



# Meeting Agenda

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8447

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Friday, February 27, 2015

11:00 AM

Council Chambers

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### Special Meeting

1. ROLL CALL
2. CALL TO ORDER
3. APPROVAL OF MINUTES
  - 3.A [15-0163](#) Approval of January 14, 2015 Finance Committee Meeting Minutes  
*Attachments:* [Minutes](#)
  - 3.B [15-0146](#) Approval of January 23, 2015 Finance Committee Special Meeting Minutes  
*Attachments:* [Minutes](#)
4. COMMITTEE BUSINESS
  - 4.A [15-0164](#) Approval of Finance Committee Work Plan for 2015 (Including 2016 Budget Calendar)  
*Attachments:* [2015 Finance Committee Work Plan](#)  
[2016 Operating Budget Calendar](#)
  - 4.B [15-0169](#) Approval of 2014 Year-End Financials  
*Attachments:* [2014 Year End Financial Review](#)  
[Council Prioritization of Year End](#)  
[Homes First Request for Funding](#)
  - 4.C [15-0174](#) Continued Discussion on Funding Needs and Strategies for the Next Three to Five Years  
*Attachments:* [Jan 27 Finance Committee Presentation Revised](#)
  - 4.D [15-0175](#) Additions to the Long Term Financial Strategy (LTFS)  
*Attachments:* [LTFS Draft](#)
  - 4.E [15-0189](#) Process for Review and Approval of Capital Facilities Element of the Comprehensive Plan

**5. ADJOURNMENT**

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

## Finance Committee

### Approval of January 14, 2015 Finance Committee Meeting Minutes

**Agenda Date:** 2/27/2015  
**Agenda Item Number:** 3.A  
**File Number:** 15-0163

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

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**Title**

Approval of January 14, 2015 Finance Committee Meeting Minutes



## Meeting Minutes - Draft

City Hall  
601 4th Avenue E  
Olympia, WA 98501

### Finance Committee

Information: 360.753.8447

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**Wednesday, January 14, 2015**

**5:00 PM**

**Room 207**

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**1. ROLL CALL**

**Present:** 3 - Chair Jim Cooper, Committee Member Nathaniel Jones and Committee Member Cheryl Selby

**2. CALL TO ORDER**

Chair Cooper called the meeting to order at 5:00 p.m.

**3. APPROVAL OF MINUTES**

**3.A** [15-0045](#) Approval of December 10, 2014 Finance Committee Meeting Minutes

**The minutes were unanimously approved.**

**4. COMMITTEE BUSINESS**

**4.A** [15-0049](#) 2015 Technology Budget and Plan

Information Technology (IT) Director Shawn Ward indicated technology is funded through a variety of sources within the City's budget. IT operations and maintenance are funded by the General Fund, the technology life cycle program is funded through interfund charges to each department, a small number of projects are funded directly by the department (parking) and finally the IT planning and implementation program is funded by contributions from both Utility Funds and the General Fund year-end savings.

Mr. Ward noted The IT planning and implementation program is not funded for 2015. This program was established to allow the City to invest in capital technology solutions which are often high dollar acquisitions or require project timelines in excess of one year. These technology projects most often include the replacement, modification or expansion of existing systems or the addition of new technology systems. Replacing the City's 20+ year old financials and replacing the parking management software are high priorities for the next 3 to 5 years. Some of the 2015 technology projects include:

- Citizen request management solution
- Parking Management system replacement
- Public Access geographic information system
- Intranet system replacement
- Network firewall redesign and replacement

- PC lifecycle replacement
- Unified Communications upgrade

The Committee appreciated the presentation but stressed in the future the funding should be a part of the base operating budget not funded with year-end savings.

**The information was provided.**

**4.B**     [15-0047](#)            Review Parks Workforce and Asset Management Program

The Parks, Arts and Recreation Department has been developing tools for managing park maintenance operations and an asset management system for organizing major repairs and reconstruction projects. Both Parks and Public Works staff utilize a workforce management and deployment software allowing them to track labor for 17 maintenance tasks across 1000 acres of land over 42 park sites. Staff walked the Committee through the first 6 months of data. The Committee indicated they are interested in a future report when more information is available.

**The information was provided.**

**4.C**     [15-0043](#)            Oral Report: Indirect Cost Allocation

The Committee had asked for a review of the current cost allocation plan and possible additional allocations. Staff reviewed the current plan and showed the Committee what numbers would look like for each department if we began allocating costs to individual departments. The Committee also asked for a comparison of how other cities account for O & M costs, capital repairs and any debt service. Staff did an informal comparison of other cities and found they are handling indirect costs basically the same as Olympia. The difference is really with counties. A county is much more likely to distribute all costs to other functions (elected officials). Staff did note the State Auditor's office does review our indirect plan to ensure the costs are justifiable.

**The information was provided.**

**4.D**     [15-0064](#)            City Funding Needs and Schedule

This item is scheduled for the January 27 Study Session. The Committee and staff discussed what information they wanted presented and what direction they wanted from the Council.

**The discussion was completed.**

**5.        ADJOURNMENT**

The meeting was adjourned at 7:00 p.m.



City Hall  
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360-753-8447

## Finance Committee

### Approval of January 23, 2015 Finance Committee Special Meeting Minutes

**Agenda Date:** 2/27/2015  
**Agenda Item Number:** 3.B  
**File Number:** 15-0146

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

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**Title**

Approval of January 23, 2015 Finance Committee Special Meeting Minutes



## Meeting Minutes - Draft

### Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8447

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Friday, January 23, 2015

12:00 PM

Room 112

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#### Special Meeting

#### 1. ROLL CALL

**Present:** 3 - Chair Jim Cooper, Committee Member Nathaniel Jones and Committee Member Cheryl Selby

#### 2. CALL TO ORDER

Chair Cooper called the meeting to order at 12:08 p.m.

#### APPROVAL OF AGENDA

Chair Cooper amended the agenda to separate the Study Session topic from the Finance Committee meeting time by adding new item 4.A to the agenda to discuss the scheduling of Finance Committee meetings in 2015.

**The agenda was approved as amended.**

#### 3. APPROVAL OF MINUTES - None

#### 4. COMMITTEE BUSINESS

##### 4.A [15-0115](#) Discussion of Finance Committee Meeting Schedules in 2015

**Committee Member Jones moved, seconded by Committee Member Selby, to hold 2015 Finance Committee meetings at 5:00 p.m. on the second Wednesday of each month and at noon on the fourth Friday of each month beginning February, 2015. The month of November is the exception due to the holiday; this meeting date will be determined at a later time. The motion was approved.**

##### 4.B [15-0082](#) Preparation for January 27 Council Study Session

Chair Cooper stated the January 27 Study Session topic is discussion on potential 2015 ballot measures to address funding needs and strategies for the next three to five years. City Manager Steve Hall facilitated the discussion and organized the issues into four categories:

1. Budget Gaps - Operating and Capital

2. Revenue Generation
3. Timing of Events with Respect to Other Jurisdictions
4. Intangibles (i.e. lower gas prices, Parks momentum, etc.)

Administrative Services Director Jane Kirkemo pointed out two items to consider before putting anything on a ballot:

1. There is no funding included in the 2015 operating budget for a ballot measure.
2. The deadline to place something on the Primary election ballot is May 8 and for the General election the deadline is August 4.

Mr. Hall led a brainstorming session to identify considerations within each of the categories listed above. The results of the brainstorming session will be presented during the January 27 Study Session, which the Committee asked Mr. Hall to facilitate. He agreed to provide background on the topic, discuss priorities and next steps. He noted he was conflicted because conditions for a ballot measure seem right with the recovering economy and recent reduction in gas prices, but the timeline for getting a measure onto the ballot is fairly short.

**The discussion was completed.**

## **5. ADJOURNMENT**

Chair Cooper adjourned the meeting at 1:30 p.m.





## Finance Committee

### Approval of Finance Committee Work Plan for 2015 (Including 2016 Budget Calendar)

**Agenda Date:** 2/27/2015  
**Agenda Item Number:** 4.A  
**File Number:** 15-0164

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

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#### **Title**

Approval of Finance Committee Work Plan for 2015 (Including 2016 Budget Calendar)

#### **Recommended Action**

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

Move to discuss and forward a work plan to the full Council for approval.

#### **Report**

##### **Issue:**

Approval of Finance Committee Work Plan for 2015

#### **Staff Contact:**

Jane Kirkemo, Administrative Services Director, 360.753.8499

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

Each year, all advisory committees submit a work plan to the City Council for review. The Finance Committee typically submits a "skeleton" for review, allowing time at each meeting to respond to emerging issues. Attached is a draft work plan for committee consideration as well as a draft 2016 budget calendar. Even allowing for two meetings a month your work plan is aggressive. It should be noted the November committee meeting falls on a holiday and you may want to reschedule.

The calendar for the 2016 Operating Budget is also included for discussion.

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

N/A

#### **Options:**

- 1) Approve the 2015 work plan for the Finance Committee.
- 2) Amend the work plan by adding additional items or moving items to a different time.

#### **Financial Impact:**

N/A

# Finance Committee 2015 Work Plan

*Some items may be continued for multiple months.  
Each month has two meetings.*

## February

- Review 2014 year end financials
  - Year end assignments
  - Create a LEOFF 1 Trust Fund
  - Review ordinances for appropriations
- Discuss Funding gaps and revenue options
  - May include 2015 ballot proposal
- Develop recommendations to adequately fund Parks operations, maintenance and acquisition
  - May include vote on Metropolitan Parks District
- Develop public process for Capital Facilities Element Review and adoption
- Review and recommend revised language to LTFS
- Policy for land donations for Parks inventory

## March

- Funding options for Percival Landing

## April

- Develop budget estimates and deployment plan for “Cahoots like” program
- Forward a recommendation to full council on LBA woods
- Quarterly report on Parks Asset Management

## May

- Recommendation for long term funding of pavement management

## June

- Recommendation on police cams including how to deal with records issues

## **July**

- Study of jail and community corrections long-term costs and options for regional efficiencies
- Quarterly report on Parks Asset Management
- Review of Preliminary CFP

## **August**

- Continue review of all major revenue categories
  - Update B & O code
  - Changes in Adult Business licenses
- Review of transportation impact fee calculations

## **September**

- Develop criteria and schedule for 2016 budget cuts
- Quarterly report on Parks Asset Management

## **October**

- Use of Local Improvement Districts (LIDs) as financing tool
- Review of Preliminary 2016 Operating Budget

## **November**

- Next steps on Best Practices Report on the Farmer's Market

## **Completed Items**

- ✓ Review Indirect cost study and implications



# Operating Budget Calendar

## 2016 Budget Process

City Manager Presents 2016 Preliminary Operating Budget to Council	October 27 (Tuesday)
Preliminary Budget Available on the Internet	October 28
Election Day	November 3
Discussion of Utility Rates, Impact Fees, Lodging Tax	November 10
Council Review of Operating Budget	November 10
Veteran's Day Holiday	November 11 (Wednesday)
Public Hearing on Operating Budget, Capital Budget and Ad Valorem Tax	November 17
Council Review and Discussion of Budget	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





# Operating Budget Calendar

## 2016 Budget Process (Internal)

* Budget Guidelines Available to City Departments	May 11
* Budget Training (2 hour repeat sessions)	May 27-28
* Departments Submit 2015 Requested Budgets to Administrative Services Department	July 10
* Departments Present Requested Budgets and Utility Rate Recommendations to Budget Review Team (separate schedule)	August 3-6
* City Manager and Budget Review Team Balance Budget	August 10-12
Utility Rates Recommendation to Finance Committee	September 9
City Manager Presents 2015 Operating Budget to Council	October 27 (Tuesday)
Preliminary Budget Available on the Internet	October 28
*Public Hearing announcements to the Paper	November 3 & 10
Election Day	November 3
Discussion of Utility Rates, Impact Fees, Lodging Tax	November 10
Council Review of Operating Budget	November 10
Veteran's Day Holiday	November 11 (Wednesday)
Public Hearing on Operating Budget, Capital Budget and Ad Valorem Tax	November 17
Council Review and Discussion of Budget	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

\*Refers to Internal City Events (Non-Public)





## Finance Committee

### Approval of 2014 Year-End Financials

**Agenda Date:** 2/27/2015  
**Agenda Item Number:** 4.B  
**File Number:** 15-0169

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

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**Title**

Approval of 2014 Year-End Financials

**Recommended Action**

**City Manager Recommendation:**

Move to approve the 2014 Year-End Financials and forward to Council ordinances appropriating Fund Balance for various purposes and establishing a LEOFF I Trust Fund.

**Report**

**Issue:**

2014 Year-end financial review and corresponding ordinances

**Staff Contact:**

Jane Kirkemo, Administrative Services Director, 360.753.8499

**Presenter(s):**

Jane Kirkemo, Administrative Services Director

**Background and Analysis:**

The City of Olympia ended 2014 with \$2,329,129 available for appropriation. Staff is recommending you make the following appropriations:

Growth in 10% Reserve	(\$240,790)
Use in 2015 Budget	(43,270)
Parking Unbudgeted Gain	(90,410)
OPEB-LEOFF I	(108,680)
Technology	(200,000)
Percival Landing Repairs	(350,000)
Downtown Strategy	(250,000)
Fire Equipment Reserve	<u>(450,000)</u>
Available to Appropriate	<b>\$ 595,979</b>

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

N/A

**Options:**

Review the year-end financials and forward a recommendation on how to spend/save the 2014 year-end fund balance in addition to the assignments of fund balance and establishment of the LEOFF I trust fund.

**Financial Impact:**

The financial impact depends on committee recommendation for assignment of year-end fund balance.

In addition to the assignment of fund balance, staff is recommending establishing a LEOFF I irrevocable trust. The trust would allow the City to make annual appropriations to the fund. However, if the budgeted amount was not spent any excess budget would remain in the trust fund and could not be used in the general fund (although it could be used for long-term care).



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# 2014 Year-End Financial Review

*These numbers are unaudited and may change.*

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## General Fund

Revenues = \$1,548,580 above budget

Expenditures = \$780,549 below budget

### Summary

- Revenues were 2.4% above budget at \$1.5 million.
- Expenditures were 1.2% below budget at approximately \$800,000.
- Permit revenue was 30% above budget at \$651,363.
  - Surplus predominantly comes from permitted multi-family and commercial buildings.
  - Permit revenue was the single largest increase over budget.

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### Revenues

- Sales and Use Tax – up 2.3% over 2013.
  - Includes general, criminal justice, and the public safety sales taxes.
  - Retail sales, food services, and automotive sales increased in 2014.
  - Sales tax for 2014 puts the City on track to return to pre-recession levels.
  - For analytical purposes, only general sales tax is used. It provides the best indicator of how the local economy is doing. The criminal justice sales tax is distributed to the cities based on population and the public safety sales tax excludes car sales/leases.
- Property Tax – down by 1% compared to budget.
  - Assessed value is still below the 2008 high.
- Private Utility Tax – down a little over \$100,000.
  - Electric revenues were slightly above budget.
  - Gas and phone both were below budget with phone showing the largest decline (\$128,000).
  - This revenue continues to decline.



- Business and Occupation Tax – \$314,000 above budget.
  - Reflects the beginning of an improved economy and an audit.
- Court Fines – Revenues were below budget for a fifth consecutive year.
  - Expenses were also down compared to budget.
  - Continue to see a reduction in citations and infractions associated with number of Police new hires.
- Development-related Activity
  - Usually closely tied to impact fees.
  - 2014 total impact fees were down almost a million dollars.
  - Parks experienced the biggest decline in impact fees.
  - Permit fees were 30% above budget, but still below pre-recession levels. (Chart 4)
  - The 2014 impact fee collection and usage report is shown on Chart 7.

### Major Categories of General Fund Revenue Activity\*

Sales Tax – Regular, Criminal Justice & Safety	\$ 420,558
Property Tax	(\$ 96,300)
Probation / Day Reporting	(\$ 59,330)
Business & Occupation Tax	\$ 314,240
Private Utility Tax	(\$ 107,521)
City Utility Tax	\$ 271,490
Building Permits	\$ 651,363

*\*Numbers are rounded.*

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### Expenditures

- Expenditures under budget in the general fund were able to bolster the year-end savings.
- \$780,549 surplus in expenditures came almost exclusively from salaries and benefits.
- As attrition occurred, departments held positions open or waited to fill positions.

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## Recommended Year-End Appropriations

Prior to 2009, funds for technology improvements were included in the Capital Facilities Plan. After much debate, money for major technology improvements became an operating budget expense to be funded from year end surplus.

### Recommended Uses

During the budget process, Council agreed to use any year-end surplus to restore reserves to avoid deeper cuts to the operating budget. Other recommended assignments:

- \$450,000 – Fire Equipment Reserve
- \$350,000 – Percival Landing
- \$250,000 – Downtown Plan
- \$200,000 – Technology
- \$ 90,410 – Parking Unbudgeted gain

This leaves a remaining balance of \$595,979.

## General Fund 2014 Year-End Activity

Revenue over estimate	\$1,548,580
Expenditures under budget	\$780,549
2014 increase in resources	\$2,329,129
<b>Amount Available</b>	<b>\$2,329,129</b>
<b>Policy assignments:</b>	
Required to maintain 10% reserve	(\$240,790)
Used in 2015 budget	(\$43,270)
Parking Unbudgeted gain	(\$90,410)
Allocation for information technology	(\$200,000)
<b>Balance after policy reduction</b>	<b>\$1,754,659</b>
<b>Recommended assignments:</b>	
Fire Equipment Reserve	(\$450,000)
Percival Landing	(\$350,000)
Downtown Plan	(\$250,000)
OPEB – LEOFF I	(\$108,680)
<b>Resource Balance</b>	<b>\$595,979</b>

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## Utility Budgets

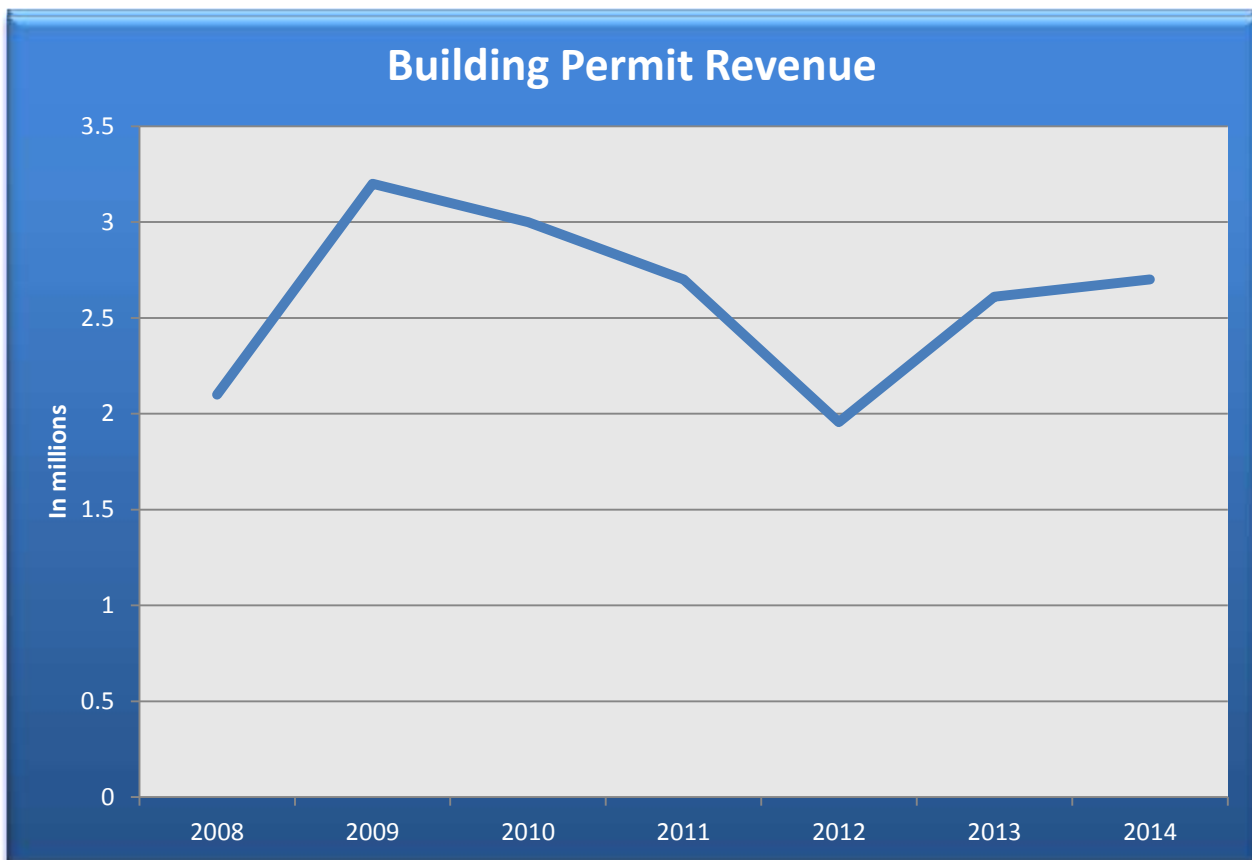
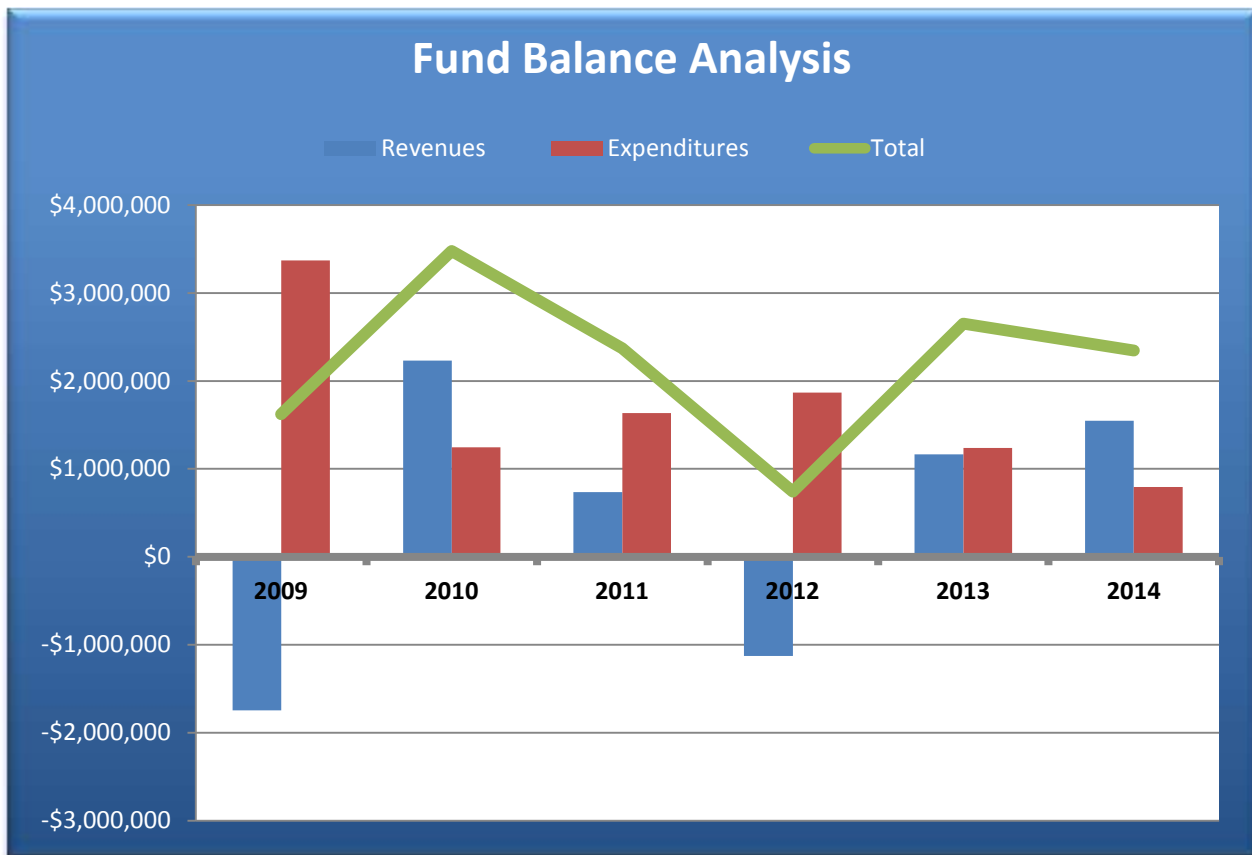
In general, the utility funds followed the same pattern and trends as the General Fund – slight under-collection of revenues -- offset by under-spending on the expense side. In each of the utilities, when a surplus is generated, the excess remains in the utility. The excess funds must be appropriated by Council to be spent. The indicators below continue to reflect the economy. The number of past due notices and shuts offs for nonpayment are still substantially higher than pre-recession.

### Utility Indicators – Chart 1

	Pre-Recession Average	2010	2011	2012	2013	2014
Final Bill Requests	1,125	639	270	828	1,145	1,101
New Services Added	315	239	202	184	229	201
Past Due Notices	13,725	16,560	16,567	16,761	16,632	17,173
Final Delinquency Notices	4,250	5,239	4,832	4,678	5,521	5,609
Shut-offs Performed	600	1,961	1,849	1,913	1,744	1,995
Returned Checks/Drafts	170	206	182	197	253	252
Total Utility Customers	18,500	19,218	19,274	19,471	19,760	20,036
Utility Revenues (In millions)		\$34.7	\$35.4	\$36.9	41.7	44.8

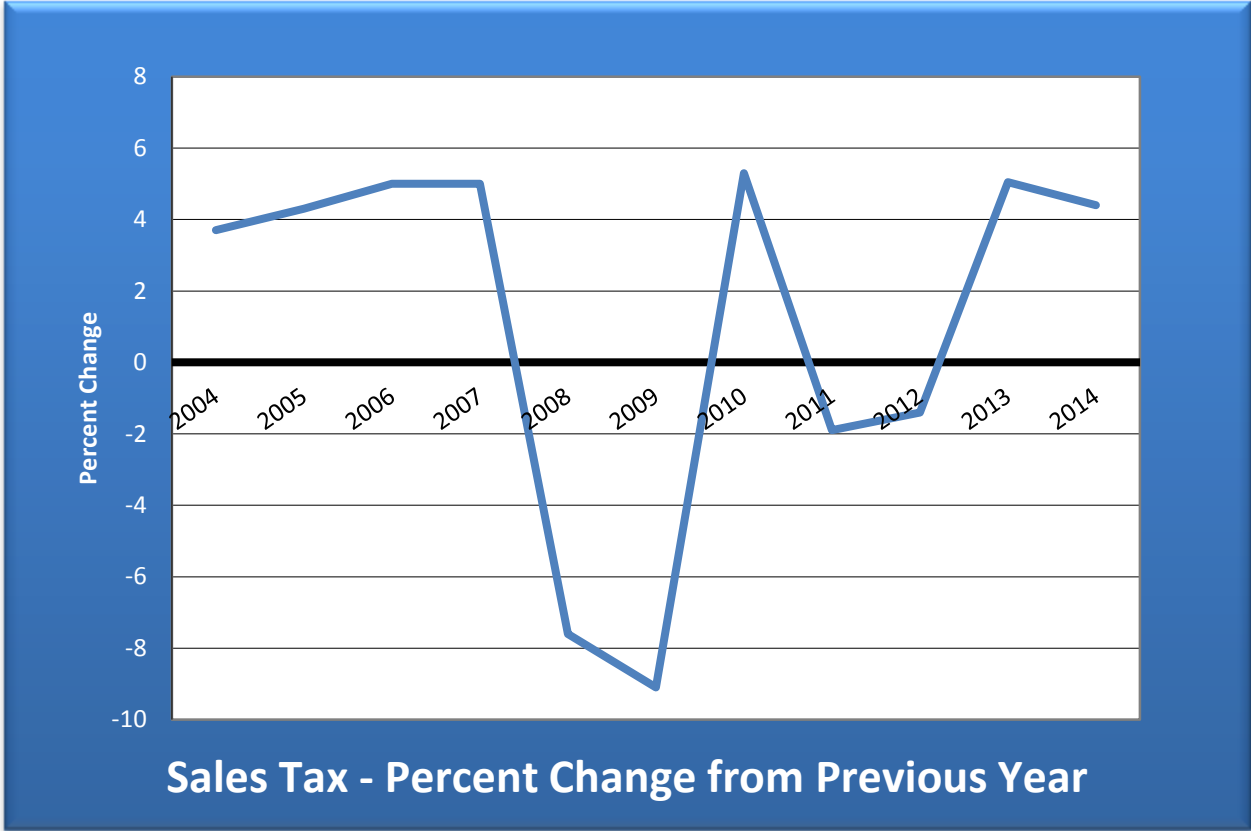
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**Sales Tax - Excludes Criminal Justice Sales Tax**



**Sales Tax - Percent Change from Previous Year**

# Impact Fee Collection and Usage

Chart 7

Year	Fire	Transportation	Neighborhood Parks	Community Parks	Open Space	Ball Parks	Tennis Courts	Urban Trails	Special Use & Unallocated	Total City
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	28,684	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	108,335	176,897	198,271	-	-	-	184,936	1,486,495
2011	-	1,124,036	158,551	270,122	324,904	-	-	-	289,306	2,166,919
2012	-	1,066,528	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
<b>Total Since Nov. 1992</b>	<b>\$ 2,033,967</b>	<b>\$ 18,186,188</b>	<b>\$ 1,353,983</b>	<b>\$ 2,541,209</b>	<b>\$ 4,602,887</b>	<b>\$ 941,384</b>	<b>\$ 93,835</b>	<b>\$ 388,585</b>	<b>\$ 889,532</b>	<b>\$ 31,031,570</b>
<b>Court Ordered Refunds (fee portion)</b>	<b>\$ -</b>	<b>\$ (278,075)</b>	<b>\$ (62,571)</b>	<b>\$ -</b>	<b>\$ (174,169)</b>	<b>\$ (84,087)</b>	<b>\$ (7,857)</b>	<b>\$ (25,707)</b>	<b>\$ -</b>	<b>\$ (632,466)</b>
<b>Use of Impact Fees: (-) neg = usage</b>										
1993- 2004	\$ (720,493)	\$ (5,104,777)	\$ (380,127)	\$ (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	(48,048)	(73,826)	74	-	(873,336)	(136)	-	(34,487)	-	(1,027,769)
2008	(648,837)	(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)	(3,386,665)
2012	-	(1,204,603)	(15,279)	-	(80,042)	(1,139)	(34)	(9,320)	(166)	(1,310,581)
2013	-	(149,994)	(120,145)	(626,760)	-	-	-	(9,748)	(289,000)	(1,195,648)
2014	-	(1,488,852)	(5,019)	(272,620)	-	-	-	(3,113)	(6,909)	(1,776,513)
<b>Total Usage</b>	<b>\$ (2,367,064)</b>	<b>\$ (15,605,618)</b>	<b>\$ (648,746)</b>	<b>\$ (1,257,656)</b>	<b>\$ (3,485,881)</b>	<b>\$ (898,668)</b>	<b>\$ (105,779)</b>	<b>\$ (380,577)</b>	<b>\$ (506,286)</b>	<b>\$ (25,256,274)</b>
<i>Note: Usage is as of Process date; if accounting month is not closed, amount may vary.</i>										
<b>Balance</b>	<b>\$ (333,097)</b>	<b>\$ 2,302,495</b>	<b>\$ 642,666</b>	<b>\$ 1,283,553</b>	<b>\$ 942,837</b>	<b>\$ (41,370)</b>	<b>\$ (19,801)</b>	<b>\$ (17,700)</b>	<b>\$ 383,246</b>	<b>\$ 5,142,830</b>
<b>Interest</b>	<b>\$ 333,097</b>	<b>\$ 981,456</b>	<b>\$ 31,502</b>	<b>\$ 10,075</b>	<b>\$ 455,248</b>	<b>\$ 198,518</b>	<b>\$ 19,801</b>	<b>\$ 47,051</b>	<b>\$ 3,355</b>	<b>\$ 2,080,104</b>
<b>Fund Bal. w/Interest</b>	<b>\$ -</b>	<b>\$ 3,283,951</b>	<b>\$ 674,169</b>	<b>\$ 1,293,629</b>	<b>\$ 1,398,085</b>	<b>\$ 157,148</b>	<b>\$ -</b>	<b>\$ 29,351</b>	<b>\$ 386,602</b>	<b>\$ 7,222,934</b>
<b>Budget Balance</b>	<b>\$ -</b>	<b>\$ 1,876,641</b>	<b>\$ 324,484</b>	<b>\$ 190,596</b>	<b>\$ 423,758</b>	<b>\$ 156,686</b>	<b>\$ -</b>	<b>\$ 17,714</b>	<b>\$ 186,438</b>	<b>\$ 3,176,317</b>
<b>Balance Available to Appropriate</b>	<b>\$ -</b>	<b>\$ 1,407,310</b>	<b>\$ 349,685</b>	<b>\$ 1,103,033</b>	<b>\$ 974,327</b>	<b>\$ 462</b>	<b>\$ -</b>	<b>\$ 11,637</b>	<b>\$ 200,163</b>	<b>\$ 4,046,617</b>

# Unfunded priorities

Rank	ITEM	COST	1 time (1) or Long Term (LT)	POSSIBLE SOURCE
	Downtown Plan	\$ 250,000	1	Year end
	100% green power	\$ 12,500		Year end
	Percival repairs	\$ 350,000	1 but not sufficient	Year end... or LTD
	Permanent Supportive Housing	\$ 50,000	1	CDBG or Year end
	Sidewalk/ Bike Match Program	\$ 100,000	LT	Year end
	Medical Costs Thurston County Jail	\$ 35,000	LT	Year end
	Harbor Patrol	?	LT	Year end
	Sidewalk Repair	\$ 40,000	LT	Year end
	Fire Equipment Replacement #1	\$ 100,000	LT	Year End
	Per Capita for the Arts	\$ 50,000	LT	Year end
	Hazard Tree Catch up	\$ 100,000	1	Future Budget
	Fire Equipment Replacement Catch Up	\$ 400,000	1	Future Budget
	IT Capital	\$ 200,000	LT	Year end
	Pavement Management	?	LT	Future Budget
	Parks Major Maintenance	?	LT	Future Budget
	4th Avenue Bridge Repairs	\$ 400,000	1	Year End
	<b>TOTAL</b>	<b>\$ 2,087,500</b>		





**Board  
of  
Directors**

**Russ Carstensen**  
*President*

**Sandy Nelson**  
*Vice President*

**Maurice Green**  
*Treasurer/Secretary*

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**Mike Brown**

**Steffany Brown**

**Megan Burr**

**Timothy McKinley**

**Joan Wright**

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**Mike Fouts**  
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Manager*

**Ron Stewart**  
*Property Manager*

**Amy Sewell**  
*Office Manager*

**Felly Giorgianni Jr.**  
*Maintenance  
Specialist*

**Marge Price**  
*Resource  
Development*

Mr. Jim Cooper, Councilmember  
City of Olympia  
601 4th Ave. E.  
Olympia, WA 98501

February 17, 2015

Dear Jim,

Since our formation in 1990, Homes First!, has been designated a community housing development organization (CHDO) by the Department of Housing and Urban Development. As a non-profit low-income rental housing provider for Thurston County, we have purchased, renovated, and maintained homes for over 3,000 of our neighbors. At this time, we respectfully request of \$50,000 from the City of Olympia for our next exciting project: the purchase and renovation of a local motel into 35 units of permanent supportive housing.

Homes First! will be the owner and manager of the renovated Holly Landing (currently Holly Motel) in Olympia and partner with other local organizations (Community Housing Partnership) to provide supports to our tenants. Your support will allow us to leverage other local and state resources to provide a fresh start to our hardest to house neighbors in our community.

The Thurston County Board of Health’s initiative to increase community engagement around health priorities, known as **Thurston Thrives**, includes a goal to create permanent supportive housing for people who are chronically homeless. The Thurston County **HOME Consortium** has also set a priority to “create permanent supportive housing opportunities to alleviate impact on jails, hospitals, police, fire, medics, downtown and businesses.”

In the interest of meeting these shared goals, this proposal outlines a cooperative project to house the highest need members of our community and details a course of action in addressing this serious housing, health, and services gap in the greater Olympia area.

**Our Project**

Our intent is to convert the property currently known as the Holly Motel into **35 units of supportive housing with an onsite counselling center which is staffed 24/7**. The single-person efficiency units will stabilize housing and health for 35 chronically homeless people. With appropriate supports, this permanent housing can serve as a foundation for rehabilitation, therapy, and improved health.



## Our Purpose

The purpose of developing the Holly Landing is to create much needed supportive housing opportunities for chronically homeless people. The Community Housing Partnership is committed to creating supportive housing that will:

1. **Reduce costs** to our systems of care by alleviating pressure on law enforcement, jails, hospitals and businesses,
2. **Provide services** to address mental and physical health of residents, and that
3. **Provides opportunities** for residents to live healthier and fuller lives.

## Our Results

The Partnership aims to:

1. **Stabilize housing** and health for 35 chronically homeless people.
2. **Support 35 residents** in stabilizing their lives with on-site professional support services for mental health, physical health and recovery via partnerships with local providers
3. **Reduce costs** to other systems of care such as law enforcement, hospitals and businesses.

## Our Collaboration

Thurston County is home to dozens of non-profit organizations. One of the most important aspects of Holly Landing involves forming a web of non-profits in collaboration with for-profit entities in the county who wish to **work together to make an impact** on housing affordability, housing stability, and quality of life for our community's most vulnerable citizens. Current Partners in this project include:

- Homes First! – Property Owner & Manager
- Behavioral Health Resources– Lead Social Service Agency & Mental Health Case Management
- Housing Authority of Thurston County – Rental Subsidy Provider
- Thurston County Department of Health & Human Services
- NW Resources – Chemical Dependency Support
- Olympia Free Clinic – Physical Health Support
- Sidewalk (a subsidiary of Interfaith Works) – Coordinated Entry for Adults without Children

## Reducing Costs

Chronically homeless people are among the most vulnerable people in the homeless population. They tend to have high rates of behavioral health problems, including severe mental illness and substance abuse disorders, conditions that may be exacerbated by physical illness, injury or trauma. Consequently, they are frequent users of emergency services, crisis response, and public safety systems.

Chronically homeless individuals living in permanent supportive housing are far less likely to draw on expensive public services. They are also less likely to end up in homeless shelters, emergency rooms, or jails, none of which are effective interventions for chronic homelessness. **Public costs – whether local, state or federal – are therefore reduced.**

Permanent supportive housing can produce dramatic results. A famous study in the Journal of American Medicine [\(Mary E. Larimer, et al., 2009\)](#) of the 1811 Eastlake program in Seattle, WA, which provides



housing to homeless people with the most extensive health problems, found that the program saved nearly \$30,000 per tenant per year in publicly-funded services, all while achieving better housing and health outcomes for the tenants.

*Drexel House, a local supportive housing provider is an example of best practices in this area. It provides supportive housing for chronically homeless people at a cost of **\$64 per person per day** while the cost to jail a person is \$92 per day and the cost of a hospital stay is \$2,500 per day.*

### **Providing Services and Opportunities**

Connecting chronically homeless people to services that support their mental health, their physical health and that support recovery is the number two benefit of supportive housing. Research shows that, for chronically homeless individuals, **stable housing is an essential component of successful recovery**. The solution to the problem of chronic homelessness is permanent supportive housing, which is housing coupled with supportive services. With appropriate supports, permanent housing can serve as a foundation for rehabilitation, therapy, and improved health.

### **About Homes First!**

Homes First! builds, acquires, renovates, and preserves affordable rental housing for low and extremely income families, individuals, and people with special needs. Currently we own and manage 71 rental units. Income from rent goes to maintain the housing, provide staff oversight, and help fund future affordable housing projects.

Our power is in our partnerships. Rather than trying to be both a housing and social service provider, we concentrate on what we are good at – being a great property owner and landlord. This allows our partners to focus on what they are good at – providing supportive services to our tenants.

### **Homes First! Current Programs**

Homes First! owns and manages a variety of low-income homes. We have several kinds of living spaces available and they are managed in a variety of ways.

#### **1. Project Based Voucher Homes**

These scattered site houses and apartment vacancies are applied for through the Housing Authority of Thurston County ([www.hatc.org](http://www.hatc.org)). The Housing Authority of Thurston County manages applications and any waitlists when applicable.

#### **2. HF! Directly-Managed Residences**

These scattered site houses and apartments are managed directly through Homes First! who accepts applications for the spaces only when there are vacancies. Many other local social service agencies work with us to place their clients in our homes.

#### **3. Oxford Houses**

Although owned and maintained by Homes First! tenant applications are managed through the Oxford House Program ([www.OxfordHouse.org](http://www.OxfordHouse.org)). Oxford House is a concept in recovery from drug and alcohol addiction. In its simplest form, an Oxford House describes a democratically run, self-supporting, and drug free home.

#### **4. Group Living for Adults with Developmental Disabilities**

Although owned & maintained by Homes First!, case management services are provided by five organizations who specialize in working with adults developmental disabilities. Applications for



available spaces are managed directly with each service provider. Kokua ([www.kokuaservices.org](http://www.kokuaservices.org)), LGH Residential ([www.lghres.com](http://www.lghres.com)), Community Resources ([www.community-resources.com](http://www.community-resources.com)), Place One ([www.placeoneinc.com](http://www.placeoneinc.com)), and new in 2014 - Aacres ([www.aacresllc.com](http://www.aacresllc.com)).

**Staff, Volunteers, and Relationships**

Homes First! is proud to say that we have managed for most of our history, to operate our organization’s administrative needs solely on earned income from rent. Our income covers the salaries and benefits for our three full-time administrative staff and one maintenance technician, along with the the costs of running an office and maintaining 71 units in 26 properties. We will be adding our 27<sup>th</sup> & 28<sup>th</sup> homes in February 2015!

Homes First! has always worked closely with other local non-profit and for-profit organizations to fulfill our mission:

- organizations like YouthBuild (<https://youthbuild.org/siteview/1147/info>) and ReBuilding Together (<http://www.oly-wa.us/RebuildingTogether>) to develop properties.
- organizations like the Housing Authority of Thurston County, the Family Support Center, Behavioral Health Resources and the Community Action Council to ensure that our community has the services it needs to support its low-income and special needs citizens and to provide social services for our tenants.

Homes First! also works with a variety of volunteers from around the community including those from faith communities and service organizations, to maintain our properties and provide office support. In 2014, we also joined with WorkSource to provide on the job training to individuals who are struggling to gain skills and return to the workforce. We hope to have more volunteer opportunities in the future as we move toward more new construction.

**Funding Request**

Homes First! continues to operates primarily on earned income. 92% of our revenue is earned through rental income. This rental income covers 100% of our administrative costs so that the other 8%, which comes from a variety of federal, state and local grants along with individual, group, and corporate donations, can go directly back to property development.

For such a small organization, we have done an amazing job over the last 25 years, of surviving in a variety of housing markets. However, to be in a position to not only provide our unique service to our current tenants but also thrive and mature to meet the growing needs of the community, a significant influx of unrestricted funds is required.

Therefore, this request concentrates on increasing our ability to raise unrestricted capital.

**Project Budget** – *comprehensive budget attached*

Budget	Total	Request to City of Olympia	Homes First! Match	Thurston County Match	Request to Local Family Foundations & Cities	Request to Providence Foundation	Request to Medina Foundation	Request to Norcliffe Foundation
Purchase & Rehab	\$1,750,000	\$50,000	\$650,000	\$50,000	\$675,000	\$150,000	\$150,000	\$25,000

**Please Note:** The Community Housing Partnership is approaching other funders for support of the



rehabilitation and soft costs for this project.

## **Evaluation**

The Community Housing Partnership understands the importance of constantly working at Quality Improvement. This entails working to improve both process and outcomes that reflect a philosophy that regular attention to processes and outcomes leads to better quality service for tenants, and ultimately, a better quality of life.

A robust a quality assurance system will help the service and housing providers do the following:

- Diagnose our program's strengths and weaknesses;
- Identify problem areas quickly, so that solutions can be developed;
- Formulate action plans for improving our program;
- Recognize staff achievements;
- Make information available for reports, bids, and proposals; and
- Help clients/tenants achieve their goals for recovery.

Capitol Recover Center, the lead social service organization on the project, is developing a fidelity scale and general organizational Index (GOI) specifically for permanent supportive housing at Holly Landing. A fidelity scale is a tool for determining how a program measures up to an ideal model of Permanent Supportive Housing, based on ongoing research and expert consensus.

The GOI measures an the capacity to implement evidence-based and promising practices, such as Permanent Supportive Housing, Supported Employment, and Assertive Community Treatment (ACT). The GOI examines factors such as whether clients receive individualized, written plans; whether employees receive preliminary and ongoing training; and whether supervisors meet regularly with employees to review work. These tools are useful for both internal and external evaluations.

The fidelity scale and GOI provide basic guidelines for program evaluation, but collecting specific information about the program and the people who participate in the program can provide a fuller picture of how well it meets the basic goals of Permanent Supportive Housing. Some information that will be gathered for analysis includes the following:

- Number of tenant/client contacts with case manager within last 90 days;
- Number of housing units to which tenants have legal rights of tenancy;
- Number of people entering housing with no demonstration of housing readiness;
- Percentage of participants paying 30 percent or less of income toward rent plus basic utilities.
- Some outcome measures tracked by Permanent Supportive Housing programs are the following:
- Days housed in last 90 days, 180 days, etc.;
- Tenure in current housing situation;
- Tenure in program;
- Days hospitalized in last 90 days;
- Number of hospitalizations in last 90 days;
- Days in jail in last 90 days;
- Mental health functioning;
- Social functioning;
- Substance abuse reported;
- Income;
- Benefits eligibility (Medicaid, SSI, Food Stamps, etc.);
- Employment rate;



- Participation in education;
- Participation in social activities outside the program;
- Self-reported quality of life;
- Self-reported consumer satisfaction

We appreciate your consideration of this proposal. We hope you will choose to invest in Homes First! and the constituencies we seek to serve. Please contact me if you have any questions or input regarding this request.

Best regards,



Trudy Soucoup

Executive Director

Direct: 360-915-7513

Email: [executivedirector@homesfirst.org](mailto:executivedirector@homesfirst.org)

*501(c)(3) nonprofit organization. #94-3124800. Donations are tax deductible to the extent allowed by law.*





## Finance Committee

### Continued Discussion on Funding Needs and Strategies for the Next Three to Five Years

**Agenda Date:** 2/27/2015  
**Agenda Item Number:** 4.C  
**File Number:** 15-0174

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**Type:** work session **Version:** 1 **Status:** In Committee

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#### **Title**

Continued Discussion on Funding Needs and Strategies for the Next Three to Five Years

#### **Recommended Action**

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

The Finance Committee discussed this topic at a special meeting Friday, January 23. The full council discussed on January 27 and referred it back to the Finance Committee the issue(s) of a fall ballot measure(s) for additional discussion and analysis.

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

Discuss and provide guidance.

#### **Report**

##### **Issue:**

Should the City have a potential fall ballot issue(s)?

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

Steve Hall, City Manager, 360.753.8447  
Jane Kirkemo, Administrative Services Director, 360.753.8499  
Paul Simmons, Parks, Arts & Recreation Director, 360.753.8462

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

Finance Committee and staff will continue discussion.

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

During the Council retreat a proposal to place two park issues on the fall ballot was presented. On January 27 the Council discussed all the funding needs for the next three to five years and discussed what other ballot issues might be voted on in 2015 (e.g. Intercity Transit, the County, or other cities.) The Council referred this item back to the Finance Committee for additional discussion and analysis. The Council requested staff attach dollar amounts to the funding gaps and revenue options - where possible we have included the amounts. Committee member Jones said he was not comfortable increasing either the public or private utility tax so that has been removed from the slide.

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

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**Type:** work session **Version:** 1 **Status:** In Committee

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N/A

**Options:**

N/A

**Financial Impact:**

The financial impact depends on what option is considered.



Finance Committee  
Presentation



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### FUNDING GAPS – Operating Budget

- ACA- Cadillac tax
  - 2018 - \$ 250,000 to \$1.2 million depending on annual rate increases
- General Fund Gap
  - 5 year – (\$500k-\$3 million)
- Parks Operating Gap
  - 2016 - \$500k
- Pension Costs (?)
- Declining Phone & Cable TV utility tax
- Jail?
- Technology Planning and Implementation
- Body Cams & Corresponding Records issues

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### FUNDING GAPS – Capital Budget

- Percival Repairs
  - Immediate - \$350,000
  - \$2.7 Million Bulkheads
  - \$20 Million Replacement
- CAMMP
  - 5 years - \$3 Million
- Pavement Management
  - \$2-3 Million per year
- Fire Equipment Replacement
- Building Repair/Replacement sufficient only for high priority projects
- Sidewalks – Repair/New/Replacement
- ADA (need to revise our current plan)
- Parks – Acquisition/Development
  - Isthmus
  - Habitat
  - Urban Forestry
  - Community Park

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**REVENUE OPTIONS**

- Metropolitan Parks District
- Tax Audit on B&O and admission tax returns
- Uncollected Debt (parking and utilities)
- Bonds
  - Voted
  - Councilmanic
- Sale of City owned Assets
- Grants
- TBD Increases

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**REVENUES** (continued)

- Marijuana Tax revenue for Local jurisdictions
- Annexations
- Levy LID Lift
- Economic development growth in the base
- Tax Capacity
  - B & O
  - Gambling
- Efficiencies
- Lodging tax on new hotels (3)
- Construction and furnishing of new state office building
- Return Liquor Tax previously absorbed by state
- Red Light Cameras

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**TIMING & OTHER CONSIDERATIONS**

- Tumwater TBD Sales tax – April (.02)
- I.T. Sales Tax –August (.01)
- County Public Safety (.03)
  - Sales Tax (40% to cities)
- State Action
  - 2/3 Tax Requirement
  - Transportation Package
- Schools
- County TBD
- What matters to us?
- Affordable housing bond

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**INTANGIBLES**

- State –Cuts
  - McCleary Class size
  - Revs from school expenditures for McCleary decision
- Gas
  - Tax increase
  - Falling Prices
- Historical Ballot Data –what passes and when
- Parks –survey & meeting data
- Voter Tolerance/ ability to pay
- Employment Data
  - State
  - Private

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**INTANGIBLES** (continued)

- JBLM Contraction
- EVC –Economic vitality index
- Energy Around Parks
  - LBA
  - VUT
  - Herons, etc.
- Community Corrections
- Capital Ctr. Building
- CRA
- Private Investment Develop climate
- Timing on Economic Development Coordinator

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Supplemental Information

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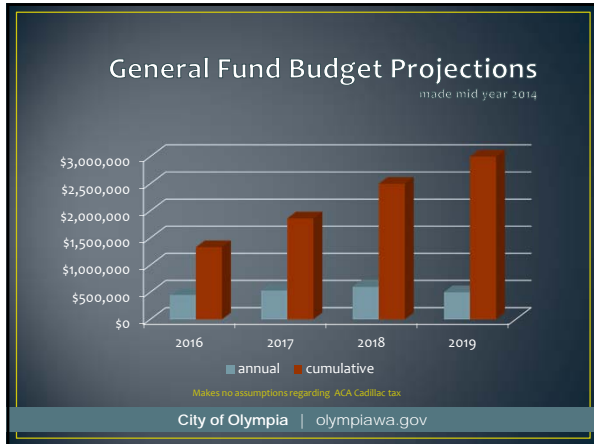
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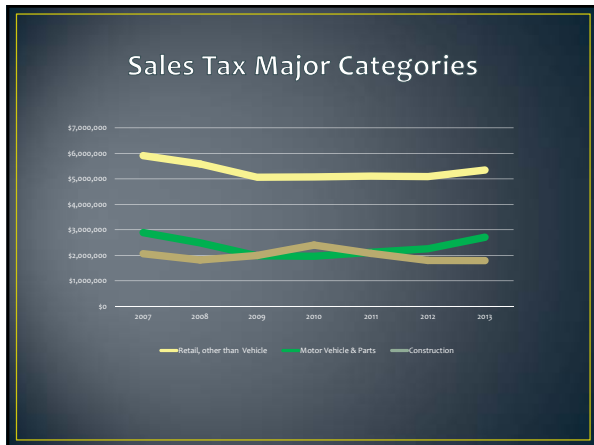
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### Percival Landing 5-year Condition Analysis

Required repairs:

- Immediate City Staff Repairs** \$39,540  
 Replace split decking, railing replacement, bench repairs, and planter repairs
- Immediate Contractor Repairs** \$277,790  
 Pile caps, stringer & cross bracing repair, float & bulkhead repairs
- Bulkhead Replacement** \$2,390,400  
 Replacement and stabilization
- 3-5 Year Repairs** \$676,100  
 Replace some pilings, pile caps, stringers, cross bracing, footings and major float repairs
- D and E Float Replacement (5-10 years)** \$3,505,700  
 Dredge, install new guide piles and new floats
- Future Repairs (10 years and beyond)** \$1,300,000

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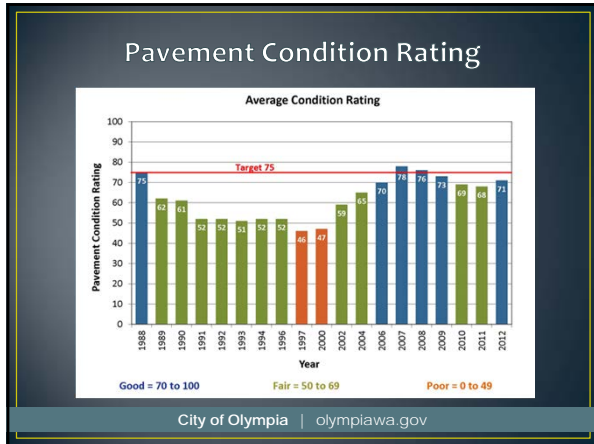
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### Annual Expenditures

	\$3 Million		\$4 Million		\$5 Million		\$6 Million	
	Rating	Backlog*	Rating	Backlog*	Rating	Backlog*	Rating	Backlog*
Current	71	\$42 M	71	\$42 M	71	\$42 M	71	\$42 M
20 years	62	\$46 M	66	\$32 M	71	\$14 M	74	\$2 M

\* Backlog – total cost of needed repairs, not covered under current funding.

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### Fire Equipment Replacement

<b>Total Cost for New Engine (including tax)</b>	<b>\$731,733</b>
Base Price	631,733
Equipment	50,000
New hose & nozzles	50,000
<b>Replacement Fund Balance as of 8/5/2014</b>	<b>\$230,404</b>
Contribution made on 6/27/2007	88,500
Contribution made on 6/04/2008	88,500
Contribution made on 5/31/2011	88,500
<b>Shortage to replace engine</b>	<b>\$501,329</b>

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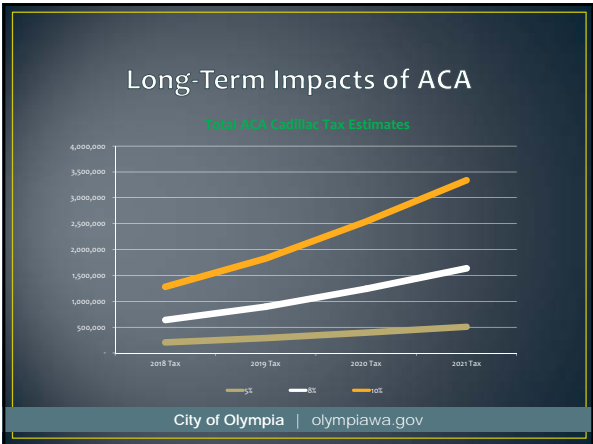
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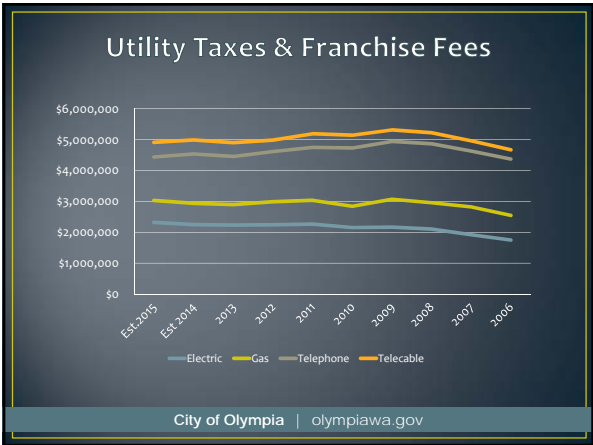
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### Utility Taxes & Franchise Fees

Year	General Use Portion Utility Tax (4.5%)			Franchise Fee General Fund Portion
	Electric	Gas	Telephone	Telecable
Est. 2015	\$2,325,000	\$707,000	\$1,410,000	\$468,000
Est. 2014	2,250,000	690,000	1,600,000	448,800
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
2006	1,754,422	796,990	1,820,395	299,313

\* Amount before refund of \$79,117 for period 4th quarter 2005 - 3rd quarter 2007  
 \*\* 2012 Includes prior year allocation adjustments

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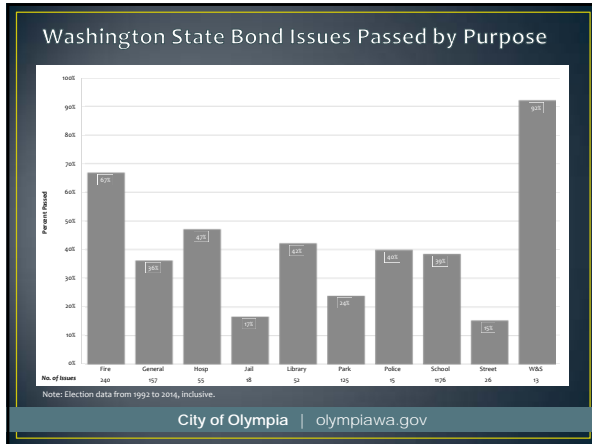
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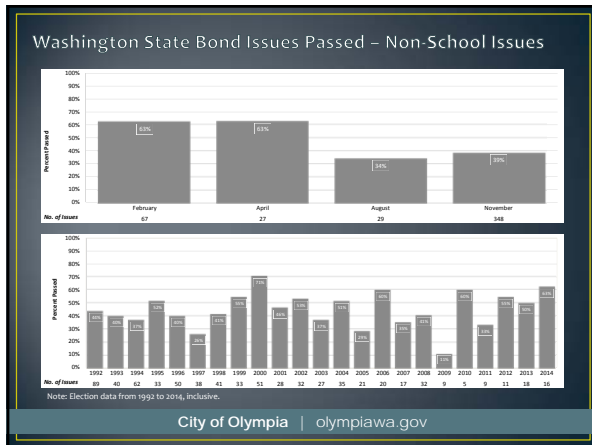
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## Finance Committee

### Additions to the Long Term Financial Strategy (LTFS)

**Agenda Date:** 2/27/2015  
**Agenda Item Number:** 4.D  
**File Number:** 15-0175

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

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#### **Title**

Additions to the Long Term Financial Strategy (LTFS)

#### **Recommended Action**

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

Move to recommend the additional guidelines to the LTFS.

#### **Report**

##### **Issue:**

Should the Committee recommend additional guidelines to the LTFS?

#### **Staff Contact:**

Jane Kirkemo, Administrative Services Director, 360.753.8499

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

Jane Kirkemo, Administrative Services Director

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

In 2000, the City Council adopted the Long Term Financial Strategy. The development of the Strategy was a "Council-driven policy setting exercise. It would include a focused public involvement process. At the core of the LTFS is a continuing commitment to wisely manage public funds." There are no current Council members and only three members of the Executive staff that participated in the development of the strategy. Since the LTFS plays such an integral part of our financial strategy, Council asked the Finance Committee in 2013 to review the LTFS and amend/revise where necessary. During the deliberations Mayor Buxbaum had some enhancements to include in the LTFS.

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

The development of the original LTFS included significant public participation.

#### **Options:**

1. Review the amendments to the LTFS and decide if any of the principles or guidelines need to be revised.
2. Choose not to revise the LTFS.

**Financial Impact:**

The City spent \$100,000 plus staff time on the original LTFS and it took approximately 18 months to complete. The City contracted with Thurston Regional Planning Council for assistance and hired a consultant to facilitate some of the meetings. The Committee is not being asked to begin a new process - just consider the proposed additions to the strategy.

## 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?



## Finance Committee

### Process for Review and Approval of Capital Facilities Element of the Comprehensive Plan

**Agenda Date:** 2/27/2015  
**Agenda Item Number:** 4.E  
**File Number:** 15-0189

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

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#### **Title**

Process for Review and Approval of Capital Facilities Element of the Comprehensive Plan

#### **Recommended Action**

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

Concur with establishing a process for review of the Capital Facilities Element of the Comprehensive Plan (Comp Plan).

#### **Report**

##### **Issue:**

Establish a process to review and approve Capital Facilities Element (CFE) of the Comp Plan

#### **Staff Contact:**

Jane Kirkemo, Administrative Services Director, 360.753.8499

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

Jane Kirkemo, Administrative Services Director

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

In 2012 staff recommended to Council to pull the CFE from the Comp Plan process and review to be considered at a later date. Community Planning and Development staff took the existing CFE language and applied "plain talk" to the element. In 2014 the Planning Commission approved a rewrite of the CFE (prepared by staff and the Planning Commission's Finance Sub-committee).

The Finance Committee now needs to propose a process for approval by the City Council. Staff is proposing:

- Finance Committee reviews the proposed draft (Planning Commission) at the March Finance committee meeting.
- Staff would hold a public meeting to allow for citizen comment and review (April/May).
- Any comment revisions would be forwarded to Council.
- Council would hold a public hearing (May/June).
- CFE would be included with any other amendments to the Comp Plan (Dec).

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

N/A

**Options:**

Council needs to hold a public hearing for review and comment on the CFE. However, this could be combined with the public hearing on the CFP in October. And/or the staff public meeting could be eliminated or included as a part of the 2016-2021 CFP process.

**Financial Impact:**

N/A