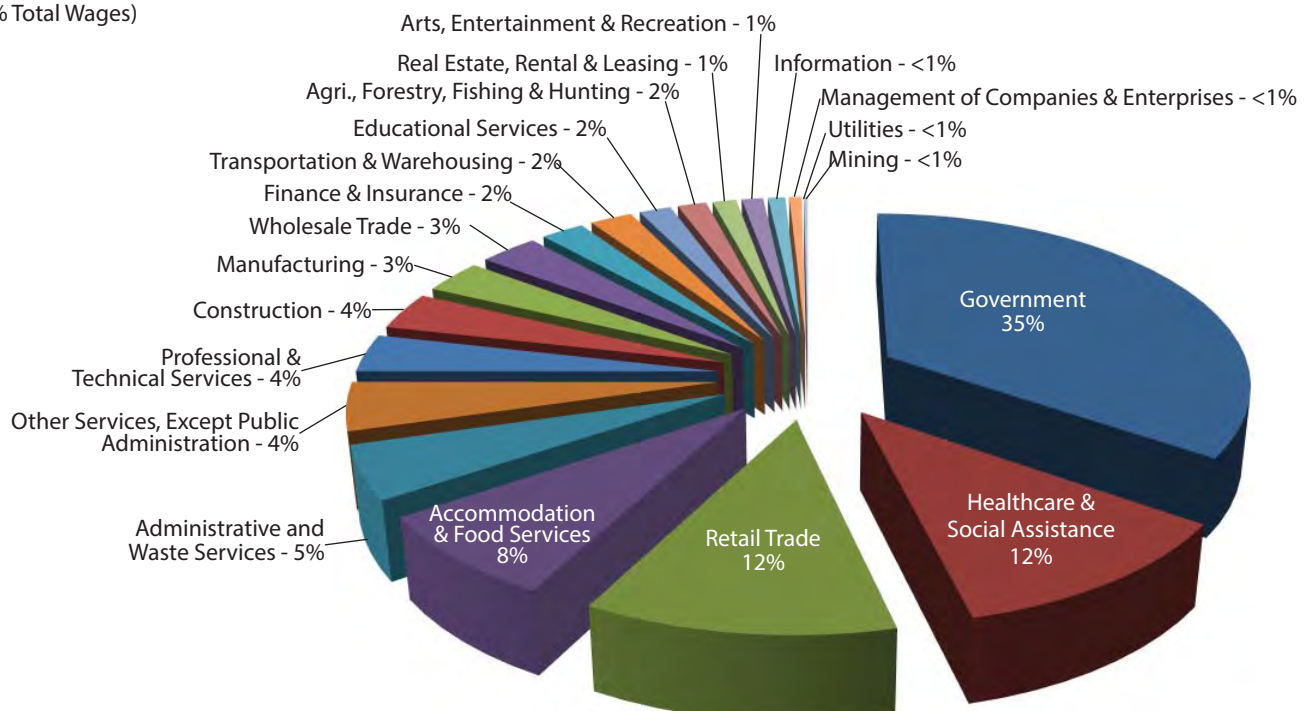
Top Employers in Thurston County - 2014

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

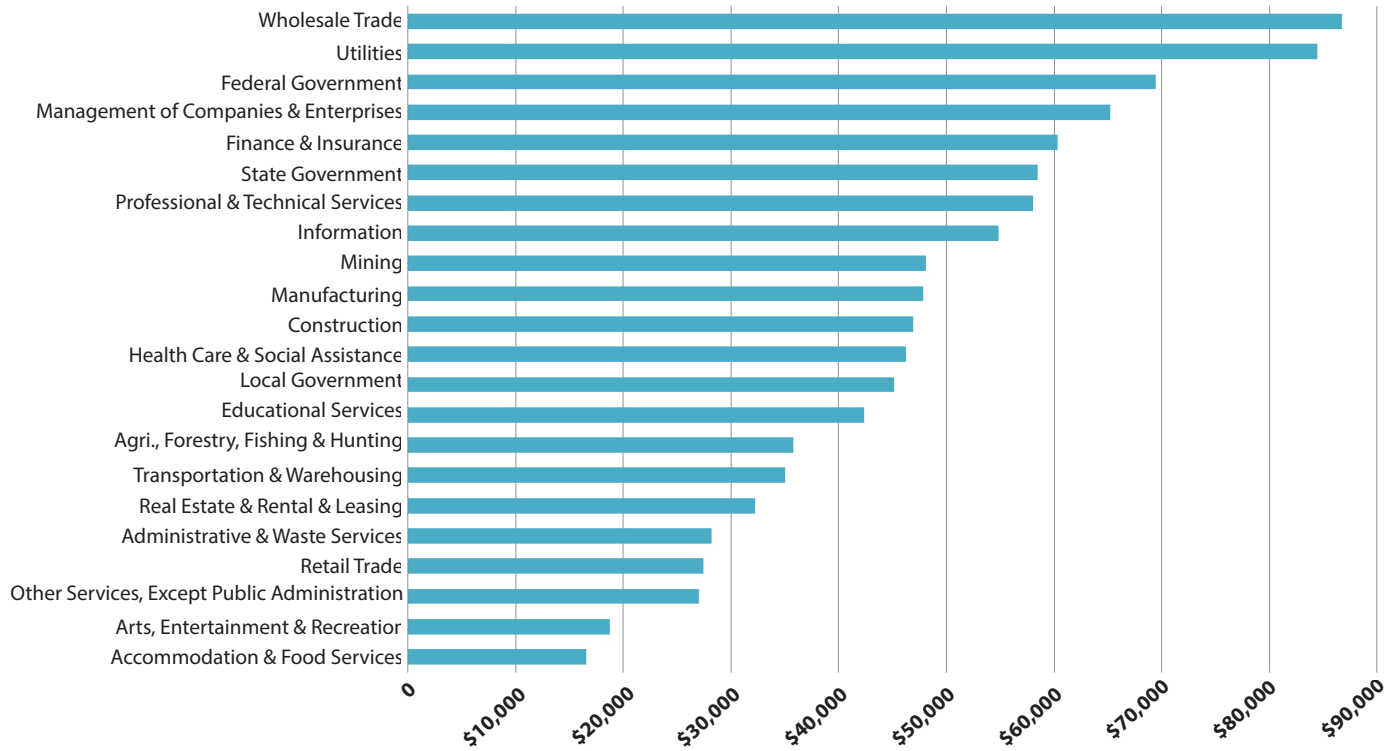
(% Total Wages)



* 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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Proposed Rate Increases

		2012	2013	2014	2015	2016
WATER		7%	7%	7%	6%	7.3%
WASTE WATER		0	0	4%	2%	0
LOTT		5%	3%	3%	3%	3%
STORM WATER		0	6%	2%	3%	6.7%
WASTE RESOURCES	RESIDENTIAL	0	0	8%	6%	5.5%
	COMMERCIAL	5%	0	5%	4%	4%
	ORGANICS	0	0	6%	8%	9%



TO: Olympia City Council

FROM: Julie Hankins, Councilmember and Chair, Lodging Tax Advisory Committee

DATE: October 30, 2015

SUBJECT: **2016 Lodging Tax Committee Recommendations**

The Olympia Lodging Tax Advisory Committee recommends 2016 tourism service contracts in the amount of \$250,035. As a reminder, the committee considers one-half of the Lodging Tax Fund; the other half is committed to The Washington Center for the Performing Arts per a formal agreement with the Center.

The Olympia LTAC received 18 applications for 2016 funds, seven more than were submitted for 2015. The total request for funds was \$337,640.86 -- nearly \$88,000 more than the \$250,000 available after allowing for the traditional 20 percent contingency balance. While in 2015 LTAC was able to recommend full funding for nearly all 2015 requests, the Committee clearly had to make difficult choices this year.

Given the higher competition for limited funds, the LTAC placed high priority on supporting tourism marketing and on tried and true events and activities that resulted in documented and documentable overnight stays in Olympia lodging establishments. The LTAC also thought it was important to nurture new events and support events that may not be able to get funds otherwise. The Committee supports funding activities that help bring tourists to Olympia for overnight lodging over funding operational costs for facilities or staff salaries. Because of Washington state law reporting requirements, the LTAC is emphasizing the documentation of paid overnight lodging numbers. LTAC is requesting that the Visitor and Convention Bureau provide training to Lodging Tax recipients on how to capture overnight stays that result from their activities in order to provide measurable outcomes back to the LTAC.

Regional Athletic Center Proposal:

LTAC received a proposal from the City of Lacey for \$20,000 in Olympia Lodging Tax to help pay for operating and maintenance costs of the Regional Athletic Center (RAC). As a reminder, the City of Olympia is already a regional funding partner through the Public Facilities District (PFD). 71.77% of the PFD allocated sales tax in Olympia, Lacey, Tumwater, and Thurston County is committed to the RAC. The remaining 28.23% of PFD sales tax comes to the City of Olympia for capital costs of the Hands on Children's Museum. LTAC recommends that City Council, or representatives from the City, meet with the City of Lacey regarding the need for operational assistance at the RAC before any future Lodging Tax Fund requests are made.

Attachments:

1. Chart of Recommendations
2. Draft Minutes – LTAC October 5, 2015 meeting
3. Draft Minutes – LTAC October 19, 2015 meeting

2016 Lodging Tax Recommendations

Tourism-Related Service Contracts:

Arbutus Folk School	\$ 5,000
Capital City Pride Festival	\$ 5,000
Capital Lakefair	\$ 5,000
Capital Recovery Center (Downtown Welcome Center)	\$ 5,000
Greater Olympia Dixieland Jazz Festival	\$ 21,000
Hands on Children's Museum	\$ 45,000
Olympia Downtown Associations	\$ 8,535
Olympia Film Society	\$ 4,500
Olympia-Lacey-Tumwater Visitor and Convention Bureau	\$ 100,000
Olympic Flight Museum	\$ 6,000
PARC Foundation / Capital to Bay Relay	\$ 10,000
Parrot Heads of Puget Sound/Laid Back Attack	\$ 5,000
St. Martin's University / Dragon Boat Festival	\$ 5,000
Washington State Senior Games	\$ 20,000
Wolf Haven International	\$ 5,000
Total Contracts	\$ 250,035

Total 2016 Recommendations **\$ 250,035**



City Council

Review of Draft 2016 Parks, Arts and Recreation Plan

Agenda Date: 11/17/2015
Agenda Item Number: 6.A
File Number: 15-1083

Type: report **Version:** 1 **Status:** Other Business

Title

Review of Draft 2016 Parks, Arts and Recreation Plan

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive the presentation on the draft 2016 Olympia Parks, Arts and Recreation Plan. Briefing only; no action requested.

Report

Issue:

The first draft of the Parks Plan is complete. Staff will present an overview of the plan and outline next steps in the review and approval process.

Staff Contact:

Jonathon Turlove, Associate Planner, Parks, Arts and Recreation, 360.753.8068
Paul Simmons, Director, Parks, Arts and Recreation, 360.753.8462
David Hanna, Associate Director, Parks, Arts and Recreation, 360.753.8020
Dave Okerlund, Planning Manager, Parks, Arts and Recreation, 360.570.5855

Presenter(s):

Jonathon Turlove, Associate Planner, Parks, Arts and Recreation
Paul Simmons, Director, Parks, Arts and Recreation

Background and Analysis:

After an extensive public input process, the Draft 2016 Parks, Arts and Recreation Plan is complete and available for Council and public review.

The Plan proposes a park, arts and recreation system to meet the needs of the community for the next 20 years. It provides the general location of future parks and contains a Capital Investment Strategy that outlines projected revenue and proposed projects. It maintains Olympia's eligibility for grant funding will make Olympia eligible for applying for habitat grants.

After tonight's initial presentation, the plan will be available for public comment via a public meeting on December 2, 2015 and online on OlySpeaks. The plan and public comments from these venues will be reviewed by the Arts Commission, Parks and Recreation Advisory Committee and Planning Commission. The Plan will be before Council again early next year for a final public hearing and plan adoption.

Options:

1. Receive presentation the draft 2016 Olympia Parks, Arts and Recreation Plan.

Financial Impact:

The Plan's Capital Investment Strategy details the funding sources for proposed projects in the plan and includes projected revenues from the recently adopted Olympia Metropolitan Park District.