



Meeting Agenda

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, January 11, 2017

4:00 PM

Room 207

Special Meeting - Updated Time

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF MINUTES

4.A [17-0042](#) Approval of November 16, 2016 Finance Committee Meeting Minutes

Attachments: [Minutes](#)

5. COMMITTEE BUSINESS

5.A [17-0026](#) Review of Community Development Block Grant Loan Portfolio

Attachments: [CDBG Program Income Trends](#)

5.B [17-0014](#) Policies on Development Review Fund

Attachments: [Fund Policies](#)

[Ordinance Establishing Fund 006](#)

5.C [17-0034](#) Use of Asset Forfeiture Funds

Attachments: [FC - Asset Forfeiture Fund 051011 v2](#)

5.D [17-0038](#) Oral Report: Restroom Funding

6. REPORTS AND UPDATES

7. ADJOURNMENT

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

Finance Committee

Approval of November 16, 2016 Finance Committee Meeting Minutes

Agenda Date: 1/11/2017
Agenda Item Number: 4.A
File Number: 17-0042

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

Title

Approval of November 16, 2016 Finance Committee Meeting Minutes



Meeting Minutes - Draft

Finance Committee

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Wednesday, November 16, 2016

12:00 PM

Room 207

Special Meeting

1. CALL TO ORDER

Chair Cooper called the meeting to order at 12:05 p.m.

2. ROLL CALL

Present: 3 - Chair Jim Cooper, Committee member Jessica Bateman and Committee member Jeannine Roe

3. APPROVAL OF AGENDA

The agenda was approved.

4. APPROVAL OF MINUTES

4.A [16-1276](#) Approval of October 12, 2016 Finance Committee Meeting Minutes

The minutes were approved.

5. COMMITTEE BUSINESS

5.A [16-1229](#) Oral Reports - Continued Status Reports and Updates (Review of Preliminary 2017 Operating Budget & Capital Facilities Plan (CFP))

The Committee examined 2016 revenues, talked about new information since the last meeting, and unfunded items for 2017. The goal of the discussion was to come up with a recommendation for City Council on how to prioritize the list of unfunded one-time projects and unfunded ongoing operations in 2017.

Revenue

Administrative Services Director Jane Kirkemo outlined revenue:

- \$128,400 available in ongoing revenue
- \$140,729 available in Council goal money
- Capacity to increase revenue through:
 - Municipal Utility Tax (MUT) - Currently at 10%; no legal limit exists
 - Business & Occupation Tax (B&O)
 - If we raised everything currently at a rate of .01 to .02 it would

generate \$2.7 million

- Increasing B&O exemption from \$20,000 to \$250,000 would generate \$2.3 million

- Gambling Tax - Has additional capacity but any revenue generated must go toward enforcement

None of these taxes require a vote of the people.

New Information

Community Planning & Development Director Keith Stahley gave an update on the Downtown Strategy Implementation Plan and examined funded and unfunded project needs. Committee members agreed discussion and planning is needed soon for the Isthmus property. They requested a referral to City Council to have a joint study session with the Parks & Recreation Advisory Committee. Mr. Stahley recommends giving some focus to the Homeless Coordination Planning project because it's getting a lot of public attention.

Unfunded Items

City Manager Steve Hall led this part of the discussion. He began by indicating that most of Police's unfunded needs are not on the list because their needs are so great and some still need to be scoped. Their needs will have to be addressed differently. The Committee prioritized the list for unfunded one-time items as follows:

1. Fire Protective Gear - \$127,000
2. Comp Plan Implementation - \$40,000
3. Study of College Education Funding/Local Tax Regressivity - \$45,000
4. Public Process to Consider Police-Worn Body Cameras - \$80,000
5. Art/Cultural Program Enhancement - \$50,000

Mr. Hall also talked about 2017 unfunded operational needs (ongoing expenses). The Committee prioritized the needs as follows:

1. Downtown Sanitation - Early Morning Clean Team - \$90,000
2. Additional Ambassador/Welcome Center/Celan Team Costs - \$22,400
3. Thurston County Historical Journal Publication - \$2,000/year

Ongoing Revenue		\$128,400
Less		
Downtown Sanitation	\$ 90,000	
Downtown Ambassadors	\$ 22,400	
Thurston County Journal	<u>\$ 2,000</u>	
Total	\$114,400	
Available Funds		\$ 14,000

One-Time Revenue	\$140,729
Less	
Fire Protective Gear	\$127,000
Available Funds	\$ 13,729

Mr. Hall suggested if enough money was left he would like to contract out for encampment clean-up to a company that specializes in that line of work. The Committee recommended carrying over the \$13,729 to combine with any year-end surplus. The Committee and Council will review the needs early next year when year-end numbers are known.

The Committee made the following referrals for 2017:

City Council

- Isthmus park planning

Utilities Advisory Commission (UAC)

- How to fund public restrooms through increases in water/sewer rates. Get UAC feedback and ideas.
- Develop a longer-term, forward-thinking approach to public restrooms that consider citizens' expectations.

Finance Committee

- Fire equipment replacement
- Mental health mobile outreach program
- Arts study - scope of work
- \$15/hr minimum wage

General Government Committee

- College affordability/access study scope of work/regressive tax structure impact on Olympians
- Community-oriented policing
- Options for citizen engagement

Capital Facilities Plan (CFP)

The Committee discussed the non-voted utility tax (NVUT) funding for park acquisition. The 2017 CFP includes ½ of 1% NVUT. The interlocal agreement states the CFP will include the full 1% NVUT if funding is available. If funding is not available funding will come from year-end savings unless there are exigent financial circumstances. Staff and the Committee agreed since the Olympia Metropolitan Parks District doesn't receive any funds until 2017 this portion of the interlocal agreement doesn't apply until next year. Specifically, if the 2018-2023 CFP doesn't include 1%

NVUT then the 2017 year-end surplus would supplement funding unless there are exigent financial circumstances.

The report was completed.

6. REPORTS AND UPDATES - None

7. ADJOURNMENT

Chair Cooper adjourned the meeting at 1:36 p.m.



Finance Committee

Review of Community Development Block Grant Loan Portfolio

Agenda Date: 1/11/2017
Agenda Item Number: 5.A
File Number: 17-0026

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

Title

Review of Community Development Block Grant Loan Portfolio

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a report on the City's Community Development Block Grant (CDBG) Loan Portfolio and discuss ways to manage program income.

Report

Issue:

Whether to discuss how the City should manage its CDBG loan portfolio and how program income from loans receivable should be incorporated into CDBG strategic planning?

Staff Contact:

Anna Schlecht, Community Service Programs Manager (360) 753-8183

Leonard Bauer, Deputy Director, Community Planning & Development, (360) 753-8206

Presenter(s):

Anna Schlecht, Community Service Programs Manager

Background and Analysis:

History of CDBG Funding Since 1982, the City of Olympia has received more than \$13 million in federal CDBG funds. Nearly 40% of these total CDBG funds were invested in housing rehabilitation loan projects that generate program income. While some of this program income is received in the form of monthly payments, the majority of Program Income is generated by property sales of these secured loans. The current outstanding balance of this CDBG loan portfolio is \$4,918,867.

Annual CDBG Allocations As part of the CDBG Annual Action planning process each year, staff present an estimate of what the anticipated CDBG program income will be, allowing the Council to allocate both new annual CDBG entitlement funds along with anticipated program income. In the

most recent Program Year 2016 (September 1, 2016 - August 31, 2017), City staff estimated there would be \$150,000 in program income, which was presented as follows:

\$340,892 - Annual CDBG Entitlement Funds
\$150,000 - Estimated Program Income
\$490,892 - Total Program Year 2016 Funds

Recent Trends Over the past 10 years (2005 - 2015), the City has received a total of \$2,797,840 with a yearly average of \$254,349. As stated above, the majority of these CDBG repayments come from property sales. As shown in **Attachment #1**, the repayment trends appeared to follow the economic patterns of the recession, going sharply downward to \$93,578 in 2010, then coming back up significantly to \$456,797 by 2015. This appears to mirror the growing strength of an improved real estate market, and the most recent increase suggests that a large number of CDBG loan repayments were part of a high volume of overall property sales. Staff has speculated that program income volumes will come back down to a more predictable level once a certain volume of property sales have cleared the market.

Projections: Going forward, there are a number of factors that will make it difficult to analyze program income and offer projections with any certainty, summarized as follows:

Market Volatility The housing market continues to be affected by a number of economic factors that directly impact property sales, primarily property values, interest rates and the availability of loan funds. CDBG Program Income appears to be reduced in relation to these market pressures.

Reduction of CDBG Loan Portfolio: Starting in 2010, the City changed course and stopped investing the majority of CDBG funds as housing rehabilitation loans, instead investing CDBG funds into grants and contracts for services. This policy shift has effectively reduced the underlying principal by reducing the outstanding balance of the portfolio from loans receivable.

Impact of Future CDBG Allocations: City allocation decisions of future CDBG entitlement grants will also impact the portfolio value. The volume of grants and contracts for sale directly reduce the value of the loan portfolio.

Given the complexity of these factors, staff has continued to monitor actual program income receipts and to offer conservative estimates of CDBG program income to be considered in the CDBG Annual Action Plan public process.

Regulatory Implications: CDBG funds must be spent down in a timely fashion, both new annual CDBG entitlement monies and Program Income. Accurate estimates of CDBG Program Income help to allocate funds to priority programs and projects that will expend funds quickly. There are federal “**Spend-down**” regulations that require the City to “spend down” or expend CDBG funds in a timely fashion to ensure that 1.5 times the current annual entitlement grant is expended by the 10th month of the program year. That means the City must spend down to \$511,338 by June 30, 2017. Staff closely monitor the progress of CDBG expenditures. If necessary, staff will return to Council to amend the CDBG Annual Action Plan to shift funds to programs and projects that will be spent in a timely fashion.

Neighborhood/Community Interests (if known):

All neighborhoods and other community stakeholders have a vested interest in how tax-funded

CDBG Program Income is managed.

Options:

Receive a report on the City's Community Development Block Grant (CDGB) Loan Portfolio and discuss ways to manage CDBG program income.

Financial Impact:

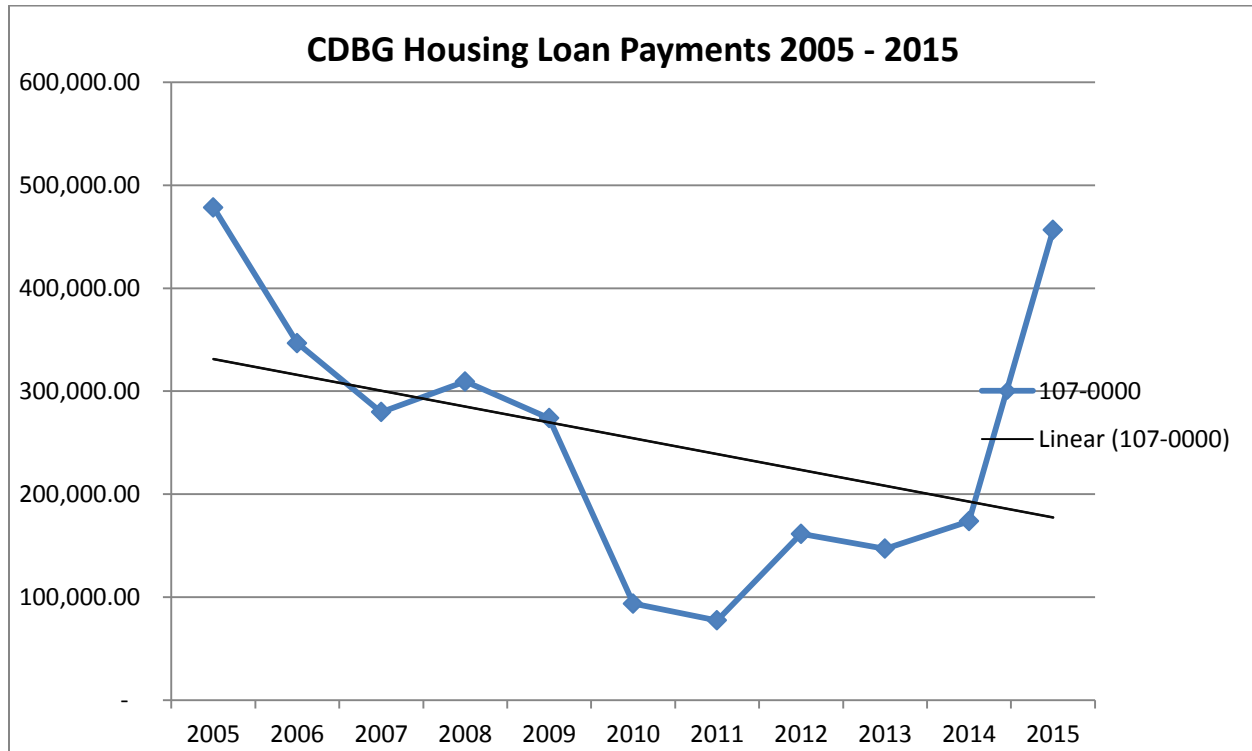
The total value of the CDBG Loan Portfolio of loans receivable is \$4,918,867. The current average for annual CDBG Program Income is \$254,349. The most recent estimate of anticipated Program Income for the current CDBG Program Year 2016 (September 1, 2016 - August 31, 2017) was \$150,000. Actual year to date receipts of CDBG Program Income for Program Year is \$19,123.

Attachments:

CDBG Program Income Trends 2005 - 2015

CDBG Program Income Trends 2005 - 2015

Olympia Community Development Block Grant (CDBG) Program



CDBG - Fund #107-0000

Year Program Income Received

2005	\$478,481.44
2006	\$346,672.30
2007	\$279,755.62
2008	\$309,401.96
2009	\$273,774.79
2010	\$93,578.21
2011	\$77,389.03
2012	\$161,450.89
2013	\$146,900.51
2014	\$173,638.00
2015	\$456,797.26



Finance Committee

Policies on Development Review Fund

Agenda Date: 1/11/2017
Agenda Item Number: 5.B
File Number: 17-0014

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

Title

Policies on Development Review Fund

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve to recommend the Development Review Fund Policies and forward to Council for consideration.

Report

Issue:

Whether to recommend the draft Development Review Fund Policies and forward them to Council for consideration.

Staff Contact:

Karen Kenneson, Associate Line of Business Director, Community Planning and Development,
360.753.8277

Presenters:

Leonard Bauer, Deputy Director, Community Planning and Development
Karen Kenneson, Associate Line of Business Director, Community Planning and Development

Background and Analysis:

In November 2015, Council approved the establishment of a Development Fee Revenue Fund (the Fund) for the purpose of receiving fees collected for management of development, to be used to pay costs related to the management of development.

The ordinance establishing the Fund stated that Council would establish policies for management of the Fund, including:

- Establishing a Target Fund Balance,
- Establishing what actions will be taken when the Fund Balance exceeds or is less than the Target Fund Balance; and

- Processes to identify costs to be reimbursed by the Fund.

Staff has developed draft fund policies (attached) for the Committee to review and discuss.

Neighborhood/Community Interests:

Development fees could be raised or lowered as a result of the Fund being less than 15% below the Target Fund Balance or greater than 15% above the Target Fund Balance (over a three year period.)

Options:

- 1) Approve the recommendation for Development Fee Fund Policies and forward to Council for consideration.
- 2) Modify the Development Fee Fund Policies and forward to Council for consideration.
- 3) Don't approve the recommendation for Development Fee Fund Policies.

Financial Impact:

There is no direct financial impact to the City operating budget in approving these Fund Policies. Establishing policies will improve management effectiveness of development fee revenue, identification of related costs and support the goals of transparency and 85% cost recovery.

Attachments:

Fund Policies

Ordinance Establishing Fund 006

Resolution No. ____
**Establishing a Target Fund Balance and policies for the management of the
Target Fund Balance for the Development Fee Revenue Fund.**

WHEREAS, The Development Fee Revenue Fund (the Fund) was created by the Olympia City Council adoption of Resolution No. 6983; and

WHEREAS, Ordinance No. 6983 states that the Olympia City Council shall establish a Target Fund Balance for the Fund, and shall establish policies for management of the Target Fund Balance, which shall address at a minimum actions to be taken when the Fund Balance exceeds or is less than the Target Fund Balance; and

WHEREAS, the Fund is for the purpose of depositing revenue from fees collected for management of development and is used to reimburse costs related to management of 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, establishing financial reserves within the Fund will allow for better management of cash flow from year to year, improve the financial stability for the services that are subject to fluctuations from economic and development cycles, and maintain predictable permit fees; and

WHEREAS, the City Council finds that the City should recover costs of providing development services for permit applicants, which allows general City taxes to be directed towards meeting the cost of providing services with broader public benefit; and

WHEREAS, in 2004, the City conducted a Permit Cost Recovery Study and the City Council established a goal to recover 85% of the cost of delivering development services; and

WHEREAS, in 2015 the City conducted a Development Services Cost of Service and Fee Study, which supports continuation of the 85% cost recovery target established in 2004, and includes recommendations for policies related to a target fund balance and establishment of reserves to address the City's cost of services of managing development;

NOW THEREFORE, be it resolved

The following policies are hereby established to manage the Development Fee Revenue Fund.

Policy 1: Target Cost Recovery

The cost recovery target for development services is 85%, recognizing that a portion of the cost of providing development services benefits the entire community and should be borne by the City's General Fund. The target is an overall weighted average that includes building fee, land use fee, and engineering fee cost recovery. Contracted services related directly to a development project, which are outside the expertise of City staff and special projects attributable directly to the development, will be recovered at 100%, (for example, hearing examiner reviews and services related directly to the project such as specialized inspections and plan reviews.) This does not include contracted services needed due to the capacity of City staff to meet the demand for service.

To maintain alignment between cost recovery policies, fees charged for permit review and inspection services, and the cost of providing services, the City will update the development forecast and analyze operating costs at least once every three years, which may result in adjustments to fees.

Policy 2: Target Fund Balance

Funds within the Fund will be used to reimburse costs related to management of development, including but not limited to: personnel, equipment, consulting services, direct and indirect support and overhead, and other costs attributable to management of development. Any funds not used to reimburse costs shall remain in the Fund.

The Fund shall maintain a target fund balance that is established annually during the budget process. The target fund balance shall include the amount of projected revenues plus the established target reserve balance.

Policy 3: Target Reserve Balance

The Fund shall also establish financial reserves. The target reserve balance will be evaluated annually during the budget process. The target reserve balance will take into account the following primary objectives for maintaining a reserve:

A. Deferred Workload Liability. Fees collected may be reserved for permits issued with anticipated development services costs to be incurred in the next calendar year or beyond. The amount to be reserved for this purpose shall be established at the end of each calendar year, and will be based on the development services remaining to be provided for permits associated with development projects of greater than \$1,000,000 estimated valuation.

B. Working Capital. Funds shall be used to maintain a balance of working capital cash. The target amount for this fund category is 17% of budgeted expenditures to be reimbursed, including all costs related to management of development as defined in Policy 2 above.

C. Core Operating Costs. Funds shall be used to maintain a minimum acceptable level of experienced and capable staffing during times of decreased workload and revenue, and the department's ability to provide services when permitting activity increases. The target amount for this fund category is one year of core development services operating costs, including all costs related to management of development as defined in Policy 2 above.

Policy 4: Technology Advancements, Equipment Replacement, and Administrative Account

Funds within the Fund shall be reserved to maintain, upgrade, and replace technology and equipment that benefits the users of development services. This technology account is in addition to the target reserve in policy 3. A technology and equipment surcharge (or fee) may be assessed to fund this account category. The budget needed for this account will be reviewed and updated annually in the preliminary City budget, based on anticipated technology and equipment needs. This will include, but may not be limited to:

- Software updates and licenses;
- Equipment maintenance and replacement lifecycles;
- Credit card payment processing fees; and
- Expected significant periodic expenditures, such as technology advancements needed to maintain or improve levels of service based on industry standards.

Policy 5: Exceeding the Target Reserve Fund Balance

Development fees shall correspond with the cost of delivering development services for permit applicants, contributing to the City's target cost recovery of 85% and target reserve fund balance. However, there may be years where an extended period of significant growth in development activity results in greater than anticipated revenues. If the average target reserve balance over a three year period exceeds the target balance by at least 15%, development fees shall be evaluated and adjusted by up to 15% per year until the reserve meets the target balance.

Policy 6: Falling Short of the Target Reserve Fund Balance

Development fees shall correspond with the cost of delivering development services for permit applicants, contributing to the City's target cost recovery of 85% and target reserve fund balance. However, there may be years where an extended period of decline in development activity results in less than anticipated revenues. If the average target reserve balance over a three year period is less than the target balance by at least 15%, development fees shall be evaluated and adjusted upwards by up to 15% per year until the target reserve fund balance is aligned with cost recovery and target reserve fund balance policies.

**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: 11/24/2015

APPROVED: 11/24/2015

PUBLISHED: 11/27/2015



Finance Committee

Use of Asset Forfeiture Funds

Agenda Date: 1/11/2017
Agenda Item Number: 5.C
File Number: 17-0034

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

Title

Use of Asset Forfeiture Funds

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the expenditure of \$10,734.24 for firearms accessories from the Asset Forfeiture Fund.

Report

Issue:

Whether to approve the expenditure of \$10,734.24 for firearms accessories from the Asset Forfeiture Fund.

Staff Contact:

Laura Wohl, Administrative Services Manager
Olympia Police Department
360.753.8214

Presenter(s):

Laura Wohl, Administrative Services Manager
Olympia Police Department

Background and Analysis:

The Olympia Police Department completed a large asset forfeiture process in late 2001, following criminal convictions in a homicide case. The net proceeds, \$369,247, were placed in the Special Accounts Control Fund, Seizure and Forfeiture Account ("Asset Forfeiture Fund"). By statute, money seized and/or forfeited as a result of criminal behavior must be used "exclusively for the expansion and improvement of law enforcement activities," and the funds may not be used to supplant pre-existing funding sources (RCW 10.105.010).

When the Asset Forfeiture Fund was established in 2002, Council determined that the primary

purposes for its use were to invest in employees by providing them with special training and educational opportunities and to fund one-time expenditures for equipment.

The Department took an opportunity to take advantage of a special exchange program to replace all of our duty weapons at no cost to the Department when replacement was needed in 2011. The only expense incurred was for firearms accessories, such as holsters and sights.

The company failed to bill the Department until December 2016. The Department is requesting that the current Finance Committee approve the expenditure from the Asset Forfeiture Fund given the long period that has passed between the original approval and the current billing.

Neighborhood/Community Interests (if known):

N/A

Options:

The Committee may choose to not approve the expenditure from the Asset Forfeiture fund in which case the expense will be taken from the Police Department's 2017 operating budget.

Financial Impact:

\$10,724.24

Attachments:

Staff report from May 10, 2011, Finance Committee meeting

FINANCE COMMITTEE MEETING

Olympia, Washington

May 10, 2011

Request for Use of Asset Forfeiture Funds

**CITY MANAGER'S
RECOMMENDATION:**

Recommend to the full Council the expenditure of \$109,032 from the Asset Forfeiture Fund for one-time expense for law enforcement equipment.

STAFF CONTACT:

Ronnie Roberts, Chief of Police (753-8409)
rroberts@ci.olympia.wa.us
Dick Machlan, Police Administrative Services Manager (753-8006)
dmachlan@ci.olympia.wa.us

ORIGINATED BY:

Ronnie Roberts, Chief of Police

**PRESENTERS AND
OTHERS NOTIFIED:**

N/A

ATTACHMENTS:

Attachment 1: Cost detail on the proposed projects

BUDGET IMPACT/

\$109,032 from the Asset Forfeiture Fund. The current Fund balance available is \$180,016.

SOURCE OF FUNDS:

Asset Forfeiture Fund.

**PRIOR COUNCIL/
COMMITTEE REVIEW:**

Finance Committee (2002)

BACKGROUND:

The Olympia Police Department completed a large asset forfeiture process in late 2001, following criminal convictions in a homicide case. The net proceeds, \$369,247, were placed in the *Special Accounts Control Fund, Seizure and Forfeiture Account* ("Asset Forfeiture Fund"). By statute, money seized and/or forfeited as a result of criminal behavior must be used "exclusively for the expansion and improvement of law enforcement activities," and the funds may not be used to supplant pre-existing funding sources (RCW 10.105.010).

When the Asset Forfeiture Fund was established in 2002, Council determined that the primary purposes for its use were to invest in employees by providing them with special training and educational opportunities and to fund one-time expenditures for equipment.

Following the process established in 2002, the Finance (Budget) Committee does a paper review of requested uses of the fund and forwards the request on to the full Council with a recommendation.

ANALYSIS AND OPTIONS:

This year, the Department is seeking to utilize the Asset Fund to address some important equipment needs, as follows:

1. In-car video: In 2008, the Council committed to a long-term goal of equipping all of OPD's patrol vehicles with in-car video technology. The Department has already used \$42,477 in Justice Assistance Grant money to get started toward meeting that goal. Grant funds have paid for four mobile video units; the infrastructure needed to transmit data from patrol cars to the station; and the technology needed to store, review and prepare video evidence for court. The current infrastructure and in-station technology is designed to handle up to 10 mobile units, but it is expandable. The Department is asking to use money from the Asset Fund to add five additional mobile units - making it so the equipment would be available in a total of nine patrol vehicles.

Cost: \$30,403

2. Evidence room: The evidence room in the new City Hall is a well-designed, state-of-the-art location. However, equipment that helps to organize shelves and facilitate location of property was not included in the City Hall construction. Having bins designed to fit the shelving will help keep track of property in the Department's custody. Having the proper equipment for accessing high shelves will help avoid employee injury. The Department is asking to use money from the Asset Fund to purchase the equipment and supplies needed to make the Evidence function more productive.

Cost: \$8,650

3. SECTOR: OPD has started using the State's new electronic ticketing and accident reporting technology (SECTOR). The Department has provided all of the electronics necessary to use SECTOR using a grant from the Washington Association of Sheriffs and Police Chiefs (WASPC). However, the WASPC grant will not pay for the equipment it takes to mount the electronics in our patrol cars, and it will not pay for mobile technology to purchase equipment for our traffic motorcycles. The Department is asking to use money from the Asset Fund to purchase the mounting equipment for our patrol cars and the computer hardware needed to equip our two traffic-enforcement motorcycles.

Cost: \$15,374

4. Crime scene investigation: OPD recently sent one of its detectives to a state-of-the-art crime scene investigation school. The training was provided at no cost to the City. Based on what was learned from the school, OPD is looking to equip its mobile crime scene investigation vehicle in a manner that supports contemporary investigative methods. The Department is asking to use money from the Asset Fund for that purpose.

Cost: \$28,225

5. Firearms: The Department's handguns must be replaced periodically in order to maintain certification from the manufacturer. Manufacturer certification is critical to both officer safety and to maintaining acceptable risk management standards. Handguns are on a regular replacement schedule that normally is funded through the General Fund. Because of the need for frugality in the tight economy, regular handgun replacement was not included in the Department's 2011 operating budget. The Department has an opportunity to take advantage of a special exchange program that will replace all of our duty weapons at no cost to us. The only expense we will incur is the cost of replacing holsters and accessories for the new handguns. The Department is asking to use the Asset Fund to make it possible to do the full handgun replacement this year to take advantage of the special pricing that is being made available.

Cost: \$10,701

6. RMS Server: In order to run the new police records management system (RMS) software on the City's computer network and maintain the security standards required by the FBI and the City, the City's IT Department needs to purchase a server that will allow isolation of the RMS network from the City's main network while making it so police employees can have access both networks on the same PCs.

Cost: \$15,679

This item is a written report only. No discussion is required unless there is a specific issue with the proposed use.

Option 1:

Recommend to the full Council the expenditure of \$109,032 from the Asset Forfeiture Fund for one-time expense for law enforcement equipment.

Implications

1. Addresses some critical equipment needs.
2. Takes advantage of favorable pricing on handgun replacement.

Option 2:

Elect not to recommend the expenditure of Asset Forfeiture Fund monies for this purpose.

Implications:

1. Preserves the money in the Asset Forfeiture Fund.
 2. Leaves some critical equipment needs unfilled.
 3. Misses an opportunity for savings on handgun replacement.
-



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

Finance Committee

Oral Report: Restroom Funding

Agenda Date: 1/11/2017
Agenda Item Number: 5.D
File Number: 17-0038

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

Title
Oral Report: Restroom Funding