



# Meeting Agenda

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Monday, April 22, 2024**

**5:00 PM**

**Room 207, Online and Via Phone**

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### Special Meeting

#### Register to Attend:

[https://us02web.zoom.us/webinar/register/WN\\_sBhpqs3GRyWsYVAo1HCaMg](https://us02web.zoom.us/webinar/register/WN_sBhpqs3GRyWsYVAo1HCaMg)

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. APPROVAL OF AGENDA**

**4. PUBLIC COMMENT**

*(Estimated Time: 0-15 Minutes)*

*During this portion of the meeting, community members may address the Committee for up to two (2) minutes regarding the Committee's business meeting topics.*

**5. APPROVAL OF MINUTES**

**5.A [24-0358](#) Approval of March 25, 2024 Finance Committee Meeting Minutes**

Attachments: [Minutes](#)

**6. COMMITTEE BUSINESS**

**6.A [24-0345](#) Long-term Budget Sustainability Discussion**

**6.B [24-0348](#) Facilities Condition and Capital Project Status Briefing**

**6.C [24-0349](#) Transportation Capital Project Funding Status Briefing**

**6.D [24-0344](#) Waste Resources Facility Update**

**6.E [24-0346](#) Fund Balance Above Policy Discussion**

**7. REPORTS AND UPDATES**

**8. ADJOURNMENT**

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*State Relay Service at 7-1-1 or 1.800.833.6384.*



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

## Finance Committee

### Approval of March 25, 2024 Finance Committee Meeting Minutes

**Agenda Date:** 4/22/2024  
**Agenda Item Number:** 5.A  
**File Number:**24-0358

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

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**Title**

Approval of March 25, 2024 Finance Committee Meeting Minutes



# Meeting Minutes - Draft

## Finance Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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**Monday, March 25, 2024**

**4:00 PM**

**Room 207, Online and Via Phone**

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**Register to Attend:**

[https://us02web.zoom.us/webinar/register/WN\\_CdljFi6XR3y9FgKAB5OrFA](https://us02web.zoom.us/webinar/register/WN_CdljFi6XR3y9FgKAB5OrFA)

**1. CALL TO ORDER**

The meeting was called to order at 4:00 pm.

**2. ROLL CALL**

**Present:** 3 - Chair Lisa Parshley, Committee member Jim Cooper and Committee member Clark Gilman

**3. APPROVAL OF AGENDA**

The agenda was approved.

**4. PUBLIC COMMENT - None.**

No one spoke.

**5. APPROVAL OF MINUTES**

- 5.A** [24-0268](#) Approval of Approval of February 14, 2024 Finance Committee Meeting Minutes

The minutes were approved.

**6. COMMITTEE BUSINESS**

- 6.B** [24-0254](#) Fire Apparatus Reserve/Funding Plan Briefing

City Manager Jay Burney discussed the purchase new fire apparatus. Fire Chief Matt Morris detailed the current equipment and the need to replace the oldest engines. The total cost of the apparatus is \$2.6 million dollars with \$1.2 million prepaid, with the balance paid on delivery in four years.

Committee members asked clarifying questions.

The discussion was completed.

- 6.A** [24-0253](#) Long-term Budget Sustainability Discussion

City Manager Burney summarized internal discussions regarding budget sustainability. A budget gap of \$4.7 million dollars has been identified. Potential ways of addressing the gap includes grants, expense reductions, and a levy lid lift.

An outline for public communication was discussed. Committee members asked clarifying questions.

**The discussion was completed.**

**6.C**     [24-0255](#)     Reserve Policy Review

Finance Director Aaron BeMiller discussion the City's reserve policies, including a best practice of two months of unrestricted operating budget . The current reserve policies are 10% of current year revenue called "Emergency Reserve" and an additional 10% of previous year's available year end monies called "Sustainability Reserve." Between 10% and 25% is considered ideal. The committee informally endorsed continued work on creating a new reserve policy.

**The discussion was completed.**

**7.     REPORTS AND UPDATES**

Finance Director Aaron BeMiller reported that the WPTA accepted and certified the City's investment policy. For the City's debt policy, small changes are needed.

**8.     ADJOURNMENT**

The meeting adjourned at 5:44 pm.



## Finance Committee

### Long-term Budget Sustainability Discussion

**Agenda Date:** 4/22/2024  
**Agenda Item Number:** 6.A  
**File Number:** 24-0345

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

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#### **Title**

Long-term Budget Sustainability Discussion

#### **Recommended Action**

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

Not referred to a committee.

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

Hold a discussion regarding long-term budget sustainability.

#### **Report**

##### **Issue:**

Whether to hold a discussion regarding long-term budget sustainability.

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

Aaron BeMiller, Finance Director, 360.753.8465

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

Jay Burney, City Manager

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

The City is continuing its effort in looking and at our financial standing with a goal of establishing a long-term sustainable budget where annual increases in expenses are matched by increases in resources. Like most local governments, expenses increase annually at a rate that exceeds increases in resources, especially in the General Fund.

The Finance Committee added a monthly agenda item to discuss planned actions toward achieving this goal to its 2024 Workplan. The April discussion will update the Committee on the budget sustainability implementation plan and the different processes/steps included in the plan.

#### **Climate Analysis:**

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

#### **Equity Analysis:**

One of the goals of the City's budget process is to ensure that city services are provided equitably to

our residents and business communities, as well as the greater Olympia community. This agenda item is not expected to further impact known disparities in our community.

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

Members of the community may have an interest in this agenda item as it deals with City finances and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive information on long-term budget sustainability.
2. Do not receive information on long-term budget sustainability.
3. Reschedule the discussion to another meeting.

**Attachments:**

None



## Finance Committee

### Facilities Condition and Capital Project Status Briefing

**Agenda Date:** 4/22/2024  
**Agenda Item Number:** 6.B  
**File Number:** 24-0348

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

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#### **Title**

Facilities Condition and Capital Project Status Briefing

#### **Recommended Action**

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

Not referred to a committee.

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

Receive a briefing on facilities capital project funding and facility conditions.

#### **Report**

##### **Issue:**

Whether to receive a briefing on the Facilities capital project funding and facility conditions.

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

Eli Cole, Facility Manager, Public Works Engineering, 360.753.8154

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

Eli Cole, Facility Manager

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

Staff will present information about the status of the Facilities Capital Facilities Plan (CFP) projects and operations and maintenance. Specifically:

- What are significant upcoming CFP facility projects
- Operation and maintenance funding needs

Each year, the CFP is updated with new projects and new information about how we plan to fund projects. We use the facility condition assessment to inform the update of the CFP. The condition assessment report drives a prioritized list of projects that serve City of Olympia employees and non-profit organizations such as Washington Center of Performing Arts and Hands on Children's Museum.



Staff will provide an update on the status of the current CFP facility projects and how they are currently funded.

**Climate Analysis:**

In the Thurston Region, facility-related emissions are the largest source of greenhouse gas emissions. Reducing our dependence on fossil fuels in our buildings is essential to lessening our impact on the climate. We can do that by reducing electricity in existing facilities, reducing and eventually eliminating natural gas use, and investing in solar panels and other renewable energy.

In April we applied for a commerce grant to install solar panels at the main fire station. Grant evaluations will be complete in July to determine if this site was awarded a grant to install 15,000 square feet of solar panels on the Main Fire Station roof.

**Equity Analysis:**

In 2019, we conducted a city-wide ADA transition plan to include our facilities and have over 3 million dollars of observed barriers. We currently receive up to \$150,000 to make improvements for accessibility focusing on high priority public use buildings. The high priority facilities listed are the Washington Center, Olympia Center, Timberland Library, and Hands on Children's Museum.

We are currently working on a six-year plan to help prioritize the operations and maintenance work plan as well as capital projects to remove barriers.

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

There are not specific community interests known at this time.

**Financial Impact:**

There is no financial impact related to this discussion.

**Options:**

1. Receive the briefing.
2. Do not receive the briefing.
3. Receive the briefing at another time.

**Attachments:**

None



## Finance Committee

### Transportation Capital Project Funding Status Briefing

**Agenda Date:** 4/22/2024  
**Agenda Item Number:** 6.C  
**File Number:** 24-0349

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

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#### Title

Transportation Capital Project Funding Status Briefing

#### Recommended Action

##### Committee Recommendation:

Not referred to a committee.

##### City Manager Recommendation:

Discuss upcoming transportation capital projects.

#### Report

##### Issue:

Whether to discuss upcoming transportation capital projects.

##### Staff Contact:

Joey Jones, Project Engineer II, Public Works Transportation, 360.753.8307

##### Presenter(s):

Joey Jones, Project Engineer II

#### Background and Analysis:

At this meeting, staff will present information about the status of transportation Capital Facilities Plan (CFP) projects. Specifically:

- What are significant upcoming CFP transportation projects
- How will the new sales tax revenues be used

Each year, the CFP is updated with new projects and new information about how we plan to fund projects. We use the Transportation Master Plan (TMP) to inform the update of the CFP. The TMP is a prioritized list of projects that help people walk, bike and use transit.

Staff will provide an update on the status of the current CFP transportation projects and what major projects are on the horizon.

In 2023, Council decided to collect a new sales tax revenue for bicycle, pedestrian, and active transportation projects in the CFP. Revenue collection began April 1, 2024. It is anticipated the sales tax will generate approximately \$3.1M per year. Staff will provide information on how this funding will be used.

### **Climate Analysis:**

In the Thurston Region, transportation-related emissions are the second largest source of greenhouse gas emissions. Reducing our dependence on fossil fuels in transportation is essential to lessening our impact on the climate. We can do that by replacing gas-powered vehicle trips with trips made by walking, biking and transit. The projects in the TMP make those modes more safe and inviting.

Implementing the TMP will help us achieve the following strategies:

- *T2. Increase the efficiency of the transportation system.* TMP projects will retrofit our streets to make walking, biking and transit more safe and inviting.
- *T4. Increase the use of public transit.* TMP projects help make transit more inviting for more people through better access to bus stops. Changes to signals and street design to prioritize the movement of buses.
- *T5. Increase the use of active forms of travel, such as walking and biking.* TMP projects add enhanced bike lanes, bike corridors, sidewalks, enhanced crosswalks, and pathways to our streets to better serve people walking and biking.

### **Equity Analysis:**

Our current street system is oriented around the car. TMP projects will help make our transportation system more fair by changing our streets to better serve people who can't or choose not to drive.

TMP projects will make it easier to walk, bike and ride the bus. The projects are prioritized near common destinations, such as schools, bus routes, stores, and large worksites.

Making it easier to get around without a car is a significant step towards achieving greater equity in our community.

When the streets are not changed to make them better for walking, biking and transit, people who don't or cannot drive face limited opportunities - reduced access to jobs, services, and social connections. Building streets that work better for more people is the focus of the TMP. Funding the projects from the TMP means our streets can more equitably serve more people in our community. In the TMP, see information about income, poverty and car ownership on page 15 and a discussion of equity on page 146.

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

Public input was sought in Fall 2019 on the development of the Transportation Master Plan. Each year the City's advisory bodies and the general public can provide comment on the preliminary Capital Facilities Plan (CFP). In the last two CFP review processes, the community has asked to increase the pace of construction of bike, pedestrian and active transportation projects.

### **Financial Impact:**

There is no financial impact related to this discussion.

**Options:**

1. Receive the briefing.
2. Do not receive the briefing.
3. Receive the briefing at another time.

**Attachments:**

None



## Finance Committee

### Waste Resources Facility Update

**Agenda Date:** 4/22/2024  
**Agenda Item Number:** 6.D  
**File Number:** 24-0344

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

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**Title**

Waste Resources Facility Update

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Whether to discuss the development of the Carpenter Road Waste Resources Maintenance Facility.

**Report**

**Issue:**

Discuss the development of the Carpenter Road Waste Resources Maintenance Facility.

**Staff Contact:**

Gary Franks, Director of Waste Resources, Public Works Department, 360.753.8780

**Presenter(s):**

Gary Franks, Director of Waste Resources

**Background and Analysis:**

Existing Facility

Waste Resources staff are currently housed in the Public Works Maintenance Center at 1401 Eastside Street SE. While the site has served the City for almost 45 years, there are several constraints and site conditions that will require significant resources to address:

- Public Works Operations and Maintenance staff have outgrown the space.
- The building is no longer operationally efficient.
- Major systems and buildings are deficient or at the end of their useful life.
- Steep slopes and wetlands limit usable space.
- The building does not meet seismic requirements, which could impact the City's ability to deliver 24-hour service in the event of an earthquake.
- Of concern to the Waste Resources utility, the site's NPDES (National Pollution Discharge Elimination System) permit will require upgrade of the existing wash rack to cover loose materials and install adequate water quality treatment systems.

A 2019 building condition assessment identified approximately \$9.7 million in deficiencies on the campus that require repair or replacement, and another \$3 to \$4 million to address stormwater concerns. Although there is significant work needed on the site, a feasibility assessment completed in 2017 by Opsis Architecture concluded that the most cost-effective course of action for the City was to relocate Waste Resources operations to a City-owned site on Carpenter Road and build a new maintenance center to support the rest of Public Works operations at the existing site on Eastside Street.

#### The Carpenter Road Site

On June 22, 2017, staff met with the Finance Committee to share preliminary cost estimates to develop the Carpenter Road site. Staff also shared potential financing and phasing options that were developed by Opsis as part of the feasibility assessment.

As part of the 2018 budget process, Council approved a rate increase of 4%. The revenue generated is being allocated in the Capital Facilities Plan to begin design of the new facility and refine cost estimates to determine funding options.

On October 29, 2019, City Council authorized a Professional Services Agreement (PSA) with KPFF Consulting Engineers (KPFF), in the amount of \$569,000 to refine and supplement the work completed in the 2017 feasibility study to ensure viability of developing a new Waste Resources facility at the Carpenter Road site. The scope of work includes refining the site plan and floor plans, developing a list of equipment needs for the facility, geotechnical engineering, schematic designs, and cost estimates. KPFF's work was completed in 2020 and their findings were shared with the Utility Advisory Committee (UAC) and the Finance Committee.

Since then, the City contracted with KPFF to prepare the land-use and grading permit submittals for Thurston County. The City has now obtained site plan approval and the grading permit.

In January 2023, the City also reached agreement with Miles Sand and Gravel, Inc. (Miles) to allow Miles to remove approximately 84,000 cubic yards of gravel from the site at no cost to the City. This is expected to save the City approximately \$2 Million.

The City also retained the services of the environmental firm GeoEngineers to obtain approval from Department of Ecology (DOE), to perform demolition and remediation of the site. GeoEngineers has completed all required studies and permitting with the DOE for the remediation, including the Remedial Investigation/Feasibility Study and Cleanup Action Plan. In January of 2023, the City received authorization from the DOE to proceed with site remediation.

#### Next Steps

In 2024, City Council approved a 3.5% rate increase to fund demolition and remediation of the site. Current estimates of the cost to complete site remediation and preparatory work needed prior to excavation of gravel is \$5.1 million. Due to the cost, Public Works has phased the work over two years. In 2023, the City prepared the site for demolition and remediation. That included clearing and grubbing, tree removal, fencing, and installing various stormwater pollution prevention materials. In 2024, the City will begin demolition of the firing range and site remediation and proceed with design for site development.

Staff will give the Finance Committee an update on the current status of this project, including the latest cost estimate.

**Climate Analysis:**

Climate analysis will be performed when design begins. Incorporation of green technology, like solar energy, and meeting design standards that mitigate climate risks will be assessed.

**Equity Analysis:**

Equity analysis will be performed when design begins. The project could provide opportunities for disadvantaged businesses to participate in the project and provide jobs.

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

None identified at this early phase related to the Carpenter Road site.

**Financial Impact:**

\$1,030,000 has been allocated from the Capital Facilities Plan to cover the cost of site preparation, demolition, and remediation of soils. Overall, consultant work will ultimately help the City determine specific costs, so Waste Resources staff can develop utility rates and effective financing options to construct the facility.

**Options:**

1. Receive the update.
2. Do not receive the update.
3. Receive the update at another time.

**Attachments:**

None



## Finance Committee

### Fund Balance Above Policy Discussion

**Agenda Date:** 4/22/2024  
**Agenda Item Number:** 6.E  
**File Number:** 24-0346

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

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#### Title

Fund Balance Above Policy Discussion

#### Recommended Action

##### Committee Recommendation:

Not referred to a committee.

##### City Manager Recommendation:

Discussion only. No action requested.

#### Report

##### Issue:

Whether to hold a discussion regarding one-time expenditures using available fund balance above policy.

##### Staff Contact:

Aaron BeMiller, Finance Director, 360.753.8465

##### Presenter(s):

Jay Burney, City Manager

#### Background and Analysis:

The City's General Fund has policies governing the amount of fund balance required to be held in reserve and the requirements for its use. The City annually examines the amount of fund balance available in excess of policy and the priority one-time only needs for allocating some of those excess monies in the current fiscal year. The City will not officially close its 2023 fiscal year until May and until then, the available fund balance above policy is subject to change.

#### Climate Analysis:

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

#### Equity Analysis:

One of the goals of the City's budget process is to ensure that city services are provided equitably to our residents and business communities, as well as the greater Olympia community. This agenda item is not expected to further impact known disparities in our community.



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

Members of the community may have an interest in this agenda item as it deals with City finances and fiscal governance.

**Financial Impact:**

There is no financial impact associated with this agenda item.

**Options:**

1. Receive information on available fund balance above policy and draft priority uses.
2. Do not receive information on available fund balance above policy and draft priority uses.
3. Reschedule the discussion to another meeting.

**Attachments:**

None