



Meeting Agenda

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, May 14, 2019

7:00 PM

Council Chambers

1. ROLL CALL

1.A ANNOUNCEMENTS

1.B APPROVAL OF AGENDA

2. SPECIAL RECOGNITION

2.B [19-0457](#) Special Recognition - National Correctional Officers Week

2.A [19-0446](#) Special Recognition - National Police Week

2.C [19-0459](#) Special Recognition - Proclamation Recognizing the Women's Olympic Marathon Trials Celebration Weekend

Attachments: [Proclamation](#)

3. PUBLIC COMMENT

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

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

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

COUNCIL RESPONSE TO PUBLIC COMMUNICATION (Optional)

4. CONSENT CALENDAR

(Items of a Routine Nature)

4.A [19-0460](#) Approval of May 7, 2019 City Council Meeting Minutes

Attachments: [Minutes](#)

4. SECOND READINGS (Ordinances) - None

4. FIRST READINGS (Ordinances)

- 4.B** [19-0454](#) Approval of an Ordinance to Refinance a Bond Anticipation Note (BAN) for \$10,000,000 and Add Additional Funding for Parks Land Acquisition in the amount of \$4,000,000.

Attachments: [Ordinance](#)
 [BAN Preliminary Offer](#)

5. PUBLIC HEARING - None

6. OTHER BUSINESS

- 6.A** [19-0456](#) Review and Approval of the 2018 Year-End Fund Balance and Accounting Adjustments

7. CONTINUED PUBLIC COMMENT

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

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

8.B CITY MANAGER'S REPORT AND REFERRALS

9. ADJOURNMENT

The City of Olympia is committed to the non-discriminatory treatment of all persons in employment and the delivery of services and resources. If you require accommodation for your attendance at the City Council meeting, please contact the Council's Executive Assistant at 360.753.8244 at least 48 hours in advance of the meeting. For hearing impaired, please contact us by dialing the Washington State Relay Service at 7-1-1 or 1.800.833.6384.



City Council

Special Recognition - National Police Week

Agenda Date: 5/14/2019
Agenda Item Number: 2.A
File Number: 19-0446

Type: recognition **Version:** 1 **Status:** Recognition

Title

Special Recognition - National Police Week

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Recognize the Olympia Police Department Police Officers and National Police Week.

Report

Issue:

Whether to recognize National Police Week and the City of Olympia Police Officers.

Staff Contact:

Ronnie Roberts, Chief of Police, Olympia Police Department, 360.753.8409

Presenter(s):

Chandra Brady, Support Administrator, Olympia Police Department

Background and Analysis:

In 1962, President John F. Kennedy proclaimed May 15 as National Peace Officers Memorial Day and the calendar week in which May 15 falls as National Police Week. President Kennedy stated in his proclamation:

"I invite State and local governments, patriotic, civic, and educational organizations, and the people of the United States generally, to observe Peace Officers Memorial Day and Police Week in this year and each succeeding year with appropriate ceremonies in which all our people may join in commemorating law enforcement officers, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities, and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens."

The Officers of the Olympia Police Department exemplify the law enforcement profession and serve their community each day with compassion, professionalism, and integrity.

Type: recognition **Version:** 1 **Status:** Recognition

Attachments:

None



City Council

Special Recognition - National Correctional Officers Week

Agenda Date: 5/14/2019
Agenda Item Number: 2.B
File Number: 19-0457

Type: recognition **Version:** 1 **Status:** Recognition

Title

Special Recognition - National Correctional Officers Week

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Recognize the Olympia Police Department Corrections Officers and National Correctional Officers Week.

Report

Issue:

Whether to recognize National Correctional Officers Week and the City of Olympia Corrections Officers.

Staff Contact:

Ronnie Roberts, Chief of Police, Olympia Police Department, 360.753.8409

Presenter(s):

Chandra Brady, Support Administrator, Olympia Police Department

Background and Analysis:

In 1984, President Ronald Reagan issued Proclamation 5187 declaring a National Correctional Officers Week to be observed the first full week of May. President Reagan stated in his proclamation:

“Correctional Officers have the difficult and often dangerous assignment of ensuring the custody, safety and well-being of the over 600,000 inmates in our Nation’s prisons and jails. Their position is essential to the day-to-day operations of these institution; without them it would be impossible to achieve the foremost institutional goals of security and control.”

Historically, correctional officers have been viewed as “guards,” occupying isolated and misunderstood positions in prisons and jails. In recent years, the duties of these officers have become increasingly complex and demanding. They are called upon to simultaneously fill custodial,

supervisory and counseling roles. The professionalism, dedication and courage exhibited by these officers throughout the performance of these demanding and often conflicting roles deserve the utmost respect. The important work of correctional officers often does not receive the recognition from the public it deserves. It is appropriate that we honor the many contributions and accomplishments of these men and women who are a vital component of the field of corrections.

Attachments:

None



City Council

Special Recognition - Proclamation Recognizing the Women's Olympic Marathon Trials Celebration Weekend

Agenda Date: 5/14/2019
Agenda Item Number: 2.C
File Number: 19-0459

Type: recognition **Version:** 1 **Status:** Recognition

Title

Special Recognition - Proclamation Recognizing the Women's Olympic Marathon Trials Celebration Weekend

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Proclaim May 17-19 as Women's Olympic Marathon Trials Celebration Weekend.

Report

Issue:

Whether to proclaim May 17-19 as Women's Olympic Marathon Trials Celebration Weekend.

Staff Contact:

Susan Grisham, Executive Assistant, 360.753.8244

Presenter(s):

Olympic Trials Legacy Committee Representative, Judy Hoefling
Capital City Marathon Association, Judy Hartmann

Background and Analysis:

During this year's 38th running of the Capital City Marathon, the Capital City Marathon Association (CCMA) and Olympic Trials Legacy Committee will be commemorating the 35th anniversary of the first US Women's Marathon Olympic Trials hosted by the Olympia area community in 1984. Through various events, the CCMA will be recognizing the historic occasion.

Joan Benoit Samuelson, winner of the first-ever women's marathon trials and a gold medal winner during the 1984 Olympics (the first time the marathon was an Olympic event for women), will be in attendance during the weekend's events.

One of the key features of the 1984 Trials was the community welcoming and supporting the runners, which lives on with the enthusiasm of over 500 volunteers, sponsors, and cooperative public agencies supporting the Capital City Marathon every year. The CCMA will be highlighting these attributes during the month of May.

Attachments:

Proclamation

[Link to Capital City Marathon Webpage](#)

PROCLAMATION

WHEREAS, 1984 was a banner year for women's running in the United States and around the world; and

WHEREAS, the first US Women's Marathon Olympic Trials race was run in the greater Olympia area — encompassing Olympia, Tumwater, Lacey, and Thurston County; and

WHEREAS, women from across the nation, including six from Washington state, participated in the historic run; and

WHEREAS, the emergence of women in distance running and the history of women in sport was brought to the fore and shared in educational events featuring national experts in women's sports medicine and training in the week before the Trials race; and

WHEREAS, the greater Olympia area exhibited to the nation our community spirit, technical organizing expertise, welcoming hospitality, and the heart of more than 4,000 volunteers to produce a week of activities for our citizens and guests culminating in the Trials race; and

WHEREAS, the Trials route began in west Olympia and ended with approximately three miles through downtown Olympia and the thrilling finish line on Deschutes Parkway; and

WHEREAS, Olympia hosted the local organizing committee headquarters; collaborated with Intercity Transit to provide parking and shuttle locations; spruced up streets and sidewalks; was the site of two breakfasts hosted by community service organizations that served thousands on Marathon morning; provided safety services with police, fire and public works personnel; and participated in year-long event planning and coordination activities; and

WHEREAS, after the Trials many expressed congratulations for a very well-run event, but perhaps the most satisfying comment came from participant Debbie Chaddock who wrote, "Your greatest gift to us, however, was the enthusiasm and patience of every volunteer. . . all were continually helpful and friendly. If hospitality were an Olympic event, the people of Olympia would win a gold medal!"; and

WHEREAS, May 2019 is the 35th anniversary of the historic first Women's Marathon Trials event; and

WHEREAS, Joan Benoit Samuelson, winner of the Trials and the winner of the 1984 Women's Marathon at the Olympic Games in Los Angeles, along with other women who participated in the 1984 Trials, will return to Olympia to mark the anniversary; and,

WHEREAS, the Olympic Trials Legacy Committee will host several events in May celebrating women in sport, women as leaders, and the women of the 1984 Trials; and,

WHEREAS, the Capital City Marathon Association, which continues today to annually provide healthy running opportunities for more than 2,200 runners and is supported by local businesses, governments and over 500 volunteers, will celebrate the 1984 Trials run during its May Marathon Weekend; and

NOW, THEREFORE BE IT RESOLVED that the Olympia City Council does hereby proclaim May 17-19, 2019 as

***WOMEN'S OLYMPIC MARATHON TRIALS
CELEBRATION WEEKEND***

And join Thurston County and our neighboring cities of Lacey and Tumwater in celebrating the tremendous contributions of our communities to the first Women's Marathon Olympic Trials that took place in 1984 and to the spirit of volunteerism and service that lives on.

SIGNED IN THE CITY OF OLYMPIA, WASHINGTON THIS 14th DAY OF MAY, 2019.

OLYMPIA CITY COUNCIL

***Cheryl Selby
Mayor***



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

City Council

Approval of May 7, 2019 City Council Meeting Minutes

Agenda Date: 5/14/2019
Agenda Item Number: 4.A
File Number: 19-0460

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

Title

Approval of May 7, 2019 City Council Meeting Minutes



Meeting Minutes - Draft

City Council

City Hall
601 4th Avenue E
Olympia, WA 98501

Information: 360.753.8244

Tuesday, May 7, 2019

7:00 PM

Council Chambers

1. ROLL CALL

Present: 6 - Mayor Cheryl Selby, Mayor Pro Tem Jessica Bateman,
Councilmember Jim Cooper, Councilmember Clark Gilman,
Councilmember Nathaniel Jones and Councilmember Renata Rollins

Excused: 1 - Councilmember Lisa Parshley

1.A ANNOUNCEMENTS - None

1.B APPROVAL OF AGENDA

The agenda was approved.

2. SPECIAL RECOGNITION

2.A [19-0258](#) Special Recognition - Proclamation Recognizing Bicycle Commuter Month

Associate Planner Michelle Swanson discussed Bicycle Commuter Month.

Councilmember Gilman read a proclamation recognizing May as Bicycle Commuter Month. Intercity Transit Bicycle Commuter Challenge Coordinator Duncan Green shared information regarding the 32nd annual Thurston County Bicycle Commuter Challenge.

The recognition was received.

2.B [19-0416](#) Special Recognition - Proclamation Recognizing Olympia Heritage Month and Review of Nominees for 2019 Historic Preservation Awards

Mayor Selby read a proclamation recognizing May as Olympia Heritage Month. Historic Preservation Officer Marygrace Goddu discussed activities related to Olympia Heritage Month. Ms. Goddu shared background on the historic preservation awards nominations. Heritage Commission Chair Kat Kelly presented the 2019 nominees.

The recognition was received.

3. PUBLIC COMMENT

The following people spoke: Issac Wagnitz, Jim Reeves, Lizzie Carp, and Janae Huber.

4. CONSENT CALENDAR

- 4.A** [19-0441](#) Approval of April 23, 2019 City Council Meeting Minutes

The minutes were adopted.

- 4.B** [19-0428](#) Approval of 2019 Historic Preservation Award Nominees

The decision was adopted.

- 4.C** [19-0434](#) Approval of the Proposed Agenda, Location, and Trainer for the
Mid-Year City Council Retreat on June 8, 2019

The decision was adopted.

- 4.D** [19-0327](#) Approval of a Resolution Authorizing a Professional Services Agreement
for the Elliott and Fir Street Reservoirs Seismic Retrofit Project

The resolution was adopted.

- 4.E** [19-0351](#) Approval of a Resolution Authorizing Property Acquisitions at the
Intersection of Henderson Boulevard and Eskridge Boulevard

The resolution was adopted.

Approval of the Consent Agenda

Councilmember Jones moved, seconded by Councilmember Rollins, to adopt the Consent Calendar. The motion carried by the following vote:

Aye: 6 - Mayor Selby, Mayor Pro Tem Bateman, Councilmember Cooper,
Councilmember Gilman, Councilmember Jones and Councilmember
Rollins

Excused: 1 - Councilmember Parshley

4. SECOND READINGS (Ordinances) - None

4. FIRST READINGS (Ordinances) - None

5. PUBLIC HEARING

- 5.A** [19-0429](#) Public Hearing to Consider an Ordinance Declaring a Continuing State of
a Public Health Emergency Related to Homelessness - First and Final
Reading

Community Planning and Development Director Keith Stahley gave an overview of the ordinance to continue the state of public health emergency related to homelessness.

Mayor Selby opened the hearing at 7:43 p.m. Arthur West spoke. The hearing closed at

7:47 p.m.

Mayor Pro Tem Bateman moved, seconded by Councilmember Gilman, to approve the ordinance declaring a continuing state of public health emergency relating to human health and environmental conditions caused by increasing homelessness in our community on first and final reading. The motion carried by the following vote:

Aye: 6 - Mayor Selby, Mayor Pro Tem Bateman, Councilmember Cooper, Councilmember Gilman, Councilmember Jones and Councilmember Rollins

Excused: 1 - Councilmember Parshley

6. OTHER BUSINESS

6.A [19-0419](#) Launch of the 2019 Community Development Block Grant (CDBG) Annual Action Plan and Public Process and an Amendment to the 2018 CDBG Annual Action Plan

Community Services Program Manager Anna Schlecht gave an overview of the Community Planning and Development (CDBG) program public process, schedule, strategies and resources.

Ms. Schlecht discussed a proposed amendment of Program Year 2018 to add \$56,000 for one-time tenant assistance for displaced Angelus Building residents.

Councilmembers asked clarifying questions.

Councilmember Jones moved, seconded by Councilmember Cooper, to launch the 2019 Community Development Block Grant annual Action Plan and public process and amend the current 2018 CDBG annual Action Plan to support the tenants of the Angelus Hotel. The motion carried by the following vote:

Aye: 6 - Mayor Selby, Mayor Pro Tem Bateman, Councilmember Cooper, Councilmember Gilman, Councilmember Jones and Councilmember Rollins

Excused: 1 - Councilmember Parshley

7. CONTINUED PUBLIC COMMENT - None

8. REPORTS AND REFERRALS

8.A COUNCIL INTERGOVERNMENTAL/COMMITTEE REPORTS AND REFERRALS

Councilmembers reported on meetings and events attended.

8.B CITY MANAGER'S REPORT AND REFERRALS

City Manager Hall requested a referral to the General Government Committee to review the Heritage Commission Heritage Award nominations process. He discussed the Green Direct wind farm agreement that locked in 20 year rates for 100% green electricity.

9. ADJOURNMENT

The meeting adjourned at 8:30 p.m.



City Council

Approval of an Ordinance to Refinance a Bond Anticipation Note (BAN) for \$10,000,000 and Add Additional Funding for Parks Land Acquisition in the amount of \$4,000,000

Agenda Date: 5/14/2019
Agenda Item Number: 4.B
File Number: 19-0454

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

Title

Approval of an Ordinance to Refinance a Bond Anticipation Note (BAN) for \$10,000,000 and Add Additional Funding for Parks Land Acquisition in the amount of \$4,000,000

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the Ordinance to refinance the Bond Anticipation Note for \$10,000,000 and add additional funding for Parks Land Acquisition in the amount of \$4,000,000 on first reading and forward to second reading.

Report

Issue:

Whether the City Council should approve the Ordinance to refinance the Bond Anticipation Note and add additional funding for Parks Land Acquisition.

Staff Contact:

Nanci Lien, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

In 2018, the City of Olympia obtained a BAN (bond anticipation note) with Cashmere Valley Bank for \$10 million for the purchase of several park properties. The BAN matures on June 1, 2019. The City has \$4 million of financial obligations for property acquisition due later this year. The City had originally planned to refinance the BAN before it matured in June 2019, and include the additional \$4

million financial obligation.

In consultation with the City's financial consultant, staff recommends refinancing the original \$10 million BAN for one year with Cashmere Valley Bank and add the additional \$4 million obligation, for a total of \$14 million. As part of the decision to refinance the bank loan, the financial consultant checked rates with Cashmere Valley Bank and two other banks. The rate of the bank loan was comparable or less than current General Obligation bond rates and the issuance is less costly and allows the City to pay it off early with no penalty.

Prior to the 2020 maturity, staff will reassess the market and bring forward a recommendation for long-term refinancing of the \$14 million loan.

Neighborhood/Community Interests (if known):

N/A

Options:

1. Approve the ordinance to refinance the BAN for 10,000,000 and add additional funding for Parks Land Acquisition in the amount of \$4,000,000.
2. Do not approve the ordinance. Not approving the ordinance may jeopardize the City's ability to complete the purchase of a park property.
3. Direct the staff to another course of action for park acquisition financing.

Financial Impact:

Approval of the ordinance provides financing for immediate park acquisition needs. Funding for payment of debt service to refinance the BAN will come from existing voter-approved utility taxes identified for park purposes or other general revenues. Interest on the BAN is expected to be 2.50%. Annual interest will depend on the final amount of the BAN. Interest on the BAN will be paid semi-annually from Park impact fees and/ or voted utility taxes.

Attachments:

Ordinance

Bond Anticipation Note, preliminary offer from Cashmere Valley Bank

CITY OF OLYMPIA, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Olympia, Washington authorizing the issuance of limited tax general obligation bonds of the City to provide funds to repay a note and pay additional costs of purchasing property for parks and the development of and improvements to City parks; authorizing the issuance of a bond anticipation note pending the issuance of those bonds in the aggregate principal amount of not to exceed \$14,000,000; fixing the terms and covenants of the note; and approving the sale of the note to Cashmere Valley Bank.

WHEREAS, pursuant to Ordinance No. 7012, the City of Olympia, Washington (the "City") issued its Limited Tax General Obligation Bond Anticipation Note, 2016 (the "2016 Note") maturing on June 1, 2019, for the purpose of purchasing property for parks; and

WHEREAS, pursuant to Ordinance No. 7141, the City amended the purpose of the 2016 Note to include financing the development of and improvements to City parks (collectively, with the purchasing of property for parks, the "Project"); and

WHEREAS, the City Council deems it to be in the best interests of the City to borrow money by the issuance of limited tax general obligation bonds and, pending the issuance of those bonds, issue short term obligations in accordance with the provisions of chapter 39.50 RCW for the purpose of providing funds to refinance the 2016 Note and pay a portion of the costs of the Project; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, ORDAINS as follows:

Section 1. Debt Capacity. The assessed valuation of the taxable property of the City as ascertained by the last preceding assessment for City purposes for the calendar year 2019 is \$7,134,825,096, and the City had outstanding as of December 31, 2018, general indebtedness evidenced by limited tax general obligation bonds, loans and leases (including the 2016 Note) in the principal amount of \$64,726,572 incurred within the limit of up to 1 1/2% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein, and unlimited tax general obligation bonds in the principal amount of \$10,400,000 incurred within the limit of up to 2 1/2% of the value of the taxable property within the City for capital purposes only, issued pursuant to a vote of the qualified voters of the City. The maximum amount of indebtedness for which bonds are authorized herein to be issued is \$14,000,000.

Section 2. Authorization of Bonds. The City shall borrow money on the credit of the City and issue negotiable limited tax general obligation bonds evidencing that indebtedness in the amount of \$14,000,000 or such other lessor amount necessary (the "Bonds") to provide the funds to pay all or a portion of repaying the Note, pay additional costs of the Project and to pay

the costs of issuance and sale of the Bonds. The general indebtedness to be incurred shall be within the limit of up to 1 1/2% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein.

Section 3. Description of the Note. For the purpose of refinancing the 2016 Note, providing all or part of the money required to finance the cost of the Project, and pay interest on and costs of issuing the Note pending the issuance of the Bonds, the City shall issue its Limited Tax General Obligation Bond Anticipation Note, 2019, in the principal amount of not to exceed \$14,000,000 (the "Note"). The Note shall be in fully registered form, shall be numbered R-1, shall be dated the date of its delivery to Cashmere Valley Bank (the "Bank"), and shall mature on June 1, 2020 (the "Maturity Date").

The Bank has offered to purchase the Note under the terms of the Note Purchase Agreement, and this ordinance. Amounts received from the Note shall bear interest on unpaid principal outstanding from time to time at the interest rate of 2.60% per annum, calculated on the basis of a 365-day year and the actual number of days elapsed. Interest on the Note shall be due and payable semiannually on each June 1 and December 1, beginning on December 1, 2019. The outstanding principal balance of the Note shall be due and payable on the Maturity Date.

The outstanding principal balance of the Note on any particular day shall be the aggregate of all funds which the City has drawn from the date of the Note to that day, less the aggregate of all principal payments made by the City on or before that day.

A Request for Draw pursuant to the Note may be made by the Administrative Services Director or Fiscal Services Director (each a "Designated Representative") in writing to the Bank, at any time on or prior to the Maturity Date. Each Request for Draw must be in the minimum amount of \$25,000. A Request for Draw made prior to 11:00 a.m. and confirmed by the Bank will be funded on that business day. Each Request for Draw shall be delivered to the Bank, shall specify the dollar amount requested, the account number to which the drawing shall be deposited and the proposed date of the drawing, which date must be a business day. The aggregate of all such draws on the Note may not exceed \$14,000,000. Principal amounts of the Note that are prepaid may not be re-borrowed. The City hereby delegates to a Designated Representative authority to make a written Request for Draw pursuant to this ordinance. The Bank shall incur no liability to the City or to any other person in acting upon any written notice or other communication which the Bank believes in good faith to have been given by an official or other person authorized to borrow on behalf of the City, or otherwise acting in good faith in making advances pursuant to this ordinance.

The Note shall be an obligation only of the Note Fund and shall be payable and secured as provided herein. The Note shall not be deemed to constitute a pledge of the faith and credit or taxing power of the State of Washington.

Both principal of and interest on the Note shall be payable in lawful money of the United States of America. Upon the final payment of all principal and interest on the Note, the Note shall be surrendered to the Note Registrar for cancellation.

Section 4. Registration and Transfer of the Note. The Note shall be issued only in registered form as to both principal and interest and be recorded on books or records maintained by the Fiscal Services Director who is appointed to act as the note registrar (the "Note Register"). The Note Register shall contain the name and mailing address of the owner of the Note.

A Note surrendered to the Note Registrar may be exchanged for a new Note in the amount of not to exceed \$14,000,000. A Note may be transferred only if endorsed in the manner provided thereon and surrendered to the Note Registrar. Any exchange or transfer shall be without cost to the owner or transferee. The Note Registrar shall not be obligated to exchange or transfer a Note during the 15 days preceding the Maturity Date of the Note.

The Note may be assigned or transferred only in whole by the registered owner to a single investor that is a financial institution or a person who is reasonably believed to be a qualified institutional buyer or accredited investor within the meaning of the applicable federal securities laws.

Section 5. Prepayment. The City reserves the right to prepay principal of the Note in advance of the Maturity Date, in whole or in part, at any time, with no prepayment penalty. The City will notify the Bank at least 15 days in advance of its intent to prepay.

Section 6. Pledge of Taxes. The City irrevocably pledges to redeem the Note on or before its Maturity Date from the proceeds of a sufficient amount of the Bonds, from the proceeds of additional short term obligations or from other money of the City legally available for such purpose, and to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with the Bonds or other short term obligation proceeds and other money legally available and to be used therefor, to pay when due the principal of and interest on the Note and the Bonds, and the full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 7. Form and Execution of the Note. *Form of the Note; Signatures and Seal.* The Note shall be prepared in a form consistent with the provisions of this ordinance and Washington law. The Note shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on the Note ceases to be an officer of the City authorized to sign bonds before the Note bearing her or his manual or facsimile signature is authenticated by the Note Registrar, or issued or delivered by the City, the Note nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign notes. The Note also may be signed on behalf of the City by any person who, on the actual date of signing of the Note, is an officer of the City authorized to sign notes, although she or he did not hold the required office on its date of delivery of the Note.

(b) *Authentication.* Only the Note bearing a Certificate of Authentication in substantially the following form, manually signed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Note is the fully registered City of Olympia, Washington, Limited Tax General Obligation Bond Anticipation Note, 2019." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 8. Tax Covenants. Tax Certificate. The City hereby covenants that it will not make any use of the proceeds of sale of the Note or any other funds of the City which may be deemed to be proceeds of such Note pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder which will cause the Note to be an "arbitrage bond" within the meaning of such section and such regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Note) and the applicable regulations thereunder through the term of the Note. The City further covenants that it will not take any action or permit any action to be taken that would cause the Note to constitute a "private activity bond" under Section 141 of the Code.

(b) *Post-Issuance Compliance.* The Administrative Services Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the issue date to prevent interest on the draws on the Note from being included in gross income for federal tax purposes.

Section 9. Note Fund; Disposition of Note Proceeds. There is authorized to be created in the office of the Fiscal Services Director a special account designated as the "Limited Tax General Obligation Bond Anticipation Note Account, 2019" (the "Note Fund"). All Bond proceeds, installment loans and taxes collected for and allocated to the payment of the principal of and interest on the Note shall be deposited in the Note Fund. Both principal of and interest on the Note shall be payable solely out of the Note Fund. All or a portion of the proceeds from the initial draw on the Note shall be used to repay the 2016 Note. The proceeds received from additional draws on the Note shall be paid into the "Capital Improvement Fund," a fund designated by the Fiscal Services Director and used for the Project. Until needed to pay the costs of the Project and costs of issuance of the Note, the City may invest Note proceeds temporarily in any legal investment.

Payment of interest on each interest payment date, and of principal at maturity or prepayments of principal, shall be paid by immediately available funds delivered on or before each interest payment date or the maturity or prepayment date to the registered owner at the address appearing on the Note Register on the last day of the month preceding the payment date. Upon the final payment of principal of and interest on the Note the registered owner shall surrender the Note at the principal office of the Note Registrar for destruction or cancellation in accordance with law.

Section 10. Sale of the Note. The sale of the Note to the Bank, under the terms and conditions of this ordinance, and the Note Purchase Agreement to purchase the Note is hereby

approved and confirmed. The City Council authorizes the Note Purchase Agreement to be signed by the Administrative Services Director. The Bank will not charge a fee for this Note.

Section 11. Reporting Requirements. While the Note is outstanding, the City shall submit its annual financial reports and audit reports to the Bank along with such additional information as the Bank may reasonably request from time to time. Such information can be provided to the Bank through a link to the information on the City's website or through the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board.

Section 12. Governing Law. The Note shall be governed and interpreted according to the laws of Washington. Nothing in this paragraph shall be construed to limit or otherwise affect any rights or remedies of the Bank under federal law.

Section 13. General Authorization and Ratification. The Mayor, Administrative Services Director, Fiscal Services Director and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Note to the Bank thereof and for the proper application, use and investment of the proceeds of the Note. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 14. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 15. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Olympia,
Washington, at a regular open public meeting thereof, this 21st day of May, 2019.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney

CERTIFICATION

I, the undersigned, City Clerk of the City of Olympia, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on May 21, 2019, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City's official newspaper, which publication date is _____, 2019.

3. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: _____, 2019.

CITY OF OLYMPIA, WASHINGTON

City Clerk



Cashmere Valley Bank

Term Sheet
(For Discussion Purposes Only)
April 25, 2019

Re: City of Olympia, Washington
Limited Tax General Obligation Bond Anticipation Note, 2019

Thank you for the opportunity to propose the following structure for the City of Olympia, Washington (the "City") Limited Tax General Obligation Bond Anticipation Note, 2019 (the "Note"). Cashmere Valley Bank (the "Bank") has outlined general terms below for discussion purposes only. All terms are subject to credit approval and do not constitute a commitment to lend money.

1. Borrower: City of Olympia, Washington
2. Amount: Not to exceed \$14,000,000
3. Tax Status: Non-bank qualified, tax exempt
4. Purpose: The proceeds of the Note will be used to refinance the City's Limited Tax General Obligation Bond Anticipation Note, 2016 and increase the borrowing amount by \$4,000,000 to provide funds to pay the cost of certain parks department projects of the City.
5. Maturity: June 1, 2020
6. Note Description:
 - a. Interest Rate: Interest on the Note would be a non-bank qualified tax exempt rate of 2.60%. The Note would be dated the date of delivery to the Bank and would accrue interest on the outstanding balance from each respective draw date. Interest would be calculated on the basis of a 365-day year, and the actual days elapsed.
 - b. Terms: The Note would be structured with semiannual interest on June 1 and December 1, commencing December 1, 2019. Principal would be paid at maturity of June 1, 2020 or date of prior prepayment. The Note would either be funded up front or by draws made on the Note.
 - c. Security: The Note would be a limited tax general obligation of the City and secured by and payable from tax revenues of the City and such other money as is lawfully available.
 - d. Draws: Draws could be made on any business day in an amount greater than or equal to \$25,000. Draw proceeds would be wire transferred for the City's benefit. For same day funding, draw requests would need to be received and confirmed by 11:00AM.

City of Olympia, Washington
Limited Tax General Obligation Bond Anticipation Note, 2019

7. **Transferability:** The Bank would hold the Note with no intent to sell or transfer. The Note may be transferred only in whole to a qualified investor or as would be further described in the City's authorizing documents.
8. **Prepayment:** The City may choose to prepay the Note in whole or in part at any time without penalty. The Bank would require 15 days advance notice of any prepayment.
9. **Fees:** There is no loan fee due to the Bank. The Bank would not charge an unused fee. The City would be responsible for all other costs of issuing the Note.
10. **Additional Terms:** The Note documents would be in the standard forms customarily required by the Bank for tax-exempt municipal funding and would include additional terms and conditions not discussed above. The City would provide is annual financial report to the Bank during the period the Note is outstanding and held by the Bank. At the date of closing of the Note, the financial condition and credit of the City and all other features of this transaction would be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the City, including litigation involving or claims filed against the City, any future commitment would terminate upon notice by the Bank. Any future commitment would be non-assignable by the City.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Thank you for this opportunity to discuss this financing with the City and its finance team.

Respectfully,

CASHMERE VALLEY BANK

Authorized Representative:

Tom Brown
Vice President, Municipal Finance Manager
1400 112th Ave. SE, STE 100
Bellevue, WA 98004
(p) 425.688.3936
(f) 425.455.2494
tbrown@cashmerevalleybank.com



City Council

Review and Approval of the 2018 Year-End Fund Balance and Accounting Adjustments

Agenda Date: 5/14/2019
Agenda Item Number: 6.A
File Number: 19-0456

Type: decision **Version:** 1 **Status:** Other Business

Title

Review and Approval of the 2018 Year-End Fund Balance and Accounting Adjustments

Recommended Action

Committee Recommendation:

The Finance Committee recommends appropriating the 2018 year-end General Fund savings of \$155,454 to Building Repair and Replacement (\$100,000) and to purchase case management software for the prosecution and defense programs (\$55,454).

Finance Committee also recommends dedicating \$10,261,698 of revenue to budget stabilization reserve funds. This revenue is available as part of the 2018 year-end fund balance due to a one-time accounting adjustment required by the Government Accounting Standards Board.

City Manager Recommendation:

Move to approve the appropriation of the 2018 year-end General Fund savings of \$155,454 to Building Repair and Replacement (\$100,000) and to purchase case management software for the prosecution and defense programs (\$55,454). And move to dedicate \$10,261,698 of revenue to budget stabilization reserve due to a one-time accounting adjustment required by the Government Accounting Standards Board.

Report

Issue:

Whether to appropriate the 2018 year-end General Fund savings of \$155,454 to Building Repair and Replacement (\$100,000), and to purchase case management software for the prosecution and defense programs (\$55,454); and whether to dedicate \$10,261,698 of revenue to budget stabilization reserve due to a one-time accounting adjustment required by the Government Accounting Standards Board.

Staff Contact:

Debbie Sullivan, Administrative Services Director, 360.753.8499

Presenter(s):

Debbie Sullivan, Administrative Services

Background and Analysis:

The City ended 2018 with a General Fund balance of \$2,085,907. Based on the City's financial policies and Council commitments, the 2018 General Fund balance is \$155,454 (see table below).

Fund Balance as of 12/31/18	\$2,085,907
2019 10% Reserve Adjustment	(352,323)
Use of Fund Balance for 2019	(383,681)
Unspent Public Safety Levy Lid Lift	(328,284)
2018 Contractual Obligations	<u>(866,165)</u>
2018 Available Fund Balance	\$ 155,454

Finance Committee discussed the 2018 year-end fund balance on April 17, 2018. The Committee confirmed the policy appropriations, commitments, and recommended the remaining \$155,454 be appropriated to Building Repair and Replacement (\$100,000) and to fund the case management software for the prosecution and public defense programs (\$55,454).

In 2018, staff is also doing a one-time accounting reconciliation to ensure the City is recognizing revenue in compliance with Generally Accepted Accounting Principles (GAAP). There are two accounting methods used to record revenue - full accrual and modified accrual. Full accrual accounting means the transaction is recognized when the revenue or expense is incurred, not when the cash enters or leaves the City. The accrual method is used for the proprietary fund (utility enterprise funds).

Modified accrual is a governmental accounting method where revenue is recognized when it becomes "measurable and available." This is the method used for non-proprietary funds; primarily the General Fund and those funds supported by taxes. The industry standard for measurable and available is 60 days of the end of the fiscal year.

Olympia currently records non-proprietary tax revenue when it is received (January 1 - December 31). Starting in 2019, we have adjusted our accounting methodology to be in alignment with the industry standard so revenue will be recognized when it is received within 60 days of the end of the fiscal year. The impact of this accounting adjustment is a one-time recognition of two extra months of certain tax revenue. The impact of this adjustment results in an additional \$10,261,698 of 2018 end-of-year fund balance. Although the City is accounting for these additional two months, it is important to note the overall amount of revenue available to the City remains the same.

Finance Committee discussed this accounting adjustment based on Governmental Account Standard Board requirements and recommends this revenue be designated as budget stabilization reserves. Over the next several months, staff will be working with the Finance Committee to update the City's Financial Management Policies related to reserves.

Neighborhood/Community Interests (if known):

None noted.

Options:

1. Approve the appropriation of the 2018 year-end General Fund savings of \$155,454 to Building

Repair and Replacement (\$100,000) and to purchase case management software for the prosecution and defense programs (\$55,454); and dedicate \$10,261,698 of revenue to budget stabilization reserves and direct staff to prepare an ordinance to amend the 2019 budget.

2. Make changes to the Finance Committee's recommendation and direct staff to prepare an ordinance to amend the 2019 budget.
3. Do not direct staff to amend the 2019 budget.

Financial Impact:

Appropriates commitments up to \$2,085,907 including \$100,000 to the Capital Budget for Building Repair and Replacement and \$55,454 to fund the case management software. Provides \$10,261,698 to be designated as a budget stabilization reserve to be accessed during an economic downturn.

Attachments:

None