

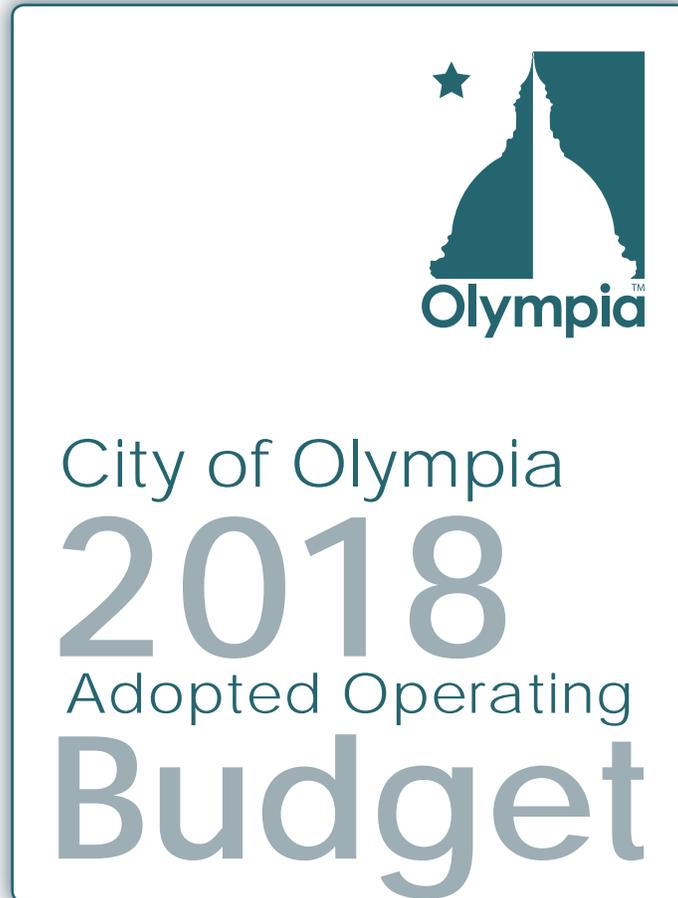


City of Olympia

2018 Adopted Operating Budget







Prepared by the City of Olympia
Administrative Services Department
PO Box 1967, Olympia Washington 98507-1967



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City Council

Cheryl Selby, Mayor	Lisa Parshley
Nathaniel Jones, Mayor Pro Tem	Jim Cooper
Clark Gilman	Renata Rollins
Jessica Bateman	

Acknowledgments

The City Council wishes to acknowledge the many individuals who contributed time and expertise to the preparation and publication of the 2018 Operating Budget.

The annual Operating Budget is an important responsibility of a local government and was developed in compliance with Washington State Law as set forth in RCW 35.33.

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

Administration

Steven R. Hall, City Manager
Jay Burney, Assistant City Manager
Dean Walz, Administrative Services Director
Kellie Purce-Braseth, Strategic Communications Director
Keith Stahley, Community Planning & Development Director
Larry Dibble, Fire Chief
Mark Barber, City Attorney
Ronnie Roberts, Police Chief
Paul Simmons, Parks, Arts & Recreation Director
Rich Hoey, Public Works Director

Information Resources

Olympia Bicycle Master Plan: olympiawa.gov/transportation
Olympia Comprehensive Plan: imagineolympia.com
LOTT Clean Water Alliance: lottcleanwater.org
Transportation Mobility Strategy: olympiawa.gov/transportation
Water System Plan: olympiawa.gov/drinkingwater

Information and Resources



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Budget Presentation Award

The Government Finance Officers' Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award to the City of Olympia, Washington for its annual budget for the fiscal year beginning January 1, 2017.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Olympia
Washington**

For the Fiscal Year Beginning

January 1, 2017

Christopher P. Morrill

Executive Director

The award is valid for a period of one year only. It is believed our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

Olympia City Council



Cheryl Selby-Mayor
Dec. 2019*

Olympia’s City Councilmembers are part-time City employees. They devote, on average, 15-25 hours per week to Council business. Most have full time careers in addition to their City Council duties.

The seven members on Olympia’s City Council are elected to four-year terms from the community as a whole (commonly called at-large elections), not from districts or wards. The positions are non-partisan. The terms are staggered, with positions ending for three members at one time and four members the next. Olympia City Council elections are part of the Thurston County general election held in odd-numbered years.

For more information on the City Council and Olympia’s form of government, please see the Appendix section of this document.



Nathaniel Jones
Mayor Pro Tem
Dec. 2019*



Clark Gilman
Nov. 2021*

Citizen Advisory Boards and Commissions

The City recognizes the hard work and dedication of a number of Advisory Boards and Commissions.

- Arts Commission
- Ad Hoc Committee on Housing Affordability
- Bicycle/Pedestrian Advisory Committee
- Design Review Board
- Heritage Commission
- Lodging Tax Advisory Committee
- Parking Business Improvement Area Board
- Parks and Recreation Advisory Committee
- Planning Commission
- Utility Advisory Committee



Lisa Parshley
Dec. 2021*



Jessica Bateman
Dec. 2019*



Jim Cooper
Dec. 2021*



Renata Rollins
Dec. 2021*



* Term Ends



Guide to Reading the Budget

The City of Olympia's Operating Budget document is designed to facilitate understanding of the City's financial plan to provide municipal services and generate a clear picture of City operations to citizens and interested parties.

This section is designed to help acquaint the reader with the budget document and provide an overview of the budget process, document arrangement, and other helpful resources.

The budget has been divided into eight sections (Department budgets defined as one section):

Introduction

This section contains the City Manager's budget message, which discusses the current state of the City, strategic direction, and major budget issues and recommendations. The budget message highlights major changes from the prior year's budget, discusses assumptions used to prepare the budget, and the City Manager's budget recommendations in further detail. This section also includes an overview of the City, its budget process and fund structure, use of revenues and expenditures, City mission, vision and values, and a Citywide staffing summary and organizational chart.

Policies and Guidelines

This section consolidates the City's organizational goals and budgeting and financial policies. Also included is an overview of the City's performance measurement program, and a list of efficiencies and achievements made by the City.

Revenue

The Revenue section contains information regarding the City's primary sources of revenue across all funds and associated revenue statements. This section provides an explanation of Olympia's property tax system and a summary of the City's property tax revenues and assessed valuation. It also provides historical trend information regarding the City's major revenues within the General Fund and other funds.

Department Budgets

Each department budget section begins with a department narrative including a mission statement, brief department description, organizational chart, summary of operating expenditures and revenues, and identification of significant changes to the budget as compared to last year. Department narratives also include the department's line of business structure with descriptions, operational trends, budget summary and highlights, future challenges and opportunities, recent accomplishments, full-time equivalent (FTE) positions, and performance measures and goals.

Debt Administration

This section provides detailed information about the City's debt policies, debt capacity, and statements of indebtedness.

Supplementary Information

The Supplementary Information section contains full-time equivalent (FTE) information for the City's classified positions, presented in alphabetical order. Information is also provided on classification bargaining unit, pay grade, and salary.

Capital Facilities Plan

The Capital Facilities Plan Projects provides information on the City's six-year capital improvement plan, including major construction and capital acquisition.

Appendix

The Appendix contains a variety of historical and community information about Olympia, as well as a full glossary of terms and acronyms used in the budget document.





Introduction



A background image showing a lush green forested hillside under a clear blue sky, with some houses visible in the distance.

City Manager Executive Summary

December 12, 2017

Dear City Council, Citizens, and Employees.

I am pleased to present the 2018 Operating Budget for the City of Olympia, Washington. This budget stays within available resources while maintaining high-quality city services for the Olympia community.

Our best outcomes occur when we work together. In 2017, we continued to work with established partners to deliver important services to our citizens, while also building new partnerships. For example, with help from the City, the Low Income Housing Institute (LIHI) opened a new facility to provide housing for homeless veterans, disabled people, and homeless youth. To address the pending risks of climate change, we collaborated with the Port of Olympia and LOTT to launch a comprehensive sea level rise plan. In addition, despite the relocation of the Toyota dealership to Tumwater, we worked with the auto mall and other employers to build our business base as Olympia continues to be the main economic engine for Thurston County. Finally, using Community Development Block Grant (CDBG) dollars we helped support the new Providence Community Care Center to assist the region's most vulnerable citizens.

The 2018 budget focuses on core services and outstanding service delivery to this community. To fully fund core services, we seek out efficiencies, partnerships, and innovative revenue sources to meet this pledge. In 2017, the Transportation Benefit District increased funding to meet the growing street repair needs. The City Council also developed a funding strategy to expand public safety services, and launched a pilot project using wastewater utility and other funds to add 24-hour restrooms in downtown.

In 2017, we reduced the increase in employee health care costs by migrating to new, less costly insurance while still meeting our commitment to City employees. We also expanded our energy efficiencies in fleet, buildings, and operations. And, we aggressively managed workers' compensation and unemployment costs to provide overall budget savings.

In November 2017, voters approved a Public Safety Levy Lid lift which will generate \$2.8 million for public safety programs. The 2018 operating budget includes the addition of 13.85 employees; funds recruitment, training, and equipment to support increased walking patrol in Downtown; enhances our Community Policing program in the neighborhoods; adds a Mental Health Response Team; permanently funds our Community Court; and adds a new Code Enforcement Officer in the Community Planning and Development Department.

The 2018 Operating Budget is \$149.9 million, which includes the additional \$2.8 million generated by the Public Safety Levy Lid lift. The Operating Budget represents a 5.1 percent increase over the 2017 budget. The General Fund budget comprising basic municipal services increased 8.7 percent, which is \$6.3 million over 2017. Wages and benefits represented seven percent (\$4.2 million) of the increase. The General Fund budget includes the addition of one full-time employee for street maintenance (cost neutral), funding for a special election in 2018, increased prosecution services, a lobbyist, and an increase to help pay for new fire equipment that is at the end of life. In 2018, Council approved adding a Downtown Ambassador and Clean Team Program. The budget includes eight additional FTEs whose responsibility is to provide a clean and welcoming downtown. These services were previously contracted by the City.

The budget absorbs an approximately 1.5 percent rate increase (\$330,000) in retirement contributions and over seven percent increase in medical insurance rates (\$470,000). The budget also provides sufficient funds to accommodate for the increased City Council compensation (\$54,000) as determined by the independent salary commission.

The General Fund includes the Parks, Arts, and Recreation Department (Parks). The Parks budget increased by \$0.5 million (6.5%). The Parks budget has dedicated funding, which includes 11 percent of property, sales, business and utility taxes, support from the Olympia Metropolitan Parks District (OMPD) and revenue generated by the Department from programming and facility rentals. These funding sources cover the additional expenses in the Parks budget. The increase in the Parks budget includes expanded hours for the Artesian Commons ranger/well host (\$73,100), accelerated work on ADA improvements in parks (\$200,000 in the Capital Program) and \$138,220 to cover accounting, legal, technology, personnel and other support services.



City Manager - Executive Summary

Even with the successful passage of the Public Safety Levy Lid Lift, and our ability to maintain current core services, the City continues to have areas in the budget that are not fully funded such as funds for hazard tree removal and code enforcement abatement. Future work on revenue options will be needed to address these areas and other priority service needs of the community.

Utilities

Our utilities provide reliable service while also protecting our physical environment and managing the cost to ratepayers. The four utilities: Drinking Water, Wastewater, Storm and Surface Water, and Waste ReSources are each accounted as separate businesses. The Wastewater utility includes sewage collections and payments to the LOTT Clean Water Alliance, which provides sewage treatment. We walk a fine line between investing in our utilities and providing services at rates our customers can afford.

2018 rate increases include:

Drinking Water	4.4%
Wastewater	
Collections	0%
LOTT	2.0%
Storm & Surface Water	0%
Waste Resources	
Drop Box	6.0%*
Residential	6.0%*
Commercial	5.0%*
Organics	0%
*Includes 4% to begin funding for a future facility	

The Drinking Water rate increase will fund debt payments on loans for the following capital projects: Log Cabin Reservoir, Corrosion Control Facility at McAllister Wellfield, and Fones Road Booster Pump Station. The LOTT increase covers the general costs of sewage treatment. In addition to the proposed Waste ReSources increases to pay for general cost increases, the budget includes an increased rate to begin setting aside funds to pay for a new maintenance facility for the utility. Rate increases to fund a new facility are proposed to be phased in over several years with increases of 4 percent to 5 percent.

Revenue Outlook

Total General Fund revenues are up \$6.2 million (8.7 percent). The economy remains strong. Taxes represent 68 percent of total General Fund revenue which is, 10 percent over the 2017 budget. The increased revenue collected through taxes in 2015, 2016 and 2017 were 4 percent, 4.9 percent, and 4.8 percent respectively. Much of the revenue growth in past years is driven by auto sales and construction spending. History tells us that these increases are cyclical and future budgets will likely be less robust when these revenue generators slow down.

Conclusion

2018 will be a busy and rewarding year as we work on implementing the new public safety programs, a sea level rise work plan, implementing the downtown strategy, acquiring new park land and potentially adding new and expanded services if the Home Fund Sales and Use Tax is approved by voters in February, 2018.

The 2018 budget demonstrates the City’s commitment to advancing our goals of innovation, efficiency, and partnerships while focusing on delivering exceptional services and maintaining a vibrant, healthy and beautiful Capital City of the State of Washington.

Respectfully Submitted,



Steven R. Hall
City Manager



Mission/What we do

Working Together
to make a
Difference

Vision/Why we do it

For a
Vibrant, Healthy,
Beautiful,
Capital City

Values/How we do it

Using
Compassion, Integrity,
and Effectiveness



Olympia At a Glance

General Data

Population	52,160
Date Incorporated as a City	January 28, 1859
Active Registered Voters.....	34,022
Area of City (Square Miles).....	20.1
Acres of Land within City Limits	12,863
Miles of Streets Maintained (Lane Miles).....	526
Land Use (2017)	
Single-Family Residential.....	92 Permits
Multi-Family Residential (five or more units) Condominiums, Apartments, Mixed Use	6 Permits
New Commercial	50 Permits
Plats - Number of New Lots Created.....	15 Permits
Number of Public Hearings for Land Use Actions.....	4
Code Enforcement Cases	659
Abandoned Vehicle Calls.....	316
Nuisance Complaint Calls	180

Environment and Utilities

Miles of Municipal Sewer Pipes.....	225
Number of Square Miles the Sanitary Sewer System Spans.....	27
Number of Municipal Water Sources	9
Drinking Water Lines (Miles)	360
Water Services in Municipal Water Service Area (as of 10/1/2017)	20,444
Gallons of Potable Municipal Water Produced in 2017	2.33 billion
Gallons of Reclaimed Municipal Water Delivered in 2017	9.5 million



Olympia | At a Glance

2017 Recycled Materials

Percentage of Waste Recycled and Composted by Single-Family Residential Customers	55.5%
Amount of Yard Waste and Food Scraps Collected for Composting from Residents and Businesses.....	6,175 tons
Amount of Mixed Recyclables (Newsprint/Mixed Papers, Glass, Plastic Bottles, Aluminum, Cardboard, etc.).....	4,900 tons
Number of 3rd Grade Students Who Participated In the City's "In-School" Waste Prevention and Education Program.....	677
Aluminum Cans Collected	82 tons
Cans Per Person Collected	93
Newsprint Collected	1,729 tons
<i>Source: City of Olympia waste collection data and EPA Waste Reduction Model (WARM) and Greenhouse Equivalency Calculator, Can Manufacturer's Institute, TRPC Profile of Olympia Population (rounded)</i>	

Fire Department

Fire Stations.....	4
Companies on Duty	8
Department Divisions	3
Training Center	1
On Duty Staffing.....	20
Work Week.....	49.8
Command On Duty - Battalion Chief	1
Command Vehicles	
Front Line	1
Reserve.....	1
Fire Engines	
Front Line	4
Reserve.....	4
Aerial Ladder Trucks	
Front Line	1
Reserve.....	1
Support Vehicles	
Divisional Vehicles.....	10
Fire Mechanics Vehicles.....	3
Urban Search and Rescue Units	1
Trench Trailer.....	1
Services Rendered	
Fire and Service Calls Per Year.....	30%
Emergency Medical Calls Per Year	70%
Total Calls Per Year.....	10,928
Fire Safety Code Inspections Per Year	4,077



Olympia | At a Glance

Police

Calls for Service Per Year	50,000
Average Response Time to Emergency Calls for Service	4 minutes
Volunteer Hours Donated Per Year	5,500
Police Vehicles	48
K-9 Units	2

Parking

Parking Meters	2,268
Parking Lots.....	7
Leased Parking Spaces.....	335

Parks, Recreation and Neighborhood Services

Park Sites	48
Park Acreage	1,242
Playgrounds	11
Community Centers	1
Park Waterfront Area.....	4.4 miles
Trails.....	16 miles
Basketball Courts	9
Parks with Public Art.....	11
Parks with Tennis Courts.....	6
Skate Courts	2
Interactive Water Feature.....	1
2017 Recreation Participation Hours	173,700



City of Olympia Organizational Chart

Citizens/Customers of Olympia

- Citizen Advisory Boards and Commissions**
- Arts Commission
 - Bicycle/Pedestrian Advisory Committee
 - Design Review Board
 - Heritage Commission
 - Lodging Tax Advisory Committee
 - Ad Hoc Committee on Housing Affordability
 - Parking Business Improvement Area Board
 - Parks and Recreation Advisory Committee
 - Planning Commission
 - Utility Advisory Committee

- City Council***
- Cheryl Selby, Mayor
 - Nathaniel Jones
 - Clark Gilman
 - Lisa Parshley
 - Jessica Bateman
 - Jim Cooper
 - Renata Rollins

- Municipal Court
Judge Scott Ahlf***
- Community Court
 - Court Services
 - Probation Services

City Manager - Steve Hall

- Executive Services**
- Human Resources
 - Legislative Services
 - Risk Management
 - Strategic Communications

- Legal Department**
- Civil
 - Criminal

- Administrative Services**
- Administration
 - Fiscal Services
 - Information Services
 - Public Defense

- Community Planning & Development**
- Community Planning
 - Customer Service
 - Economic Development
 - Parking Services
 - Permit Services
 - Support Services

- Fire**
- Administration
 - Emergency Management
 - Fire and EMS Operations
 - Fire Prevention
 - Project Management

- Police**
- Administration
 - Operations

- Parks, Arts, and Recreation**
- Administration
 - Arts and Events
 - Facilities Operations
 - Parks Maintenance
 - Parks Services
 - Planning and Design
 - Program Services
 - Recreation

- Public Works**
- Engineering
 - General Services
 - Transportation
 - Water Resources
 - Waste Resources

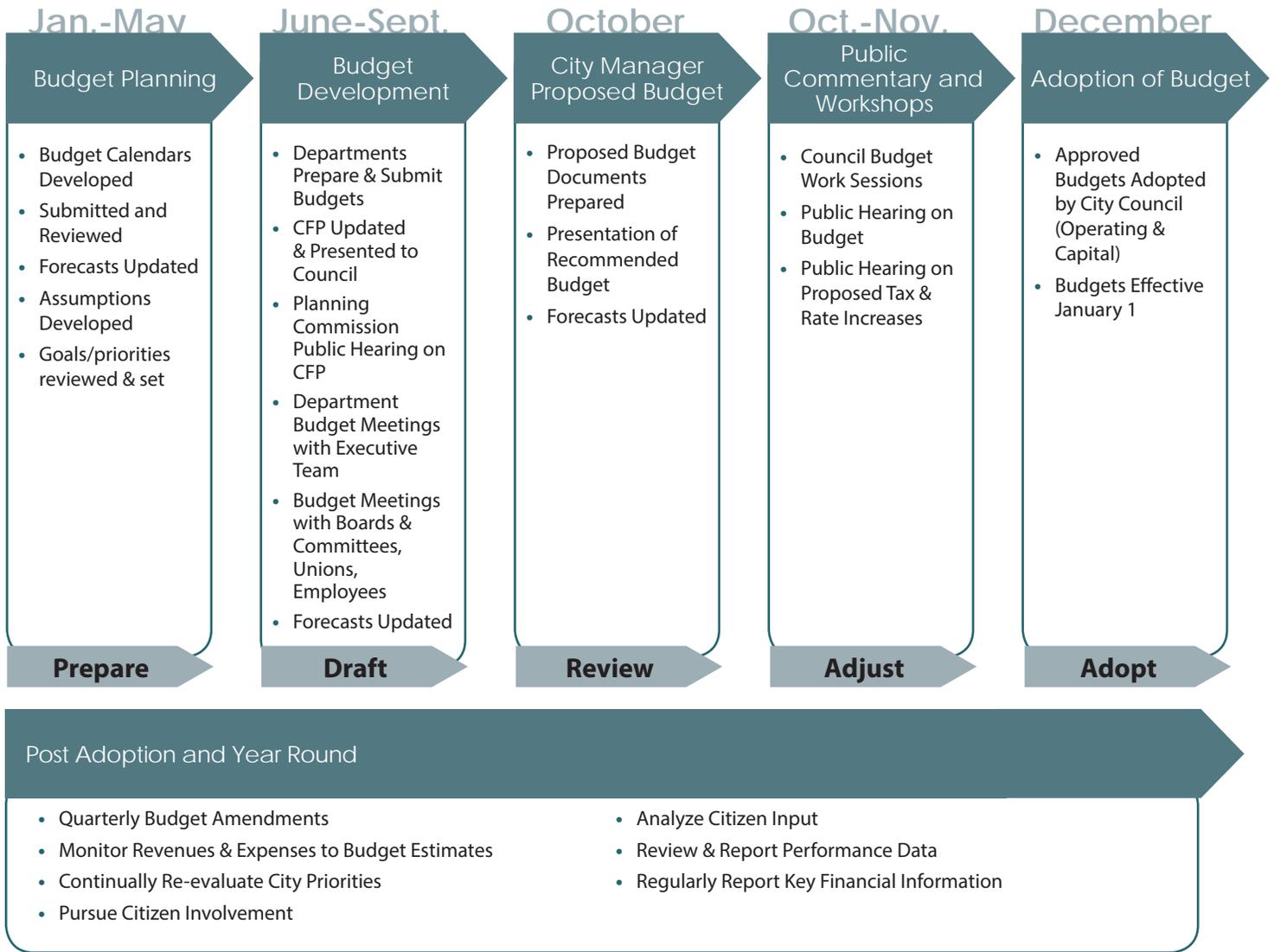
*Elected Officials



Budget Process

Preparation of the City's budget is more than projecting revenues and expenditures for a given year. The budget provides a financial plan for the City Council, City staff, and citizens that identifies the operating costs considered essential to the successful operation of the City. The cycle does not end with the budget document as the end product of the arduous task of balancing the budget, or with adoption of the budget. The budget cycle for the City Manager, Budget Review Team, Finance Committee, City Council, and our citizens is year-round in nature since budget development and implementation occurs throughout the year.

We develop the next years budget during the current year. So in January of 2018 we are starting to plan for the 2019 Budget.



The City's budget process is designed to inform citizens about how to get involved in our budget decision-making. This year-round conversation will help us better understand which programs are the highest priority for our citizens and more quickly identify potential financial issues.



City of Olympia | *The Budget Process*

Budget Adoption

The City of Olympia adopts a legally binding annual budget in accordance with Washington State Law as set forth in RCW 35.33, which provides legal standards for preparing, presenting, adopting, implementing, and monitoring the budget. The City's Fiscal Year runs from January 1st to December 31st. The City's budget serves as a roadmap for the fiscal year's expenditures and reflects the goals and priorities of the City Council.

The City's budget is adopted at the fund level; therefore, expenditures may not legally exceed appropriations at that level of detail. Appropriated budgets are adopted for the General Fund, Washington Center Fund, Enterprise and Internal Service Funds, and active General Obligation Debt Service Funds. These appropriations lapse at year end.

The City's budget is balanced. In the case of the operating budget, this means that expenditures are generally funded from current revenues. In instances where expenditures may be funded from fund balance (reserves), such funding is from fund balance amounts which exceed any operating reserve requirement. It is the City's practice to use fund balance only to fund one-time items in governmental funds.

Reserve amounts above policy guidelines, may be used on occasion to fund utility budgets. Generally, this is to level rates and avoid rate spikes.

The Capital Budget (Capital Facilities Plan, or CFP) is the estimated amount planned to be expended for capital items in the next six years. Capital items are fixed assets such as facilities and equipment that exceed \$50,000 with a life expectancy greater than five years. The CFP folds into the Operating Budget process and is balanced with anticipated additional revenue or reserves. The capital budget funds one-time items.

Budgets for some special revenue funds and capital project funds are appropriated on a project basis, and the appropriations do not lapse at year-end, but continue until the completion of the project. These budgets are included in this document as referenced in the Introduction and Capital Facilities Projects sections.

Budgets for Proprietary Fund types (i.e., Utilities) are budgeted on a modified accrual basis. The Fiduciary Fund types are divided into two groups: expendable trust and non-expendable trust. The expendable trust funds are depicted on the modified accrual basis in both the budget and annual report.

Budget Amendments

The City Manager is authorized to transfer appropriations within a fund. However, amendments (increases or decreases) to the budget between fund levels require Council action and is done by ordinance. The budget is typically amended quarterly, however it may be amended at any Council business meeting. All budget ordinances require two readings prior to adoption.

The City Council Finance Committee

The Finance Committee is involved year-round in development of the City's budget by reviewing a variety of topics related to City revenues, expenses, programs and services, and how they affect the budget and City operations. After the Finance Committee reviews topics directly related to the budget, the Committee's recommendation is forwarded to the full City Council for their review and discussion, prior to adoption of the budget in December.

In 2017, the Finance Committee was comprised of City Councilmembers:

- Jim Cooper, Committee Chair
- Jeannine Roe
- Jessica Bateman

2018 Budget Calendar of Events

City Manager Presents 2018 Preliminary Operating Budget to Council	October 30
Preliminary Budget Available on Olympiawa.gov	October 31
Council Review of Operating Budget	November 14
Public Hearing on Operating Budget and Capital Budget, Including Olympia School District Impact Fees and Ad Valorem Tax	November 21
Council Review and Discussion of Budget	November 21
First Reading Ad Valorem Tax Ordinance	November 21
Council Review of the Budget (Budget Balancing - Operating and Capital Budgets)	November 28
Final Reading and Passage of Ad Valorem Tax Ordinance	November 28
First Reading on Operating and Capital Budgets	December 12
Second and Final Reading and Adoption of Operating and Capital Budgets	December 19



Ordinance No. 7118

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO BUDGETS, FINANCE, AND SALARIES, AND ADOPTING THE 2018 CALENDAR YEAR BUDGET.

WHEREAS, the tax estimates and budget for the City of Olympia, Washington, for the 2018 calendar year have been prepared and filed as provided by the laws of the State of Washington; and

WHEREAS, the preliminary budget was printed for distribution and notice published in the official paper of the City of Olympia, setting the time and place for hearing on the budget and stating that all taxpayers requesting a copy from the City Clerk would be furnished a copy of the preliminary budget to review; and

WHEREAS, the Olympia City Council held a public hearing on the preliminary budget on November 21, 2017, as required by law, and has considered the public testimony presented;

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

Section 1. 2018 Budget. The budget for the calendar year 2018 is hereby adopted in the amounts and for the purposes as shown below; and the following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the City Treasury hereinafter named.

FUND	APPROPRIATION FUND BALANCE	ESTIMATED REVENUE	APPROPRIATIONS	ADDITIONS TO FUND BALANCE
General, Regular Operations	\$212,571	\$78,184,682	\$78,397,253	\$-
General, Special Sub-Funds				
Special Accounts	75,860	908,813	984,673	-
Development Fee Revenue	-	3,756,900	3,756,900	-
Parking	-	1,560,200	1,296,691	263,509
Post Employment Benefits	399,000	1,133,000	1,532,000	-
Washington Center	5,000	455,976	460,976	-
Municipal Arts	-	55,800	55,800	-
Equip & Facilities Reserve	-	1,511,873	1,149,775	362,098
Total General Fund	692,431	87,567,244	87,634,068	625,607
4th/5th Avenue Corridor Bridge Loan	3	548,035	548,038	-
UTGO Bond Fund–2009 Fire	-	1,195,930	1,191,156	4,774
City Hall Debt Fund–2009	2,272	2,416,446	2,418,718	-
2010 LTGO Bond–Street Projects	-	435,617	435,613	4
L.O.C.A.L. Debt Fund–2010	-	178,282	178,281	1
2010B LTGO Bonds–HOCM	10,290	425,098	435,388	-
2013 LTGO Bond Fund	-	675,275	675,275	-
2016 LTGO Parks BAN	-	125,000	125,000	-
Water Utility O&M	100,760	13,983,920	14,084,680	-
Sewer Utility O&M	3,661	20,254,540	20,258,201	-
Solid Waste Utility	-	12,159,668	12,108,571	51,097
Stormwater Utility	10,870	5,396,612	5,407,482	-
Water/Sewer Bonds	-	2,041,982	2,032,448	9,534
Stormwater Debt Fund	1	123,648	123,649	-
Equipment Rental	-	2,371,022	2,359,540	11,482
TOTALS	\$820,288	\$149,898,319	\$150,016,108	\$702,499

Section 2. Administration. The City Manager shall administer the budget, and in doing so may authorize adjustments within the funds set forth in Section 1 above, to the extent that such adjustments are consistent with the budget approved in Section 1.



Section 3. Salaries and Compensation. The salaries and compensation for the City of Olympia employees for the calendar year 2018 shall be as set forth in the "Supplementary Information" section of the 2018 Adopted Operating Budget document, or as the same may be amended by the City Manager as part of his administration of the budget pursuant to Section 2 above.

Section 4. Benefit Cost Sharing. The City Manager is authorized to modify and establish benefit cost sharing for City employees; and such programs may be based, in part, on an employee's start date with the City.

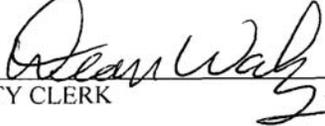
Section 5. Severability. The provisions of this Ordinance are declared separate and severable. If any provision of this Ordinance or its application to any person or circumstances is held invalid, the remainder of this Ordinance or application of the provision to other persons or circumstances shall be unaffected.

Section 6. Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.

Section 7. Effective Date. This Ordinance shall take effect January 1, 2018.



MAYOR

ATTEST:


CITY CLERK

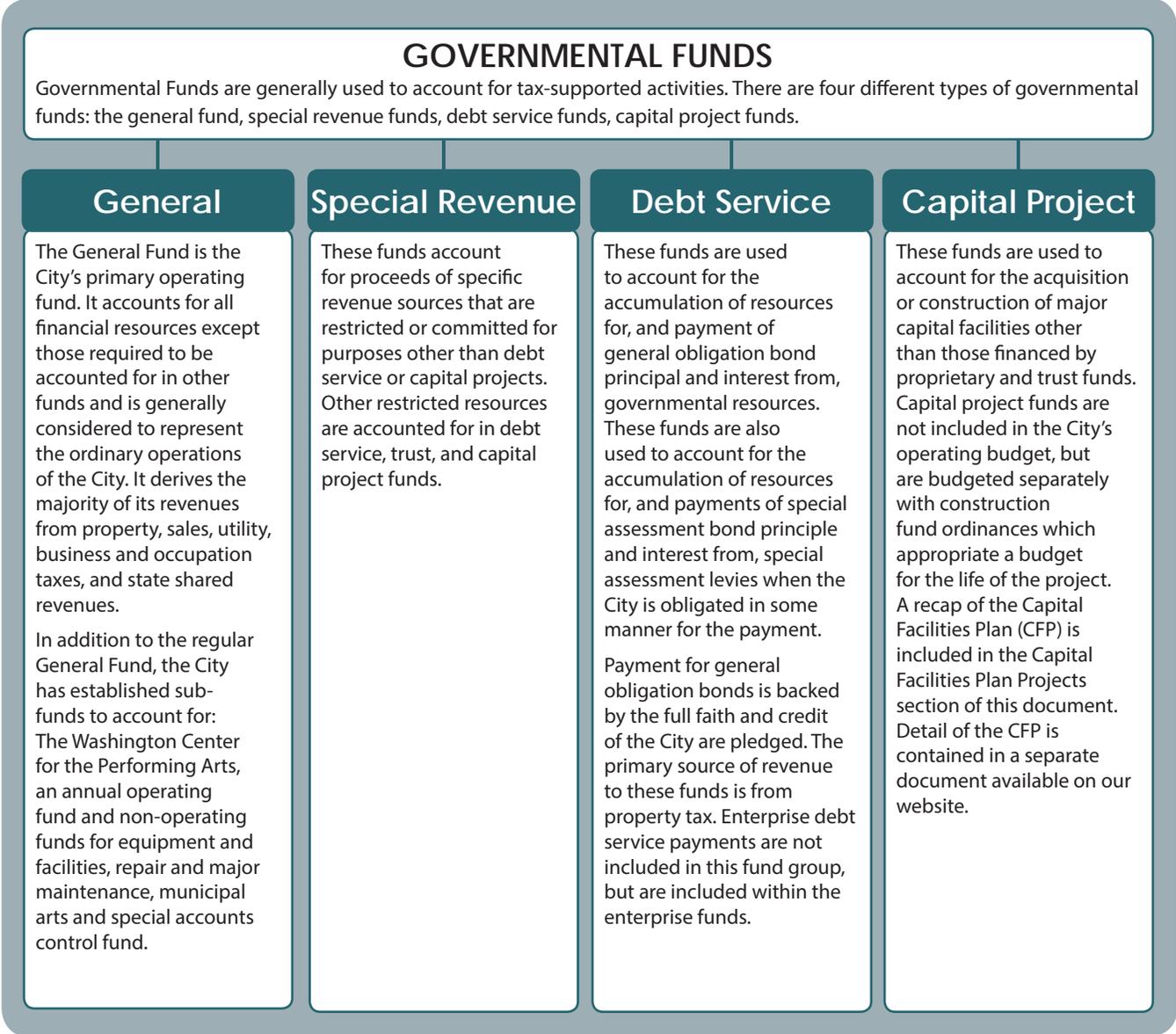
APPROVED AS TO FORM:


CITY ATTORNEY

PASSED: 12/19/2017
APPROVED: 12/19/2017
PUBLISHED: 12/21/2017

Budgeting by Fund

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City uses governmental, proprietary, and fiduciary funds. Each governmental fund, expendable trust, or agency fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Proprietary and similar trust funds use the revenue, expenses, and equity accounts similar to businesses in the private sector.





Budgeting by Fund

PROPRIETARY FUNDS

Proprietary Funds are funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise

The City's enterprise funds account for utility operations, which are self-supported through user charges. The utilities are financed and operated like a private business enterprise which requires periodic determination of revenues earned, expenses incurred, and net income for capital, maintenance, public policy, management control, and accountability. The City of Olympia's enterprise funds include Drinking Water, Wastewater, Stormwater, and Waste ReSources utilities. Capital project budgets are also included in the City's enterprise funds.

Internal Service

Internal Service funds are used to account for the financing of goods or services one department provides to another department and to other governmental units, on a cost reimbursement basis.

The City utilizes four internal service funds:

1. Equipment Rental (Fleet),
2. Unemployment Compensation,
3. Risk Management, and
4. Workers' Compensation.

The **Equipment Rental Fund** provides equipment (primarily vehicles) to the various departments. Charges for equipment cover depreciation, operations, maintenance, and replacement costs.

The **Unemployment Compensation Fund** is used to reimburse the State of Washington Department of Employment Security for unemployment claims filed by employees from the City of Olympia.

The **Risk Management Fund** is used to maintain its own self-insurance, which can be used to pay for risk management items not included in the insurance pool with the Washington Cities Insurance Authority (WCIA).

The **Workers' Compensation Fund** is used to pay for workers' compensation benefits.

Only the Equipment Rental Fund is budgeted on an annual basis. The other funds are Special Funds which are budgeted periodically and are shown in the Introduction section of this budget.

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Trust and Agency

Trust Funds are used to account for assets held in a trustee capacity (Washington Center Endowment, Municipal Court Trust Fund) and LEOFF I OPEB Trust Fund. Agency funds are used to account for assets held as an agent for individuals, private organizations, and other governments. Trust funds are not shown in the operating budget.



Fund Types Budgeted by the City

	BUDGET FREQUENCY	GENERAL SERVICES & ADMIN	COURT	COMMUNITY PLANNING & DEVELOPMENT	FIRE	POLICE	PARKS, ARTS & RECREATION	PUBLIC WORKS	CAPITAL FACILITIES
General Fund									
■ Current Operations	A	X	X	X	X	X	X	X	
Sub Funds									
■ Development Fee Fund	C			X					
■ Facilities Major Repair	C							X	X
■ Municipal Arts	C						X		
■ Parking Fund	C			X				X	X
■ Post Employment Benefits	C				X	X			
■ Special Accounts	C	X		X		X	X	X	
■ Washington Ctr Operations	C	X							
Special Revenue Funds									
■ HUD Fund	C			X					
■ Impact Fees	C						X	X	X
SEPA Mitigation (Streets & Parks)	C						X	X	X
■ Lodging Tax	C	X							
■ Voted Utility Tax	C						X	X	X
Farmers Market Repair	C	X							X
Grant Control Fund	C	X							
Hands On Children's Museum	C	X							
Olympia Metropolitan Park District	C						X		
Parking & Business Improv. Area	C			X					
REET	C							X	
Transportation Benefit District	C							X	X
Debt Service									
4th/5th Avenue Corridor Loans	A*	X							
2006 Parks Bonds	A*	X							
2009 Fire Bonds	A*	X							
2010 Street Project Bonds	A*	X							
City Hall Bonds	A*	X							
Energy Improvement Bonds	A*	X							
Hands On Children's Museum Bonds	A*	X							
LID Obligation Control	N	X						X	
LID Guaranty Fund	N	X							
LTGO Bond Fund, 2013	A*	X							
Parks Bond Anticipation Note	A*	X							
Capital Project Funds									
2013 G.O. Bond Project Fund	C	X					X	X	
■ Capital Improvement Fund	C	X					X	X	X
City Hall Construction	C	X		X		X	X	X	X
Fire Equipment Reserve	C				X				
Enterprise Funds									
Drinking Water - Operations	A							X	
Drinking Water - Capital	C							X	X
Stormwater - Capital	C							X	X
Stormwater - Debt Service Fund	A*							X	
Stormwater - Operations	A							X	
Stormwater SEPA Mitigation	C							X	X
Waste ReSources (Solid Waste)	A							X	
Wastewater - Capital	C							X	X
Wastewater - Operations	A							X	
Water/Sewer Bond Fund	A*							X	
Internal Service Funds									
Equipment Rental - Capital Reserve	C							X	
Equipment Rental - Operations	A							X	
Insurance Trust	C	X	X	X	X	X	X	X	
Unemployment Compensation	C	X	X	X	X	X	X	X	
Workers' Compensation	C	X	X	X	X	X	X	X	
Trust & Agency Funds									
Firemen's Pension	N				X				
Interlocal LERMS	N					X			
Municipal Court Trust Account	N		X						
Washington Center Endowment	C	X							

Key ■ Major Funds A Annual appropriations, lapse at end of year C Continuing appropriations, do not lapse end of year
 N No budget required * Budget not required by law. City elects to include these funds in its annual report.

Basis of Accounting

Basis of Accounting

Budget Basis

The Governmental Fund types (i.e., the General Fund, Washington Center Fund), Enterprise and Internal Service Funds, and active General Obligation Debt Service Funds are budgeted on a modified accrual basis. Briefly, this means that revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City of Olympia considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recorded in the accounts and reported in the financial statements. The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of Generally Accepted Accounting Principles (GAAP). The entity financial statements in the CAFR are prepared on the accrual basis of accounting. The Fund Financial Statements containing the governmental fund types and expendable trust and agency funds use the modified accrual basis of accounting.

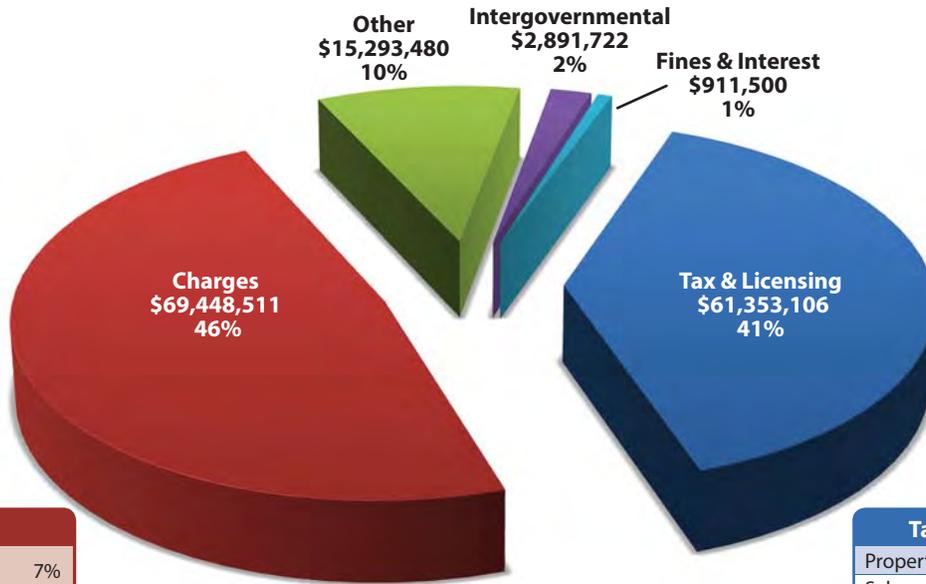
The modified accrual basis differs from the accrual basis in the following ways:

- Purchases of capital assets are considered expenditures.
- Redemptions of long-term debt are considered expenditures when due.
- Revenues are recorded only when they become both measurable and available to finance expenditures of the current period.
- Inventories and prepaid items are reported as expenditures when purchased.
- Interest on long-term debt is recorded as an expenditure when due.
- Accumulated unpaid vacation, sick pay, and other employee benefits are considered expenditures when paid.
- Depreciation is recorded on an accrual basis only and is not budgeted.



Where the Money Comes From - Total Operating Revenues

\$149,898,319

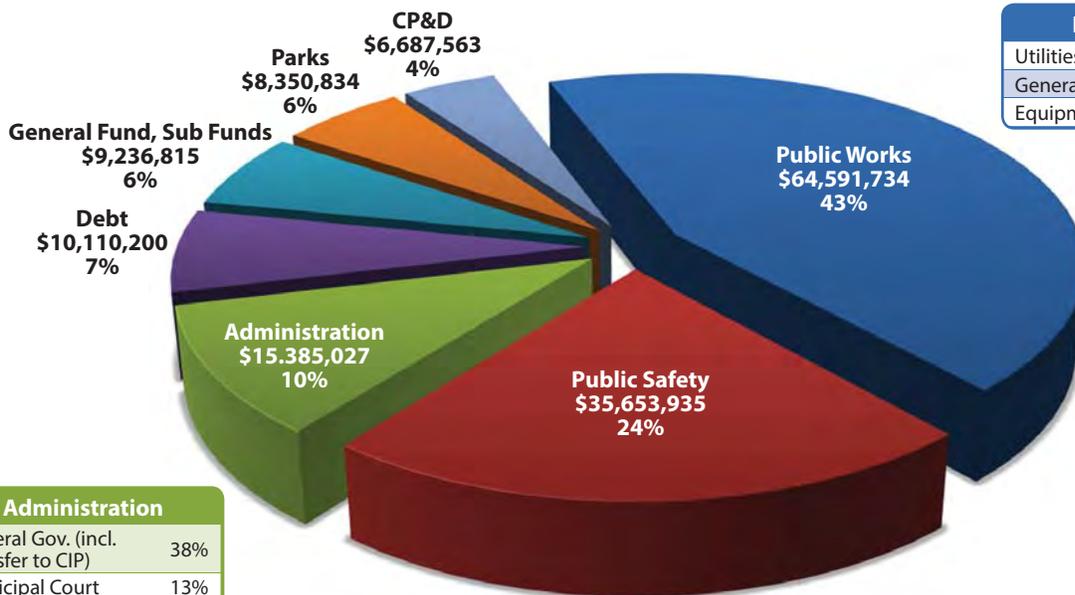


Charges	
Security (Persons & Property)	7%
General Government	13%
Drinking Water	20%
Wastewater	29%
Stormwater	8%
Waste ReSources	17%
Equipment Rental	3%
Other	3%

Tax & Licensing	
Property	30%
Sales	36%
Business	11%
Utility	16%
Other Taxes	<1%
Licenses & Permits	7%

Where the Money Goes - Total Operating Expenditures

\$150,016,108



Public Works	
Utilities	77%
General Fund	19%
Equipment Rental	4%

Administration	
General Gov. (incl. Transfer to CIP)	38%
Municipal Court	13%
Admin. Services	49%

Comparative Summary of Operating Budget Revenues and Expenditures All Operating Funds

REVENUES (BY TYPE)	Actual 2015	Actual 2016	Original Budget 2017	Revised 2017	Budget 2018	% Change 2017 Original to 2018 Budget
Taxes	\$49,619,348	\$51,336,140	\$52,459,434	\$53,941,084	\$57,395,556	9.4%
Licenses & Permits	3,968,147	4,304,936	3,959,680	3,660,352	3,957,550	-0.1%
Intergovernmental	2,898,393	2,900,163	2,767,995	3,600,043	2,891,722	4.5%
Charges for Services	60,428,401	62,605,571	66,819,637	67,160,160	69,448,511	3.9%
Fines & Forfeits	978,691	970,530	961,800	838,342	911,500	-5.2%
Operating Transfers In	8,235,651	10,582,750	10,378,187	14,250,507	11,001,368	6.0%
Other Revenue	6,126,775	4,607,917	5,349,318	4,790,968	4,292,112	-19.8%
Total Revenues	\$133,839,490	\$137,308,007	\$140,865,651	\$148,241,456	\$149,898,319	6.4%
EXPENDITURES (BY FUNCTION)						
General Government	5,717,275	5,087,260	4,745,268	\$5,281,626	\$5,595,763	17.9%
Municipal Court	1,651,919	2,010,100	1,824,976	2,003,569	2,013,831	10.3%
Administrative Services	7,275,456	7,114,453	7,149,045	7,260,184	7,500,433	4.9%
Comm/Planning & Development	4,592,240	6,651,469	6,039,952	6,797,259	6,687,563	10.7%
Fire Department	14,636,638	17,079,171	16,099,085	17,835,245	16,338,687	1.5%
Police Department	14,955,046	15,916,899	15,878,345	16,550,037	19,315,248	21.6%
Parks, Arts & Rec. Department	5,346,731	5,938,203	7,841,090	7,963,475	8,350,834	6.5%
Public Works Department						
General Fund	11,251,262	12,192,380	12,215,976	12,313,111	12,319,894	0.9%
Utilities	42,763,811	46,048,997	48,612,410	49,435,299	49,912,300	2.7%
Equipment Rental	1,577,046	2,138,087	2,322,434	2,322,434	2,359,540	1.6%
Debt Service						
General Obligation	7,074,699	7,122,886	5,998,015	5,998,015	6,007,469	0.2%
Revenue	2,878,630	3,049,043	3,043,653	3,083,653	4,102,731	34.8%
General Fund Contribution to Capital Improvement Funds	1,055,000	1,175,000	275,000	275,000	275,000	0.0%
General Fund - Sub Funds (1)	8,342,744	15,543,618	10,514,029	17,831,714	9,236,815	
Total Expenditures	\$129,118,497	\$147,067,566	\$142,559,278	\$154,950,621	\$150,016,108	5.2%
Net Revenue over / (under) Expenditures	\$4,720,993	(\$9,759,559)	(\$1,693,627)	(\$6,709,165)	(\$117,789)	
(1) Sub-Funds appropriations are for special purposes and in general do not lapse at year end.						



Combining Summary of Operating Budget by Revenue Source and Budget Classification All Operating Funds - 2018 Budget with Comparative Totals for 2017 Budget

REVENUE	General Fund		Debt Service				Drinking Water Utility	Wastewater Utility	Stormwater Utility	Waste ReSources Utility	Equipment Rental	Total Operating Funds	
	Regular Operations	Sub-Funds	G.O. BOND	Revenue Bond								2018	2017
Taxes	\$52,858,976	\$1,111,000	\$3,425,580	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$57,395,556	\$52,459,434
Licenses & Permits	1,043,650	2,913,900	-	-	-	-	-	-	-	-	-	3,957,550	3,952,680
Intergovernmental	2,156,891	-	734,831	-	-	-	-	-	-	-	-	2,891,722	2,767,995
Charges for Services	14,716,819	1,555,000	-	-	13,692,450	20,226,040	5,384,112	11,503,068	2,371,022	-	-	69,448,511	66,819,637
Fines & Penalties	491,500	420,000	-	-	-	-	-	-	-	-	-	911,500	961,800
Operating Transfers In	5,088,277	1,908,189	1,839,272	2,165,630	-	-	-	-	-	-	-	11,001,368	10,378,187
Other Revenue	1,828,569	1,474,473	-	-	291,470	28,500	12,500	656,600	-	-	-	4,292,112	3,525,918
Total Revenues	\$78,184,682	9,382,562	\$5,999,683	\$2,165,630	\$13,983,920	\$20,254,540	\$5,396,612	\$12,159,668	\$2,371,022	\$-	\$-	\$149,898,319	\$140,865,651
EXPENDITURES													
Salaries	\$45,203,290	\$469,926	\$-	\$-	\$2,435,573	\$1,158,300	\$1,510,792	\$2,113,589	\$495,447	\$53,386,917	\$49,771,903	\$53,386,917	\$49,771,903
Personnel Benefits	15,082,025	184,211	-	-	935,932	438,319	511,036	942,360	201,887	18,295,770	17,660,859	18,295,770	17,660,859
Supplies	2,060,200	267,188	-	-	890,811	350,421	152,731	250,863	1,074,172	5,046,386	5,056,893	5,046,386	5,056,893
Other Services & Charges	8,941,338	3,926,898	-	-	1,114,630	394,331	344,126	4,916,331	103,550	19,741,204	19,121,996	19,741,204	19,121,996
Intergovernmental Services	1,374,096	-	-	-	2,229,855	15,462,140	763,547	1,487,666	500	21,317,804	20,627,748	21,317,804	20,627,748
Interfund Payments	4,556,843	1,027,104	-	-	2,084,482	1,090,796	1,188,306	2,384,248	483,984	12,815,763	11,933,918	12,815,763	11,933,918
Capital Outlays	64,500	-	-	-	-	-	-	-	-	64,500	24,500	64,500	24,500
Debt Service - Principal	-	-	2,760,599	1,515,150	1,439,523	96,469	-	-	-	5,811,741	4,759,814	5,811,741	4,759,814
Debt Service - Interest	-	-	3,246,870	640,947	403,307	7,335	-	-	-	4,298,459	4,281,854	4,298,459	4,281,854
Operating Transfers Out	1,114,961	3,361,488	-	-	2,550,567	1,260,090	936,944	13,514	-	9,237,564	9,319,793	9,237,564	9,319,793
Total Expenditures	\$78,397,253	\$9,236,815	\$6,007,469	\$2,156,097	\$14,084,680	\$20,258,201	\$5,407,482	\$12,108,571	\$2,359,540	\$150,016,108	\$142,559,278	\$150,016,108	\$142,559,278
Net Gain or (Use) of Fund Equity from Operations	(212,571)	145,747	(7,786)	9,533	(100,760)	(3,661)	(10,870)	51,097	11,482	(117,789)	(1,693,627)	(117,789)	(1,693,627)
Estimated Fund Equity Available for Appropriations January 1.	9,342,945	11,616,363	65,459	24,789	6,243,678	3,020,069	1,492,435	1,887,471	328,090				
Fund Equity Available Before Reserve Requirement	9,130,374	11,762,110	57,673	34,322	6,142,918	3,016,408	1,481,565	1,938,568	339,572				
Less, Reserve Requirement	(7,640,355)	not required	not required	not required	(3,495,980)	(693,010)	(539,660)	(1,215,970)	(474,200)				
Non-Spendable & Restricted Resources	(255,999)	(2,321,248)	(57,673)										
Committed	(628,234)	(4,025,995)	-										
Estimated Assignments	(605,786)	(5,414,867)	-										
Estimated Fund Equity Available for Appropriations After Reserve	\$-	\$-	\$-	\$34,322	\$2,646,938	\$2,323,398	\$941,905	\$722,598	\$(134,628)				
Reserve Requirement as % of Revenue	*10%	not required	not required	not required	25%	**10%	10%	10%	20%				

* General Fund regular operations. 10% of revenue less Olympia Metro Parks District reimbursement revenue.
 **Wastewater 10% reserve excludes revenues paid to LOTT for sewage treatment.

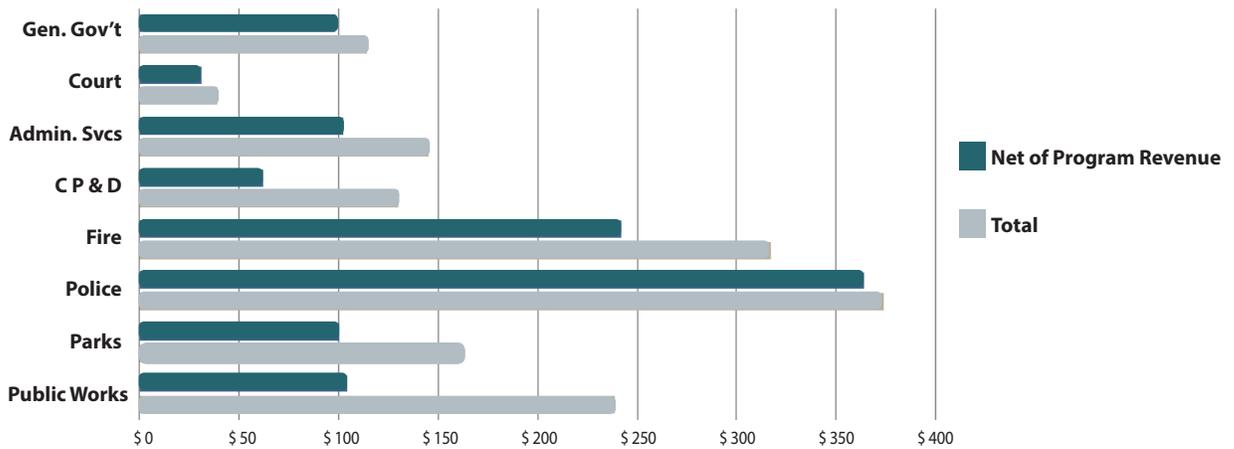
Significant use of fund equity in 2018:
 General Fund Sub-Funds: This represents funds received which were previously not budgeted, see General Fund Sub-Fund detail page 21.
 These appropriations are generally not annual operating in nature.



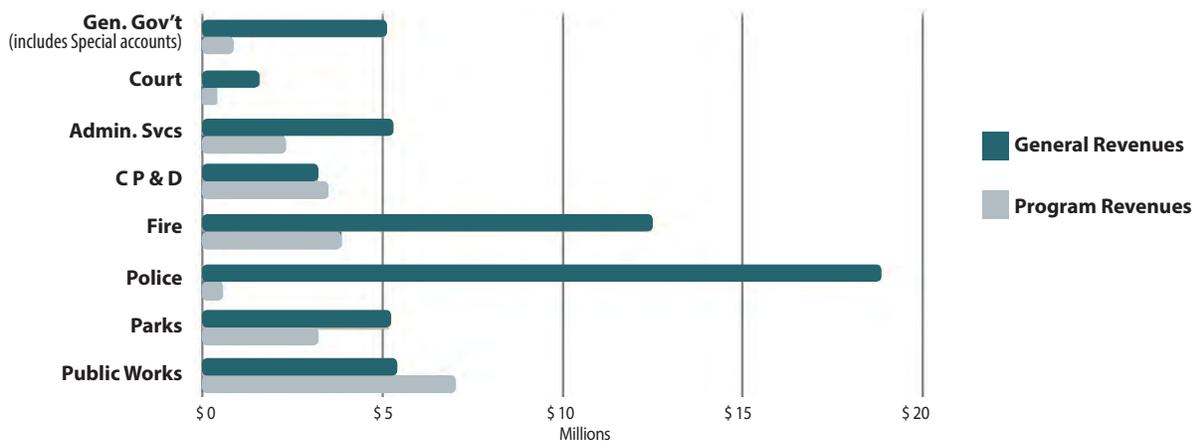
Combining Summary of Expenditures by Budget Classification General Fund by Department - 2018 Budget with Comparative Totals for 2017 Budget

EXPENDITURES	General Government	Municipal Court	Special Accounts	Admin. Services	Community Planning & Develop.	Fire	Police	Parks, Arts & Recreation	Public Works	Total Operating Funds 2018	Total Operating Funds 2017
Salaries	\$ 2,342,527	\$1,214,177	\$77,176	\$4,135,980	\$3,884,090	\$11,432,761	\$11,757,251	\$4,434,150	\$5,925,178	\$45,203,290	\$41,821,046
Personnel Benefits	767,946	499,533	27,438	1,514,445	1,334,821	3,255,668	3,567,408	1,741,142	2,373,624	15,082,025	14,229,164
Supplies	36,531	20,095	0	73,098	88,012	637,079	379,491	280,343	545,551	2,060,200	2,031,081
Other Services & Charges	597,492	213,181	415,355	1,635,556	694,284	568,814	1,853,297	1,182,287	1,781,072	8,941,338	7,579,411
Intergovernmental Services	-	1,674	560,962	-	105,780	7,410	629,200	50,780	18,290	1,374,096	1,315,877
Interfund Payments	79,795	65,171	60,259	141,354	576,514	436,955	1,088,601	635,602	1,472,592	4,556,843	4,027,598
Capital Outlays	-	-	-	-	-	-	40,000	24,500	-	64,500	24,500
Operating Transfers Out	-	-	905,282	-	4,062	-	-	2,030	203,587	1,114,961	1,040,060
Total Expenditures	\$3,824,291	\$2,013,831	\$2,046,472	\$7,500,433	\$6,687,563	\$16,338,687	\$19,315,248	\$8,350,834	\$12,319,894	\$78,397,253	\$72,068,737
Program Revenues	807,144	402,429	0	2,241,529	3,469,319	3,868,053	520,120	3,174,642	6,966,865	21,450,101	20,368,590
Support from General Revenues	3,017,147	1,611,402	2,046,472	5,258,904	3,218,244	12,470,634	18,795,128	5,176,192	5,353,029	56,947,152	51,700,147
Cost per Capita:											
Total	\$114	\$39	(with Gen Gov)	\$145	\$130	\$317	\$374	\$162	\$239	\$1,520	\$1,397
Support from General Revenues	\$98	\$31	(with Gen Gov)	\$102	\$62	\$242	\$364	\$100	\$104	\$1,103	\$1,001

Cost per Capita by Department



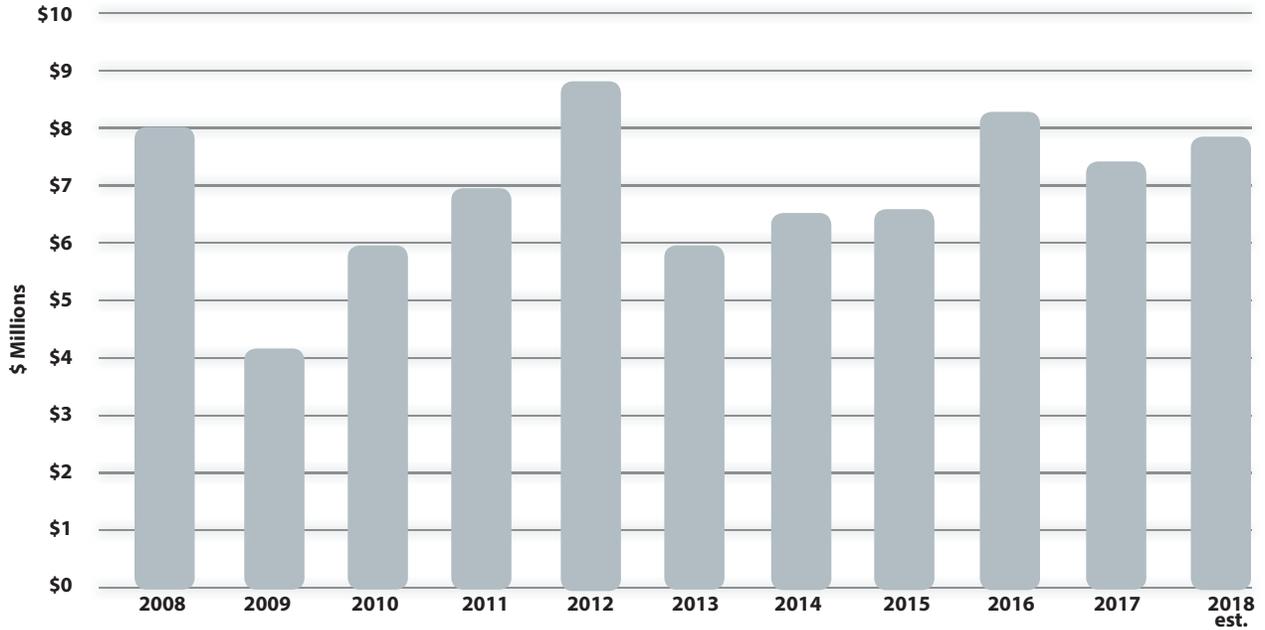
2018 Program Revenue vs. General Revenue Support



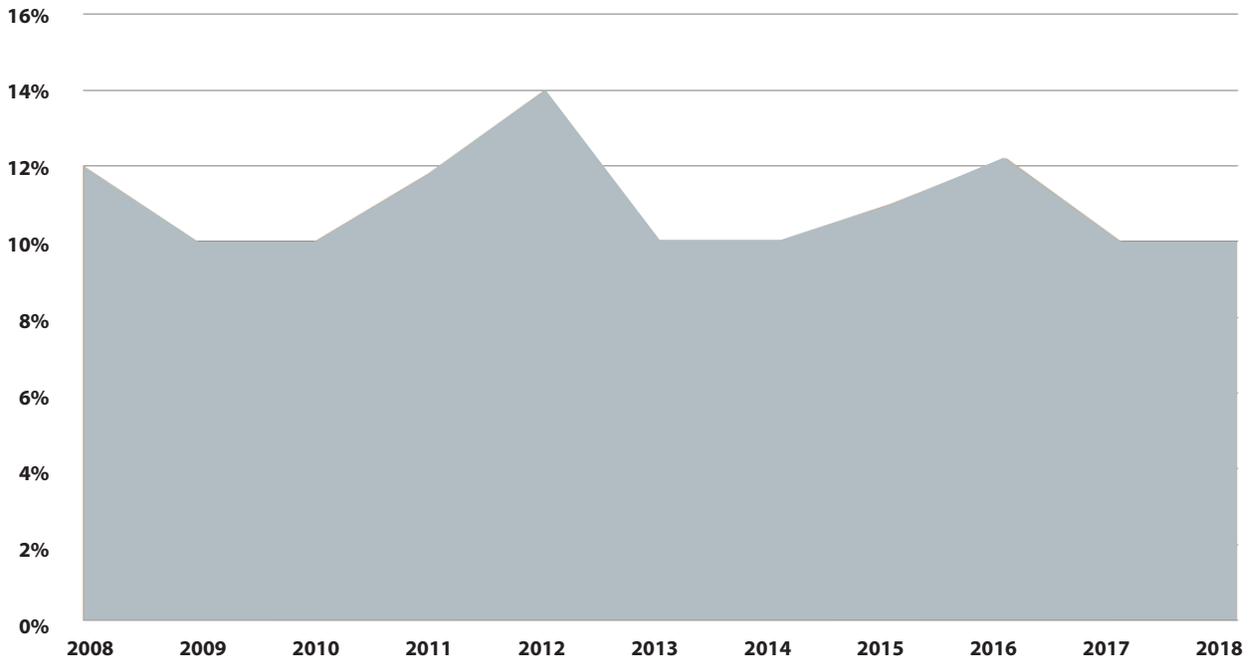


General Fund Balance as of January 1, 2018

Fund Balance: The difference between assets and liabilities. The City Council adopted a policy to maintain a minimum of 10% of the operating revenues as fund balance. Any excess above the 10% may be spent with Council approval.



General Fund Balance as a Percentage of Operating Revenues





General Fund - Sub Funds

The Governmental Accounting Standards Board (GASB), Statement 54, re-defined what funds qualify as Special Revenue Funds. The funds below were previously accounted for as Special Revenue Funds. For financial reporting purposes, these funds are now reported as part of the General Fund. The City continues to account for these activities separately from the regular General Fund operations. For budget purposes, these Sub-Funds are presented separately from the regular operations of the General Fund. The Washington Center for the Performing Arts Sub-Fund is appropriated on an annual basis and its appropriations lapse at year end. The remaining Sub-Funds are project in nature and their appropriations do not lapse at year end.

	Budget Balance December 31, 2017	2018 Budget		
		Expenses	Revenue	Fund Equity Use/ (Gain)
Special Accounts -- See Below for Detail	\$2,549,741	\$984,673	\$908,813	\$75,860
Development Fee Revenue	14,792	3,756,900	3,756,900	-
Parking Fund	377,429	1,296,691	1,560,200	(263,509)
Post Employment Benefits, LEOFF 1 retirees	1,892,745	1,532,000	1,133,000	399,000
Washington Center	12,435	460,976	455,976	5,000
Municipal Arts Fund	512,540	55,800	55,800	-
Equipment and Facilities Replacement Fund	2,629,249	1,149,775	1,511,873	(362,098)
	\$7,988,931	\$9,236,815	\$9,382,562	\$(145,747)
Special Accounts Control Fund: Detail				
Shared Leave	\$76,645	\$-	\$-	\$-
GHB Building Rentals	90,626	-	-	-
Public Education and Government/Access Television	437,644	388,210	378,000	10,210
Health and Wellness Programs	(660)	51,505	40,000	11,505
Technology Plan Implementation and PC and PI Network Equipment	1,434,098	412,781	390,000	22,781
Building Demolition and Nuisance Abatement	64,954	4,422		4,422
Tree Account	(544)	-	-	-
Historic Preservation	2,149	-	-	-
Low Income Housing	112,938	107,626	50,000	57,626
Rental Rehabilitation	307,399	22,129	30,000	(7,871)
Seizure and Forfeiture	14,843	-	-	-
Firing Range	3,096	-	-	-
School Resource	1,859	-	-	-
Recreation Scholarship	1,908	-	500	(500)
Arts Program	2,786	-	-	325
Aerial Mapping	-	-	20,313	(20,313)
Total Special Account Control Fund	\$2,549,741	\$986,673	\$908,813	\$78,185



Special Funds - Non-Operating, PBI, Capital Purpose Funds

The City has established several Special Purpose Accounts and Funds which are not included in the operating budget. Appropriations of these accounts and funds do not lapse at year end, but continue. The following schedule indicates the unexpended budget and 2017 additions to the Special Purpose Funds.

Special Funds: Non-Operating	Budget Balance	2018 Budget		
	December 31, 2017	Expenses	Revenue	Fund Equity Use/ (Gain)
HUD Fund	\$200,542	\$274,040	\$484,441	\$(210,401)
Lodging Tax Fund -- see details separate schedule	\$9,643	\$800,000	\$773,527	\$26,473
Parking and Business Improvement Area	\$13,542	\$110,000	\$115,000	\$(5,000)
Farmers Market Repair and Replacement Fund	\$1,000	\$-	\$-	\$-
Hands On Children's Museum	\$4,311	\$439,998	\$500,000	\$(60,002)
Fire Equipment Replacement Fund	\$-	\$590,016	\$530,000	\$60,016
Equipment Rental Replacement Reserve Fund	\$1,004,405	\$1,302,000	\$1,768,077	\$(466,077)
Unemployment Compensation Fund	\$640,207	\$68,200	\$93,900	\$(25,700)
Insurance Trust (Risk Management) Fund	\$170,708	\$1,837,066	\$1,841,070	\$(4,004)
Workers' Compensation Fund	\$2,428,367	\$1,605,000	\$1,546,000	\$59,000
Washington Center Endowment Fund	\$236,895	\$11,500	\$11,500	\$-

P.B.I.A (Parking and Business Improvement Area)	2017 Budget	2018 Budget
Administration	\$5,000	\$4,300
Clean and Safe	\$65,500	\$50,200
Ambassador Program support		
Painting		
Downtown Clean-up Events		
Clean and Safe projects		
Alley Flushing		
Streetscape Beautification	\$18,000	\$20,000
Flower Baskets		
Watering Floor Baskets		
Marketing	\$19,500	\$31,500
Advertising		
Holiday Support		
Hanging Flower Baskets		
Contingency	2,000	4,000
Unallocated		
	\$110,000	\$110,000

Capital Purpose Funds	Budget Balance Dec. 31, 2017	2018 Additions
Capital Activity Funds:		
Capital Improvement Fund (see below for funding)	\$ 29,024,265	\$ 13,757,153
Water Capital Improvement Fund **	21,935,734	551,000
Sewer Capital Improvement Fund **	6,997,929	1,957,000
Storm Water Capital Improvement Fund **	6,803,056	1,924,700
	\$ 64,760,984	\$ 18,189,853
Capital Improvement Fund Funding:		
Other Funds Providing Funding to the Capital Improvement Fund:		
General Fund, sharing of gas tax		275,000
General Fund, general support to CFP		445,000
Impact Fees Fund		3,610,353
SEPA Mitigation Fees Fund		23,800
Voted Utility Tax Fund		2,780,000
Stormwater Utility		150,000
Transportation Benefit District (TBD) Fund		1,500,000
Olympia Metropolitan Parks District		1,608,000
Real Estate Excise Tax Fund		1,200,000
Grants		-
Utility Tax, non-cable		1,000,000
Utility Tax, cable		1,130,000
Other sources		35,000
Fund Balance		-
		\$ 13,757,153

**Utility capital improvements are funded by utility rate revenues and development fees.



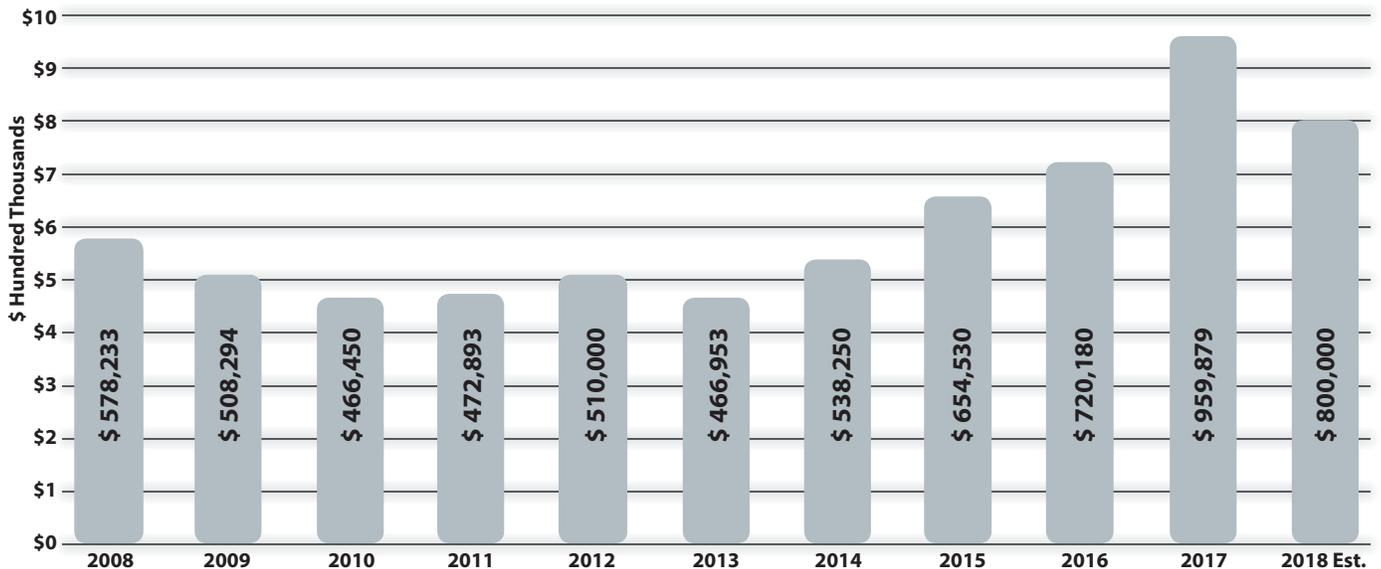
Lodging Tax Fund

The Lodging Tax is an excise, or sales tax authorized by State law in RCW 67.28 for Public Stadium, Convention, Arts and Tourism Facilities. In the City of Olympia, the total tax on lodging is 10.4%. Only a portion of the 10.4% comes to the City of Olympia. Olympia's share is equal to a 4% tax, with 2% allocated to The Washington Center for the Performing Arts. Per RCW 67.28.1815, the Lodging Tax can only be used for specific purposes:

- Tourism promotion
- Acquisition of tourism-related facilities
- Operation of tourism-related facilities, events and festivals

Recipients of Lodging Tax Fund	2017 Actual	2018 Budget
Current Projection to be Distributed	N/A	N/A
Arbutus Folk School	\$-	\$15,000
Big Brother Big Sister	7,000	5,000
Capital Lakefair	-	-
Capital Recovery Center	-	-
Dixieland Jazz Society	25,000	37,500
Hands On Children's Museum	51,500	52,550
Harbor Days	20,000	35,000
Olympia Downtown Association	25,000	13,450
Olympia Film Society	6,000	15,000
Olympia/Thurston, Visitor and Convention Bureau	100,000	100,000
Olympic Flight Museum	-	6,000
PARC Foundation	10,000	-
Parrot Heads of Puget Sound	11,500	18,500
St. Martin's Dragon Boat Festival	6,000	6,000
Senior Games	20,000	20,000
Washington Center Support	344,100	444,527
Wolf Haven	5,000	5,000
	\$631,100	\$773,527

Lodging Tax Collections



The difference between what is allocated to programs and what is collected remains in the account balance.

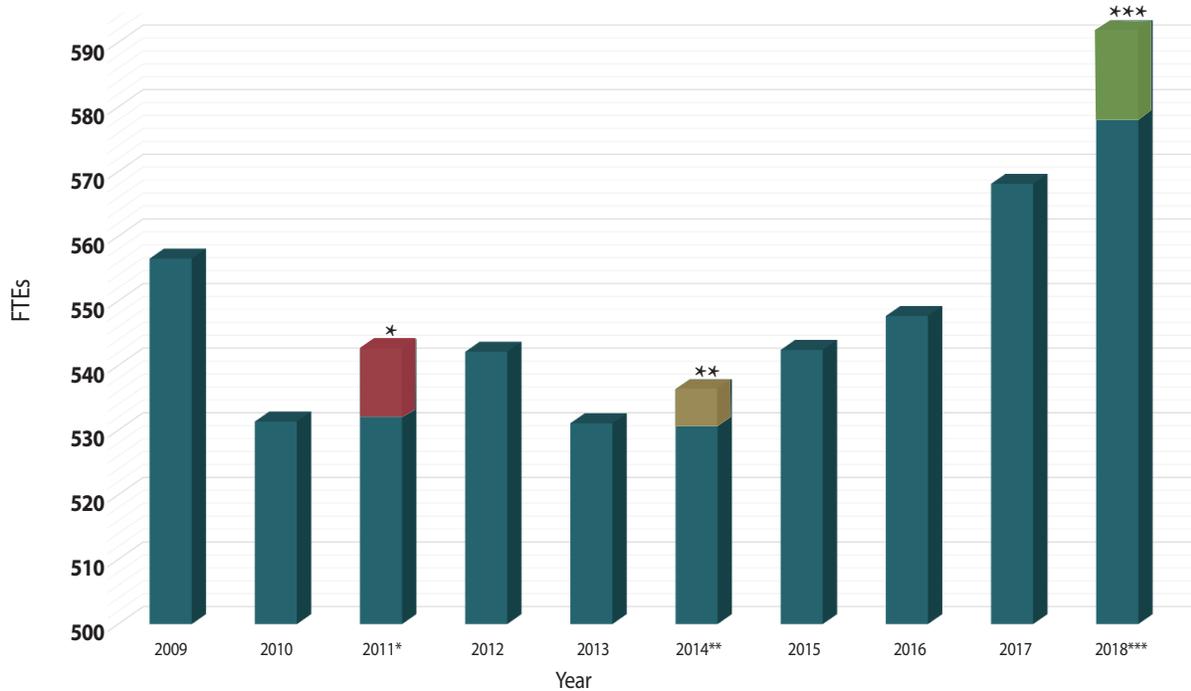


Staffing Summary - All Departments

	2016	2017	2018	FTE Change
General Government				
Legislative Services	7.00	7.00	7.00	-
Executive Services	8.00	8.00	8.00	-
Human Resources	4.25	5.25	5.25	-
Legal Department	8.60	9.00	9.00	-
Total General Government	27.85	29.25	29.25	-
Municipal Court				
Court Services	9.00	9.00	9.60	0.60
Probation Services/Day Reporting Center	6.25	6.25	6.25	-
Total Municipal Court	15.25	15.25	15.85	0.60
Administrative Services				
Clerk Services	4.00	1.50	2.00	0.50
Indigent Defense	0.50	0.65	1.40	0.75
Fiscal Services	19.00	19.00	19.00	-
Information Technology Services	20.00	22.00	22.00	-
Records	4.00	3.50	3.50	-
Total Administrative Services	47.50	46.65	47.90	1.25
Community Planning and Development				
Administration/Parking Services	19.56	19.56	20.56	1.00
Community Planning Services	17.75	18.75	18.75	-
Development Permit Services	11.25	11.25	12.25	1.00
Economic Development	2.00	2.00	9.00	7.00
Total Community Planning and Development	50.56	51.56	60.56	9.00
Fire Department				
Administration	8.25	8.40	8.40	-
Fire/EMS Operations and Training	84.00	91.00	91.00	-
Fire Prevention	5.00	5.00	5.00	-
Total Fire Department	97.25	104.40	104.40	-
Police Department				
Police Operations	83.50	82.50	81.50	(1.00)
Police Administration	15.00	16.00	29.00	13.00
Total Police Department	98.50	98.50	110.50	12.00
Parks, Arts & Recreation				
Administration	3.00	3.00	3.00	-
Facility Operations	9.15	9.65	10.05	0.40
Recreation	7.62	8.52	8.52	-
Arts and Events	1.25	1.75	1.75	-
Parks Maintenance	18.25	25.75	25.75	-
Parks Planning and Design	3.75	4.50	4.50	-
Total Parks, Arts & Recreation	43.02	53.17	53.57	0.40
Public Works				
Director's Office & General Services	6.00	6.00	5.50	(0.50)
Facilities Operations	8.00	8.50	8.50	-
Fleet Operations	5.75	5.60	5.60	-
Engineering	28.00	28.00	28.00	-
Transportation	29.00	29.00	30.00	1.00
Water Resources	63.00	63.00	63.00	-
Waste ReSources	28.00	29.00	29.00	-
Total Public Works	167.75	169.10	169.60	0.50
Total FTEs	547.68	567.88	591.63	23.75
Note: This table includes full-time and part-time employees. Each program section includes a detailed listing of its program staffing. In addition, the City's salary schedule is included in the Supplementary Information section.				



City Employee Full Time Equivalents (FTE)

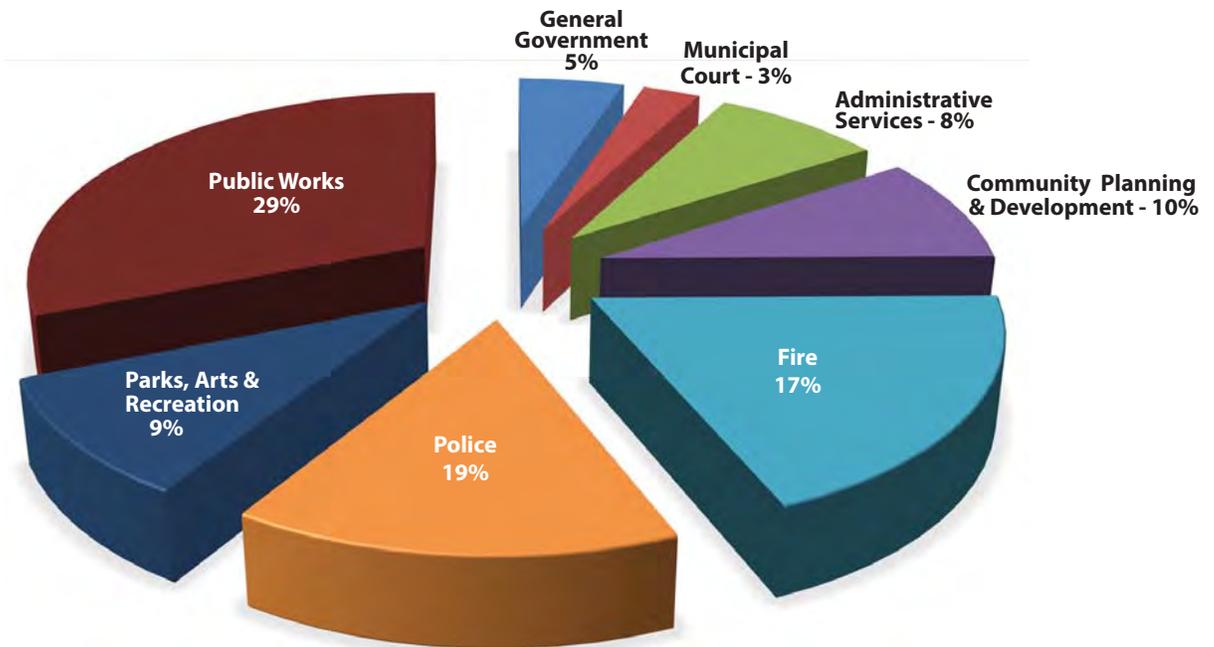


* In 2011—Thirteen FTEs were added to staff and operate a fourth fire station. Funded by a levy lid lift.

** In 2014—Five FTEs were added to the Police department. Funded by the public safety sales tax

*** In 2018—12 FTEs were added to the Police department. Funded by the public safety levy

2018 Personnel Complement by Department



For a breakdown of each department please see individual department pages.





Policy and Guidelines





2018 City Priorities

At its January 2018 Retreat, the Council established the following priorities.



Community, Safety, and Health

- Inclusive, Respectful, Civic Participation
- A Safe and Prepared Community
- Health and Wellness
- A Quality Education
- Adequate Food and Shelter



Environment

- Clean Water and Air
- A Daily Connection to Nature
- A Toxin-Free Community
- A Waste-Free Culture
- Preserved, Quality Natural Areas



Downtown

- A Safe and Welcoming Downtown For All
- A Mix of Urban Housing Options
- A Variety of Businesses
- Connections to Our Cultural and Historic Fabric
- Engaged Arts and Entertainment Experiences
- A Vibrant, Attractive Urban Destination



Neighborhoods

- Distinctive Places and Gathering Spaces
- Neighborhoods are Engaged in Community Decision Making
- Safe and Welcoming Places to Live
- Nearby Goods and Services



Economy

- Abundant Local Products and Services
- A Thriving Arts and Entertainment Industry
- Sustainable Quality Infrastructure
- A Stable, Thriving Economy



Long Term Financial Strategy (LTFS) - Key Financial Principles

- Make Trade-Offs
- Do It Well
- Focus Programs on Olympia Residents and Businesses
- Preserve Physical Infrastructure
- Use Unexpected One-Time Revenues for One-Time Costs or Reserves
- Invest in Employees
- Pursue Innovative Approaches to Service Delivery
- Contract In/Contract Out
- Maintain Capacity to Respond to Emerging Community Needs
- Pursue Entrepreneurial Initiatives
- Address Unfunded Liabilities
- Selectively Recover Costs
- Recognize the Connection Between the Operating Budget and the Capital Budget

Long Term Financial Strategy - Guidelines

What Should the City Do in the Following Year's Budget When the Financial Forecast is Positive?

- Assess the situation
- Maintain adequate reserves
- Use one-time revenues only for one-time expenses
- Use recurring revenues for recurring costs or for one-time expenses
- Stay faithful to City goals over the long run
- Think carefully when considering revenue cuts
- Think long-term

What Should the City Do Every Year, Whether the Financial Forecast is Positive or Negative?

- Increase operating cost recovery
- Pursue cost sharing

What Should the City Do in the Following Year's Budget When the Financial Forecast is Negative?

- Assess the situation
- Use reserves sparingly
- Reduce services
- Continue to think carefully when considering tax increases

What Should the Council Consider Before Increasing Taxes?

- Will the increase result in programs or services that will have a quantifiable public benefit?
- Is the tax source related and connected to the services that are to be supported by the new revenue?
- Is the increase fully justifiable in terms of need?
- Has every effort to educate citizens about the tax been taken in advance of the increase?
- Are the services that are intended to be supported by the new revenue supportable into the foreseeable future?

What Should the Council Consider Before Asking Residents to Increase Taxes?

- Have efforts to educate residents about the tax been made?
- Has there been ample time for residents to debate and discuss the issue?
- Has the council taken the time to listen to residents' concerns?
- Do our residents understand what the results will be following implementation of the new tax?

Revised 2015



The City's Performance Measurement Program

Performance measurement provides the City of Olympia with factual evidence of what is actually happening within a line of business (LOB) or program so decisions can be made based on facts. It is valuable to compare our results year after year to see if improvements are being made. Prior to development of our *Tracking for Success* program, success or failure was measured in subjective terms. Implementation of our *Tracking for Success* program clearly communicates to our citizens a more objective measurement of success and provides a more effective decision making process in our operations. The City Council and Executive Leadership Team, along with our employees, are enthusiastic about the increased awareness of performance measurement, the ability to focus on results, and to increase understanding of the factors that shape greater performance.

Performance measures are listed by Line of Business or programs in each departmental section of this budget and include targets, trend data and for most measures, a supplementing narrative. The following is an example from the Fire EMS Operations and Training line of business within our Fire Department:

Key Result Measures - Fire/EMS Operations	Target or Goal	FY 14 Actual	FY 15 Actual	FY 16 Budget
% Fire Responses in 6 Minutes*	90%	51%	48%	50%
% Medical (Basic Life Support) Responses in 6 Minutes*	90%	62%	62%	63%
% Medical (Advanced Life Support) Responses in 9 Minutes	90%	97%	97%	97%
% Full Deployment on Structure Fires within 10 Minutes	90%	15%	76%	76%
* Response times are the standard adopted by City Council and standard for the industry.				

Key Result Measures

Each LOB or program develops their own Key Result Measures to ensure their related value to their LOB or program, as well as operational value to their Department, the City, and the broader community.

Measures will change over time throughout the departments - community and operational needs, as well as strategies will change, therefore the measurement system must remain flexible. Some departments may start with the use of outcome measures, and over time, as managers gain more experience with performance measurement, they may use more meaningful measures (e.g., Percent of measure result).

Target

Targets provide a standard against which to compare actual results. LOB and program managers and supervisors are usually better able to identify targets as they are often close enough to the front line action to know the work and how to impact it. Targets are sometimes set by comparing performance to professional standards or experience of other organizations closely related to determine if our performance is better or worse. This encourages the search for improved methods of providing service by asking what the highest performing organizations are doing that we can learn from.

Data and Analysis

We keep our performance data simple; historical trending. We line up our data over a number of years to determine if the results are going in the right direction. Although the charts in this budget document only reflect a three-year trend, we maintain data for successive periods that allows us to effectively monitor and make improvements in each performance area.

It is important that each Line of Business and program is able to analyze their own data to be able to use it for day-to-day management of the City's operations.

Performance measurement analysis does not always lead to cost savings; sometimes it only suggests where costs savings might be found. Sometimes it is a measure of bigger picture community conditions, resulting in conversations about which programs and services to provide, instead of how best to perform the services already in existence.

Performance Measurement for Decision Making

Key Result Performance Areas identified as needing additional resources to meet target levels are further discussed in the narrative sections of each departmental section of this budget for each LOB and program. These are presented to the City Council for their consideration in allocating resources when adopting the City's Operating Budget each year.

Next Steps

- Next steps for the City in its *Tracking for Success* program:
- Include Measures that Reflect City Council Strategic Priorities
 - Provide Information on Performance Measure Action Plans
 - Get Additional Staff Involved
 - Report Out to Community

2017 Citywide Achievements

The following achievements align with the City's Action Plan goals and contributed to development of the City's 2018 Operating Budget:



Community, Safety and Health

- Olympia Fire Department developed and implemented a pilot program of care coordination. The OFD Care Coordinator reaches out to frequent 9-1-1 callers to assist them in connecting with non-emergency, community resources to enabling them to be more independent and potentially lessen their calls to 9-1-1 for non-emergency assistance. Early results of the program are promising; some frequent callers are making less unnecessary calls to 9-1-1.
- Developed new/updated policies on edibles in parks, gate hours, de-escalation, park donations, uniforms, trespassing of individuals, and encampment cleanup.
- Implemented Crime Prevention through Environmental Design (CPTED) projects at Percival Landing, Seven Oars, Sunrise, Olympia Woodland Trail, Madison Scenic, and Friendly Grove
- Developed public safety ballot measure to obtain needed revenue for OPD walking patrol
- Police engaged with over 100 community groups in formal meetings, at celebrations, and in community events
- Participated in many charity events, including the Special Olympics Torch run, the Race for Inclusion, and Holiday Shopping with the non-profit organization "Cops & Kids." The crowning achievement of the year was the collection of over 18,000 diapers for No Child Wet Behind.
- Supported the Council's Ad Hoc Committee on Housing Affordability's consideration of funding and other issues related to addressing homelessness and affordable housing.
- Completed a Fair Housing Assessment report jointly with Thurston County.
- Conducted a review of the regulatory environment related to "Missing Middle Housing" types to encourage a greater variety of housing types through Olympia.
- Training in the area of flood damage prevention for plans examiners and inspectors.
- Training for post disaster emergency response for staff, working towards all staff inspectors possessing the Washington Building Officials Emergency Responder Certification.



Downtown

- Adopted the Downtown Strategy and started implementation, including updating design guidelines and environmental review process.
- Completing an update of the City's Parking Strategy and beginning implementation – this multiyear strategy includes strategies to bring efficiencies to downtown parking users.
- Olympia Fire Department began response of a downtown aid unit using federal grant funding to respond to calls for medical aid, provide emergency medical intervention and collect data to better understand the current medical needs of the downtown community.
- Police worked closely with Community Care Center to ensure it is successful in serving our vulnerable population.
- Completed several construction projects – 24-hour restroom in the Artesian Commons, 7th & Water Street Stormwater Improvements, 4th Ave Bridge coating, and replacing the HVAC at the Washington Center for Performing Arts



Economy

- Implemented SmartGov, a new land use/building/engineering permitting and payment system that includes an on-line portal for submitting and paying for permits, giving customers a more convenient way to do business with us.
- Adapted land use review processes to work with new SmartGov software, increasing efficiency and transparency.
- Offered an 8-week "Tune Up" small business training program to help business be successful and more efficient, increasing their success in our economy.

2017 Citywide Achievements

- Retention and expansion of numerous local businesses, significant investment and growth by the health care and senior services industries in Olympia and coordination on several key projects impacting commerce in Olympia, contributing to the economic health and development of the City and long-term sustainable revenue.
- Updating the City's sign regulations to provide more predictability and clarity for customers installing signs for their businesses.
- Expanded Transportation Benefit District Funding to better meet street repair needs
- Completed a Transportation Master Plan scope of work



Environment

- Adopted a Community Renewal Area plan for the former Griswold's site and made significant progress on a purchase and sale agreement to redevelop this property.
- Completion of a Street Tree Master Plan for downtown and other major streets.
- Implemented low impact development code updates.
- Implemented Recycling Pilot Program at Yauger Park
- Expanded work efforts to retrofit existing arterial streets with water quality treatment technologies



Neighborhoods

- Completion of the Northeast Olympia Subarea Plan and initiating Eastside Subarea Plan.
- Conducted an evaluation of the Neighborhood Pathways Program with the program participants and the Bicycle and Pedestrian Advisory Committee
- Installed 10 new Traffic Box Wraps on the Eastside bringing the total to 30.

2017 Department Operational Efficiencies

The City of Olympia strives to identify and implement new approaches to cost-cutting by rethinking the nature of how we provide services and do business. We take pride in addressing redundancy, mitigating costs that continue to rise, investing in technological or structural efficiencies, and a spirited enthusiasm to make things better. We are not satisfied with business as usual and continually rethink our services from the ground up. Below is a highlight of some of the improvements made by Departments in 2017.

Administrative Services

- Eliminated nearly 5 million emails in compliance with public records regulations resulting in increased response times to records requests.
- Expanding use of electronic signatures eliminating the need to print, sign, scan, and re-email documents.
- Upgraded all City computers to Windows 10 and Office 2016 which improved security and allowed better integration with existing business applications.
- Performed a major upgrade to the City's security camera infrastructure and added five new cameras

Community Planning and Development

- Made policy decision to stop microfilming for permanent records retention and began a project to digitize historic microfilm land records to make them digitally available to the public.
- Completed a LEAN process improvement around development project bonds processing to make the process more convenient and clear for customers and gaining staff efficiencies in processing times.
- Implementation of SmartGov building software and mobile inspection app so that Inspectors and Code Enforcement Officers can result inspections in the field with iPads, gaining efficiency and quicker feedback for customers.
- On track to implement a new cloud-based online parking management system and additional technologies including license plate recognition (LPR) and pay-by-phone to increase customer service and staff efficiencies.



2017 Department Operational Efficiencies

Fire

- Olympia Fire Department, Olympia Public Works and Olympia Information Technology collaborated on installing a new fire station alerting system to the main fire station replacing an aging and failing system. The new system is faster and more reliable with the potential of shortening reaction times for the firefighters responding to 9-1-1 calls.

Police

- Worked with the Center for Court innovation to update the Community Court policies and procedures to comply with federal grant requirements and to reflect recent changes in the ever growing and evolving social justice program
- Modified Graffiti, Assault, Harassment, and Violation of Protective Orders so as to increase their enforceability and work in conjunction with state laws.
- Modified criminal law ordinances for a safer community
- Established a police legal advisor role

Public Works

- Conducted LEAN process improvement to construction documentation and reduced number of labor hours needed by 2,260 hours – a \$282,000 savings to Capital Projects
- Public Works partnered with IT to launch OlyConnects. Since November of 2016, 14% of Public Works' service requests were entered through the City's website
- 52% reduction in the number of accident claims and 83% reduction in the cost of claims.
- Replaced 4,370 lamps in City building with LED technology saving an estimated \$22,000 in energy costs.
- Earned and saved \$64,000 through energy conservation efforts in the first two years of PSE's Resource Conservation Management Program.
- Implemented a software to track and manage sidewalk repairs.
- More than 40 alleys re-graded to date, compared to 20 typically done in a year.
- Evaluated street sweeping routes and found efficiencies that resulted in increased coverage by one mile per day.
- Exceeded community water conservation goal of 5% and have documented actual reductions of 8.7% per connection.
- Launched Recycle Coach, a mobile and web-based application to help residents know which cart to put out and what to do with recycling and compost.
- Transitioned the SW Harrison neighborhood to one side of the road collection (nearly 400 residents).
- Launched the shared-use Downtown compactor. This consolidated waste from 21 businesses, eliminated numerous trash containers, and reduced number of service pick-ups downtown from several times a week to once a month.

Financial Policies

Executive Summary

The importance of sound financial management makes it desirable for a city to establish goals and targets for its financial operations so that policies will be consistent and complete and performance can be monitored on an ongoing basis. Because a fiscally sound city government is in the best interest of the citizens of the City of Olympia, this Financial Management Policy Statement has been adopted as the guiding management principles which are to be applied in the management of the City's finances.

General Principles

1. Budgeting Policy

Budget practice for the City will conform to the following policies:

- Budgets will be formulated and approved according to the following procedural guidelines:
 - The administration decides on programmatic need and recommends funding levels.
 - The Capital Facilities Plan (CFP) is submitted 90 days, and the operating budget presented 60 days, prior to the end of the fiscal year.
 - By State law, the Council must approve the operating budget with a capital budget element prior to the end of the fiscal year.
- The capital budget is submitted on a functional six-year basis, to be updated annually.
- The operating budget is presented at a fund level and shall be adopted annually.

Performance monitoring of the operating budget will include:

- Forecast statements for each budget program.
- A "work measurement system" which compares the costs and benefits for each funded activity.
- An accounting system which ensures that actual operating expenditures conform to the budget.

Capital Budgeting Policies and Procedures:

- Projects will be funded by a combination of bond proceeds, grants, leases, and operating funds, with a maximum of 80% funded by long-term debt.
- Planning for capital projects will include a six-year plan titled *Capital Facilities Plan*, which must be updated annually and include a statement of projected costs and sources of funds.
- Capital projects must meet the following criteria:
 - If debt-funded, the term of debt should not exceed the useful life of the project.
 - Capital projects should be built according to specifications which enable them to be self-sustaining whenever possible.
 - Long-term debt should be funded through revenue bond issue whenever feasible to maximize the general obligation debt limitation.
- Six-year budget projections will be prepared and updated annually and will include any expected changes in revenues or expenditures.

2. Revenue Structure

The City currently receives revenues through Federal and State grants, local taxes, and fees. To achieve the most desirable flow of revenues, planning must be undertaken as follows:

Tax policy must try to avoid:

- Over-reliance on property taxes.
- Adverse effects of excessively heavy taxes.
- Disproportionate burdens levied on any particular taxpayer group.

Structuring of taxes should attempt to:

- Provide a stable and predictable stream of revenue to fund City programs.
- Make collection of revenues simple and reliable.
- Retain/promote business (industry).

When revenues are increased, the following administrative practices will be pursued:

- User fees on certain activities chosen so that low-income families do not bear heavy costs.
- Service fees on activities where either raising revenues or limiting demand would prove beneficial.
- A cash-management system which obtains maximum interest income within State guidelines.

3. Debt Management

The Objectives of the City's Debt Management Policy will be:

- To smooth the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.
- To raise capital at the lowest cost, consistent with the need to borrow. This will be accomplished by:
 - Keeping a high credit rating (while making attempts to strengthen credit rating).
 - Maintaining a good reputation in the credit markets by adjusting the capital program for regular entry to the bond market and by managing the annual budget responsibly.

Debt instruments the City can use are:

- Short-Term Debt:
 - Short-term debt will not be issued for operating purposes nor will it be rolled over (except for Bond Anticipation Notes --BANs) from one period to another.
 - Tax Anticipation Notes (TANs) and Revenue Anticipation Notes (RANs) can be issued in amounts up to 60% of expected appropriations and must mature within the fiscal year.



- BANs can be issued with a maximum three-year maturity and can be rolled over when interest rates make short-term debt preferable. BANs cannot be used to extend the life of a bond.
- GANs (Grant Anticipation Notes) can be used when grant reimbursement for a project lags behind the payment schedule for large construction costs.
- Long-Term Debt:
 - Long-term debt will be used to maintain and develop municipal infrastructure when the economic life of a fixed asset exceeds five years.
- Revenue bonds will generally be used for projects which are financially self-sustaining.
- General Obligation bonds can be used to finance public works, which benefit the community and have revenues insufficient to amortize the debt.
- General Obligation pledges can be used to back self-sustaining projects financed through revenue bonds when costs can be reduced and the municipal credit rating is not put in jeopardy by this action.

Debt Issuance Policy will ensure that:

- An attempt to enter the market will be smooth or with regular volume and frequency, as much as possible.
- Advantage be taken of favorable market conditions.
- The timing of revenue bonds considers project, market, and General Obligation factors.
- The municipal credit rating is kept high.

The credit rating component of debt issuance will be strengthened by keeping assessments current.

Disclosure statements will be used to keep taxpayers and investors informed of the City’s financial position. These include printed copies of:

- Annual Reports
- Operating Budget and Capital Facilities Plan
- Official Statements

Debt issues will be sold on a competitive basis (except when conditions make a negotiated sale preferable) and awarded to the bidder who produces the lowest interest cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is speculative or complex, the issue is refunding, or the market is unstable.

4. Accounting and Financial Reporting

The objectives of a System for Accounting and Financial Reporting areas:

- To maintain the confidence of the Council, taxpayers, and investors by providing information which demonstrates that:
 - Money and property are handled responsibly, the current financial position is fully disclosed, and activities are operating at a maximum level of efficiency.
 - Financial performance conforms to all laws, ordinances, and procedures.

To maintain financial control in order that:

- Managers have an information system to use for policy setting, decision-making, and program supervision.
- Municipal activities can monitor their revenues, expenditures, and performance levels.
- Forecasts can be made of future operating and capital budgets, and of future initiatives in taxing policy.

The standards to be followed by the System of Accounting and Financial Reporting fall into the following areas:

- Accounting and Auditing:
 - Procedures will allow reporting per Budget and Accounting Reporting System (BARS) and follow Generally Accepted Accounting Principles (GAAP).
 - Recording will be on a modified accrual basis for revenues and expenditures.
 - New procedures will be developed whenever they can contribute to the quality of timely information flows.
- Financial Reporting:
 - BARS, GASB, and GFOA reporting principles will be followed.
 - Reports will be organized in pyramidal form: at the top, a streamlined Annual Report; then an overview of financial position; and results of operations categorized by fund accounts.
 - These reports will be used to promote the City’s good financial profile.
- Manuals:
 - BARS manuals will codify procedures, be used by accounting personnel and City officials, and specify the source of data for each account. They will be maintained by the Accounting Office of Administrative Services.
 - Policy and procedure manuals will be maintained with current information.

5. Investments

The policy on investments applies to the investment of all City funds, excluding pension funds. The investment program is intended to provide safe, maximum returns and adequate liquidity to meet cash flow requirements. The minimum requirement for liquidity for operating funds is 10 percent of the annual operating budget.

The City may invest in any of the securities identified as eligible investments as defined by RCW 35A.40.050. In general, these include: Certificates of Deposit, United States Securities, Banker’s Acceptances, Repurchase Agreements and Certificates, and Notes and Bonds of the State of Washington. Speculative investments are not allowed.

All investments shall be made through an informal bidding process. The policy shall be to assure no single institution or security is invested into, to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

Post-Issuance Compliance Policies

Policy:

The purpose of these post-issuance compliance policies and procedures for tax-exempt bonds issued by the City of Olympia ("Issuer") is to ensure that the Issuer will be in compliance with requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied with respect to tax-exempt bonds and other obligations ("bonds") after the bonds are issued so that interest on the bonds will be and remain tax-exempt.

Scope:

The City Council has the overall, final responsibility for monitoring whether the Issuer is in compliance with post-issuance federal tax requirements for the Issuer's tax-exempt bonds. However, the Council assigns to the City Treasurer the primary operating responsibility to monitor the Issuer's compliance federal tax requirements for the Issuer's tax-exempt bonds.

1. **Arbitrage Yield Restriction and Rebate Requirements.** The City Treasurer shall maintain or cause to be maintained records of:
 - Purchases of sales of investments made with bond proceeds (including amounts treated as "gross proceeds" of bonds under section 148 of the Code) and receipts of earnings on those investments;
 - Expenditures made with bond proceeds (including investment earnings on bond proceeds) for the governmental purposes of the bonds, such as for the costs of purchasing, constructing and/or renovating property and facilities;
 - Information showing, where applicable for a particular calendar year, that the Issuer was eligible to be treated as a "small issuer" in respect of bonds issued in that calendar year because the Issuer did not reasonably expect to issue more than \$5,000,000 of tax-exempt bonds in that calendar year;
 - Calculations that will be sufficient to demonstrate to the Internal Revenue Service ("IRS") upon an audit of a bond issue that, where applicable, the Issuer has complied with an available spending exception to the arbitrage rebate requirement in respect of that bond issue;
 - Calculations that will be sufficient to demonstrate to the IRS upon an audit of a bond issue for which to exception to the arbitrage rebate requirement was applicable, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS; and
 - Information and records showing that investments held in yield-restricted advance refunding or defeasance escrows for bonds, and investments made with unspent bond proceeds after the expiration of the applicable temporary period, were not invested in higher-yielding investments.
2. **Restrictions on Private Business Use and Private Loans.** The City Treasurer shall adopt procedures that are calculated to educate and inform the principal operating officials of those departments, including utility departments, in any, of the Issuer (the "users") for which land, buildings, facilities and equipment ("property") are financed with proceeds of tax-exempt bonds about the restrictions on private business use that apply to that property after the bonds have been issued, and of the restriction on the use of proceeds of tax-exempt bonds to make or finance any loan to any person other than a state or local government unit.

In particular, following the issuance of bonds for the financing of property, the Treasurer shall provide to the users of the property a copy of this Compliance Policy and other appropriate written guidance advising that:

"Private business use" means use by any person other than a state or local government unit, including business corporations, partnerships, limited liability companies, associations, nonprofit corporations, natural persons engaged in trade or business activity, and the United States of America and any federal agency, as a result of ownership of the property or use of the property under a lease, management or service contract (except for certain "qualified" management or service contracts), output contract for the purchase of electricity or water, privately sponsored research contract (except for certain "qualified" research contracts), "naming rights" contract, "public-private partnership" arrangement, or any similar use arrangement that provides special legal entitlements for the use of the bond-finance property;

Under section 141 of the Code, no more that 10% of the proceeds of any tax-exempt bond issue (including the property financed with the bonds) may be used for private business use, of which no more than 5% of the proceeds of the tax-exempt bond issue (including the property financed with the bonds) may be used for any "unrelated" private business use – that is, generally, a private business use that is not functionally related to the governments purposes of the bonds; and no more that the lesser of \$5,000,000 or 5% of the proceeds of a tax-exempt bond issue may be used to make or finance a loan to any person other than a state or local government unit;

Before entering into any special use arrangement with a nongovernmental person that involves the use of bond-financed property, the user must consult with the City Treasurer, provide the City Treasurer with a description of the proposed nongovernmental use arrangement, and determine whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property;

In connection with the evaluation of any proposed nongovernmental use arrangement, the City Treasurer should consult with bond counsel to the Issuer as may be necessary to obtain federal tax advice in whether that use arrangement, if put into effect, will be



Post-Issuance Compliance Policies

consistent with the restrictions on private business use of the bond-financed property, and, if not, whether any “remedial action” permitted under section 141 of the Code may be taken by the Issuer as means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds that financed the property.

3. Records to be Maintained for Tax-Exempt Bonds. It is the policy of the Issuer that, written records (which may be in electronic form) will be maintained with respect to each bond issue for as long as those bonds remain outstanding, plus six years. For this purpose, the bonds include refunding bonds that refund the original bonds and thereby refinance the property that was financed by the original bonds.

The records to be maintained are to include:

The official Transcript of Proceedings for the original issuance of the bonds;

Records showing how the bond proceeds were invested, as described in 1(a) above;

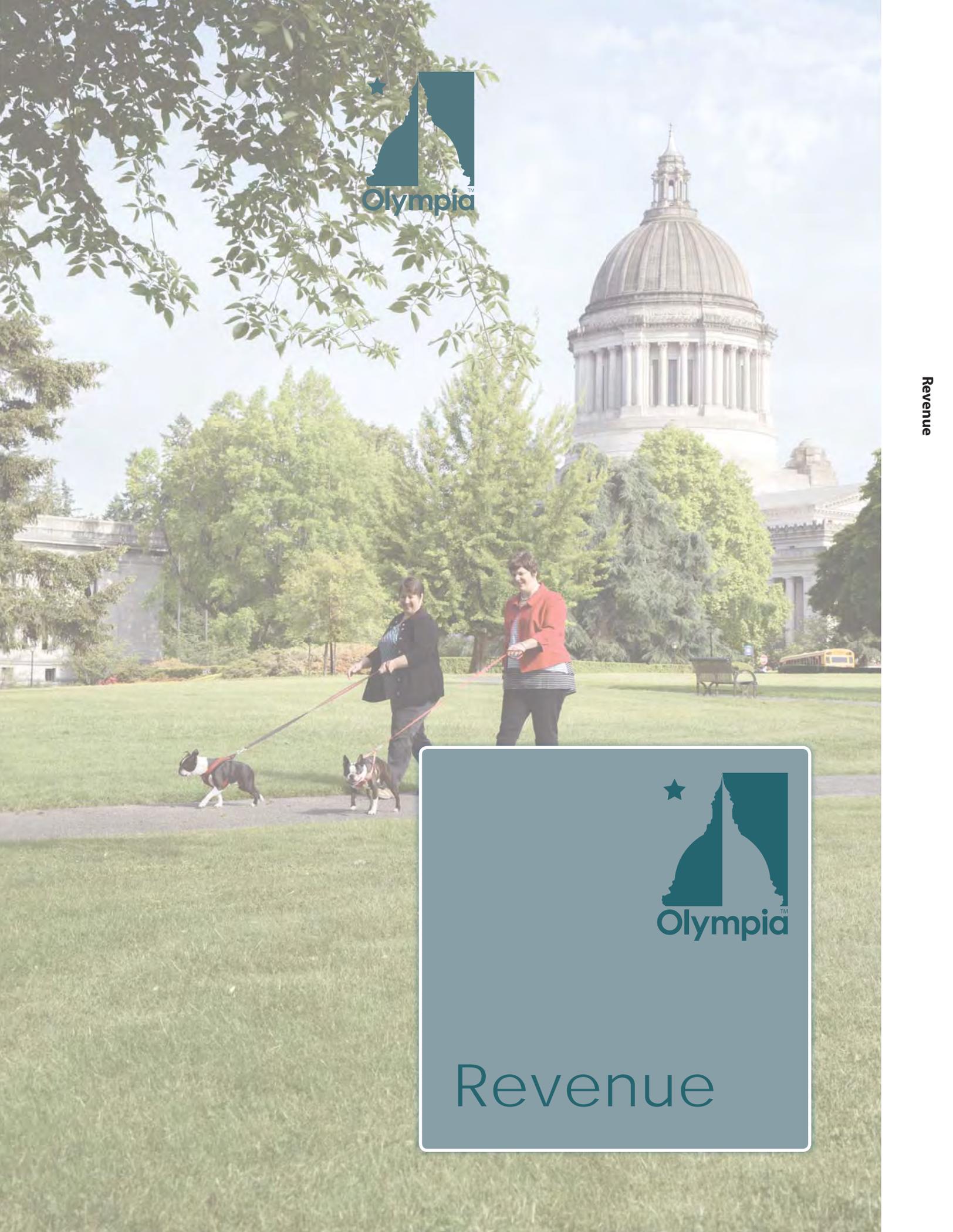
Records showing how the bond proceeds were spent, as described in 1(b) above, including purchase contracts, construction contracts, progress payment requests, invoices, canceled checks, payment of bond issuance costs, and records of “allocations” of bond proceeds to make reimbursement of project expenditures made before the bonds were actually issued;

Information, records and calculations showing that, with respect to each bond issue, the Issuer was eligible for the “small issuer” exception or one of the spending exceptions to the arbitrage rebate requirement or, if not, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS, as described in 1(c), (d) and (e) above; and

Records showing that special use arrangements, if any, affecting bond-financed property made by the Issuer with nongovernmental persons, if any, are consistent with applicable restrictions on private business use of property financed with proceeds of tax-exempt bonds and restrictions on the use of proceeds of tax-exempt bonds to make or finance loans to any person other than a state or local government unit, as described in 2 above.

The basic purpose of the foregoing record retention policy for the Issuer’s tax-exempt bonds is to enable the Issuer to readily demonstrate to the IRS upon an audit of any tax exempt bond issue that the Issuer has fully complied with all federal tax requirements that must be satisfied after the issue date of the bonds so that interest on those bonds continues to be tax-exempt under section 103 of the Code.

4. Education Policy With Respect to Federal Tax Requirements for Tax-Exempt Bonds. It is the policy of the Issuer that the Finance Director and his or her staff, as well as the principal operating officials of those departments of the Issuer for which property is financed with proceeds of tax-exempt bonds should be provided with education and training on federal tax requirements applicable to tax-exempt bonds. The Issuer recognizes that such education and training is vital as a means of helping to ensure that the Issuer remains in compliance with those federal tax requirements in respect of its bonds.

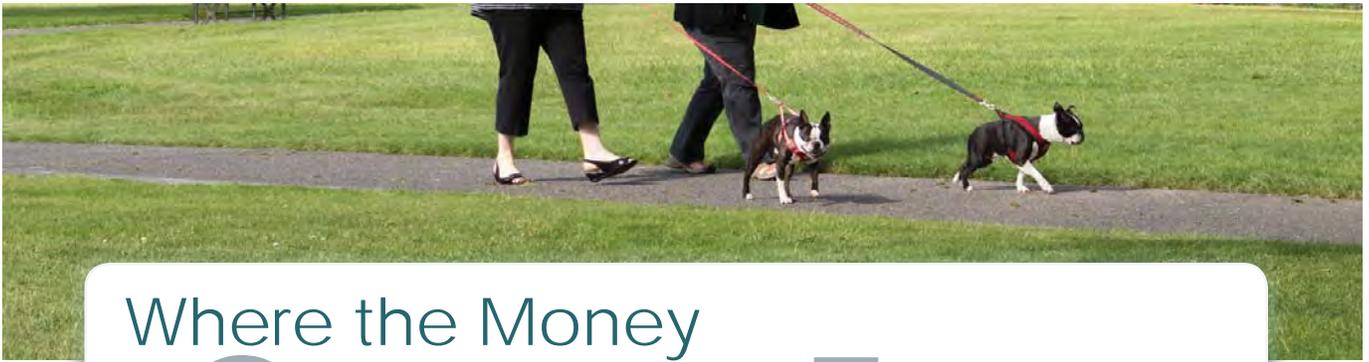


Revenue



Revenue

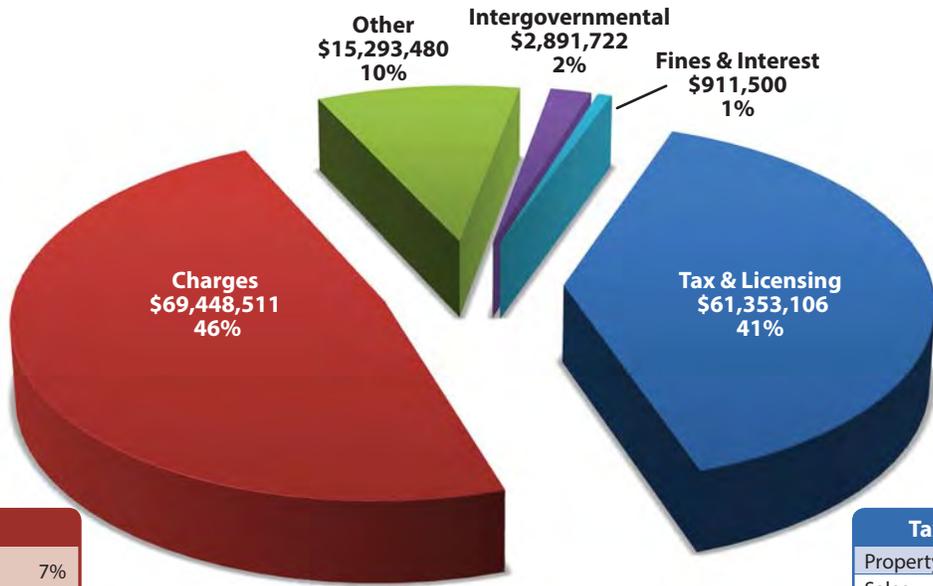




Where the Money Comes From

Total Operating Revenues

\$149,898,319



Charges	
Security (Persons & Property)	7%
General Government	13%
Drinking Water	20%
Wastewater	29%
Stormwater	8%
Waste ReSources	17%
Equipment Rental	3%
Other	3%

Tax & Licensing	
Property	30%
Sales	36%
Business	11%
Utility	16%
Other Taxes	<1%
Licenses & Permits	7%



Revenue by Fund - Operating Funds

	ACTUAL 2015	ACTUAL 2016	BUDGET 2017	ACTUAL 2017 (as of 02/09/2018)	BUDGET 2018
GENERAL FUND -- REGULAR OPERATIONS					
Property Tax	\$10,472,144	\$10,241,654	\$10,823,869	\$10,846,653	\$13,878,306
Sales Tax	19,478,561	20,852,675	20,955,810	21,770,889	22,041,050
Business Tax	5,727,588	6,105,094	6,192,000	6,508,189	6,558,000
Utility Tax, Private	4,724,022	4,903,564	4,962,390	4,958,580	5,025,790
Utility Tax, Municipal	4,638,436	4,299,964	4,735,690	4,999,928	5,060,830
Gambling Tax	182,184	122,684	130,000	134,512	130,000
Leasehold Tax	150,800	152,527	150,000	165,347	165,000
Licenses and Permits	1,114,683	1,057,643	938,250	943,836	1,043,650
Intergovernmental	2,039,799	2,195,022	2,033,164	2,754,897	2,156,891
Charges for Services	12,669,847	13,434,812	14,267,567	14,004,919	14,716,819
Fines and Penalties	481,149	508,536	511,800	445,634	491,500
Rents and Leases	1,185,307	1,445,528	1,444,668	1,542,532	1,451,143
Other Revenue	3,420,204	3,386,247	4,810,529	5,290,395	5,465,703
	\$66,284,724	\$68,705,950	71,955,737	74,366,311	78,184,682
GENERAL FUND - SUB FUNDS					
Taxes	\$752,060	\$1,177,867	\$1,085,000	\$1,085,000	\$1,111,000
License and Permits	2,860,797	3,252,293	3,021,430	2,716,519	2,913,900
Intergovernmental	15,566	-	-	-	-
Charges for Services	1,124,741	1,423,412	983,680	1,535,533	1,555,000
Fines and Penalties	497,542	461,994	450,000	386,983	420,000
Rents and Leases	1,122,359	1,215,207	1,080,700	1,225,038	1,140,200
Other Revenue	4,936,442	2,933,303	2,089,212	2,686,813	2,242,462
	\$11,309,507	\$10,464,076	\$8,710,022	\$9,635,886	\$9,382,562
GENERAL OBLIGATION DEBT FUNDS					
Property Tax	\$3,493,553	\$3,480,111	\$3,424,675	\$3,471,985	\$3,425,580
Intergovernmental	683,026	684,495	734,831	685,230	734,831
Transfers In and Other	2,901,902	2,947,789	1,834,055	1,828,226	1,839,272
	\$7,078,481	\$7,112,395	\$5,993,561	\$5,985,441	\$5,999,683
UTILITY FUNDS					
Charges for Services	\$45,131,708	\$45,905,309	\$49,245,956	\$48,524,476	\$50,805,670
Grants	160,002	20,646	-	7,165	-
Other Revenue	206,963	1,116,647	469,600	945,401	989,070
Revenue Before Transfers	45,498,673	47,042,602	49,715,556	49,477,042	51,794,740
Intra-Utility Transfers	2,125,066	2,138,706	2,168,341	2,169,058	2,165,630
	\$47,623,739	\$49,181,308	\$51,883,897	\$51,646,100	\$53,960,370
EQUIPMENT RENTAL FUND					
Rents and Sales	\$1,504,154	\$1,842,038	\$2,322,434	\$2,144,768	\$2,371,022
Other Revenue	38,885	2,240	-	3,941	-
	\$1,543,039	\$1,844,278	\$2,322,434	\$2,148,709	\$2,371,022
TOTAL REVENUE	\$133,839,490	\$137,308,007	\$140,865,651	\$143,782,447	\$149,898,319



Revenue by Type - Operating Funds

	ACTUAL 2015	ACTUAL 2016	BUDGET 2017	ACTUAL 2017 (as of 02/09/2018)	BUDGET 2018
TAXES					
Property Tax	\$14,717,757	\$14,899,632	\$15,333,544	\$15,403,638	\$18,414,886
Sales Tax	19,478,561	20,852,675	20,955,810	21,770,889	22,041,050
Business Tax	5,727,588	6,105,094	6,192,000	6,508,189	6,558,000
Utility Tax	9,362,458	9,203,528	9,698,080	9,958,508	10,086,620
Other Taxes	332,984	275,211	280,000	299,859	295,000
	\$49,619,348	\$51,336,140	\$52,459,434	\$53,941,083	\$57,395,556
LICENSES & PERMITS					
Business	\$354,200	\$638,861	\$573,700	\$626,113	\$619,000
Franchise Fees (321.91.01)	477,938	493,262	493,000	505,770	553,000
Non-Business	3,136,009	3,172,813	2,892,980	2,528,472	2,785,550
	\$3,968,147	\$4,304,936	\$3,959,680	\$3,660,355	\$3,957,550
INTERGOVERNMENTAL REVENUE					
Grants	\$468,540	\$209,497	\$88,090	\$664,847	\$126,897
Motor Vehicle Fuel Tax	998,423	1,095,871	1,122,800	1,112,308	1,122,800
Liquor Excise Tax and Profits	523,569	677,543	676,990	684,464	704,040
Other Intergovernmental	907,861	917,252	880,115	985,673	937,985
	\$2,898,393	\$2,900,163	\$2,767,995	\$3,447,292	\$2,891,722
CHARGES FOR SERVICES					
General Government	\$7,264,841	\$7,594,121	\$8,664,614	\$8,100,056	\$8,947,654
Security of Persons and Prop.	4,728,830	5,136,974	4,984,723	5,076,807	5,075,715
Development and Streets	1,043,250	1,305,715	831,500	1,488,865	1,426,000
Parks, Arts & Recreation	755,618	821,414	770,410	874,724	822,450
Water	11,896,472	12,043,101	12,956,590	12,749,408	13,692,450
Wastewater	18,323,318	18,466,691	19,886,196	19,299,180	20,226,040
Waste ReSources	10,112,711	10,513,188	11,095,020	11,126,968	11,503,068
Storm and Surface Water	4,799,207	4,882,329	5,308,150	5,348,920	5,384,112
Equipment Rental	1,504,154	1,842,038	2,322,434	2,144,768	2,371,022
	\$60,428,401	\$62,605,571	\$66,819,637	\$66,209,696	\$69,448,511
FINES & PENALTIES					
Parking	\$481,343	\$476,246	\$450,000	\$386,983	\$420,000
Non-Parking	497,348	494,284	511,800	445,634	491,500
	\$978,691	\$970,530	\$961,800	\$832,617	\$911,500
OTHER REVENUE					
Rents by Parks, Arts & Rec	\$254,027	\$266,608	\$235,555	\$299,392	\$249,145
Parking (other than fines)	1,112,315	1,215,207	1,080,700	1,225,038	1,140,200
Operating Transfers In	8,235,651	10,582,750	10,378,187	11,239,443	11,001,368
Miscellaneous Other Revenue	6,344,517	3,126,102	2,202,663	2,927,531	2,902,767
	\$15,946,510	\$15,190,667	\$13,897,105	\$15,691,404	\$15,293,480
TOTAL REVENUE	\$133,839,490	\$137,308,007	\$140,865,651	\$143,782,447	\$149,898,319



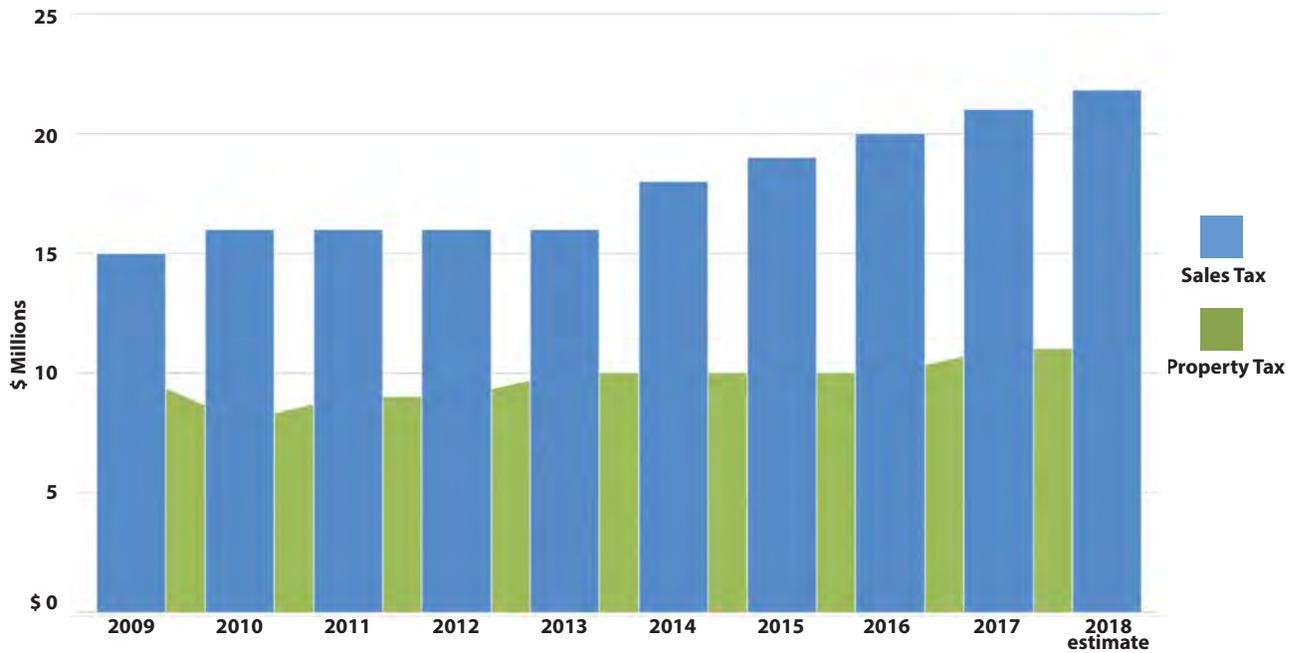
General Fund - Program Revenue by Type

	ACTUAL 2015	ACTUAL 2016	BUDGET 2017	ACTUAL 2017 (as of 02/09/2018)	BUDGET 2018
GENERAL GOVERNMENT					
Other General Government	\$34,867	\$57,449	\$16,128	\$120,218	\$-
Grant	18,225	18,225	16,800	16,800	-
Interfund and Indirect Overhead					
Executive	522,710	223,275	431,453	440,041	426,404
Human Resources*	-	-	192,012	191,376	221,417
Legal	94,665	94,665	119,645	145,408	159,323
Total General Government	\$670,467	\$393,614	\$776,038	\$913,843	\$807,144
MUNICIPAL COURT					
State, Judicial salary contribution	\$21,873	\$23,570	\$24,400	\$16,706	\$24,400
Other	-	40,721	-	47,558	-
Interfund and Indirect Overhead	114,810	114,821	117,029	117,029	117,029
Probation, fees	153,252	142,538	169,500	129,146	136,500
Day Reporting, fees	92,088	71,290	100,500	110,795	114,500
Transfer in:					
Day Reporting	10,000	10,000	10,000	10,000	10,000
Total Municipal Court	\$392,023	\$402,940	\$421,429	\$431,234	\$402,429
ADMINISTRATIVE SERVICES					
Utility Billing, Penalty & Interest	\$158,344	\$175,717	\$172,000	\$177,997	\$174,000
Grants	-	-	17,000	17,400	65,000
Interfund Charges:					
City Clerk	173,005	129,824	71,682	71,364	147,473
Records	61,960	114,452	118,502	117,866	74,760
Utility Billing	465,696	436,947	475,852	475,852	603,788
Accounting Services	381,521	424,698	428,969	428,015	470,553
Information Technology Services	566,833	821,602	804,591	799,502	704,855
Human Resources *	198,862	200,245	-	-	-
Other Revenue	22,359	21,640	55,720	600	1,100
Total Administrative Services	\$2,028,580	\$2,325,125	\$2,144,316	\$2,088,596	\$2,241,529
COMMUNITY PLANNING & DEVELOPMENT					
Zoning and Subdivision Fees		**			
Permits		**			
Plan Check and Inspection Fees		**			
Cost Reimbursement from Development Fee Revenue Fund (began in 2015)	\$2,787,211	\$2,691,447	\$2,687,897	\$2,845,603	\$3,046,588
Parking Revenues		***			
Other Revenues	129,378	171,815	91,000	121,036	91,450
Administrative Interfund Services	-	449,945	266,075	253,648	281,281
Interfund Development Services	50,000	50,000	50,000	50,000	50,000
Total Community Planning & Development	\$2,966,589	\$3,363,207	\$3,094,972	\$3,270,287	\$3,469,319
* In 2017 Moved to General Government from Administrative Services					
** Beginning in 2015 all development revenue was deposited into a new Development Fee Revenue Fund. That Fund reimburses 85% cost related to development administration.					
*** In 2015 a separate Parking Fund was established.					

General Fund - Program Revenue by Type

	ACTUAL 2015	ACTUAL 2016	BUDGET 2017	ACTUAL 2017 (as of 02/09/2018)	BUDGET 2018
FIRE DEPARTMENT					
Other Revenue	\$23,660	\$33,571	\$24,118	\$38,551	\$24,971
Grants	193,223	17,838	30,422	387,403	15,897
Fire False Alarm	29,182	34,975	15,000	15,000	15,000
Fire Permits - Building Permits	127,641	127,641	100,000	138,417	125,000
Fire Dept. Plan Check Fees	62,709	62,709	40,000	78,624	75,000
Fire Inspection Fees	276,284	337,259	310,000	288,334	310,000
Fleet Maintenance, other agencies	530,387	658,358	561,400	698,490	589,400
Fire Training, other agencies	218,920	262,179	273,830	290,355	273,830
Medic I Reimbursements	2,324,913	2,449,684	2,371,409	2,412,856	2,438,955
Total Fire Department	\$3,786,919	\$3,984,214	\$3,726,179	\$4,348,030	\$3,868,053
POLICE DEPARTMENT					
Alarm Fees and False Alarm Charges	\$180,841	\$134,444	\$100,500	\$36,159	\$100,500
Grants and Donations	24,809	38,128	35,668	232,292	38,000
Reimbursement from Records Consortium	65,476	67,440	67,450	69,414	72,670
School Resource, Olympia School Dist.	39,327	76,033	108,000	76,251	108,700
Other Revenue	124,439	223,182	62,015	81,640	200,250
Total Police Department	\$434,892	\$539,227	\$373,633	\$495,756	\$520,120
PARKS, ARTS & RECREATION					
Program Revenues (other than OMPD)					
Facilities Operations	\$164,958	\$189,242	\$158,545	\$205,320	\$166,690
Recreation Program Revenue	725,707	817,819	744,360	855,501	803,700
Arts and Community Events	22,160	22,565	23,800	22,314	25,800
Parks Program Revenue	126,013	159,746	350,864	395,782	397,323
OMPD Support	-	-	1,621,113	1,621,113	1,781,129
Total Parks, Arts & Recreation	\$1,038,838	\$1,189,372	\$2,898,682	\$3,100,030	\$3,174,642
PUBLIC WORKS					
Motor Vehicle Fuel Tax	\$1,054,110	\$1,095,871	\$1,122,800	\$1,112,308	\$1,122,800
Transfer In:					
Street Cleaning, from Stormwater Utility	131,049	131,049	109,130	110,499	110,566
Other Revenue	68,282	83,422	54,746	39,550	37,877
Interfund:					
Administration	610,137	658,504	705,952	730,240	687,714
Facilities	392,600	462,807	480,543	533,786	478,079
Engineering	3,529,326	3,186,507	4,070,170	3,463,949	4,085,134
Streets	164,844	143,580	140,000	182,324	140,000
Traffic Management	289,047	276,504	250,000	240,446	304,695
Total Public Works	\$6,239,395	\$6,038,244	\$6,933,341	\$6,413,102	\$6,966,865
TOTAL PROGRAM REVENUE GENERAL FUND	\$17,557,703	\$18,235,943	\$20,368,590	\$21,060,878	\$21,450,101

Property and Sales Tax Comparison for the General Fund



Property Tax

In 2010, \$1.9 million of property tax previously budgeted within the General Fund was re-allocated to the New City Hall debt service fund.

The 2011 budget includes \$1.3 million from an increase of \$0.25 per \$1,000 in assessed value, which was approved by voters in August 2010.

Property Taxes

Property Taxes (RCW 84.52)

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied in November on the property value listed as of the prior May 31, and become a lien as of January 1. Assessed values are established by the County Assessor at 100 percent of the fair market value and are adjusted each year by the County Assessor based on market value changes. A physical verification of each property is made at least once every six years and the estimated assessed value is then changed to reflect the physical verification.

Taxes are due in two equal installments on April 30 and October 31. Collections are remitted the month following collection to the appropriate taxing district by the County Treasurer.

A city is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services. This amount does not include voter approved special levies, and may be reduced for any of the following reasons:

- The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation, or \$10 per \$1,000 of assessed value, of which a city may levy up to \$3.60 per \$1,000 of assessed value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.
- Prior to 2001, Washington State law (RCW 84.55.010) limited the growth of regular property taxes to six percent

per year, before adjustments for new construction and annexations.

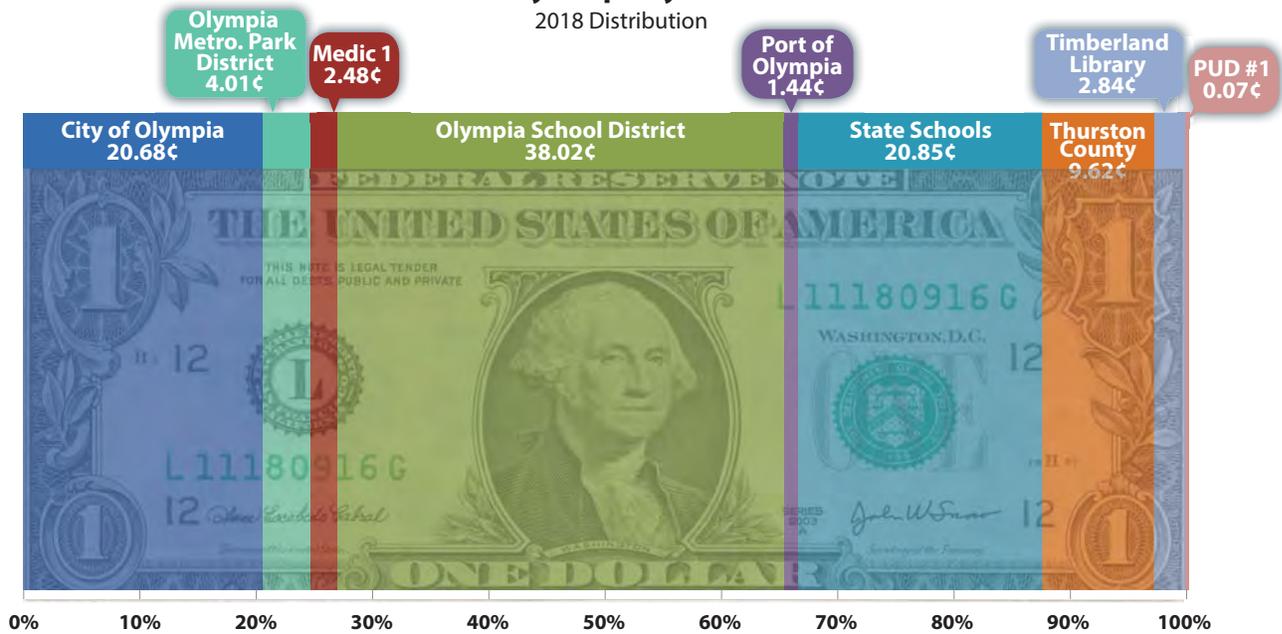
- Growth of the regular property tax levy before new construction and annexations is currently limited to the lower of one percent or the implicit price deflator. If the implicit price deflator (IPD) is less than one percent the City may declare a substantial need with a super majority of the Council and levy one percent. The one percent limit may be exceeded with voter approval.
- The City may levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.
- Library Districts (the City of Olympia is within the Timberland Regional Library District) are entitled to \$.50 per \$1,000 of assessed valuation. The Library levy is deducted from the \$3.60 maximum available to cities. Any year in which the Library does not utilize its full \$.50 of levy, a city may assess the unused portion subject to the limitations listed above. In 2016, the Library levy was \$0.4095.
- Cities with a Firemen's Pension Fund (such as the City of Olympia) may levy an additional \$.225 per \$1,000 of assessed valuation above the \$3.60 limit, less the Library levy.



Where Property Tax Dollars go

For Every Property Tax Dollar

2018 Distribution



Property Tax Forecast

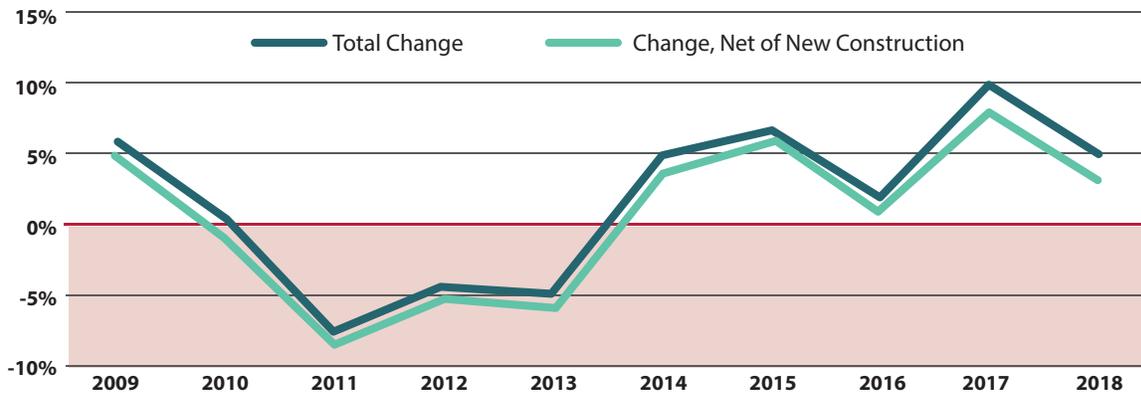
The statutory maximum increase of tax levy without voter approval is 1%, plus taxable value of new construction and improvements, annexations and increases in State of Washington assessed utility values. New construction is \$68.4 million.

In November 2017 voters approved a Levy Lid Lift to fund public safety. The 2018 budget includes an additional 2.8 million for public safety associated with the Levy Lid Lift.

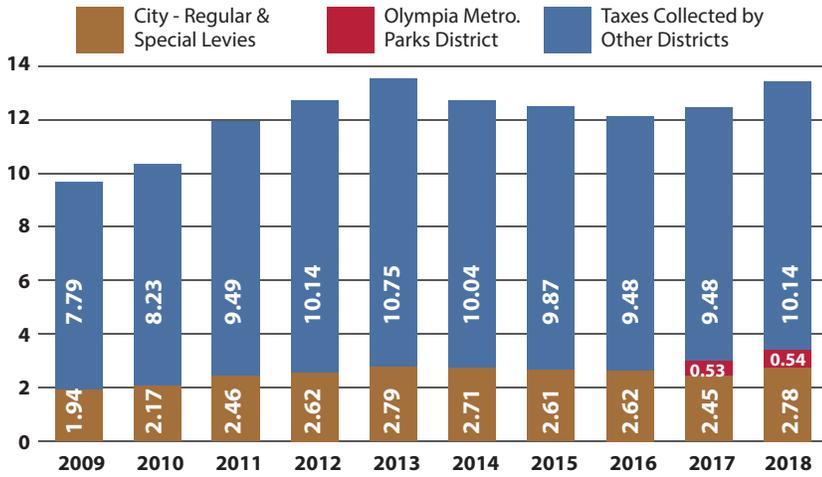
Note: There are eight taxing areas within the City of Olympia. The amount shown is for the area which applies to the majority of the City. The range for all areas for 2018 were \$13.30 to \$13.98. Most properties are levied at \$13.46.

Property Tax					
Assessment Yr./ Collection Yr.	Total Tax Collections	Total Assessed Valuation (incl. new construction)	New Construction	Total Change	Change, Net of New Construction
2017-2018	\$17,397,569	\$6,690,364,182	\$115,732,498	5.17%	3.35%
2016-2017	\$14,420,080	\$6,361,555,378	\$115,732,498	9.96%	7.96%
2015-2016	\$13,933,700	\$5,785,389,448	\$57,461,280	2.01%	1.00%
2014-2015	\$13,598,436	\$5,671,256,103	\$55,820,209	6.74%	5.69%
2013-2014	\$13,115,489	\$5,313,341,232	\$72,174,035	5.00%	3.57%
2012-2013	\$12,947,164	\$5,060,434,532	\$63,045,263	-4.66%	-5.85%
2011-2012	\$12,597,003	\$5,308,051,162	\$51,343,632	-4.40%	-5.32%
2010-2011	\$12,275,205	\$5,552,078,378	\$63,972,556	-7.46%	-8.52%
2009-2010	\$11,581,683	\$5,999,359,843	\$89,651,803	0.61%	-0.89%
2008-2009	\$11,402,272	\$5,963,060,847	\$65,093,985	6.06%	4.90%

Changes in Assessed Value



Levy Rates



The following chart is an example of how an increase in a homeowner's assessed valuation is impacted by a change in the levy rate.

	2017	2018 estimate	% Change
Home Value	\$ 350,000	\$ 364,700	4.2%
Olympia Levy:			
Regular Levy Rate	\$ 2.2642	\$ 2.6004	14.8%
Voter Approved Fire Bonds	0.1880	0.1807	-3.9%
	<hr/>	<hr/>	
	\$ 2.4522	\$ 2.7811	13.4%
Olympia Tax:			
Regular Levy Rate	\$826	\$948	14.8%
Voter Approved Fire Bonds	\$69	\$66	-4.3%
	<hr/>	<hr/>	
	\$895	\$1,014	13.3%
Property Tax in addition to City of Olympia			
Olympia Metropolitan Parks District (2017 will be the first year of the Levy)			
Levy Rate	0.5261	0.5400	
Tax	\$192	\$197	
All other overlapping Districts			
Levy Rate	9.4865	10.1342	6.8%
Tax	\$3,460	\$3,696	6.8%

Regular Levy Taxes

Regular levy rates support general, non-voted bonds and the Firemen's Pension Funds. The General Levy is allocated as follows:

General Fund	\$ 13,878,306
4th/5th Ave Corridor & PWTF Loan	\$ 548,035
City Hall Bonds	\$ 1,681,615
LEOFF1 Retiree Medical (non-budgeted)	\$ 1,111,000
Firemens Pension	\$218,000

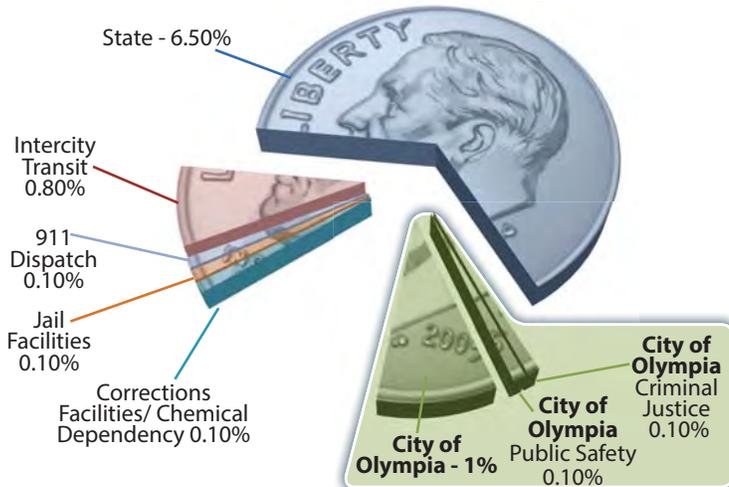
In addition to the general levy, the City has budgeted \$1,195,930 in property tax to pay for voter-approved bonds for the construction of a fire station, fire training center and purchase of vehicles.

Levy LID lift

In November 2017 voters approved a Levy LID Lift to fund public safety. The 2018 budget includes an additional 2.8 million for public safety associated with the Levy LID Lift.

Sales Tax

Sales Tax Distribution Where does the 8.8% go?



Sales Tax (RCW 82.14 and OMC 3.48)

The City imposes a sales tax of 1.2 percent. Of that, one percent is for general use, 1/10 percent for Public Safety, and a county-wide 1/10 of one percent sales tax funds Criminal Justice activities. The county-wide tax is distributed 10 percent to the county with the remaining 90 percent distributed on a per capita basis between the county, cities and towns within the county. The tax is collected and distributed by the State of Washington, which retains one percent of the tax collected for administration costs. Total overlapping sales tax within the City is 8.8 percent.

Counties, which also have imposed the general use sales tax, receive 15 percent of the city portion of sales tax revenues collected in cities of that county. Thurston County has also imposed a sales tax of one percent. Amounts shown in this document are exclusive of the County portion.



Sales Tax (Continued)

2018 Sales Tax Forecast

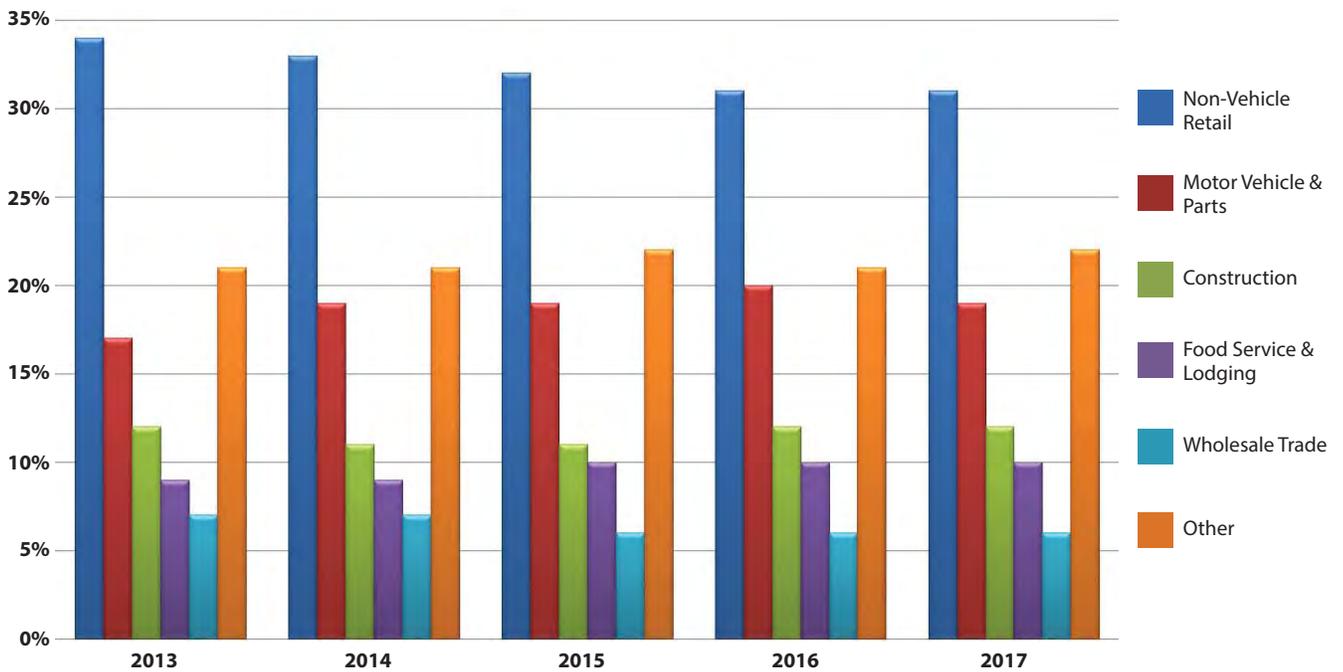
The 2018 forecast reflects an approximate 5.2 percent increase over the original 2017 budget.

A major tax contributor left the City in 2017. The impact of this change is reflected in the estimate.

In November 2012, voters approved an increase of 1/10 of one percent in sales tax for public safety purposes.

Sales Tax				
Year	Regular Sales Tax Collections	% Change from Prior Year	Criminal Justice Sales Tax	Public Safety Sales Tax
Est. 2018	\$ 19,443,900	1.4%	\$ 894,420	\$ 1,652,730
2017	19,169,709	4.4%	922,096	1,632,762
2016	18,361,859	7.2%	863,528	1,587,583
2015	17,135,538	5.3%	794,758	1,352,476
2014	16,270,126	4.9%	723,265	1,462,794
2013	15,513,518	5.1%	583,664	837,848
2012	14,766,803	-1.4%	652,767	N/A
2011	14,981,567	-1.0%	650,194	N/A
2010	15,126,628	5.3%	644,267	N/A
2009	14,365,395	-8.1%	639,810	N/A

Percent of Total Sales Tax



Sales Tax Collected					
	2013	2014	2015	2016	2017
Non-Vehicle Retail	\$ 5,350,073	\$ 5,304,020	\$ 5,498,935	\$ 5,700,292	\$ 5,932,085
Motor Vehicle & Parts	2,714,690	3,126,394	3,331,407	3,584,125	3,581,075
Construction	1,794,511	1,795,495	1,817,452	2,145,645	2,301,857
Food Service & Lodging	1,422,543	1,512,667	1,679,057	1,795,963	1,899,226
Wholesale Trade	1,087,405	1,095,981	971,519	1,127,874	1,107,012
Other	3,144,296	3,435,569	3,837,168	4,018,625	4,348,454
Total	\$ 15,513,518	\$ 16,270,126	\$ 17,135,538	\$ 18,372,524	\$ 19,169,709



Business and Occupation Tax

Business & Occupation Tax		
Year	Collections	% Change from Prior Year
Est. 2018	\$ 6,288,000	1.9%
Revised est. 2017	6,172,210	6.9%
2016	5,773,155	4.3%
2015	5,533,466	16.6%
2014	4,745,537	9.3%
2013	4,339,842	1.4%
2012	4,281,831	-0.002
*2011	4,292,374	N/A
2010	3,889,234	*
2009	4,157,602	-5.2%

* In 2010, businesses reporting less than \$750,000 in taxable income were reclassified to annual filing rather than quarterly. The 2010 annual returns were not due until the end of January 2011.

2018 Business and Occupation Tax Forecast

The 2018 budget is estimated at 6.0 percent over the 2017 original budget. The impact of a major contributing business leaving the City is also reflected.

Business & Occupation Tax (RCW 35.102, 35.21.710 and OMC 5.04)

Business and occupation taxes are imposed and collected directly by the City upon all business activity, except utilities, within the City. Extracting, manufacturing, wholesaling, retailing, public road construction and printing/publishing are taxed at 1/10 of one percent. All other activities are taxed at 2/10 of one percent of gross revenues.

Admissions Tax

2018 Admissions Tax Forecast

The 2018 budget is 4.5 percent over the original 2017 budget.

Admissions Tax (RCW 35.21.280 and OMC 3.32)

The Business Tax category includes admission taxes. Admissions tax is imposed at a rate of \$.01 per \$.20 of the price of admission. Events sponsored by non-profit organizations organized for the betterment of the arts and school events are exempt from admissions tax.

Admissions Tax	
Year	Collections
Est. 2018	\$ 230,000
2017	227,526
2016	202,195
2015	194,111
2014	179,841
2013	185,637
2012	174,510
2011	180,930
2010	191,100
2009	182,288



Utility Taxes and Franchise Fees

Utility Taxes and Franchise Fees (RCW 35.23.440, 35.21.870, 80.32.010, 82.16 and OMC 5.15, 5.84)

A tax imposed upon gross income of various utility services.

Telecommunication, natural gas, and electric utilities are taxed at a rate of nine percent. The maximum allowable without voter approval, per State law, for telephone, gas, and electric power is six percent. In 2004 voters approved a three percent increase for Parks and Pathways for a total of nine percent.

2018 utility taxes are based on current trends. Telephone usage has been decreasing due to changes in the communications industry and personal preferences.

Included in the chart below is a five percent franchise fee imposed upon teleable services. Sixty percent of the fee supports the General Fund, and forty percent is dedicated to support public education and government access.

Beginning in 2015 the six percent utility tax was applied to Cable TV to support major maintenance in the CFP.

Interfund Utility Forecast

Prior to 2010, the tax on all City-owned utilities was seven percent. Since 2009 the Council has made the following changes:

Drinking Water	Decreased to 10% (2014)
Drinking Water	Increase to 12% (2010)
Wastewater	Increase to 10% (2011)
Storm and Surface Water	Increase to 10% (2010)
Waste ReSources	Increase to 10% (2010)

Interfund Utility Tax is based on charges to Drinking Water, Wastewater, Storm and Surface Water (including LOTT), and Waste ReSources utility revenues generated from customers within the City limits.

Utility Taxes & Franchise Fees				
Year	General Use Portion Utility Tax (4.5%)			Franchise Fee General Fund
	Electric	Gas	Telephone	Teleable
Est. 2018	\$ 2,410,000	\$ 673,500	\$ 1,425,000	\$ 544,000
Est. 2017	2,388,291	666,849	1,395,763	505,770
2016	2,330,019	579,960	1,490,795	493,262
2015	2,138,363	624,906	1,476,183	477,938
2014	2,277,674	679,740	1,484,345	462,324
2013	2,234,737	664,579	1,555,878	446,375
2012	2,244,115	748,852	1,621,542	** 371,294
2011	2,264,341	* 773,078	1,714,237	440,285
2010	2,155,268	690,942	1,882,495	413,967
2009	2,167,220	906,265	1,868,586	372,897

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

Interfund Utility in Lieu Tax				
Year	Drinking Water Utility	Wastewater Utility	Stormwater Utility	Waste ReSources Utility
Est. 2018	\$ 1,354,890	\$ 1,960,660	\$ 513,880	\$ 1,231,400
2017	1,298,050	1,961,718	563,540	1,176,620
2016	884,286	1,852,242	492,188	1,071,248
2015	1,411,635	1,797,236	444,633	984,932
* 2014	1,265,660	1,695,640	456,469	915,620
2013	1,145,401	1,455,204	438,970	868,167
2012	1,110,498	1,419,166	417,865	869,749
2011	1,039,878	1,464,100	436,489	866,141
2010	929,738	984,812	349,675	757,870
2009	626,993	922,194	270,218	540,721

* 2014 rate lowered from 12% to 10%. 2014 includes some revenue from 2013 taxed at 12%

Allocation of Utility Tax		
Electric, Gas & Telecommunications:	%	2017 Estimated Collections
Base— 6%		
General Use	4.50%	\$ 4,508,500
Park and Bike Lane Maintenance	0.50%	500,944
Capital Facilities and General Use	1.00%	1,001,889
Voter-approved— 3%		
Parks	2.00%	2,003,778
Sidewalk, Recreation Use	1.00%	1,001,889
Cable TV— 6%:		
Capital Facilities	6.00%	1,130,000
TOTAL	15.00%	\$10,147,000



Gambling Taxes

Gambling Taxes (RCW 9.46)

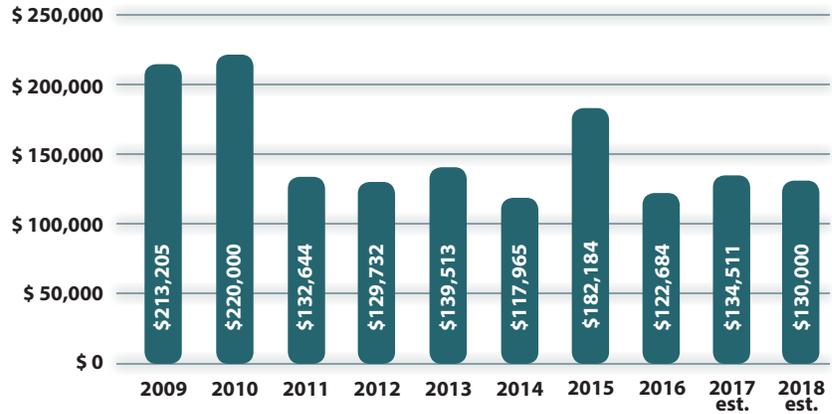
State law requires proceeds from this tax to primarily go towards law enforcement of gambling activities. There are limited exemptions and deductions from the gambling tax for churches, schools, and charitable or nonprofit organizations.

Gambling Tax Forecast

During 2011, one of the major providers of gambling tax ceased operations.

In 2015 the City began collecting Gambling tax on amusement devices, with back taxes collected in 2015.

Gambling Tax Rates		
Gambling Tax	City Rate	Maximum Legal Limit
Bingo & Raffle	5%	5%
Punch Boards & Pull Tabs	3%	5%
Card Games	3%	20%



Leasehold Excise Taxes, Business Licenses, Development-Related Fees & Grants

Leasehold Excise Taxes (RCW 82.29A.020 and OMC 3.36)

Leasehold excise tax is imposed at four percent of the rent paid by private parties on property owned by State or local governments and is paid by the private parties in lieu of property tax. The total State and City leasehold tax rate is 12.84 percent. The City projects \$165,000 to be collected in 2018 from this tax.

Business Licenses (RCW 19.02, 35.23.440 and OMC 5.02)

These fees are collected based upon the nature of the business. All businesses within the City, unless exempted by State law or a master license, pay an annual license fee in varying amounts, with a minimum fee of \$30. Businesses that gross less than \$20,000 per year are not required to be licensed, but may choose to register. The 2018 estimate for Business Licensing fees is \$279,000.

In 2016 the Council eliminated the \$50 fee for first time licenses. The estimated reduction in revenue is \$110,000.

Development Related Fees				
Year	Building Permits*	Fire Permits	Development Fees*	Zoning & Subdivisions*
Est. 2018	\$ 2,581,900	\$ 125,000	\$ 824,000	\$ 231,000
Est. 2017	2,379,338	138,417	954,172	192,658
2016	2,462,411	147,728	305,000	250,000
2015	2,542,172	127,641	498,214	236,198
2014	2,689,709	99,315	547,472	207,852
2013	2,556,924	61,572	477,611	196,542
2012	1,913,762	42,871	349,379	146,392
2011	2,663,268	75,476	339,483	275,598
2010	2,571,411	88,728	473,178	192,784
2009	1,373,500	75,860	745,832	441,166

See Appendix for more information relating to building permits.

Development-Related Fees (RCW 19.27 and OMC 4.04, 4.36 and 4.38)

These fees are imposed generally upon construction or building activities and include building permit fees, fire and sprinkler permits, and fees to review building plans.

Grants

The City receives various Federal, State, and local grants. Grants supporting the general operations of the City include, but are not limited to, Planning Programs, Growth Management, and Criminal Justice.

*Development Fee Revenue Fund

Building permits, development fees and zoning and subdivision fees are receipted to the Development Fee Revenue Fund. This fund reimburses the Community Planning and Development Department for costs of managing development.



State Shared Revenues

State Shared Revenues (RCW 46.68 and 82.08.170)

The State Shared Revenues listed are distributed on a per capita basis. Motor Vehicle Fuel Tax is imposed on gallons of fuel sold and money is allocated to cities from the State. These funds are restricted for street repair purposes.

Liquor excise tax is imposed on liquor and wine sales. Two percent of the distribution must be used on alcoholism programs.

In addition to fuel and liquor taxes, the City expects to receive \$155,071 in other state shared revenues.

State Shared Revenue - Per Capita		
	2017	2018
Motor Vehicle Fuel Tax—Maintenance Usage	\$ 16.23	\$ 16.25
State Shared Liquor Revenues	\$ 13.26	\$ 13.50
Population	51,600	52,160

State Shared Liquor Revenue (RCW 82.08)

In November 2011 a ballot measure passed which privatized the retail sale of liquor. Previously, liquor retail sales were conducted by the State. Additional taxes were imposed by the initiative such that taxes would approximate the previous combined profits and excise tax. As part of the 2012 - 2013 State budget, the legislature reduced the amount of liquor revenue shared with cities.

In 2015 the legislature restored revenue shares with cities to pre-2013 percentage levels.

State Shared Revenues		
Year	*Motor Vehicle Fuel Tax - General Fund Use	State Shared Liquor Revenue
Est. 2018	\$ 847,800	\$ 704,040
2017	837,308	684,464
2016	872,374	677,543
2015	779,110	577,367
2014	723,423	526,869
2013	702,051	458,799
** 2012	676,096	638,932
2011	691,815	550,780
2010	700,204	586,159
2009	738,824	521,500
* Net of \$275,000 of Fuel Tax is transferred to the Capital Improvement Fund for transportation purposes.		
** 2012 included distribution from sale of state liquor stores as part of liquor profits		

Intergovernmental, Police, and Fire Charges

Intergovernmental Charges

These are charges to other governments for services, intergovernmental shared revenues, and grants. Intergovernmental revenues for utility services are included within Charges for Services in the charts and graphs.

Police Charges (OMC 5.55 and 16.46)

The City does not allow Police Officers to perform police or security-related work at an additional job outside the City, but instead pays overtime for these services and then charges for the service (\$25,000 estimated for 2018). The City enacted an alarms and fees ordinance for false alarms. Revenues estimated from this source for 2018 are \$30,000. Total estimate police program revenue is \$520,120, including the above.

Fire Charges (OMC 16.32.045 and 56.1.2)

Reimbursements from the Medic I System are estimated at \$2,331,719 for 2018. This is estimated at 80 percent of the personnel costs of providing paramedics and full reimbursement of supplies and services.

During 2018, the City expects to collect \$310,000 from fire inspection fees.

The 2018 budget includes an estimate of \$1,114,490 paid by the State of Washington for fire protection of State buildings. In 2011 the City began providing vehicle and equipment maintenance to other Fire Departments. The projected revenue in 2018 is \$489,000. The Fire Department also provides training facilities to other Fire Departments. Revenues from this source are estimated at \$193,830 for 2018.



Utility Charges

Utility Charges (RCW 35.67.190, 35.92.010, 90.03.500, 90.03.510 and OMC 4.24)

The City provides a variety of services to maintain the health, sanitation, and public welfare of the City. The services include the provision of water, wastewater removal, storm drainage and surface water, and solid waste removal. Each of these services are provided at a charge to the customer.

2018 Rate Increases

Rate increases included in the budget:

Drinking Water	4.4%	Waste ReSources	
Wastewater		Drop Box	2%
Local collections*	0%	Residential	2%
LOTT, sewage treatment	2%	Commercial	0%
Storm & Surface Water	0%	Organics	6%

Drinking Water

2018 Drinking Water Rates (monthly)

	Tier 1		Tier 2		Tier 3		Tier 4	
	Water used/ ccf	Charge per ccf						
Single Family & Duplex	0-400	\$1.80	401- 900	\$3.15	901-1,400	\$ 5.03	1,401+	\$ 6.62
Multi-Family & Non-Residential	Nov-June	\$2.63	July-Oct	\$3.94				
Irrigation	Nov-June	\$2.63	July-Oct	\$7.77				

ccf = 100 cubic feet (about 750 gallons)

These rates are in addition to Ready-to-Serve charges which range from \$12.43 (3/4" meter) to \$623.33 (12" meter).

Wastewater

The current wastewater rate is \$60.11 per month per Equivalent Residential Unit (ERU). Of this, \$38.64 is for the Regional Treatment System (LOTT) and \$21.47 is for the City Collection System. The Cities of Lacey and Tumwater contribute to the Regional System on the same basis.

An ERU is defined as a separate, single family residence, or one per single family unit with respect to residential duplexes. Residential structures having more than two single family units are assessed at 70 percent of an ERU. Mobile homes are equal to one ERU. For customers other than residential users, an ERU is defined as 900 cubic feet of sewage measured at the source of either water consumption or sewage discharge. The definition of an ERU for collection purposes was changed from 900 ccf to 700 ccf.

Stormwater

Current rates for single family and duplex parcels are \$13.37 and \$26.74 per month respectively. Accounts other than single family and duplexes are billed \$13.08 per month, plus an amount for impervious surface based on date of development. Impervious surface charges are based on billing units of 2,528 feet of impervious surface. Development before January 1980, billed at \$12.97 per billing unit; January 1980—January 1990, billed at \$10.28 per billing unit; and development after January 1990, billed at \$4.92 per billing unit.

Waste ReSources (Solid Waste)

Current rates for basic 65-gallon service for single family households that participate in the recycling program is \$24.55 per month. Collection of garbage and recyclables occurs on alternating weeks.

Utility Rate Increases

	2015	2016	2017	2018
Drinking Water	6%	7%	6.9%	4.4%
Wastewater				
Collections	2%	5%	4%	0%
LOTT	3%	3%	2%	2%
Storm & Surface Water	3%	7%	6.3%	0%
Waste ReSources				
Drop Box	0%	0%	0%	4%
Residential	6%	5%	0%	6%
Commercial	4%	4%	0%	5%
Organics	8%	9%	6.5%	0%

Drinking Water rate increase dependent on customer class and consumption.

Residential Utility Bill

(typical bi-monthly, single family residential bill)

	2015	2016	2017	2018
Drinking Water	\$44.97	\$48.25	\$51.00	\$53.24
Wastewater				
Collections	\$39.34	\$41.30	\$42.95	\$42.95
LOTT	\$72.12	\$74.28	\$75.76	\$77.28
Storm & Surface Water	\$23.58	\$25.49	\$26.74	\$26.74
Waste ReSources	\$43.90	\$46.32	\$46.32	\$49.10
Total	\$223.91	\$235.63	\$242.77	\$249.31
% Increase	4%	5%	2.9%	2.7%
\$ Increase	\$8.58	\$11.73	\$7.13	\$6.55

Interfund Charges, Parks, Arts & Recreation Services, Fines & Parking

Interfund Charges

These are charges made for employees of one fund providing services to another fund. Included are such items as charges made to utility programs for maintenance of the Maintenance Center, Engineering Services and Public Works Administration of the utilities and projects, and providing financial and administrative services to City-owned utilities.

Parks, Arts and Recreation Services

Recreation and community events-related revenues are budgeted at \$804,200. The Parks Program is projecting \$294,728 in revenues for 2018. The Facilities Operation revenues for 2018 are budgeted at \$260,167.

The budget includes \$1,819,129 of support from the Olympia Metropolitan Park District.

Fines, Forfeits, and Penalties (Non Parking)

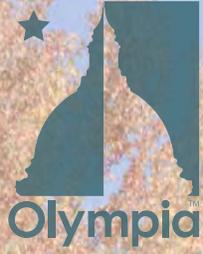
Fines, forfeits, and penalties (excludes parking fines) are estimated at \$491,500.

Parking

Parking revenues are estimated at \$1,530,700 for 2018. \$450,000 of this revenue is estimated to come from fines.







Olympia™

General
Government





General Government



Mission

Working together to make a difference.

Vision

To effectively lead the City organization by implementing City Council policies, exercising fiscal prudence, providing legal support, coordinating work of various departments, facilitating responsive communications to citizens through community relations, and maintaining a positive image of City government.

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Legislative Services	\$182,232	\$190,454	\$346,485	\$156,031
Executive Services	1,179,539	1,202,888	1,289,270	86,382
Human Resources	577,353	691,610	738,160	46,550
Legal Services	1,267,287	1,194,019	1,350,376	156,357
Special Accounts	3,252,264	1,741,297	2,146,472	405,175
The Washington Center	325,791	354,200	460,876	106,676
Total Expenditures	\$6,784,466	\$5,374,468	\$6,331,639	\$957,171
Recap of Expenditures				
Personnel Services	\$2,788,187	\$3,004,748	\$3,215,087	\$210,339
Supplies & Services	3,851,095	2,233,082	2,976,498	743,416
Interfund Payments	145,184	136,638	140,054	3,416
Total Expenditures	\$6,784,466	\$5,374,468	\$6,331,639	\$957,171
Program Revenues	915,115	1,125,238	1,263,020	137,782
Funding From General Revenues	\$5,869,351	\$4,249,230	\$5,068,619	\$819,389



City Council/Legislative

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$140,952	\$137,908	\$197,864	\$59,956
Supplies & Services	36,330	47,316	141,716	94,400
Interfund Payments	4,950	5,230	6,905	1,675
Total Expenditures	\$182,232	\$190,454	\$346,485	\$156,031
Funding from General Revenues	\$182,232	\$190,454	\$346,485	\$156,031

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Councilmembers	5.00	5.00	5.00
Mayor	1.00	1.00	1.00
Mayor Pro Tem	1.00	1.00	1.00
Total	7.00	7.00	7.00

Highlights of Program Budget Changes

- \$53,923 Implementation of Salary Commission findings
- \$100,000 Policy analyst services

Program Description

The purpose of Legislative Services is to adopt policies, plans, regulations, and budgets in order to deliver high quality municipal services, protect the health, safety, and welfare of City residents, and maintain the City's image as a great place to live.

Trends

At its January 2017 Retreat, the Council reinforced its focus on five broad Comprehensive Plan Goals:

Community Safety and Health - Olympia is a safe, healthy, and resilient community. Residents are provided opportunities for respectful civic engagement, quality education and multiple transportation choices. Emergency services are timely and well-coordinated.

Downtown - Downtown Olympia is a regional center for recreation, commerce, and business as well as a vibrant and growing neighborhood.

Economy - Olympia's economy provides opportunities for all residents to meet their life needs through creation of family wage jobs, quality infrastructure and plentiful arts and plentiful opportunities for arts and entertainment.

Environment - Olympia treats its environment as a treasured asset. Olympians protect the water and air and connect with nature in many venues.

Neighborhoods - Olympia's neighborhoods are strong, welcoming and engaged. They are well planned, provide distinctive spaces and are accessible to near amenities and gathering places.

Ongoing issues with the economy require careful managing of programs and services to ensure public interests are well served.

Intergovernmental relations with the Port, Thurston County, Lacey, Tumwater, and the local Indian Tribes will also continue to be a priority for the Council.

Budget Overview

The success of major issues depends on several factors, including the economic strength of the local community, trends in land and material costs, and successful partnerships with citizens, private sector groups, and other jurisdictions.

Future Challenges and Opportunities

Keeping focus on Council priorities and major work efforts will continue to be the emphasis of the Council and staff. Maintaining the City's programs and services in today's economy will need careful oversight.

As citizens and organizations bring forward new ideas and challenges for Council consideration, ongoing determinations will be made to see if these will benefit the residents of our community and if they coincide with the priorities of the City. Diverting time and dollars away from the priorities and major work efforts established by the Council requires close evaluation.



City Council/Legislative (continued)

Recent Accomplishments

- Expanded Transportation Benefit District Funding to better meet street repair needs
- Adopted and began implementation of the Downtown Strategy
- Supported opening nearly 300 units of Downtown housing
- Developed a funding strategy to expand public safety and housing services in the community
- Launched the next phase of the Sea Level Rise Work Plan
- Supported the state in next steps toward the Capitol Lake/Deschutes Estuary decision making
- Fully implemented Parks Management Asset Management System
- Completed Phase I of Downtown Strategy
- Launched pilot project to evaluate 24-hour restrooms in downtown including the five current locations
- Partnered with Low Income Housing Institute (LIHI) to celebrate the opening of a new facility providing housing for homeless veterans, disabled individuals, and homeless youth

Key Results Measures	Target/Goal	2016	2017	2018 Budget
E-mail responses within 24 hours	100%	100%	100%	100%
Service Profiles		2016	2017	2018 Budget
Agenda Packets (including Council Meetings, Study Sessions, Committee Meetings, and Other Meetings)		128	125	125
Unplanned Projects		10	10	10
City Council Email Responses		744	768	768
City Council Correspondence		287	295	295



City Manager/Executive Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$997,344	\$1,037,033	\$1,082,045	\$45,012
Supplies & Services	154,170	138,290	179,290	41,000
Interfund Payments	28,025	27,565	27,935	370
Total Expenditures	\$1,179,539	\$1,202,888	\$1,289,270	\$86,382
Program Revenue	223,275	431,453	426,404	(5,049)
Funding from General Revenues	\$956,264	\$771,435	\$862,866	\$91,431

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Assistant City Manager	1.00	1.00	1.00
City Manager	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00
Program Specialist	4.00	4.00	4.00
Strategic Communications Director	1.00	1.00	1.00
Total	8.00	8.00	8.00

Highlights of Program Budget Changes
 \$36,000 Funding for a Lobbyist

Program Description

City Managers Office

The City Manager is appointed by and accountable to the City Council for:

- Administration and City operations and activities
- Implementation of policy direction from the full Council
- Communication with the City Council, the City organization, and the Community

The City Manager provides policy advice to the City Council and is responsible for keeping the Council informed about the City's finances and emerging issues.

The City Manager's office provides overall leadership to the City organization, direct management and coordination of high profile special projects, and staff support to the Council as a whole.

2018 Major Projects

Implementation of the City Council priorities will continue to be the primary focus. Balancing the City budget, and funding and prioritizing capital needs continues to be the center of attention for the Executive Services Department. Areas of focus include the following:

- Reducing employee medical costs through recent contract negotiations
- Continued improvements at the Artesian Commons
- Continued work on Community Renewal Area (Griswolds, Water Street)
- Continued work on a sustainable budget
- Transfer of McAllister Springs to the Nisqually Tribe
- Continued work on the neighborhood sub-area planning
- Market West Olympia commercial property (former landfill)
- Completed Downtown Strategy
- Implementing the Olympia Metropolitan Park District
- Focus on economic development
- Continue building tribal relations
- Support a healthy and vibrant downtown
- Implementing the Comprehensive Plan Action Plan
- Provide ongoing open government training for Councilmembers, Advisory Committees, and staff



City Manager/Executive Services (continued)

Strategic Communications

The Strategic Communications Director is the City's liaison to community event sponsors for permits and logistics, coordinates advisory committee recruitment and appointment, administers the City's cable television franchise, and reviews all reports published with the weekly Council meeting packet. The Strategic Communications Director also serves as staff liaison to the Council's General Government Committee, the Lodging Tax Advisory Committee, and the Thurston Community Television Board (TCTV).

The Communications and Community Relations function helps our citizens and employees connect; both in-person at City Hall and through a variety of communication and outreach efforts. The Communication Services team provides graphic design services, digital communications services including website/social media content and usage assessment, Citywide brand management, communication/marketing strategies, and writing, editing, and photography services for print and web material.

Future Challenges and Opportunities

City Managers Office

- Meet increasing service demands of the public, particularly in the area of community policing
- Establish a meaningful performance measurement system
- Empower employees to continually seek improvements and efficiencies
- Coordinate and communicate Council priorities, CFP projects, and work plan/construction progress report
- Continue support of the Olympia Downtown Association and the Parking and Business Improvement Area (PBIA)
- Continue work on development of mixed-use housing in the Downtown area
- Continue reaching our citizens through our website, Facebook, Twitter, and other social media accounts
- Support the regional strategy to address homelessness
- Help the Council "tell the story" about policy initiatives, challenges, and accomplishments

Although our economy shows signs of improving, flexibility and creativity will continue to be necessary to maintain the highest possible level of programs and services.

Risk Management

Risk Management will continue to see challenges due to population growth, an expanded service area, and aging infrastructure. Work with our insurance carriers will focus on loss prevention through training and infrastructure maintenance.

Strategic Communications

- Redesigning and refining Communication Services processes from intake and beyond
- Telling our story in a way that reaches people who do not usually follow City government
- Keeping up with ever-changing electronic and digital communication outreach tools; implementing and maintaining a mix of online and print communication
- Auditing and refreshing the City brand and establishing brand identity more deeply in the City
- Implement the transition of the management of the City website to Communication Services, and continue to refresh the City's website and keep content current, useful and usable for City residents
- Continue to develop the City's social media communication, including increasing skill and capacity for video production



City Manager/Executive Services (continued)

Recent Accomplishments

Strategic Communications

- Producing and distributing an easy-to-read, comprehensive annual report of City policy actions, challenges, performance measurements, and accomplishments
- Made road striping an informative, annual event with live tweeting of striping progress
- Designed and produced new marketing materials for the Community Renewal Area, Action Plan, and Downtown Strategy efforts
- Upgraded the Council Chambers and Room 207 audio/visual equipment to include new projectors, upgraded sound system, and new iPad based control system
- Provided training and skill building with Jurassic Parliament training for City leaders
- Conceived and produced inventive short videos in-house that have successfully engaged our community across the City's social media platforms
- More than tripled the number of City Facebook likes and increased our total reach nearly nine-fold

Key Results Measures	Target/Goal	2016	2017	2018
E-mail responses within 24 hours	100%	100%	100%	100%
Claims processed within 1 day	85%	100%	100%	100%
Known Incidents Reported within 2 Business Days	85%	92%	90%	90%
Percent of City News Releases are Posted on City Website for Convenient Public Access	100%	100%	100%	100%
Percent of City Publications are Designed with City Identity	100%	100%	100%	100%
Service Profiles		2016	2017	2018
Risk Management Training Sessions		112	92	75
Liability Claims Processed		61	58	60
Restitution Claims Processed		59	60	60
Employee At-Fault Driving Incidents		35	51	30



Legal Services - Civil Division

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,112,887	\$1,072,955	\$ 1,177,622	\$ 104,667
Supplies & Services	129,350	93,104	143,104	50,000
Interfund Payments	25,050	27,960	29,650	1,690
Total Expenditures	\$1,267,287	\$ 1,194,019	\$ 1,350,376	\$ 156,357
Program Revenue	150,419	152,573	159,323	6,750
Funding from General Revenues	\$1,116,868	\$1,041,446	\$1,191,053	\$ 149,607

Highlights of Program Budget Changes
 \$50,000 Funding for contracted prosecution services

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Civil Division			
Assistant City Attorney	0.60	0.60	-.*
City Attorney	1.00	1.00	1.00
Deputy City Attorney	1.00	1.00	2.00*
Paralegal I	1.00	1.00	1.00
Paralegal II	1.00	1.00	1.00
Criminal Division			
Assistant Prosecutor II	1.00	1.00	1.00
Chief Prosecutor	1.00	1.00	1.00
Office Specialist III	1.00	1.00	-.**
Paralegal I	-	-	1.00**
Victim Assistance Coordinator	1.00	1.00	1.00
Total	8.60	8.60	9.00
*Reclassified to Deputy City Attorney			
**Retitled to Paralegal I			

Program Description

The Legal Department provides consultation, legal advice and representation to the City of Olympia consistent with the City's priorities and is comprised of the Civil and Criminal Divisions.

Civil Division

The Civil Division advises the City Council, City Manager and City departments on legal questions relating to laws, policies and regulations applicable to the City. Duties also include preparing and reviewing ordinances, resolutions, real estate documents, interlocal agreements, contracts, and related documents, and providing proactive advice to minimize litigation risk and exposure. The Civil Division initiates or defends litigation when necessary. The Legal Department also evaluates and advises on proposed legislation, public disclosure issues, and public records act requests.

Trends

The Civil Division must respond to projects and time lines established by others, and major projects tend to consume large amounts of Legal Department staff time. After years of relatively slow land use permitting following the Great Recession, the surge in new land development has placed increased demands on legal representation and support related to controversial land use decisions, acquisitions and divestments. In addition, the State's licensing of marijuana establishments, the merger of medical marijuana with recreational sales, the elimination of collective gardens and the City's enforcement against marijuana associated uses has placed increased demands on the Civil Division. Significant community interest in parks planning, acquisition and funding has also increased the need for legal services. Complicated environmental cleanup of high value City properties for future redevelopment and/or sale continues to place increased demands on the Legal Department for advice and counseling in this complex legal area. The number of department-submitted legal work requests has increased by more than 20% since 2014. The Legal Department's experienced attorneys and staff has absorbed this increase without additional resources. The Civil Division encourages City staff to utilize the Department's legal services to reduce avoidable negative legal consequences. Recently, the City's Legal Department, in connection with the Olympia Police Department, named one of its attorneys a police legal advisor. As this position evolves, the police legal advisor will work to prioritize responsibilities amongst department requests to allow dedicated time assisting the police in matters related to proposed legislation, interpretations of law, statutory and case law updates, contract and policy review, and other civil matters unique to law enforcement's needs. Examples of general work provided by the Civil Division include:

- Numerous complex property acquisitions for Parks and Public Works projects
- Discussion regarding citizen initiatives



Legal Services - Civil Division (continued)

- Legal advice on tax ordinances
- Legal advice on Public Disclosure Commission rules and the Fair Campaign Practices Act
- Litigation matters
- Environmental cleanup of City-owned properties
- Land use appeals
- Development agreements and rezones
- Large capital projects
- Advice and review of public records requests and responses
- Code enforcement/public nuisance abatement actions
- Increasing and protecting Olympia's water supply
- Complex updates to the City Comprehensive Plan and development regulations
- Continued high levels of contract activity in the Parks and Public Works Departments Agreements with other cities, the Port, LOTT, Olympia School District, and Thurston County
- Updates and interpretation of legislation and case law
- Policy review
- Advice on economic development

Program Budget Overview

Legal Department budget resources are allocated almost exclusively to staff costs, along with a smaller amount for outside civil legal services which require specialized expertise or independent review. Dedicated budget resources have not been available for outside criminal prosecution services.

Future Challenges and Opportunities

- The combination of increased levels of departmental activities and multiple major projects creates a strain in resources and impacts legal review times. As a result of population growth, homeless issues, public safety concerns, there has been an increased demand for City legal services. The Civil Division works closely with City departments to prioritize legal work requests and to ensure that legal advice and representation is provided in a timely and effective manner.
- The addition of a dedicated police legal advisor to the responsibilities of the Civil Division impacts the time required to serve other departments. As police legal advisor duties continue to develop and evolve, additional resources will be required to fulfill the responsibilities necessary to serve the unique and vitally important legal needs of Olympia's Police Department as it seeks to meet the community's expectations of its police force and the requirements of constitutional policing in a modern, progressive, urban environment.
- Completion of major projects such as park acquisition and downtown redevelopment requires significant support from the Civil Division.
- In addition to serving the City of Olympia, the Civil Division also serves as Legal Counsel to the Olympia Transportation Benefit District (TBD) and the Olympia Metropolitan Park District (OMPD).

Recent Accomplishments

Provided legal support to the various departments to carry out the City's Comprehensive Plan priorities:

Supporting Community, Safety and Health

- Assisted with contracts to purchase several properties to increase parks and public open spaces
- Assisting with public safety ballot measure to obtain needed revenue for OPD walking patrol
- Developing the police legal advisor role
- Modifying criminal law ordinances for a safer community
- Developing safety rules/ordinance for City meetings
- Supporting updated software/hardware contracts that will allow City staff to better serve employees and the community
- Assistance with ideas on how best to continue Olympia's Community Court



Legal Services - Civil Division (continued)

- Artesian Commons Restroom contracts
- Downtown master plan restroom architect agreement
- Help protect community by assisting with exemptions of private information
- Assist Fire Department with education and training agreements to support education for public health & safety positions
- Assist with negotiating to contribute funding for playground equipment to school district property for community use
- Assist with city policy and rental policies to ensure public has fair access to Olympia Center
- Acquisition of parcels adjacent to the Olympia Woodland Trail for Parks
- Umpire/concession agreements for community parks
- Assist with survey documents for community safety
- Contracts with other jurisdictions for jail housing
- Assist with pedestrian safety pathways and contracts for installation of flashing beacons
- Assist with contracts to provide opportunities to those participating in Americorps
- Acquisition of properties and conservation easement for Heron protection

Supporting Economy

- Researched digital signatures to assist community in coordinating with City
- Assisted with contract for assessment of Fair Housing and Public Safety ballot issues
- Assist with potential Housing Sales Tax ballot proposition
- Assisting with CDBG agreements for a micro business training program
- Advise CP&D on economic development contracts such as Big Rock Capital Partners Development Agreement
- Advise Public Works on issues relating to public works bidding on projects improve/maintain infrastructure
- Review agreements to assist departments with necessary contract services such as permit plan review

Supporting Downtown

- Assisting with Artesian Commons policies
- Helping develop ideas surrounding affordable housing
- Assisting with PBIA murals agreements
- Assist with Parks artwork programs such as Percival Plinths
- Assist with Parks music in the park program contracts
- Advise on Downtown Ambassador program
- Assisted with Resolution for downtown strategy

Supporting Neighborhoods

- Grant contracts to fund neighborhood projects
- Work on revising nuisance guidelines
- Advise Code Enforcement on encampment issues, nuisance properties, and regulation complaints

Supporting the Environment

- Study and remediation of previous landfill property
- Assist with reclaimed water agreements
- Assist with septic to sewer programs
- Assist by advising on storm water projects
- Assist by providing advice on encampment clean up
- Continue to assist with Deschutes water issues
- Assist with contract for ozone generator to control odor at lift station
- Assist in developing forms for various rebate programs supporting the environment
- Acquisition of conservation easement to protect Heron colonies

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Professional Service Agreements Reviewed Within 2 Weeks	95%	93%	93%	94%
Service Profiles		2016	2017	2018 Budget
Legal Work Requests Received		397	450	465



Legal Services - Criminal Division

Program Description

Criminal Division

The Criminal Division prosecutes accused misdemeanor offenders, who have been charged with crimes, in order to assure the guilty are held accountable, the public is protected from criminal conduct, and justice is appropriately served. The Criminal Division regularly works in close collaboration with local and state-wide law enforcement partners and nonprofit organizations to assist crime victims and deter criminal activity. Prosecutors provide proactive and reactive legal advice to Police Department personnel and other municipal entities to ensure an individual's rights are protected and the quality of the agency's services rendered are exceptional and effective. Prosecutors, the Victim Assistance Coordinator, and staff also spend significant time assisting crime victims, with emphasis on domestic violence, to ensure they fully understand the legal process, their rights are protected, and their voices are heard throughout the prosecution process.

Trends

In 2016, the Criminal Division helped launch the Olympia Community Court. The Court received a \$200,000 grant in July of 2016. The funds are used to pay for service providers, court programs, and some remodeling, but not for prosecution services. Although the Community Court program will require additional time in court, numerous pre-court meetings, and collaboration with service providers, the prosecutor's office does not have additional staff.

The Criminal Division continues to work with the Olympia Police Department to address criminal enforcement concerns by reviewing the Olympia Municipal Code for potential changes that will increase enforceability, better align with City Council priorities, and work in conjunction with state laws.

Additionally, the Criminal Division provides legal advice and training on criminal matters for the Olympia Police Department. With approximately half of the patrol officers with less than five years of law enforcement experience, the demand for training has increased significantly.

Integral to the Criminal Division's successful operation, the Victim Assistance Coordinator plays a critical role in preparing domestic violence cases for court hearings and trials by encouraging and coordinating victim participation, which is crucial to any successful prosecution aimed to hold domestic violence offenders accountable. The Victim Assistance Coordinator also works closely with domestic violence victims to develop personal safety plans and obtain needed assistance from organizations, so as to ensure victims receive the appropriate services and protection they need.

Program Budget Overview

Legal Department budget resources are allocated almost exclusively to staff costs. Dedicated budget resources have not been available for outside criminal prosecution services. The proposed 2018 budget includes \$50,000 for contracted prosecution services.

Future Challenges and Opportunities

As Community Court continues to grow, the demands on the Criminal Division will continue to increase. In 2016, Community Court cases added approximately 938 additional court hearings. For 2017, there will be an estimated 1,152 hearings added for Community Court. In addition to appearing for court, the attorneys in the Prosecutor's office provide case specific legal advice to officers in the field. The attorneys also provide formal department legal trainings. There is growing demand for legal training for the Police Department. The combination of these increased demands on the Criminal Division create a strain on resources.

The Criminal Division makes it a priority through its Victim Assistance Coordinator to remain in regular contact, through all stages of prosecution, with all victims of domestic violence. However, the limited staffing makes it difficult to consult with all crime victims in non-domestic violence cases. These important, non-domestic violence cases include the following: driving under the Influence where the driver collides with another person, stalking where the offender continuously preys upon the victim, harassment where the offender threatens to harm the victim, assault where the offender causes physical injury or harm to the victim, property damage where the offender destroys the victim's property, theft where the offender steals the victim's property, and vehicle prowling where the offender scavenges through the victim's vehicle and belongings. Unfortunately, victims in these cases do not always receive direct information that a case has been filed, these victims are not always kept apprised of the progress of the case through the system, and these victims are not always aware of their right to receive compensation for financial loss suffered.



Legal Services - Criminal Division (continued)

There is also a substantial increase in the Criminal Division staff's workload based upon the recently modified jail booking system that has eliminated use of citations for arrested defendants. Historically, officers issued citations, which were used as the formal charging document by the jail to hold and book an inmate in custody. This same citation was equally used by the Criminal Division and the Municipal Court as the actual charging document. Now, the Criminal Division receives a daily list of inmates arrested within the past 24 hours and must obtain all police reports related to each arrest. A prosecutor then must review the obtained reports to determine what, if any, criminal charges to file. Staff must prepare substantive formal charging documents related to each filed criminal charge for each inmate. Staff must then submit these formal charging documents to the Municipal Court and jail well before the afternoon in-custody calendar. This change in system has caused a significant increase to both the staff's and prosecutors' workload.

The lack of an electronic case and document management system has been problematic and burdensome for the Criminal Division. With the Police Department having updated its records management system, police records being sent electronically, and with the updated jail records system, it has become evident that the Criminal Division's paper oriented, manual data entry system is seriously outdated. The Criminal Division depends on multiple systems and outside agencies to retrieve data, which in turn must be manually entered into Word and Excel files to manage the data, creating unnecessary duplication of work.

Recent Accomplishments

- Worked with the Center for Court innovation to update the Community Court policies and procedures to comply with federal grant requirements and to reflect recent changes in the ever growing and evolving social justice program.
- Modified Graffiti, Assault, Harassment, and Violation of Protective Orders so as to increase their enforceability and work in conjunction with state laws (Adoption of Assault, Harassment, and Violation of Protection orders is pending)
- Worked in collaboration with the Police Legal Advisor to adopt a revised version of Disorderly Conduct to allow effective enforcement action.
- Support of the Olympia Police Department in its use of crime data, so as to pursue cases that have a positive impact on public safety.
- Support the City Council's priorities by pursuing specific types of cases and recommending probationary conditions, such as exclusion orders for repeat offenders, in order to reduce downtown criminal activities.

Service Profiles	2016	2017	2018 Budget
Trials Held (26% increase)	19	24	30
Criminal Complaints (as opposed to citations) - (18% increase)	733	866	1,021
Contacts with victims - (69% increase)	6,073	10,264	17,346
Community Court Hearings - (23% increase)	938	1,152	1,417



Human Resources

Program Cost Summary	2016 Actual	2017 Estimate	2018 Budget	Variance
Expenditures				
Personnel Services	\$502,786	\$603,032	\$652,942	\$49,910
Supplies & Services	61,437	73,013	69,913	(3,100)
Interfund Payments	13,130	15,565	15,305	(260)
Total Expenditures	\$577,353	\$691,610	\$738,160	\$46,550
Program Revenue	200,245	192,012	221,417	29,405
Funding from General Revenues	\$377,108	\$499,598	\$516,743	\$17,145

Program Staffing	2016 Actual	2017 Estimate	2018 Budget
Line of Business Director	1.00	1.00	1.00
Office Specialist I	0.25	0.25	0.25
Office Specialist III	1.00	-	-
Personnel Analyst	1.00	1.00	2.00*
Personnel Assistant	1.00	1.00	1.00
Records Analyst	3.00	3.00	-.**
Senior Personnel Analyst	2.00	2.00	1.00*
Total	9.25	8.25	5.25
* Reclassed to Personnel Analyst **Reorganized to Administrative Services			

Program Description

Human Resources (HR) provides services to managers and employees which allows the City to have a capable, diverse staff delivering quality services to the community. HR includes traditional personnel functions as well as labor negotiations, disciplinary investigations, worker's compensation, civil service, and Law Enforcement Officers and Firefighter Retirees (LEOFF) 1.

The more traditional HR personnel functions include:

- Recruitment and selection
- Unemployment
- Employee relations (Employee Assistant Program (EAP), employee assistance, interpreting and applying City policies and collective bargaining agreements, and performance improvement)
- Classification and compensation
- FLSA, FMLA, ADA and Ergonomic compliance
- Compliance with other Federal and State employment laws and regulations
- Salary surveys
- Policy development and updates
- HR specific public records requests
- Pre-employment background checking
- Employee Recognition Program

Successfully managing these programs creates a positive, healthy and productive work environment. HR also staffs the City's Civil Service Commission and the Law Enforcement Officer and Firefighter 1 (LEOFF 1) Disability Board.

Trends

In 2018, Human Resources (HR) employees:

- Continue to anticipate increased competition for skilled, experienced employees because of an improved economy;
- Ensure that the City remains competitive in salary, benefits and overall employment practices (flex schedules, employee wellness programs, tele-commuting, work-life balance, etc.) in order to recruit great new employees and retain its best employees;
- Will complete full implementation of the training program for new supervisors and lead workers
- Will continue to implement the collective bargaining agreements (CBA) arrived at in 2016 and 2017, while negotiating a new CBA with Police Sergeants in 2018;
- Remain concerned with an aging workforce where some of the City's most experienced employees are retiring and the challenges of replacing that experience;



Human Resources (continued)

- Will continue trying to help with hiring new and diverse police officers and fire fighters through the Civil Service process. The Civil Service Commission continues to be a great partner, helping the City meet its needs in recruiting qualified candidates for these positions;
- Look for ways to continue with the improvements in workplace safety as measured by the number and severity of injured worker claims (worker compensation);
- Continue to work with the LEOFF 1 Board as it deals with an aging retired workforce; more specifically dealing with anticipated long-term care costs; and
- Closely monitor the Federal Family and Medical Leave Act (FMLA), the Americans With Disabilities Act (ADA) and the Age Discrimination in Employment Act (ADEA) to ensure compliance.

Program Budget Overview

HR staff will continue to look for ways to do things more efficiently; saving money for the City while providing quality service. In addition to conducting labor negotiations and in-house employee investigations, HR staff has taken over the management of all FMLA and ADA claims in the City to ensure uniform compliance.

HR staff continues to develop and provide training to supervisors and other employees in an effort to avoid costly mistakes that can lead to lawsuits.

HR staff strives to continue the five year trend of decreasing the number of worker compensation claims, the amount of money paid on those claims, and returning employees to health and back to work as soon as possible.

HR staff anticipate continuing to investigate complaints against City staff (e.g. by the end of 2017 HR staff anticipates having participated in approximately 12 employee investigations during the year). These investigations involve a number of employment situations of varying complexity.

Future Challenges and Opportunities

- Anticipated increases in medical insurance premiums continue to compel the City to reevaluate its benefit package to make sure it is sustainable.
- AWC's decision in 2016 to drop the City's healthcare plans meant that we had to negotiate new healthcare benefits with each of the bargaining units and implement new healthcare plans for the non-represented employees.
- Workers' Compensation claims continue to challenge management staff and the City safety program to balance the physical nature of various jobs with the abilities of the employees, while trying to prevent job related injuries
- LEOFF 1 long-term care costs continue to be a concern as retiree's age.
- 2018 anticipated City revenues may make labor negotiations more challenging.
- HR staff continues to provide training for supervisors on new and ongoing supervisory issues.
- Getting qualified candidates in the door and through the training process in the Police Department continues to present challenges for the Civil Service positions. In 2018, HR will work with Police and Civil Service to look for ways to create a more efficient system for identifying and recruiting qualified, diverse candidates.

Recent Accomplishments

- Negotiated multi-year labor agreements with three unions (police guild, fire department assistant chiefs and fire department fire fighters.)
- Completed several disciplinary investigations
- Developed new training for new supervisors and lead workers
- Continued the trend of decreased workers compensation costs
- LEOFF Health care transfer to NWFFT (United American Plan F and AetnaRx High Option)
- Completed part two of a three part comprehensive salary survey for all city positions (30 positions reviewed in 2017)
- Zero vacancies in Police
- Assisted with the completion of four promotional processes for Police and Fire



Human Resources (continued)

Recent Accomplishments (continued)

- Developed and conducted new supervisor/lead training
- Assisted with the City maintaining a 100% score on the Municipal Equality Index
- Created four ADA compliant lactation rooms
- Transitioned NEOGOV to updated version
- Assisted with settling two outstanding personnel-related lawsuits against the City

Interesting Facts (Projected from January-June 2017 data):

Number of New, Regular Full-Time Recruitments (non-civil service) in 2017	32
Number of New Position Civil Service recruitments in 2017	20
Number of FMLA cases in 2017	64
Number of ADA accommodation requests handled to HR in 2017	2
Number of Ergonomic Assessments in 2017	12
Number of Worker Compensation Claims closed in 2017	20
Number of LEOFF 1 Claims to LEOFF Board for Medical Reimbursement in 2017	22
Number of Full-time, Regular Employees Leaving the City and Filing Unemployment Claims in 2017	10
Number of Internal Promotions (non-Civil Service) in 2017	20
Number of Internal Promotions (Civil Service) in 2017	2
Number of Shared Leave Requests Granted in 2017	6

Human Resources (continued)

Key Results Measures	Target/Goal	2016	2017	2018 Budget
COMPENSATION				
100% of 30 non-represented City classifications surveyed within 5% above or below average pay of comparable cities (after 2016 increases)	100% of classifications reviewed	84 %(26/31) Did Not Meet Goal - (4 over and 1 under)	100% 30 classifications being surveyed	100%
Keep employee benefit package costs at or below an average of 35.3 %/employee	Not measured until 2017		35.30%	35%
CULTURE				
Maintain 100% on the MEI Index score	100%	100% Met Goal	100%	100%
75% of Directors and Supervisors (who responded to survey) rated HR as providing good to excellent service in the categories surveyed	75%	Not measured until 2017	76.4% Met Goal	75%
EMPLOYMENT				
90% of regular, full-time employees remain with the City during a calendar year	90%	93.4% (511 out of 547) Met Goal	90%	90%
98% of newly hired, regular, full-time employees successfully complete probationary period	90%	92% (3/40) Met Goal	90%	90%
90% of the regular, full-time employees that leave the City during a year, do so voluntarily	90%	85% (5/34) Did Not Meet Goal	90%	90%
PERFORMANCE				
90% Of Complaints filled with HR result investigations will be completed in 2 weeks (excluding Police Department)	90%	63% (10 out of 16) Did Not Meet Goal	90%	90%
100% of City positions in compliance with FLSA based on annual HR review	100%	100% Met Goal	100%	100%
100% of Commercial Driver's License random drug tests negative	100%	100% (19/19.) Met Goal	100%	100%
100% of City policies reviewed and updated by HR	100%	100% Met Goal (all policies reviewed, 8 policies updated)	100% Met Goal (all policies reviewed, 17 policies updated)	100%
5% Reduction in Worker Injuries	5%	15% (46 claims in '15 v. 39 claims in '16) Exceeded Goal	5%	5%
100% of injured employees returned to work within 25 days from date of injury	75%	75% (12 TL claims/9 TL claims rtrnd to work in 25 days) Met Goal	75%	75%
100% of FMLA request to FMLA leave bank opened will be done in 14 days	100%	100% (11.5 days) Met Goal	57% as of July 1, 2017	100%



Special Accounts

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$34,218	\$153,820	\$104,614	\$(49,206)
Supplies & Services	3,144,017	1,527,159	1,981,599	454,440
Interfund Payments	74,029	60,318	60,259	(59)
Total Expenditures	\$3,252,264	\$1,741,297	\$2,146,472	\$405,175
Program Revenue	19,920	-	-	-
Funding from General Revenues	\$3,232,344	\$1,741,297	\$2,146,472	\$405,175

Highlights of Program Budget Changes

- \$ 75,000 Increase in transfer to the Fire Equipment Replacement fund (for vehicles), for a total of \$200,000
- \$210,000 Election costs, of the \$165,000 moved from Services Department to Special Accounts

One Time Items:

- \$80,000 Funding for Climate Action Plan
- \$50,000 Funding for Winter Sheltering

Program Description

The Special Accounts programs are used for budgeting items which are not generally associated with another program, or which are combined for easy reference. Special Accounts also includes payments to other governments for general services not associated with another program.

Budget Overview

Community Human Resources is funded at 0.5% of the 2016 regular sales tax collections by contract.



Special Accounts (continued)

Special Accounts	2017 Actual	2018 Budget
Labor Reserves	\$135,020	\$77,176
Community Human Resources: General Allocation	85,680	91,810
Community Youth Partnership	20,000	20,000
Council Reserve	100,000	100,000
Election Costs	-	210,000
Employee Go Pass and Benefit Administration	18,800	27,438
Farmers Market Lease	83,000	83,000
Fees on Property Tax Statements	9,500	9,500
Fleet Pool Vehicles	60,048	59,969
Grant Research Subscription Service	5,000	3,500
General Administration Fees	3,000	3,000
General Memberships	40,010	41,234
Harbor Patrol Support	8,000	-
Public Safety levy lid lift increase in contingency	-	32,811
Property Insurance	270	290
One-Time Funding:		
Climate Action Plan	-	80,000
Winter Sheltering	-	50,000
Alcoholism Programs (Thurston County)	20,000	20,730
Animal Services (City of Lacey)	274,423	280,000
Olympic Air Pollution Control Authority	38,265	39,732
Transit Depot Operations Support (Intercity Transit)	10,400	11,000
Transfers to Other Funds:		
Capital Improvement Fund - Fuel Tax	275,000	275,000
Debt Service Fund for Energy Improvement Project	178,281	178,282
Fire Equipment Reserve	125,000	200,000
I.T. Development Special Account	200,000	200,000
Municipal Art Fund	51,600	52,000
Total	\$1,741,297	\$2,146,472



The Washington Center for the Performing Arts

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Operations	\$ 289,791	\$ 318,200	\$ 424,876	\$ 106,676
Maintenance and Custodial	36,000	36,000	36,000	-
Total Expenditures	\$ 325,791	\$ 354,200	\$ 460,876	\$ 106,676
Program Revenue	321,256	349,200	455,876	106,676
Use of Fund Balance	\$ 4,535	\$ 5,000	\$ 5,000	\$ -

Highlights of Program Budget Changes

The Washington Center operations is funded from 50% of the lodging tax received by the City and earnings from the Washington Center Endowment Fund.

The increase is funded from:
 \$106,000 Lodging Tax

Program Description

The City of Olympia owns a performing arts center — The Washington Center for the Performing Arts. The City contracts for the management of the facility. The City funding for the Center comes in part from an endowment established in the early 1980s. The City sold a large piece of property on the Westside (now Haggen Grocery) to be used to support the Center. The principal and investment earnings may only be used for the benefit of the Center. In addition to the investment earnings, the Center receives two percent hotel/motel lodging tax on existing hotels/motels. These two funding sources make up the City's contribution to the Center.

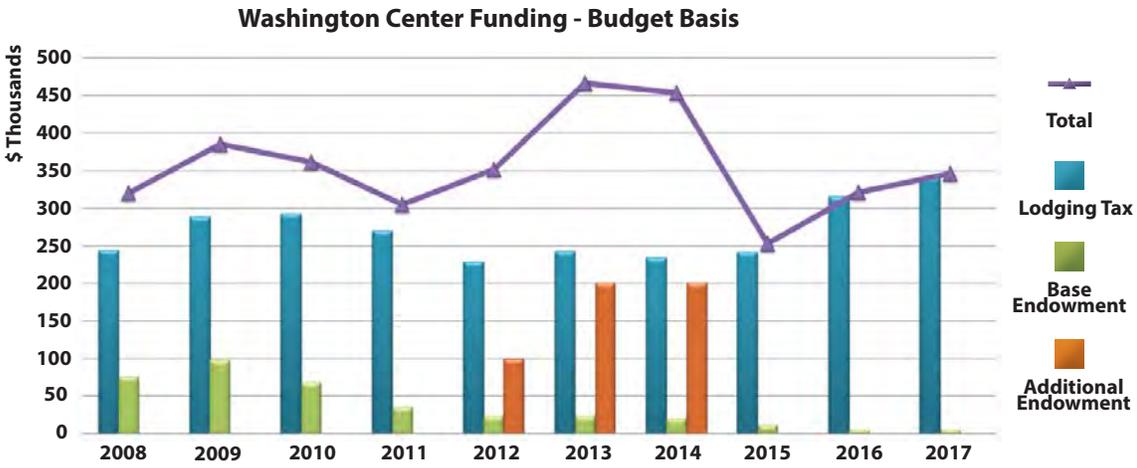
In addition to the City's contributions, the Center generates revenue from events and usage of the center plus the "Black Box" rehearsal room.

Budget Overview

Base revenues allotted to the Center by contract are up slightly. The City's funding contribution is determined by contract and is based on the interest earned on the endowment, plus hotel/motel lodging tax receipts.

Future Challenges and Opportunities

The Washington Center has been faced with financial difficulties due to the reduction in support by the City and current economic conditions. In 2011, 2012, and 2013 the City provided additional support for the Center from the endowment, in addition to interest earnings. It is hoped that with the special assistance and implementation of the Center's new business plan, the Center will be able to stabilize its funding needs.





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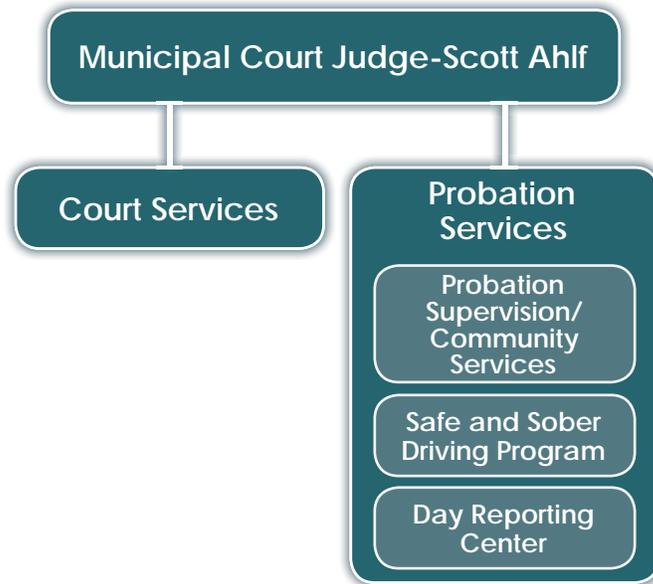
Municipal Court

Municipal
Court





Olympia Municipal Court



Mission

The mission of the Olympia Municipal Court, as an independent and impartial branch of government, is to provide objective, accessible and timely resolution of all cases appropriately coming before the Court, the protection of the rights of all individuals, and the dignified and fair treatment of all parties. Olympia Municipal Court is a contributing partner working toward a safe and vital community.

Vision

The court will strive to be a leader in innovative and evidence based programs that will reduce recidivism and change behaviors.

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Court Services	\$ 1,052,426	\$ 1,082,855	\$ 1,138,762	\$ 55,907
Probation Services	254,543	267,892	296,454	28,562
Day Reporting Center	458,790	474,229	488,754	14,525
Community Court	-	-	89,861	89,861
Total Expenditures	\$ 1,765,759	\$ 1,824,976	\$ 2,013,831	\$ 188,855
Recap of Expenditures				
Personnel Services	\$1,510,963	\$ 1,592,715	\$1,713,710	\$ 120,995
Supplies & Services	203,300	172,874	234,950	62,076
Interfund Payments	51,496	59,387	65,171	5,784
Total Expenditures	\$ 1,765,759	\$ 1,824,976	\$ 2,013,831	\$ 188,855
Program Revenues	362,219	421,429	402,429	(19,000)
Funding from General Revenues	\$ 1,403,540	\$ 1,403,547	\$ 1,611,402	\$ 207,855



Municipal Court Overview

Department Description

The Olympia Municipal Court is a high volume court, which hears cases involving misdemeanors, gross misdemeanors, traffic infractions, and City code violations. Our court is the initial contact with the legal system for many individuals. It is the goal of this Court to require offenders to be accountable for their actions, and to work with these offenders to address the underlying issues relating to their offenses and reduce recidivism. The Court continues to look for new ways to accomplish these goals.

Trends

Community Court

The court staff has joined with the Olympia Prosecutors, Public Defenders, and community partners to institute a therapeutic community court. Community courts and other therapeutic courts have a proven track record of reducing recidivism and increasing the quality of life for the individuals involved. The Olympia Community Court program relies upon evidence-based practices that focus on the needs of the individual rather than the one size fits all approach used in the past. Our program includes: supervision, treatment, education, and housing, which are essential elements of a successful community court program. The partners involved in the Olympia Community Court are passionate about improving the lives of the people served, thereby making Olympia a better community for the participants, as well as the public.

Probation and the Options Program

Appropriate supervision of offenders is of utmost importance for a successful court system. The Olympia Municipal Court probation department works with individuals convicted of crimes. Their compassionate, yet firm approach to supervision changes lives and holds offenders accountable to their court ordered sentences. The Courts' Probation Department continues to be a leader in the use of jail alternatives. We currently have two work crew supervisors running work crews seven days a week. The work crew consists of a combination of inmates serving time in the jail and offenders working on a daily basis while residing at home. Through their labor on the work crew, offenders make amends to the community for the crimes they have committed. In addition, the Probation Department has programs such as electronic home monitoring (house arrest) and the use of alcohol sensing devices that inform the Court if someone is using alcohol in violation of a release condition, thereby posing a risk to the community. A diligent probation department, such as Olympia's, is vital in curbing the behavior of offenders.

Leadership in Court-Related Associations

Olympia Municipal Court personnel have assumed leadership positions within the State District and Municipal Court Judges Association, District and Municipal Court Managers Association, and the Misdemeanants Corrections Association. This involvement keeps us abreast of any new and emerging issues involving the Washington State Courts of Limited Jurisdiction.

Future Challenges and Opportunities

Community Court

The success of the Community Court has uncovered more needs. The number of participants and providers continue to grow. The future success of the program may require additional facilities and courtroom time.

Case Management System

A new Courts of Limited Jurisdiction case management system is essential for the courts in the State of Washington to function properly. The current Judicial Information System (JIS) was developed and implemented in the 1980s. The system does not use Windows-based programming and is unreliable. We are hopeful that the legislature and courts will work together so the new program will come to fruition. When the program becomes available, we will need the help and support of the City's IT Services for successful implementation. The court will continue to face challenges from changes in the law and court rules. The legislature has made significant changes to the DUI laws and will continue to do so in the future. The court will continue to monitor these changes and will strive to be innovative in our approach to working with DUI offenders. The Olympia Municipal Court will continue to work with all of the stakeholders in the criminal justice system to find viable solutions to such challenges.



Municipal Court Overview (continued)

Recent Accomplishments

Community Court

The Olympia Municipal Community Court has had a significant impact on the lives of the individuals appearing in court. The continued work with community partners and City of Olympia departments show what a difference we can make if we challenge the status quo.

Jury Trials

The remodeling of our main courtroom to allow jury trials to be held at the Olympia Municipal Court is instrumental in our ability to make sure that cases are heard expeditiously and fairly.



Court Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$912,102	\$964,725	\$1,018,572	\$53,847
Supplies & Services	115,404	90,300	92,300	2,000
Interfund Payments	24,920	27,830	27,890	60
Total Expenditures	\$1,052,426	\$1,082,855	\$1,138,762	\$55,907
Program Revenue	138,391	141,429	141,429	-
Funding from General Revenues	\$914,035	\$941,426	\$997,333	\$55,907

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Case Manager*	-	-	0.60
Court Operations Supervisor	1.00	1.00	1.00
Municipal Court Judge	1.00	1.00	1.00
Office Specialist II	3.00	2.00	2.00
Office Specialist III	3.00	4.00	4.00
Program & Planning Supervisor	1.00	1.00	1.00
Total	9.00	9.00	9.60
*New position added with public safety levy			

Program Description

The Court Services Division of the Olympia Municipal Court is primarily responsible for the day-to-day operations of court and parking citation, adjudication and collections. This includes initial citation data entry, docketing, calendaring, case management/adjudication, receipting payments, fine distribution and compliance monitoring. In addition, a tremendous amount of time and staff resources is dedicated to imaging all court documents, responding to public information requests and providing exceptional customer service.

Trends

In 2016 the Municipal Court launched its first problem solving court, The Olympia Community Court. This program moves away from the traditional model of jail and probation sanctions, and now focuses on providing treatment programs and community support services to clients. The criminal justice team's new therapeutic court was developed with the help of the Center for Court Innovation. Focusing on improving the quality of life in the downtown corridor, it addresses such issues as homelessness, mental health, chemical dependency and health care. This program was unofficially opened in January 2016 with its official launch on January 4, 2017.

The development of a multi-jurisdictional driver's reinstatement program continues to move forward. Currently, through the Community Court program, individuals are able to convert fines owed to Olympia or other local jurisdictions, to community service hours to be used as payment. In addition, the court would like to develop an option for clients to work with any local jurisdiction to pay fees to multiple courts. This streamlined approach continues to be a work in progress, having on-going discussions with all jurisdictions.

Continuing with the concept of system efficiency, technology is a major focus of the court. Up-to-date document and case management systems are an absolute necessity. A state-wide approach through the Administrative Office of the Courts is ideal for Olympia Municipal Court. The process of securing such a system has started, however a new statewide system will be a multi-year process. Given that, the court will continue to work with the City's criminal justice team and IT department to consider options within the city.

Budget Overview

Olympia Municipal Court received a grant from the Center for Court Innovation in the amount of \$200,000 for a two-year period starting July 1, 2016 and ending June 30, 2018 to fund Community Court. This grant helps fund facility costs as well as operations and staffing costs to run Community Court. In order to continue with the Community Court program, the court is requesting \$50,000 for a Community Court budget for the remainder of 2018, and a budget of approximately \$100,000 for 2019.

Expenditures for the maintenance and operations of Court Services for 2018 will remain similar to 2017 and no additional funds are requested. It is anticipated that the Court will receive \$25,000 in partial reimbursement of the Municipal Court Judge salary for 2018 from the State through the Trial Court Improvement Account.



Court Services (continued)

Future Challenges and Opportunities

Technological advancement is the fundamental necessity for courts as well as court partners - probation, prosecution, defense attorneys, jail and police, the public, and the media. Modern technology will create efficiency for courts, improve access to justice and information, and ease communication between courts and all users of the justice system.

The Judicial Information System (JIS) is the case management system that is used by over 300 courts of limited jurisdiction (district and municipal courts) in the State of Washington and supports the daily operations of the courts. This database serves as a clearinghouse for criminal history information for courts, probation, justice partners, attorneys, the media, and the public. The JIS system is primarily funded through a dedicated assessment on traffic infractions processed by limited jurisdiction courts. This system is over 30 years old and cannot keep up with the needs of today's courts.

The State Administrative Office of the Courts is in the Request for Proposal process to select a new case management system vendor. Olympia Municipal Court has been participating in the vendor evaluation process with the State and has actively reached out to Senators and Legislators to support funding for the replacement of the case management system. The Court has held off on needed technological upgrades to becoming a paperless court, pending the outcome of the State's case management system.

The City of Olympia has selected a new parking case management system and along with the Municipal Court is in the process of implementation. This system will be in use in 2018 and will require staff to be in the training process in the later part of 2017. This new system will integrate with the existing court case management system in a limited capacity until a new system is in place for court.

Since its official launch in January 2017, the Community Court at Olympia Municipal Court has increased in caseload size. The provider building at 909 8th Avenue is where clients meet with providers from multiple agencies for needs such as housing, chemical dependency counseling, mental health counseling, and education and career counseling. The building is beyond its capacity in space. The Court must get creative in the use of limited space to provide these essential resources to clients.

Recent Accomplishments

- On January 4, 2017, the Court held a ribbon cutting ceremony and open house for Community Court. Members of the community and leaders from local jurisdictions were invited to help celebrate the launch of Community Court with the help of clients from the Court performing the ribbon cutting.
- The establishment of the Community Court Garden. With the help of GRuB, this new project in Community Court will allow clients within the Community Court to share in the maintenance and products of the garden as well as provide healthy foods to low income individuals.
- The Court held its first jury trial at the Municipal Court courtroom on March 7, 2017. Prior to this, the Court had an interlocal agreement with Thurston County for jury room space as well as summoned jurors. This reduces the cost for Olympia Municipal Court as well as preventing trial cancellations due to lack of space.
- Received funding of \$23,000 from the State's Trial Court Improvement Account for partial reimbursement of the Municipal Court Judge's Salary for 2017.



Court Services (continued)

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Warrant Return Calendar				
Bench Warrant Resolution without booking	250	180	202	-
Personal Recognizance (PR) Calendar				
Appearance after PR Release	80%	64%	69%	-
Service Profiles		2016	2017	2018 Budget
Infraction Citations Filed		1,584	1,361	-
Criminal Citations Filed		1,132	1,192	-
Parking Citations Filed		23,626	19,542	-
Hearings Held		5,054	6,124	-
Parking Hearings Held		1,116	1,002	-



Probation Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$240,880	\$248,708	\$256,950	\$8,242
Supplies & Services	7,318	12,204	30,499	18,295
Interfund Payments	6,345	6,980	9,005	2,025
Total Expenditures	\$254,543	\$267,892	\$296,454	\$28,562
Program Revenue	142,538	169,500	136,500	(33,000)
Funding from General Revenues	\$112,005	\$98,392	\$159,954	\$61,562

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Office Specialist III	1.00	1.00	1.00
Probation Officer I	2.00	2.00	2.00
Probation Services Supervisor	1.00	1.00	1.00
Probation Work Crew Leader	2.00	2.00	2.00
Senior Program Specialist-RPN	0.25	0.25	0.25
Total	6.25	6.25	6.25

The same staff provides services for both Probation and the Day Reporting Center.

Highlights of Program Budget Changes
 \$20,000 Funding for probation case management software.

Program Description

Probation Services offers effective community supervision for misdemeanor offenders in the City of Olympia. Along with the correctional options programs offered as alternatives to incarceration, Probation Services continues to offer an array of treatment and counseling services to help motivate and guide clients out of the Court system.

Trends

The City of Olympia Community Court was launched in January 2016 and continues to function successfully. Most criminal offenses, excluding DUI, assault and domestic violence cases are at a minimum reviewed by the prosecutor's office for potential participation in the program. The majority of clients being referred to the program have been charged with a quality of life crime, (i.e. theft, criminal trespass, disorderly conduct and pedestrian interference.

In addition to the Community Court program, Probation Services continues to collaborate with other local municipalities to develop a driver's license reinstatement program. Partnerships with Thurston County District Court, Tumwater Municipal Court and the Lacey Violations Bureau have helped to assist person's whose driving privileges are suspended.

Probation Services continues to provide quality pretrial and post disposition supervision, including intensive supervision, active and bench probation.

Budget Overview

Revenues collected for 2016 totaled \$143,000. Revenues for 2017 are predicted to be the same. The Community Court program imposes only a mandatory conviction fee of \$43 which is collected by the court. No additional probation fees are imposed.

The majority of the community court program has been funded with the \$200,000 grant awarded by the Center for Court Innovation. This funding will lapse on June 30, 2018. Additional funds to maintain the program will be requested by the court. Most of the costs associated with the program have been paid with grant funds. However, costs not covered by those dollars have been paid for through the Probation Services or Day Reporting budgets. Examples of costs covered include urinalysis fees, client lunches, community court closet supplies and some treatment costs for clients not covered by insurance.

In December 2016 the Community Court lost its contracted case manager. Probation Services was able to absorb that workload in order to allow grant money to be utilized for other services.

Future Challenges and Opportunities

The Community Court has changed the dynamic of the Probation Services and the Day Reporting Center. The traditional court model would sentence those offenders, charged mainly with nuisance and/or quality of life crimes, to a term of jail or jail alternatives and then monitor them on a bench probation status. No other treatment conditions would be imposed and little or no case management was required. This form of sanction is considered punitive and does not promote behavior change. Conversely, Community Court is a



Probation Services (continued)

Future Challenges and Opportunities (continued)

therapeutic or problem solving court, promoting behavioral change by offering supportive community services and treatment programs. Probation staff are required to actively participate in a clients program, providing emotional support and guidance. Jail is used sparingly as are jail alternatives.

Clients participating are considered to be low risk to community safety but score high on the needs scale. These clients struggle with chemical dependency and mental health issues and are likely to be homeless. Given these challenges, the case management for the community court is quite intense and requires a significant amount of staff time. Essential duties of the case manager require weekly status updates on all clients scheduled for review, including:

- Contacting treatment providers for updated status reports.
- Preparing written noncompliance reports and warrant requests when necessary.
- Perform all risk/needs assessments for potential clients and make program recommendations.
- Monitor sobriety of clients through random urinalysis testing.
- Assist treatment providers in obtaining inpatient treatment beds
- Securing transportation and maintaining communication with clients while in treatment.
- Assist in maintaining statistical data for the program.
- Manage behavioral issues in the provider building when necessary.
- Participate in court reviews.
- Prepare the provider building weekly, including preparing lunches for clients.
- Plan and participate in celebrating client achievements and graduations.

Probation staffing levels must be maintained to continue to provide intensive case management.

Since Community Court's primary focus is to provide treatment services and emotional support to clients, reorganization of both departments was necessary to provide appropriate case management and also maintain quality jail alternative programs. The intensive supervision caseload (ISP) and the Community Court caseload were assigned to one officer. All options programs, electronic home monitoring, pretrial 24/7 sobriety monitoring, work crew and day jail were reassigned to the work crew leaders.

Since its launch in 2016 participation in the program both with offenders and community providers and has increased exponentially. Originally located in the "foyer" of the second courtroom, the provider/client area quickly became inadequate. Space was obtained at 909 8th Avenue and became the new provider building, allowing treatment agencies to have confidential office space to meet with clients. Currently, this space is now beyond capacity. It will be necessary to look again for alternative suitable space for our clients and community partners.

Recent Accomplishments

- The Probation Department's Victim's Impact Panel program, regarded as one of the best in the state, was selected to present at the Probation Academy held at the Criminal Justice Training Center in Burien, WA. The academy is held annually for all newly hired probation officers in Washington State.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Offenders Successfully Completing DUI Alternative Program	100%	98%	100%	-
Service Profiles		2016	2017	2018 Budget
Defendants on Active Probation		191	200	200
Defendants on Inactive Probation		425	450	450
Deferred Prosecution Supervision		133	140	140
Defendants on Warrant Status		1,346	1,300	1,300

Probation Services - Day Reporting Center

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$357,981	\$379,282	\$393,327	\$14,045
Supplies & Services	80,578	70,370	70,511	141
Interfund Payments	20,231	24,577	24,916	339
Total Expenditures	\$458,790	\$474,229	\$488,754	\$14,525
Program Revenue	81,290	110,500	124,500	14,000
Funding from General Revenues	\$377,500	\$363,729	\$364,254	\$525

Program Description

The Day Reporting Center (Options Program), comprised of intense probation programs and jail alternatives, continues to run successfully. Our goals include enhancing public safety while using alternatives to incarceration, and allowing better management of jail costs to the City of Olympia.

Trends

The 24/7 sobriety monitoring program used during pretrial for offenders with multiple DUI offenses has increased. Defendants falling into this category are required by statute to either install an ignition interlock device (IID) on their vehicle or be fitted for an alcohol-sensing bracelet pending resolution of their case. During the major part of 2016, per statute, fees for pretrial monitoring services were not allowed to be imposed by probation departments. Expenses for equipment leasing for alcohol sensing bracelets had to be absorbed by the department. However, in late 2016 the legislature amended that specific RCW, stating that any person required to participate in the 24/7 sobriety program will do so at their expense. The department is seeing a marked increase in fee collection for this service in 2017.

The Electronic Home Monitoring (EHM) program participation is rising. With the local economy improving and unemployment reducing, defendants are again beginning to use this jail alternative which allows them to maintain their employment.

Technology, specifically a new case management system will need to be a priority of both Probation Services and the Day Reporting Center. Both departments are in desperate need of a new case management system. The current system is decades old and is no longer technically supported by CAPCOM. A failure in the system at this time will result in the loss of current case files and those closed files required to be retained for three years after closure per the Washington Administrative Code. IT Services is currently working with Probation to develop both an interim and long term solution.

Budget Overview

Revenue projections for 2018 are \$124,500 (combined fees collected for EHM, Work Crew, Day Jail, DUI Alternative, and contributions from Public Works and the Parking and Business Improvement Area (PBIA).) The EHM program's recent increase in participation coupled with the reassignment of the jail alternatives programming to the work crew leaders may explain this steady increase. With the increased participation in the EHM program, costs to lease equipment have also risen. The costs of equipment rental will likely exceed the current 2017 budget of \$29,000. It will be necessary to request additional funding to cover the potential shortage in funds. Those funds can be drawn from additional revenues generated.

Increased participation in the EHM program and Community Court, have also generated additional costs in medical services. Clients are required to maintain sobriety which is monitored through urinalysis testing. Program participation numbers and increasing service costs will generate expenses, slightly over the 2017 budgeted amount of \$25,000.

The probation department and day reporting program have continued to collaborate with the court and legal departments to secure a new case management system. Costs for this badly needed technology have yet to be determined. Recently, the court, probation and legal departments, with the help of IT prepared and sent a Request for Proposal to various vendors. We are awaiting those proposals. IT has indicated that the probation case management system replacement is a priority.

Concurrently, the statewide Judicial Information System (JIS) is also outdated and needs to be replaced. The Administrative Office of the Courts has been in the process of selecting a vendor for this replacement project. In late 2016, Olympia Probation was asked to



Probation Services - Day Reporting Center (continued)

participate in the vendor evaluation process. The statewide case management replacement project currently includes a probation module. However, funding for that module has yet to be secured. Further, the time line of this massive project could essentially take several years before it is made available to this department. Unfortunately, probation cannot hold off on replacing our current system and must move forward with an individual plan within our jurisdiction.

Future Challenges and Opportunities

An important component of Community Court is giving back to the community. Participants are usually required to complete two days on the work crew or they may volunteer to maintain the community garden. Scheduling those required hours is done immediately, a work crew leader is on site in the provider building for enrollment into either program. In 2016 a total of 181 days of work crew were completed.

A portion of the work crew days completed were done specifically for the license reinstatement program. Hours completed are credited at \$11.00 per hour towards fines owed to the City of Olympia and/or other local jurisdictions for criminal traffic offenses or traffic infractions that are holding their driver's license with Department of Licensing (DOL.) Once fines owed are paid in full, the DOL is contacted to lift that hold, which then allows license reinstatement.

With the current work crew staffing levels, their additional responsibilities with the other jail alternative programs and the need for participation during community court, the work crew runs five rather than seven days per week and one week-end each month to accommodate those clients who are not available to work a Monday through Friday schedule.

In 2017 the program struggled to continue to water the hanging baskets for the PBIA. The complicated crew schedule coupled with the lengthy early morning watering schedule essentially eliminated one work crew leader beginning at 1pm daily. In order to continue our partnership with the PBIA, probation staff duties and work crew schedules were adjusted for the summer months. Funding provided by the PBIA was used to hire a temporary program specialist to help cover the jail alternatives work load. Additionally, approximately 25 hours of overtime pay per month was authorized for the work crew leaders to water during the weekends when necessary. It is unclear at this time whether the work crew will continue to water for the PBIA in 2018. Further discussions regarding the program and necessary staffing levels will need to occur.

Correctional options programs continue to be utilized, particularly with pretrial supervision. In 2016 a total of eight offenders served 329 days on alcohol sensing equipment pending resolution of their cases. Additionally, another 91 clients participated in the EHM program serving 2,340 days. Overall options compliance was 91% for 2016. Total jail bed days saved through jail alternatives (EHM/Work Crew/ In-Custody Work Crew/Day Jail and DUI Alternative program) totaled 3,567 days. Jail cost savings to the City was approximately \$178,350 (3,567 x \$50/day.)

Recent Accomplishments

- Successful reassignment of duties with the Probation and Day Reporting departments to provide better services to Community Court and Jail Alternatives clients.
- Continued partnership with the PBIA to provide downtown watering services.
- 91% completion rate for jail alternative programs.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Defendants Successfully Completing an Options/Jail Alternative Program	100%	91%	95%	-
Service Profiles		2016	2017	2018 Budget
Average Intensive Supervision Caseload (ISP)		36	40	-
Defendants Successfully Completing ISP		41	45	-
Defendants in Day Jail Program		20	25	-
Defendants on Work Crew		72	100	-
Defendants on In-Custody Work Crew		28	20	-
In-Custody Work Crew Jail Beds Saved		383	300	-
Defendants on Electronic Home Monitoring		91	120	-
Electronic Home Monitoring Jail Beds Saved		2,669	3,000	-
Total Jail Beds Saved (Day Jail/Work Crew/EHM)		3,567	3,500	-



Community Court

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$-	\$-	\$44,861	\$44,861
Supplies & Services	-	-	41,640	41,640
Interfund Payments	-	-	3,360	3,360
Total Expenditures	\$-	\$-	\$89,861	\$89,861
Program Revenue	-	-	-	-
Funding from General Revenues	\$-	\$-	\$89,861	\$89,861

Highlights of Program Budget Changes

Community Court is a new program for the 2018 operating budget. The funding shown above is for six months. This is funded from an increase in the public safety property tax levy which was approved by the voters in November 2017. This is a portion of that levy increase.

The Community Court has been funded on a trial basis from a State of Washington grant. The grant expires June 30, 2018. This program would have been discontinued if the public safety levy had failed.

Program Description

Community courts seek to respond to crime through a combined strategy of holding offenders accountable and offering to help defendants with a range of social needs. Community Court is a non-traditional approach that works to provide practical, targeted solutions rather than traditional punishment. The Olympia Community Court opened its doors in January 2016 following a community needs assessment conducted by various justice system and community stakeholders. Working together with community partners specializing in housing, education, employment, chemical dependency, health care, licensing, mental health, transportation, LGBTQ and youth/family support services, the Olympia Community Court offers individuals a hand-up, with the goal of restoring the person and community.

Through a collaborative effort between Olympia Municipal Court, the Olympia City Prosecutor's Office, Olympia Public Defenders, the Olympia Police Department, and community organizations, Community Court seeks to break the cycle of crime, reduce recidivism, and reduce overall impact on the justice system involving offenders committing minor nonviolent offenses through case management and access to supportive services.

Trends

Community courts are neighborhood-focused courts that attempt to harness the power of the justice system to address local problems. They strive to engage outside stakeholders such as residents, merchants, churches, and schools in new ways in an effort to bolster public trust in justice. And they test new approaches to reduce both crime and incarceration. The first community court in the country was the Midtown Community Court, launched in 1993 in New York City. There are currently 64 community courts in operation in the U.S.

The community court model seeks to respond to crime through a combined strategy of holding offenders accountable and offering to help defendants with a range of social needs, including drug treatment under judicial supervision.

According to stakeholders, Olympia is a vibrant city that has faced increasing quality of life issues in the past decade. When asked about the biggest concerns in the city, stakeholders inevitably mentioned problematic drug and alcohol use and homelessness. Stakeholders said that it is common to see individuals in the downtown area loitering, panhandling aggressively, on drugs, or exhibiting signs of untreated mental illness. Further, since the downtown area has the only central business district in the region, there has been a seasonal influx of a transient, homeless population (particularly young adults between 18-24 years old) during the summers.

Stakeholders stated that Olympia has a very close-knit community where many people know each other or have been residents or business owners for a long time. However, stakeholders expressed a desire for improving communication and collaboration between the court system, service providers, and the community to address the quality of life and other challenges discussed previously. There appeared to be general agreement that different stakeholders might want the same outcomes (e.g., helping individuals connect to services, decreasing low level quality of life crimes in Downtown Olympia), but did not know how to work together.



Budget Overview

In April 2016, the City of Olympia was selected as one of 10 sites to receive funding and technical assistance under the 2016 Community Court Grant Program, a joint initiative of the Center for Court Innovation and the U.S. Department of Justice's Bureau of Justice Assistance. Following a national solicitation and peer review process of over 70 proposals, ten sites were selected to receive technical assistance and \$200,000 in funding over a 24 month period to support their efforts. Required activities of each site include conducting a community needs assessment, creating a project implementation plan, participating in trainings and peer-to-peer site visits, implementing an evidence-based risk and needs assessment tool, and collecting and reporting data on a quarterly basis. With assistance from this grant, the Olympia Community Court was able to expand access to on-site services by adding a mental health and drug and alcohol provider on-site and increase data collection and analysis. This grant will fund Community Court through June 2018.

In November 2017, the City of Olympia voters approved a public safety levy initiative which included funding for the Community Court in the amount of \$125,000 per year. This funding will allow the Community Court to function fully after the end of the grant period and retain the essential services of the community service providers, allow for a full-time Community Court Executive, as well as increase the hours of the Community Court Case Manager from 16 hours to 24 hours.

Future Challenges and Opportunities

Some of the future challenges facing Community Court are also opportunities. Due to the success and the need for this program, more cases are coming through the Court. While this growth is a positive opportunity, it brings with it the lack of space for the resources needed. The Community Court provider building is located at 909 8th Ave SE. This building was the previous home of the Court Services office for the Municipal Court. Space is limited in housing the service providers as well as the waiting area for participants.

The Community Court will establish an advisory board to consist of community members. This is a wonderful opportunity to get the community involved and updated on what is happening in a court that can address the issues within their community.

Recent Accomplishments

- The completion of the Community Court Needs Assessment Report highlights the establishment of the Court, the concerns within the community, and the future growth of the Court.
- The establishment of the Community Court Garden engages participants in the Community Court to work in the garden and benefit from the harvest.
- The formation of weekly group information sessions
- Visual "Graduation trees" were added on the wall in the community court building to celebrate participants graduation success and encourage those going through the process to graduate
- Outreach brochure was drafted and finalized
- Olympia's first Community Court retreat took place on 1/4/18



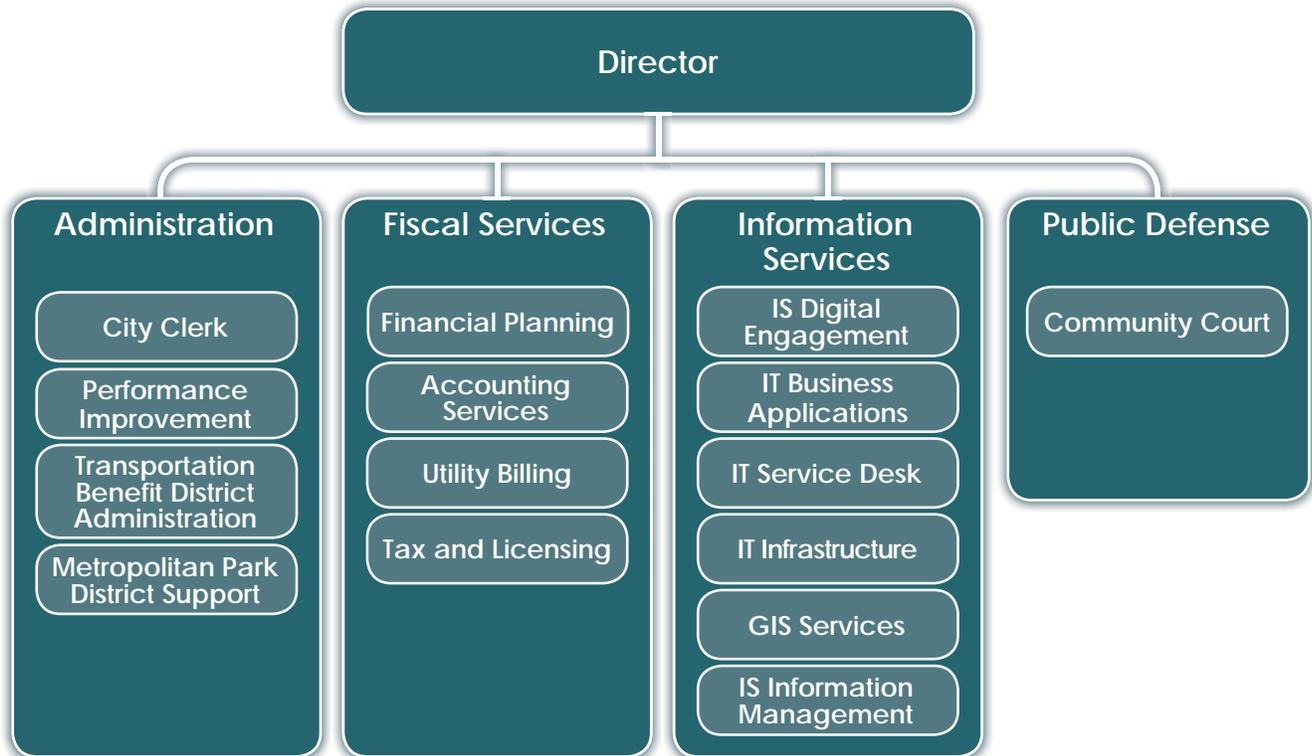
Administrative Services



OlympiaTM



Administrative Services



Mission

Provide essential fiscal, technological, and support services to City programs to meet their business needs. Serve as a responsible steward of government records, information, public assets, and employees for the City of Olympia, the Olympia Transportation Benefit District, and the Olympia Metropolitan Park District.

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Clerk Services	\$554,079	\$557,718	\$497,174	\$(60,544)
Fiscal Services	2,235,115	2,381,420	2,553,054	171,634
Information Technology Services	3,131,270	3,409,374	3,509,369	99,995
Information Management	422,349	366,894	396,237	29,343
Public Defense	74,073	433,639	544,599	110,960
Total Expenditures	\$6,416,886	\$7,149,045	\$7,500,433	\$351,388
Recap of Expenditures				
Personnel Services	\$4,959,147	\$5,297,987	\$5,650,425	\$352,438
Supplies & Services	1,318,670	1,709,875	1,708,654	(1,221)
Capital Outlay	11,574	-	-	-
Interfund Payments	127,495	141,183	141,354	171
Total Expenditures	\$6,416,886	\$7,149,045	\$7,500,433	\$351,388
Program Revenues	2,124,880	2,144,316	2,241,529	97,213
Funding from General Revenues	\$4,292,006	\$5,004,729	\$5,258,904	\$254,175



Administrative Service Department

Department Description

The role of Administrative Services is to help the City translate its vision and mission into strategies that focus the organization on what is important to the community, using all of the City's fiscal and human resources.

Administrative Services, including accounting, budgeting, records, technology, and public defense coordination has shifted from transactional operations to decision-support capabilities. The line separating these functions has blurred over the last few years. Our external and internal customers expect efficient systems that process transactions and resources in real time. All customers need access to services 24/7. They look to us to combine resources—people, financial and technological—to balance the need for stable financial operations with the ability to maintain high-level customer support.

Future Challenges and Opportunities

Both the number and complexity of public records requests continue to increase. Handling records requests in a timely and efficient manner continues to be a challenge. If the City moves to body worn cameras for police officers this will impact our department as well as the Police Department.

The City's current financial system is 25 years old and needs to be replaced. Some funds have been set aside for future implementation, however additional funding and staffing will be required. The City will be evaluating and implementing a new payroll/HR software system in 2018.

Administrative Services - Clerk Services/Public Defense

Clerk Services				
Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$316,262	\$283,603	\$369,229	\$85,626
Supplies & Services	224,857	265,425	120,425	(145,000)
Interfund Payments	12,960	8,690	7,520	(1,170)
Total Expenditures	\$554,079	\$557,718	\$497,174	\$(60,544)
Program Revenue	130,291	71,682	147,853	76,171
Funding from General Revenues	\$423,788	\$486,036	\$349,321	\$(136,715)

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Administrative/Clerk Services			
Director	1.00	1.00	1.00
Program Assistant	2.00	-	-
Records Analyst	-	1.00	-*
Information Specialist	-	-	0.50*
Senior Program Specialist	-	-	0.50**
Supervisor IV	1.00	-	-
Total	4.00	2.00	2.00
* Title Change to Information Specialist; 0.5 FTE budgeted under Records			
** Reorganized 0.50 FTE from Public Works			

Highlights of Program Budget Changes

Changes in program staffing are due to the transfer of 0.5 position to the Information Services Records Management Division and addition of one FTE from the Public Works department.

The increase in program revenue is related to the transferred positions and interfund cost allocation charges.

(\$165,000) Funds to pay Thurston County for election services was transferred from Clerk Services to Special Accounts with in the General Government services section of the budget.



Administrative Services/Public Defense (continued)

Program Cost Summary	Public Defense			Variance
	2016 Actual	2017 Actual	2018 Budget	
Expenditures				
Personnel Services	\$55,794	\$68,284	\$128,488	\$60,204
Supplies & Services	17,574	364,715	413,991	49,276
Interfund Payments	705	640	2,120	1,480
Total Expenditures	\$74,073	\$433,639	\$544,599	\$110,960
Program Revenue	-	17,000	65,000	48,000
Funding from General Revenues	\$74,073	\$416,639	\$479,599	\$62,960

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Public Defense Division*			
Public Defense Coordinator	0.50	0.65	1.00**
Social Worker	-	-	0.40***
Total	0.50	0.65	1.40

* Made its own division in 2018
 ** Increased to 1.0 FTE
 *** New Position

Highlights of Program Budget Changes

- \$21,300 Increase in contracted Public Defense services
- \$21,000 Part-time social worker added with funding from a grant from the State of Washington, Department of Public Defense.
- \$58,433 Public Defense coordinator increase from half time to full time with funding provided from a grant for OPD and from a voter approved increase in property tax for public safety which included additional funding for the recently established community court.

Program Description

The Administrative Services line of business provides a diverse range of services including City Clerk, Public Defense, and Transportation Benefit District and Metropolitan Parks District treasury functions. These services assure a focus on accessible government and transparency, including year-round coordination and development of the City's Operating Budget (Budget 365), Capital Facilities Plan (CFP). The City Clerk is the City's Public Records Officer and is the custodian of official City records including minutes, ordinances, resolutions, contracts, deeds and titles. This line of business serves as liaison to Thurston County concerning elections and voter registration, assists in the Initiative and Referendum processes, and provides the issuance of all the City's general obligation and revenue debt for the funding of capital projects. This division includes 0.65 FTE who serves as the City's Public Defense Coordinator/Community Court Executive. Along with this employee the City has six contract public defenders and a part-time case manager.

The administrative services associated with compliance with state and local laws as they apply to codification of the Municipal Codebook, public bidding and contracting, annexations, vacated rights-of-way, and domestic partnership registrations are also provided by this line of business, as well as department-wide communications, administrative support functions, and all major Citywide document production.

Trends

Citizens and employees continue to show an interest in being informed about the City's budget.

- Departments continue to collect and analyze data to identify and improve performance levels.
- As difficult issues are addressed by the City Council, more inquiries are being received about the Initiative and Referendum process.
- The City maintains an AA+ credit rating, which is defined as having a very strong capacity to meet its financial commitments. Maintaining a strong credit rating allows the City to sell debt at the lowest interest rate.
- The Olympia voters approved a Public Safety levy which provides funding to make Community Court for indigent defense a permanent program.



Administrative Services/Public Defense (continued)

Program Budget Overview

To meet the increasing needs of the records section, a 0.50 FTE will be transferred from the Administration to the Records Program. The records program has been moved from the Administration Program to the Information Services line of business. The budget for election services from Thurston County has been increased in anticipation of a ballot proposition in 2018 to increase sales tax by 1/10 of 1% for housing and housing-related services.

Future Challenges and Opportunities

- Incorporating into the operating and capital budgets the Council focus areas of:
 - Community, Safety, and Health
 - Downtown
 - Economy
 - Environment
 - Neighborhoods
- Balancing Department resources with changing and increasing needs for services. This may require re-alignment of resources from one section to another.
- Analysis of administrative functions and activities that could be consolidated and/or centralized to increase efficiency and internal control.
- Building partnership relations with the various City departments to better provide services to the public.
- Increasing information to the public through the City website.

Recent Accomplishments

- Began the process of incorporating Council focus areas into the capital budget.
- Re-alignment of resources within the Department to meet service needs.
- Comprehensive review of delegation of City Clerk responsibilities.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
% Ordinances Published within 2 Days of Being Passed by Council	100%	96%	91%	98%
% Domestic Partnership Registration Processed within 24 hours	100%	100%	100%	100%
Stayed within State-Mandated Public Defense Case loads	400/attorney	100%	100%	100%
Service Profiles		2016	2017	2018 Budget
Ordinance Requiring Codebook codification		20	31	30
Ordinance Published		55	64	60
Domestic Partnership Registrations		25	18	20
Official City Records Scanned and Indexed		1,403	1,204	1,450



Fiscal Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,727,807	\$1,860,245	\$1,941,644	\$81,399
Supplies & Services	463,363	471,195	561,765	90,570
Interfund Payments	43,945	43,980	49,645	(335)
Total Expenditures	\$2,235,115	\$2,375,420	\$2,553,054	\$171,634
Program Revenue	1,042,215	1,131,821	1,248,341	116,520
Funding from General Revenues	\$1,192,900	\$1,243,599	\$1,304,713	\$55,114

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Accountant	6.00	6.00	6.00
Accounting Technician	6.00	6.00	6.00
Benefits Specialist / Accounting Tech	1.00	1.00	1.00
Billing Specialist	2.00	2.00	2.00
Line of Business Director	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00
Supervisor IV	2.00	2.00	2.00
Total	19.00	19.00	19.00

Highlights of Program Budget Changes

\$78,000 Increase in Budget for credit card related to payment of utility charges via the Internet. Total Budget for these fees is \$234,000.

Program Description

The Fiscal Services line of business provides centralized accounting services including:

- General accounting and budget management
- Project and Grant Accounting
- Accounts payable payment coordination
- Payroll
- Cash management and receipting
- Special assessment administration
- Debt management
- Tax and licensing administration
- Receivables billing and collections (including utility billing)
- Pension fund management
- Investments

The Billing and Collections section includes utility and account servicing, receivables management, customer service, and a broad variety of program administration services. Fiscal Services also prepares the Comprehensive Annual Financial Report (CAFR), provides grant and project accounting, administers the City firemen’s pension fund, and assists with the development of the City’s operating and capital budgets.

Trends

In billing and collections, we strive to meet—and exceed—customer expectations by implementing new technologies and methods for servicing our growing number of utility customers. We continue to look for ways to lower cost of processing payments, such as; on-line payment, payments by phone, preauthorized automatic debits, and consolidation of bill payer services provided by banks. Eighty-seven percent of customers either mailed their payment or paid in person in 2008. Today mail payments have been reduced to about 36 percent.

We are moving to a new off-premise bill printing service in late 2017. Which will result in a significant increase in customer service. Customers will be able to view current and past bills online. It will also reduce statement processing costs.

Average Monthly Items Processed	2009	2016	2017 Estimate	2018 Estimate
Payments by Mail or in Person	6,148	4,595	4,550	4,200
Automatic Bank Draft	1,329	1,483	1,500	1,525
Credit Card or Electronic Interfaced Bill Payer	2,144	4,895	4,950	5,000



Fiscal Services (continued)

Program Budget Overview

The Accounting section continues to assist other departments with their financial analysis and budgeting needs. With reduced resources to all departments, it is critical for department/section managers to monitor and understand their budget, revenues, and expenses.

The 2018 budget continues existing services and responsibilities. Costs of utility billing services are paid by the various utility funds. The budget includes an additional \$78,000 for credit card fees.

Future Challenges and Opportunities

Continuing to implement changes in accounting and reporting standards of the Government Accounting Standards Board (GASB), and reporting to the State Auditor’s Office based on a revised chart of accounts from the Auditor’s Office will be a prime focus of the accounting section, as well as Coordinating and implementing more centralized management of grant accounting and other fiscal functions.

The Fiscal Services line of business will procure a new Payroll/HR system in 2018. The current system was brought online before the turn of the century and does not meet the changing business needs of the City.

Recent Accomplishments

- The City qualified once again for the Association of Washington Cities Well City Award, resulting in the City receiving a two percent premium discount on Regence and Kaiser Health Insurance.
- Audit of CDBG housing loans.
- Creation of Early Project Development cost tracking system for the Public Works Department.
- Implementation of an internal cash auditing program.
- In late 2017 the City will move to an offsite bill print process for Utility Billing, increasing efficiency and reducing costs.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Utility Accounts Receivables due within 30 Days	77%	83%	85%	87%
Citywide Audit Findings, by External Auditors:				
Financial	0	0	0	0
Single Audit (grants)	0	0	1	0
Accountability/Compliance	0	0	0	0
Service Profiles		2016	2017	2018 Budget
Number of Utility Customers		20,650	20,750	20,800
Total Employees Compensated (July)		643	670	670
Accounts Payable Transactions		35,502	36,000	36,000



Information Technology Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$2,480,909	\$2,743,641	\$2,844,062	\$100,421
Supplies & Services	577,962	591,965	591,523	(442)
Capital Outlay	11,574	-	-	-
Interfund Payments	60,825	73,768	73,784	16
Total Expenditures	\$3,131,270	\$3,409,374	\$3,509,369	\$99,995
Program Revenue	837,922	805,311	705,575	(99,736)
Funding from General Revenues	\$2,293,348	\$2,604,063	\$2,803,794	\$199,731

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Computer Systems Technician	3.00	3.00	3.00
GIS Analyst	1.00	1.00	1.00
IT Asset Management Specialist	-	1.00	1.00
IT Support Specialist	2.00	2.00	2.00
Line of Business Director	1.00	1.00	1.00
Network Analyst	5.00	5.00	5.00
Service Desk Administrator	-	1.00	1.00
Supervisor IV	3.00	3.00	3.00
Systems & Application Specialist	5.00	5.00	5.00
Total	20.00	22.00	22.00

Program Description

The Information Technology Services line of business (IT Services) enables the City to better carry out its mission and serve its citizens. Virtually every aspect of City operations are now integrated with technology rendering IT Services essential. The ongoing investment in technology is maximized by IT Services staff through continuous improvement opportunities identified through strategic planning, technology prioritization, research of emerging technologies, and industry best practices.

IT Services is responsible for the planning, procurement, implementation, support, and maintenance of technology throughout the City. Hardware support includes all personal computers, laptops, tablets, scanners, printers, fax machines, networked copiers, security cameras, servers, switches, routers, fiber optics, phones, unified communications, internet access, data storage, data backup/ recovery, virus protection, spam filtering, and network security. Software support includes hundreds of software programs covering multiple enterprise applications, operating systems, productivity, geographic information systems (GIS), imaging, recreation and public safety applications. In addition to the on- premise hardware and software solutions, the City contracts for a growing number of hosted or cloud based solutions. Technical support provided by IT Services includes technology consulting, project management, procurement, contract review, business process re-engineering, web design, data mining, data visualization, inventory management, technical training and general information. All of these services are supported through a centralized Service Desk.

Trends

The City recognizes that the use of information and communications technologies to support, enhance or extend public participation and civic engagement processes is critical to meeting citizen's expectations. Whether for citizens, employees, businesses or visitors we are working towards creating a consistent, compelling, and contextual way of personalizing and delivering digital services as our core services become augmented or replaced with digital alternatives.

The City also continues to expand its use of hosted technology solutions, often referred to as cloud computing or Software as a Service (SaaS). IT Services has adopted a "Cloud First" strategy which requires that all new technology projects be evaluated for hosted or subscription based services before on-premise solutions are considered. These solutions provide a number of benefits including mobile and remote access, the ability to deploy new systems at a lower project cost because they do not require a capital investment in hardware, and reduced technical support requirements for IT Services staff as compared to on premise systems. Multiple network security and infrastructure projects have either been completed or are underway to support our "Cloud First" strategy.

Program Budget Overview

The 2018 budget continues existing programs and services. Cost savings have been achieved for ongoing support and maintenance agreements through consolidation of equipment, negotiation with vendors and replacement of outdated systems. These savings are largely offset by inflationary increases to existing support and maintenance contracts or the addition of new hardware and software systems.



Information Technology Services (continued)

Future Challenges and Opportunities

Modernization of the City’s technology infrastructure is an opportunity to move away from our legacy enterprise solutions to modern platforms which can support open data and mobility initiatives. Recent and upcoming technology projects provide new ways to access data, increase data transmission speeds, store larger volumes of data and increase protection of the data. Our future challenge lies in the continued integration of our legacy systems to new multi-channel products which support mobile, web-based and on-premise access. The City is actively acquiring modern solutions to meet these new requirements while we simultaneously phase out our legacy enterprise solutions. This strategy supports our goal to be able to extract and move data in real time between various systems and platforms for use by both City staff and the public on any device, from any location, while maintaining a secure, redundant, and reliable technology infrastructure for the City.

Recent Accomplishments

- Upgraded all of the City’s computers to Windows 10 and Office 2016.
- Deployed a new public web portal for Community, Planning and Development services.
- Configured and deployed a new data mining and visualization solution for the City’s financial system.
- Performed a major upgrade to the City’s security camera infrastructure and expanded to five new locations.
- Expanded the functionality of the City’s Unified Communications system to include a variety of new collaboration tools.

Key Results Measures	Target/Goal	2016	2017	2018 Budget	
First Call Resolution to IT Incidents	45%	41%	40%	45%	
Critical Systems Down	4 hours	79%	93%	90%	
Critical With Work Around	16 hours	75%	81%	85%	
Non-Critical	40 hours	90%	88%	85%	
Moves, Installations, Enhancements	80 hours	89%	92%	85%	
Service Profiles			2016	2017	2018 Budget
Personal Computers Supported (Includes virtual machines and tablets)			686	721	740
Network Servers Supported On-Premise (Includes virtual machines)			159	159	160
Service Desk Tickets			7,989	7,850	7,600
Technology Change Management Requests			N/A	370	500

Technology requests are made by City staff to the Service Desk for support of all technology systems and applications throughout the City. Our ability to resolve issues and provide support has a direct impact on the timeliness and quality of services.

The ability to track Technology Change Management Requests was enabled in 2017. This new process will reduce the number of Service Desk tickets and allow for better documentation of the work being performed by IT Services staff.



Information Management Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$378,375	\$342,214	\$367,002	\$24,788
Supplies & Services	34,914	16,575	20,950	4,375
Interfund Payments	9,060	8,105	8,285	180
Total Expenditures	\$422,349	\$366,894	\$396,237	\$29,343
Program Revenue	114,452	118,502	74,760	(43,742)
Funding from General Revenues	\$307,897	\$248,392	\$321,477	\$73,085

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Information Specialist	-	-	2.50*^
Record Manager	1.00	1.00	1.00
Records Analyst	3.00	2.00	-*
Senior Personnel Analyst	1.00	-	-
Total	4.00	3.00	3.50

* Title Change; ^0.50 FTE from Clerk Services

Highlights of Program Budget Changes

Increase in Personal Services due to the transfer of 0.50 position from the clerk services budget.

Lower program revenue reflects the transfer of one position to HR in 2017

Program Description

Information Management provides a broad range of services including managing and coordinating public records requests, providing records management consultation and training citywide, performing many City Clerk duties and working with IT and Legal on a variety of issues including Privacy, Open Data, Use of Cloud Technologies, Information Security and Transparency.

Trends

Compliance with the Public Records Act continues to be a challenging priority. The number and increasing complexity of requests continues to consume a significant amount of time and money.

Legislative changes to the Public Records Act in 2017 mandate new, extensive City reporting requirements, require changes to City public disclosure policies and updates to City records request procedures. More legislative changes may come in 2018 or 2019. Protecting privacy and confidentiality continues to grow in importance for all government agencies and remains a focus for the program.

Program Budget Overview

\$ 5,500 increase in training and travel to support staff development.

Future Challenges and Opportunities

- Records Management, IT Services and the Civil Division of Legal Services are working together to develop an Information Governance Framework that will position the City as a leader in how it manages its information to improve transparency and manage risk.
- Public Records Act legislation and case law continues to evolve and will require the City to continually change processes and procedures for responding to requests for records.
- The continuing dramatic growth in City records requires further investment in information management technologies.



Information Management Services (continued)

Recent Accomplishments

- Supported CP&D’s transition away from paper and microfilm to paperless technologies.
- A citywide assessment of services offered by Information Management, while finding departments greatly valued the program, identified 20 areas of improvement. All areas were addressed.
- Enhancements to the City’s Public Records Tracking System improved service levels.
- Increased training opportunities for department records coordinators.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Multi-Departmental Public Disclosure Requests - Average Days to Complete	20	15	15	15
Single Department Public Disclosure Requests - Average Days to Complete	15	3.7	3.7	3.7
Service Profiles		2016	2017	2018 Budget
Multi-Departmental Public Disclosure Requests Received		94	90	100
Single Department Public Disclosure Requests Received		780	800	800



Community Planning and Development





Community Planning and Development



Mission

To protect and enhance our community’s quality of life, sustainability, public safety and economic vitality through our comprehensive plans, development regulations, parking services, economic development, and other programs. We achieve this mission through partnerships with our community and by delivering outstanding customer service.

Vision

We are experts and innovators in our respective disciplines and are known throughout the community, the State of Washington, and our nation for our high quality services and best practices.

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Administration and Parking Services	\$2,757,431	\$2,936,239	\$2,865,552	\$(70,687)
Economic Development	728,957	551,556	674,014	122,458
Community Planning	2,455,705	2,173,487	2,275,257	101,770
Permit Services	1,779,194	1,773,903	2,169,431	395,528
Total Expenditures	\$7,721,287	\$7,435,185	\$7,984,254	\$549,069
Recap of Expenditures				
Personnel Services	\$5,013,912	\$5,226,823	\$5,873,048	\$646,225
Supplies and Services	1,858,807	1,305,546	1,133,171	(172,375)
Interfund Payments	848,568	902,816	978,035	75,219
Total Expenditures	\$7,721,287	\$7,435,185	\$7,984,254	\$549,069
Program Revenues	5,059,241	4,625,672	5,029,519	403,847
Funding from General Revenues	\$2,662,046	\$2,809,513	\$2,954,735	\$145,222

Community Planning and Development Department

Department Overview

The Community Planning and Development (CP&D) Department serves our community by ensuring smart growth, safe development, protected environments, strong economy and vibrant neighborhoods. The Department is responsible for land use planning, construction permitting, code enforcement, economic development, parking services, historic preservation, urban forestry, housing and social services, neighborhood programs, City Hall customer service and City wide mail services. Each program works hand-in-hand with other programs within the Department and across the City to enhance the quality of life for Olympia's citizens.

2016 marked the first year revenues and costs from development permit review services were tracked in a Development Services fund guided by Council-adopted policies. Over a period of several years the fund will provide for better alignment of fees with costs of services, and stabilize staff resources during the inevitable swings between high and low years of development activity. Fee adjustments proposed for 2018 will bring us closer to the fund policy of 85% cost recovery for development services.

In 2016 the Department launched its new cloud-based software system for managing development review, inspections and code enforcement cases. Phase I of the launch of the new system, called SmartGov, was completed in summer of 2016. In the summer, 2017, Phase II was completed, which includes online application submittal and payment for some permits and allows applicants and citizens to see the status of permit reviews and code enforcement activities online. In 2018 the Department will continue to refine the new system in order to increase customer service and staff efficiencies, with the goal of transitioning to 100% digital submissions and online payment for permit applications by the end of 2018.

In 2017, Olympia experienced continued increases in commercial development and construction activity, with work on a new state office building continuing throughout 2017. Single family residential construction experienced a downward trend in 2017, but revenues exceeded expectations in commercial construction, including commercial tenant improvement and redevelopment projects. We expect commercial numbers to continue to be relatively strong in 2018, evidenced by the number of land use projects that are in the pipeline.

Significant economic development activities were seen in 2016 and continued in 2017, particularly in downtown Olympia. Following the purchase of the Griswold's building in 2016, the City entered into an exclusive negotiation agreement (ENA) with the selected development team and has continued to work toward a purchase & sale agreement with the development partner by the end of 2017 for the construction of a mixed use project; removing blight and returning the property to vibrant economic use. This project is slated to break ground in spring of 2018 with initial plans for low-to-moderate income housing and Olympia's first co-working space.

Approximately 41 small businesses participated in an 8-Week "Tune-Up" course in partnership with the Thurston Economic Development Council. Enrollment was covered through Community Development Block Grant (CDBG) funds, offering critical technical assistance resources to help strengthen Olympia's business community. Several of Olympia's industry sectors showed signs of continued growth throughout the year. With the expansion of the Capital Medical surgical center, the new UW Medical Clinic and plans for the expansion of Lilly Road medical, Healthcare continues to stabilize our economy as a regional driver. The hospitality sector with the construction of the Hilton Garden Inn, Hampton Inn & Suites and future plans for an Olympia Courtyard Hotel also showed signs of growth. Both national and local boutique retailers responded to growing consumer confidence opening new store fronts throughout the City including several craft brewers and local artisans.

Implementation of new Comprehensive Plan goals and policies through an adopted Action Plan will continue in 2018. The Downtown Strategy was adopted in 2017 and implementation of this plan is well underway. The City's sign ordinance was reviewed and updated in 2016-2017, and the Department will lead a review of infill housing standards and fees to better align them with adopted Comprehensive Plan goals to increase infill housing. The Department also continued efforts to incrementally update City codes and standards to improve readability and consistency.

A Comprehensive Downtown Parking Strategy will be finalized in the fall of 2017. The goal of the plan is to maximize the use of existing City-controlled on and off-street parking and manage it in such a way as to increase the amount of short-term parking available for customers while still addressing needs of employees and residents. The Plan will also study the feasibility of a parking structure for some time in the future. New parking management software that includes online permit renewals, license plate recognition, and pay-by-phone technology at parking meters will be implemented in late 2017 and will allow Parking Services to evolve and improve its technology to better serve customers. Parking revenues from paid parking were up in 2017, and this trend is expected to continue into 2018 as downtown development continues, making downtown a more attractive place for people to live, work and visit. The results of the Parking Strategy could impact revenue in future years as Parking looks to make improvements and adjustments to the parking system to maximize current infrastructure while planning for future parking needs including feasibility of a parking structure or structures downtown.

The Downtown Project continued with new accomplishments in 2017, including installation of a permanent public restroom downtown. A public sanitation master plan is underway and will be completed in the fall. This master plan will help guide decisions about placement and operations of future public restrooms. 2018 will see increased focus on implementation of the Downtown Strategy.

Community Planning and Development Department (continued)

Early in 2017 City Council formed an Ad Hoc Committee on Housing Affordability to study needs and funding options for assisting Olympia's most vulnerable homeless residents. Department staff supported the Committee's efforts without any additional resources. If Council continues these efforts additional staffing will be necessary to support these efforts or significant adjustments to the Department's work plan will be required. Council has adopted a resolution anticipating a ballot measure on funding housing and social services for Olympia's most vulnerable residents in February of 2018. Should this measure pass, additional staffing will be necessary to manage this new program.

The Department completed a management structure reorganization in mid-2017, moving City Hall Customer Service function under the Deputy Director in addition to Community Planning. We also created a Support Services Line of Business and moved it under the Associate Line of Business Director in addition to Parking Services.

In December 2017 the City Council voted to bring the Downtown Ambassador and Clean Team programs in-house, adding eight additional positions to the Department. These services were previously contracted for. This change gives CP&D direct oversight and control of the program and staff, which allows us opportunities for customer service improvements and efficiencies.





Administration

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,722,553	\$1,847,278	\$1,879,087	\$31,809
Supplies & Services	530,844	540,823	547,873	7,050
Interfund Payments	504,034	548,138	438,592	(109,546)
Total Expenditures	\$2,757,431	\$2,936,239	\$2,865,552	\$(70,687)
Program Revenue	2,725,226	2,288,222	2,401,246	113,024
Funding from General Revenues	\$32,205	\$648,017	\$464,306	\$(183,711)

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Assoc Line of Business Director	-	1.00	1.00
Director	1.00	1.00	1.00
Field Crew Leader	1.00	1.00	1.00
Lead Worker	1.00	1.00	1.00
Office Specialist II	0.56	0.56	0.56
Parking Services Field Representative	5.00	5.00	5.00
Permit Specialist	4.00	5.00	5.00
Program Assistant	2.00	1.00	4.00*
Public Service Representative	3.00	3.00	- *
Supervisor II	1.00	1.00	-**
Supervisor III	1.00	-	1.00*
Total	19.56	19.56	19.56
* Reclassed to Program Assistant			
** Reclassed to Supervisor III			

Highlights of Program Budget Changes

Increase due to payments from the new Development Services fund to reimburse the General Fund for services related to development administration and processing.

Reduction in interfund payments is mainly due to lower allocation of indirect overhead

Program Description

The Administration line of business is responsible for the leadership and business practices for the Department. Strategic direction, performance management and financial management are the primary focus of this Division. City Hall's Customer Service Program is also part of this line of business, as well as Parking Services. Customer Service staff are responsible for all in-person customer contacts on the first and second floors of City Hall. These include utility bill questions, payments and payment arrangements; parking questions, payments and permits; routine permitting and land use decisions, and land use records management. This Program is also responsible for records management, archival, technology and public disclosure and leads the Department's process improvement efforts.

Trends

Staff continues to refine and improve processes with the new software system. Online permitting was introduced in summer 2017, giving customers more convenient options for doing business with the Department and will change the way internal processes are done. Parking Services implemented a new cloud-based parking management system in fall 2017, which allows staff to be more efficient with better equipment in the field, including license plate recognition (LPR) technology, as well as offer more online options to customers, including pay-by-phone with mobile devices.

In 2018 the Program will undergo a project to digitize all existing historic land records that are currently stored and viewed on microfilm. The ultimate goal of the microfilm digitization project is to make these land records accessible to the public via the SmartGov online portal. This will reduce the amount of staff time spent on public records requests, while providing the public with better access to a vast archive of public records.

2018 marks year two of the Department's Development Fee Fund and staff will review fees in relation to revenues and target fund balance and propose adjustments as necessary to meet Council-approved fund policies, including 85% cost recovery for development services.

Program Budget Overview

Parking Services' revenue saw an increase in 2017 that is expected to continue into 2018 due to increased development activity attracting more people to live, work, and visit downtown. The trend continues to be a reduction in parking citation payments and an increase in parking meter revenue, monthly parking permits and small revenues such as electric vehicle charging, residential parking and parking meter tokens. Parking will continue to handle administration of the abandoned vehicle program which decreases parking revenue as

Administration (continued)

it takes an enforcement officer away from enforcing for two to three days per week. The Boot and Tow program will continue to aid in the collection of past due parking debts. Implementing new parking management software streamlines services across multiple City Departments and provides more online services to customers.

Future Challenges and Opportunities

The online customer portal for permit applications, online payments and online plan review was launched in summer 2017. As we provide more customer service via the Internet and transition to more records being managed electronically, the number of paper files managed will be reduced. In 2018 the Program will launch a project to digitize historic microfilm land records and make it accessible to the public via the online portal.

Developing a Comprehensive Downtown Parking Strategy was a major focus of Parking Services in 2017, and implementation of the strategy will begin in 2018. This could include strategic changes to the parking system such as changing rates based on demand, time limits, hours of enforcement, updating the residential parking program, evaluating the Program's management structure, evaluating feasibility and demand for a parking garage, branding and signage, and exploring public/private partnerships to make the most use of existing surface lots. Maximizing existing surface parking and improving customer service with new programs and technology as a result of implementing new parking management software, such as pay-by-phone services and online residential permit renewal will help meet parking needs in the downtown core and beyond.

The Program will monitor the delicate balance between parking fees and their effect on economic development in the downtown area. The parking system will continue to be managed to provide for turnover of parking stalls vital to business interests in the area and to protect neighborhoods from negative impacts of unregulated parking. Parking for neighborhoods in the downtown area will remain a focus as well, with the goal of appropriately balancing the needs of residents, employees and visitors. Changes may be made to the downtown Residential Parking Program based on recommendations from the Parking Strategy.

The Director also supports the Land Use and Environment Committee and the Ad Hoc Committee on Housing Affordability. Each of these Council Committees has an adopted work plan.

Recent Accomplishments

- Implemented new online land use/building/engineering permitting and payment system, giving customers a more convenient way to do business with us.
- Made policy decision to stop microfilming for permanent records retention, saving time and money. Began project to digitize historic microfilmed land records to make them digitally available for staff and public access which will reduce time spent on public disclosure requests.
- Implemented a new cloud-based parking management system, and additional technologies including license plate recognition (LPR) and pay-by-phone to increase customer service and staff efficiencies.
- Completed an update of the City's Parking Strategy and began implementation.
- Completed a process improvement around development project bonds processing, to make the process more convenient and understandable for customers, and gain efficiencies, saving time and money.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Downtown Core Occupancy Rate	70-85%	68%	68%	70%
Service Profiles		2016	2017	2018 Budget
Permit Center Telephone Calls Received		10,594	12,000	12,000
% of Total Permits Issued Online		n/a	10%	30%
Parking Citations Issued		23,626	22,000	22,000
Abandoned Vehicles Processed		331	300	300
Metered Parking Stalls		2,268	2,268	2,268
Timed Parking Stalls		1,075	1,075	1,075
Leased Surface Lot Parking Stalls		364	348	348



Economic Development

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$226,839	\$242,716	\$619,529	\$376,813
Supplies & Services	500,683	302,600	47,665	(254,935)
Interfund Payments	1,435	6,240	6,820	580
Total Expenditures	\$728,957	\$551,556	\$674,014	\$122,458
Program Revenue	169,114	96,908	96,857	(51)
Funding from General Revenues	\$559,843	\$454,648	\$577,157	\$122,509

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Clean Team Worker	-	-	4.00*
Economic Development Coordinator	1.00	1.00	1.00
Lead Worker	-	-	1.00**
Program Aide	-	-	2.00^
Sr. Program Specialist	1.00	1.00	-^^
Supervisor II	-	-	1.00^^
Total	2.00	2.00	9.00
* 4.00 FTE added with the Ambassador Program			
** 1.00 FTE added with the Ambassador Program			
^ 2.00 FTE added with the Ambassador Program			
^^ Reclassed to Supervisor II			

Highlights of Program Budget Changes

Expenditure:

\$109,829 Downtown Ambassador and Clean Team program converted from a contracted service to a City operation. Increase is due to an increase in wages and benefits.

Program Description

Economic Development represents a balanced priority embedded in the City's Comprehensive Plan. This balance ensures that as we seek to preserve our environmental assets and meet the social needs of our community, we are focused on supporting a diverse employment base and the business and investment interests responding to local and regional market demands. The Economic Development line of business continues to be focused on strengthening small businesses and retaining and expanding major employers by developing strong relationships with key community business stakeholders and economic development partners. Major efforts supporting strategic public-private partnerships through the use of Community Renewal continue with both the Water Street Redevelopment Area and Avalon Community Renewal Area (CRA) projects.

Trends

The City's first Economic Development Director was hired two years ago with a lengthy list of responsibilities, including encouraging growth of the City's tax base and revenue generating capacity supporting core economic resources such as the Auto Mall, Capital Mall and the health care, professional service, hospitality, artisan, technology, manufacturing, entertainment and government sectors. Coordination and marketing of key surplus real estate assets such as the former municipal land fill and serving as the City's point of contact for development interests including realtors, developer and property owners has been a strong area of focus throughout 2017 with increased developer interest in Downtown redevelopment.

Supporting small business development through technical assistance and the use of the City's Grow Olympia Fund and other financial incentives continue to be a priority as Olympia businesses adapt to changing retail market realities and a rebounding economy.

These efforts continue to be closely coordinated with other community development and planning projects, such as the Action Plan and Downtown and Retail Strategies. Stronger interdepartmental coordination with the City's Economic Development Line of Business have continued to strengthen and will help further define a five-year strategy and Citywide approach to strengthening Olympia's economy. City economic development initiatives and activities are closely coordinated with the newly adopted Thurston Community Economic Alliance Strategic Plan. Increased collaboration amongst municipal agencies, higher education, workforce development, and business stakeholders is a regional priority.

Program Budget Overview

A significant change in the 2018 budget is the costs of bringing the Downtown Ambassador and Clean Team programs in-house. These programs are housed under Economic Development.



Economic Development (continued)

Future Challenges and Opportunities

A significant challenge for the City was created with the departure of Toyota of Olympia to a new site in Tumwater. Increasing support for the Auto Mall and strategies for retention and expansion of its businesses will continue to be a high priority in 2018. Economic Development will also continue to be focused on several opportunity sites defined through the Investment Strategy prepared by ECONorthwest, including the Westside Commercial Property (previous municipal landfill). Development of an economic development strategy that brings together all of the plans and strategies into a coherent economic development strategy that aligns with the Thurston Community Economic Alliance began in 2017 and will be completed in 2018. Creating key messages and marketing the City's unique economic development advantages will be a priority including enhancing the economic development information available on the City's web page. Supporting the growth of targeted industries and promoting innovation and entrepreneurship through partnerships with higher education and the Economic Development Council will be beneficial to the overall business climate of Olympia.

Recent Accomplishments

- A total of 45 Olympia businesses completed the 8-week "Tune Up" training program offered through the Thurston County Economic Development Council, CB&I.
- Adoption of a Community Renewal Area Plan for the former Griswold site. Significant progress was made towards a purchase and sale agreement with Big Rock Capital for construction of a mixed use project on the former Griswold's property.
- Redevelopment of the former Griswold's building into The Avalon, a three- to four-story mixed use building with a ground floor co-working environment and affordable housing units on the top floors.
- Continued partnership with the selected private development partner for the potential redevelopment of the Water Street Redevelopment Area.
- Significant investment and growth by the health care and senior services industries in Olympia.
- Retention and expansion of numerous local businesses including 222 Market, Well 80, Mud Bay, Phoebe's, Gallery Boom, and Dillinger's.
- Strong interdepartmental coordination on several key projects impacting commerce, including Fones Road improvements, Auto Mall lighting, Cooper Point/Black lake chip seal projects, Parking Strategy, and the Sea-level Rise Plan.
- Helped form local Food Nexus with partners at Port of Olympia, Olympia Farmers Market, Thurston EDC and WSU to support local artisans.
- Effective Economic Development communications (i.e. ICSC - Meet the Cities, rotary clubs, Young Professionals groups, Thurston County Realtors, Thurston County CEO Roundtable).
- Successful corporate outreach efforts (i.e. HDR, Auto Mall strategy, Capital Mall, Capital Medical, UW Medical).
- On-boarding of the City's Downtown Ambassador Program and Clean Team.



Community Planning Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,878,684	\$1,876,694	\$1,981,995	\$105,301
Supplies & Services	536,541	247,903	249,413	1,510
Interfund Payments	40,480	48,890	43,849	(5,041)
Total Expenditures	\$ 2,455,705	\$ 2,173,487	\$ 2,275,257	\$101,770
Program Revenue	813,860	813,704	1,009,760	196,056
Funding from General Revenues	\$ 1,641,845	\$ 1,359,783	\$ 1,265,497	\$ (94,286)

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Assistant Planner	1.00	1.00	1.00
Associate Planner	3.00	3.00	3.00
Engineering Plans Examiner	2.00	3.00	3.00
Line of Business Director	1.00	1.00	1.00
Office Specialist II	2.00	2.00	2.00
Office Specialist III	0.75	0.75	0.75
Program & Planning Supervisor	1.00	1.00	1.00
Program Manager	1.00	1.00	1.00
Program Specialist	1.00	1.00	1.00
Senior Planner	5.00	5.00	5.00
Total	17.75	18.75	18.75

Highlights of Program Budget Changes
 Increase due to payments from the new Development Services fund to reimburse the General Fund for services related to development administration and processing.

Program Description

Community Planning Services is responsible for comprehensive land use planning, engineering plan review, environmental planning, neighborhood programs, and historic preservation, as well as housing grants and economic development projects through the Community Development Block Grant (CDBG) Program. The Housing Program is fully funded with grant funds and is not accounted for in the General Fund.

Trends

The Program received two new subdivision applications in 2017, and numerous major remodels and conversions, including conversion of downtown offices to mixed-use retail, new hotels, and new apartments. Several land use applications for senior apartments and assisted living facilities were also received. Following construction of a major new mixed use building downtown in 2017, land use applications were also received for a similar-sized mixed use building downtown. These applications include Annie's Artist Flats, Views on 5th and East Bay Flats, and Townhomes. Washington Realtors received land use approval for a large site redevelopment project at their downtown location as well. On the Westside, notable land use projects completed in 2017 include Cooper Point Market Place and Cost Plus World Market. The Briggs Multifamily North project in the Briggs Urban Village and the redevelopment plan for phase I of the old Bailey's Motel (Martin Way Residential) also received land use approval in 2017. There has been a significant increase in serious inquiries for future development in Olympia, particularly downtown and on the west side.

For those projects that are submitted, recent history indicates that land use decisions affecting large or sensitive pieces of property will generate a large volume of public comment and land use appeals, resulting in increased workloads for staff. The Program's emphasis on achieving Council's goal of a more proactive community development program includes increased public outreach through a public portal in the new online permitting system, allowing real-time public viewing of the status of permit application reviews. Additionally, staff continue to refine previously successful process improvements, such as more frequent neighborhood meetings, broader public notice, better graphic materials to illustrate proposals, and others. On line surveys have proven to be an effective way to gather information about key planning initiatives and project web pages provide interested parties with readily available information about development projects. Some of these improvements create higher demands for staff time, which pay off in the long run when efficiencies are gained.

The City updated its Comprehensive Plan in 2014. Implementation of this 20-year plan is a Citywide effort that is coordinated through the Action Plan adopted in 2016. The Action Plan prioritizes key projects to achieve the goals of the Comprehensive Plan and will track key indicators (performance measures) to measure progress towards those goals. The Action Plan is updated annually based on the indicators and completion of priority actions. 2017 marked the first year of the City's annual progress report to the community which serves as a primary tool for communicating progress on achieving Comprehensive Plan goals over the years.

Key Community Planning projects in 2018 will include an update to the City's sign code, a major review of regulations and fees related to infill development, implementation of the Downtown Strategy, analysis of potential means of managing impacts of short-term rentals homes, continued development code updates to increase alignment with Comprehensive Plan goals, and collaborating with Thurston County to review and update the Joint Plan for Olympia's urban growth area.



Community Planning Services (continued)

The Urban Forestry will continue to focus on evaluating land use applications for urban forestry and landscaping issues, and address the most critical hazard trees through evaluation and mitigation. To implement a recent urban forestry administrative management plan, this position is serving as facilitator of a cross-departmental urban forestry coordination team to increase efficiencies in the management of the City's urban forest.

The Housing and Community Development Block Grant (CDBG) programs continue to receive increasing responsibilities and importance, particularly supporting the City's priorities on economic development, a clean and safe downtown, and affordable housing and homelessness response. In 2018, voters will decide a proposal for additional funding of housing for those currently homeless and the City will develop a homeless response plan. However, the increased responsibilities also come at the same time as changes in federal regulations decrease the ability to cover the costs of these programs with CDBG funds.

Community Planning will remain the primary liaison for recognized City neighborhoods and will also administer the City's Neighborhood Grant Program and Coalition of Neighborhood Associations Memorandum of Understanding. Community Planning staff the Heritage Commission and review applications that relate to historic buildings. The Planning Commission, Design Review Board, Heritage Commission and Hearing Examiner are also supported by Community Planning.

Program Budget Overview

Funding will continue for existing planning and engineering staff, with no changes. Revenue from land use applications is expected to remain strong, as it was in 2017, with many exciting new projects coming down the pipeline for review.

Future Challenges and Opportunities

Implementation of the Action Plan and Downtown Strategy will dominate the focus within this Program. There are multiple years' planning projects identified in these two projects to more fully implement the Comprehensive Plan. Coordination of these activities across all other City activities is essential for the success of the Comprehensive Plan. Updating the sign code is important both for economic development and to ensure consistency with a U.S. Supreme Court decision that affect all municipalities in the United States.

Staff will also continue to participate in a LEAN continuous improvements process intended to eliminate waste and enhance the efficiency of our development review process and the implementation of new software that will better meet the needs of land use review staff and customers. By the end of 2018, all planning and engineering applications will be available to be submitted and paid for online. Adjusting planning review processes to this system, as well as to the new low-impact development code, will require continued education and information-sharing with applicants.

The Community Development Block Grant Program faces a number of challenges due to changes in federal guidelines for program accounting and a federal budget proposal to reduce or eliminate funding for this program. The City's ability to cover even minimal administrative costs for the CDBG program has been reduced, effectively decreasing staff support for this program's activities.

The Eastside Neighborhood Association will be developing a subarea plan in 2017-2018, with support from Planning staff. The Neighborhood Matching Grant program continues to experience increased demand. Administration of this program within existing resources is a challenge.

Recent Accomplishments

- Adoption of the Downtown Strategy and beginning work on several implementation actions.
- Completion of the Northeast Olympia Subarea Plan.
- Update of a development agreement with the owner of the largest properties in the Kaiser-Harrison Opportunity Area Plan in West Olympia to ensure consistency with that Plan.
- Completion of a Street Tree Master Plan for downtown and other major streets.
- Adapted land use review and inspection processes to work with new software, increasing efficiency and transparency.
- Implementation of several LEAN process improvements for more efficient inspection and construction project bonding processes.
- Completion of second phase of the downtown alley lighting project using City's first Section 108 loan.
- Update of the Critical Areas Ordinance (CAO) Phase 2, which addresses locally important species and incorporated the CAO provisions into shoreline management plan.
- Managed processes for several rezones and comprehensive plan amendments.
- Implemented low-impact development code updates for all new development with Public Works Department.



Community Planning Services (continued)

Recent Accomplishments (continued)

- Completed a Fair Housing Assessment report jointly with Thurston County.
- Prepared an update to the Joint Plan for Olympia’s urban growth area and submitted to Thurston County.
- Supported the Council’s Ad Hoc Committee on Housing Affordability’s consideration of funding and other issues related to addressing homelessness and affordable housing.
- Conducted a review of the regulatory environment related to ‘Missing Middle’ housing types to encourage a greater variety of compatible housing types throughout Olympia’s neighborhoods.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Timely Review of All Land Use Applications	Within 120 days	68 days	90 days	90 days
Timely Review of Small Subdivisions (<9 Lots)	Within 45 days	45 days	45 days	45 days
Timely Review of Large Subdivisions	Within 120 days	120 days	120 days	120 days
Service Profiles		2016	2017	2018 Budget
Commercial and Multi-Family Permits Issued		38	50	50
Major Design Review (Board Level)		11	16	16
Preliminary Full Plats (10 or More Lots)		1	0	0
Total Major Land Use Project Reviews		19	20	20



Development Permit Services

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,185,836	\$1,260,135	\$1,392,437	\$132,302
Supplies & Services	290,739	214,220	288,220	74,000
Interfund Payments	302,619	299,548	488,774	189,226
Total Expenditures	\$1,779,194	\$1,773,903	\$2,169,431	\$395,528
Program Revenue	1,351,041	1,426,838	1,521,656	94,818
Funding from General Revenues	\$428,153	\$347,065	\$647,775	\$300,710

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Assoc Line of Business Director		1.00	1.00
Building Inspector	3.00	3.00	3.00
Building Plans Examiner	3.00	2.00	2.00
Code Enforcement Officer	2.00	1.00	2.00 *
Electrical Plans Examiner	1.00	1.00	1.00
Lead Code Enforcement Officer		1.00	1.00
Office Specialist III	0.25	0.25	0.25
Senior Plans Examiner		1.00	1.00
Supervisor III	1.00	1.00	1.00
Supervisor IV	1.00	-	-
Total	11.25	11.25	12.25

* Added 1.00 FTE with Public Safety Levy

Highlights of Program Budget Changes

Increase due to payments from the new Development Services fund to reimburse the General Fund for services related to development administration and processing.

Increase in interfund payments is mainly due to increased services from the Engineering section of Public Works related to development review and inspection.

Program Description

Permit Services works for the protection of life, the environment, and property. This group is responsible for private and public development construction documents and permit reviews and the inspections of buildings under these issued permits.

Trends

Commercial development revenue continued to be high in 2017, with a decrease in single-family residential construction activity. Work continued on the 1063 building throughout 2017, which brought in a large amount of revenue in 2015-2016. The 321 Legion apartment project received a final certificate of occupancy inspection in June 2017 as well as the “Devoe, Veterans Housing” project and the “Commons on State Avenue.” We expect commercial numbers to continue to be strong in 2018 as a number of projects are pending application including; “Anne’s Lofts” on Legion with 50 units, “Columbia Place” currently in plan review with 85 units of senior housing, “East Bay Lofts” on State and Cherry with 110 units and “Martin Way Residential” the old Baileys site with 87 units currently in phase one review. The Program will continue to rely on consultant plan reviewers as needed to meet plan review turnaround time goals.

The Code Enforcement team continues to focus on increased responsibilities related to graffiti management, vegetation management, homeless encampment enforcement, upcoming low impact development and response to neighborhoods and downtown. In 2017 the City contracted with companies to provide encampment cleanup services. This is an added expense that does not currently have a permanent funding source. Encampments will continue to be a growing issue for this Program in 2018. To date the City has spent over \$100,000; the Department anticipates spending \$150,000 for this service annually.

Program Budget Overview

Revenues from permit activity are expected to remain strong, particularly in the commercial and commercial-tenant improvement categories.

The voter-approved public safety property tax increase will fund one additional Code Enforcement officer, providing much needed code enforcement services in Olympia.



Development Permit Services (continued)

Future Challenges and Opportunities

Continued implementation of the Development Services Fund will include evaluating fees and recommending proposed changes to more closely align with the policy of 85% cost recovery for development services. Funding emerging technology will be key so the Program is able to keep up with customer demand and trends in technology.

Staff transition planning will be important as the Program faces pending retirements in the next few years. This heightens the need for flexibility in staff assignments as we continue to experience increased workloads that an improving economy brings. Making wise hiring choices will benefit the Program as staff is cross-trained in multiple areas (for example Building Inspectors that are also trained to perform Code Enforcement functions) will allow us to strategically place staff where needed and evolve with the changing economic climate while still serving our public effectively.

A new code adoption cycle will begin in 2018. The Program will begin training, evaluation of current codes versus State proposed codes and the unique applications which impact Olympia to ensure the code adoption process goes smoothly and serves the needs of Olympia.

Recent Accomplishments

- Building and Plan Review program staff began training in the area of post-disaster emergency response. Staff attended the Applied Technologies Council ATC-20 Post Earthquake evaluation training and is continuing to work toward all of our inspectors possessing the Washington Building Officials Emergency Responder Certification. This program is part of the National Incident Management System.
- The Flood Damage Prevention (FDP) and Sea Level Rise (SLR) Ordinances were adopted in 2016; since that time; staff has enforced both FDP and SLR requirements on new and existing construction projects, bringing awareness to the need for such protections as climate change take place.
- Training in the area of Flood Damage Prevention has been at the forefront of the floodplain administrator's (building official's) duties. The building official attended the FEMA 273 class for floodplain administration as recommend by FEMA during our Community Assistance Visit and evaluation in 2014-15. Staff has been briefed and is expanding their knowledge in this area to ensure compliance with the National Flood Insurance Program (NFIP). This effort helps to reduce insurance rates for structures located within or near flood zones.
- Implemented new online permitting and payment portal.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Single-Family Plan Review Time	14 days	14 days	31 days	14 days
Commercial Tenant Improvement Plan Review Time	15 days	14 days	29 days	15 days
New Commercial Plan Review Time	60 days	50 days	51 days	50 days
Code Enforcement Cases Closed Without Issue of Civil Infraction	90%	92%	95%	95%
Service Profiles		2016	2017	2018 Budget
Residential Permits Issued		206	125	125
Commercial Tenant Improvement Permits Issued		128	200	200
Total Permits Issued		5,679	5,500	5,500
Total Code Enforcement Cases (excludes abandoned vehicles, which are handled by Parking)		385	342	342

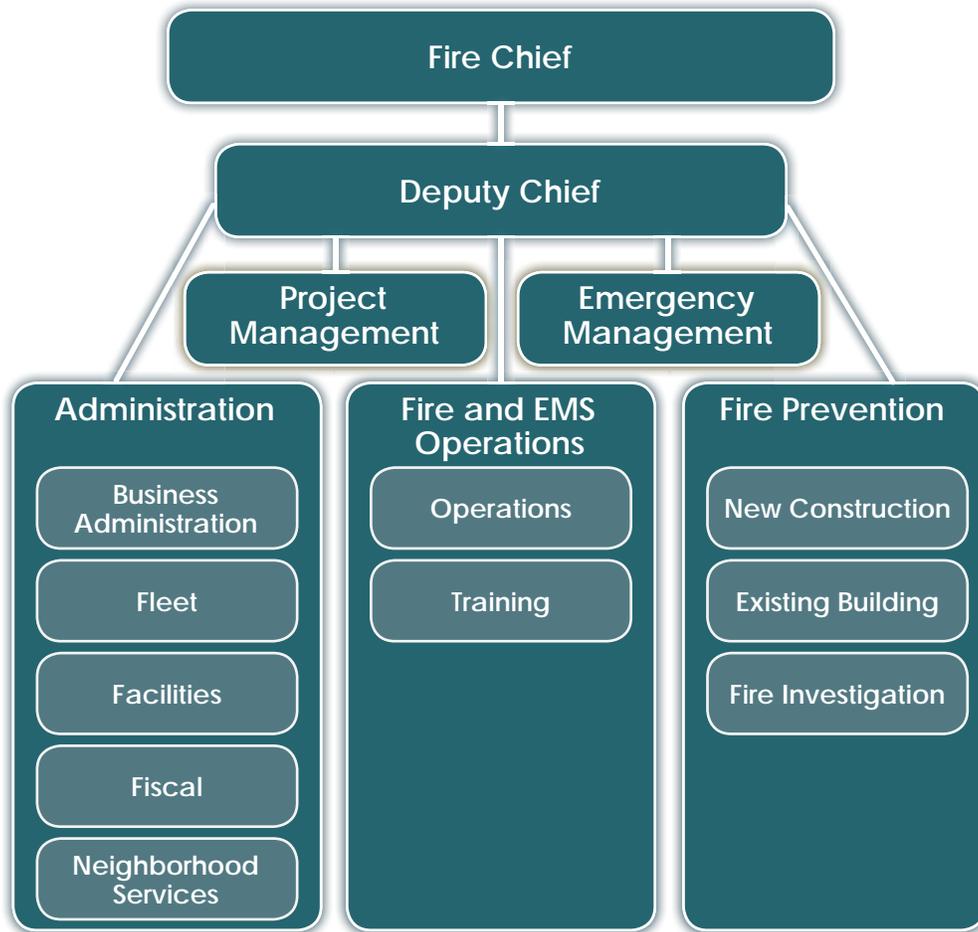


This block contains a smaller version of the Olympia logo, identical to the one in the top left, set against a light blue background. Below the logo, the word "Fire" is written in a large, teal, sans-serif font.





Fire



Mission

Prevent Harm... To People and Property

Thrive... Organizationally and Personally

Be Nice... Whenever We Can

Vision

To be recognized by our Community and Members as:

- A model of excellence in providing fire protection and emergency medical services.
- A learning organization employing knowledge and empowerment, practicing adaptability, involvement, and professionalism.
- An organization that values diversity and treats everyone with respect, courtesy, and dignity.



Fire Department Overview

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Administration	\$1,693,164	\$1,774,913	\$1,820,077	\$45,164
Deployment, Medical and Technical	13,089,307	13,473,226	13,605,885	132,659
Fire Prevention	795,180	850,946	912,725	61,779
Total Expenditures	\$15,577,651	\$16,099,085	\$16,338,687	\$239,602
Recap of Expenditures				
Personnel Services	\$13,796,374	\$14,468,459	\$14,688,429	\$219,970
Supplies & Services	1,422,833	1,224,926	1,213,303	(11,623)
Interfund Payments	358,444	405,700	436,955	31,255
Total Expenditures	\$15,577,651	\$16,099,085	\$16,338,687	\$239,602
Program Revenues	3,984,214	3,726,179	3,868,053	141,874
Funding from General Revenues	\$11,593,437	\$12,372,906	\$12,470,634	\$97,728

Department Description

The City of Olympia enjoys a Class II Fire rating as evaluated by the Washington Survey and Rating Bureaus. This superior rating is the culmination of hard work in the Fire Department’s performance. Olympia joins, Seattle, Bellevue, City of Spokane Valley, and Federal Way as one of the five best-protected communities in the state.

In our never-ending journey to better serve the citizens, the department has completed a new strategic plan as a way to ensure quality service delivery. The 2017–2022 Strategic Plan was initiated in mid-2017 with many objectives under the eight overarching goals already underway. This plan will provide direction for high level development within the department for the next five years. As a complement to the Strategic Plan, the department is working on other planning documents such as a Community Risk Assessment, Standard of Cover, and Self Assessment reports to capture as much of the current way the department operates as possible. This documentation is a critical way to capture as much of the institutional knowledge as possible as four senior staff members of the department retire in 2018 and two more senior members retire in 2019.

Serving a Community During Crisis

The Olympia Fire Department’s (OFD) mission is to serve the people in their time of need. The Fire Department is called upon for assistance in a variety of emergency and non-emergency situations. When someone’s life is in danger due to fire or acute medical concerns, they call the Fire Department. Such 9-1-1 calls are responded to with compassion and professionalism. Even when the emergency is determined not to be life-threatening, Fire Department members continue providing care and reassurance to help the citizen. Thurston County is among the communities with the highest survivability in the United States for cardiac arrest events that happen in the field. The City of Olympia, its citizens, and its first responders are a big part of this nationally recognized success.

Along with hiring and retaining talented and dedicated members, several other factors are critical when our members respond to citizens in distress. Quality training and reliable equipment are two vital elements in a successful outcome for all emergency events.

Quality Training

Training for firefighters and fire officers is critical as they operate in complex, dangerous, dynamic, and emotionally charged environments. The Mark Noble Regional Fire Training Center prepares our firefighters for the hazards of the job. Proper training makes the difference between life and death during emergency operations.

Olympia Fire Department’s Mark Noble Regional Fire training center (MNRTC) is situated on an eight-acre parcel of land located in the southeast area of the City. This training facility is a state-of-the-art training complex that features technological advancements and innovative design to better address the needs of the fire service. More than 25 fire agencies have been trained over the last several years, and we anticipate continued growth.

Reliable Equipment

The Department maintains and replaces equipment as needed to support our mission to prevent harm to people and property. For apparatus or “rolling stock,” the Department generally follows a fleet replacement schedule for our fire engines and ladder truck of 15 years for frontline service and another 10 years for reserve apparatus.

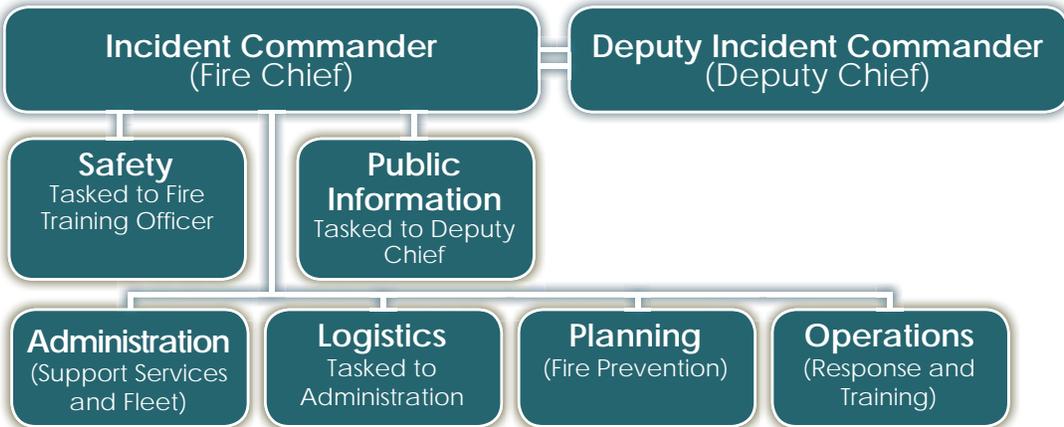


Fire Department Overview (continued)

Fleet Maintenance is the key to reliability and longevity in our fleet. The Fire Department’s Fleet program has become a model for our fire service and emergency response neighbors. The Fleet Maintenance Team is comprised of one Fire Master Mechanic and three Master Mechanics along with a 0.40 Inventory Control Specialist. The four Mechanics are certified in repairing fire apparatus and emergency vehicles. Fire and emergency medical response vehicles must perform at a very high level of reliability with complex electrical and mechanical systems working together. Certified Emergency Vehicle Technicians are the only level of mechanics that can provide this level of expertise. This specialized team of highly skilled mechanics has given us the ability to perform apparatus repairs for seven regional fire service customers while collecting adequate revenue to provide three full-time mechanics, rent a building capable of working on multiple fire apparatuses simultaneously, and generate additional revenue to pay for increasing department fleet maintenance expenses.

NIMS (National Incident Management System) Compliance Requirement

NIMS Compliance addresses all hazard incident management. The chart below displays how the Department meets federally-mandated NIMS Compliance in our organizational structure and service delivery.



Trends

Economic factors, combined with rising homelessness and a steady growth of our senior population, creates continued demand and new complexities for emergency services. This results in an increase in patient/rescuer interaction as emergency services are utilized in place of traditional medical care often referred to as non-acute calls. Continued growth in non-acute calls, especially in the downtown core, has Fire searching for ways to augment our downtown response. The City of Olympia “downtown” has seen many changes in recent years, some for the good, and some putting more stress on available social services. Our fire department has seen a concurrent rise in low non-acute, 911 calls. We have found that these non-acute calls are statistically taking longer to resolve due to a measurable correlation in mental health problems and social service needs in our downtown population. Our goal is to deliver high patient care while also addressing “person” care. When we can take the necessary time to do this, we are often able to address underlying social issues and break the cycle of 911 calls. The increased demand coupled with a static operating budget will continue to stretch the Department’s capacity to provide sufficient, timely, and economical services.

Budget Overview

The cost of supplies and services necessary to support the mission of the Department continues to increase due to inflation and increased call volumes. Expanding requests for service not only impacts apparatuses and responders it also places additional demands on Fire Department systems and structures.

The budget reflects an overall increase as a direct result of labor, benefits, and some service costs. A new, three year, Collective Bargaining Agreement with the firefighters and Assistant Chiefs was signed in 2017. This agreement resulted in in the labor cost increases but also provided some relief in benefit costs. Additionally, there was recognition for a limited number of members with special training in Special Operations and Rescue and Fire Investigation, two specialties needed by the Department to meet our mission. Special Operations is a service provided by the Department that serves the whole community by partnering with other local fire departments in a regional team approach. This team provides WAC required protection for Olympia Public Works when they are engaged in confined space work. The Fire Investigators work hand-in-hand with Olympia Police detectives when there is a potential that some crime was associated with a fire.



Fire Department Overview (continued)

Future Challenges and Opportunities

The Olympia Fire Department's 2004 to 2014 Master Plan provided direction for a number of years and changes in the Department. The Department achieved approximately 80% of the goals. The department adopted the new 2017 to 2022 Strategic Plan in mid 2017. The next phase of this planning work will be the determination of need and level of current response called Standard of Cover and the understanding of risks in our community called Community Risk Assessment.

Simultaneously, with addressing items in the new Strategic Plan, the department will continue to monitor:

- Response times Citywide.
- Address other specialized rescue capabilities by increased training or equipment or joining regional response teams.
- Search for ways to respond to non-acute medical calls for service.
- Transition into retirement and replacement of four members of the department's senior staff in 2018 and two more in 2019.

Recent Accomplishments

- Increased Fire Insurance Rating from Class III to a Class II by the Washington Survey and Rating Bureau. (Potential lower insurance costs for Olympia) There are only five Class II cities in the state and no Class I.
- Strengthening automatic aid, mutual aid agreements, and joint service agreements with other fire and emergency services agencies.
- Expansion of business models in fleet and training providing added revenue.
- On-going teaching of CPR instruction and issuing "CPR Awareness" cards to freshmen in the Olympia School District.
- Implemented a new Fire Department Strategic Plan



Fire - Administration

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,021,855	\$1,119,196	\$1,147,094	\$27,898
Supplies & Services	648,591	628,657	645,618	16,961
Interfund Payments	22,718	27,060	27,365	305
Total Expenditures	\$1,693,164	\$1,774,913	\$1,820,077	\$45,164
Program Revenue	659,608	561,400	589,400	28,000
Funding from General Revenues	\$1,033,556	\$1,213,513	\$1,230,677	\$17,164

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Administrative Secretary	2.00	2.00	2.00
Fire Chief	1.00	1.00	1.00
Inventory Control Specialist II	0.25	0.40	0.40
Line of Business Director	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Master Mechanic	3.00	3.00	3.00
Total	8.25	8.40	8.40

Program Description

The Administration Program of the Olympia Fire Department (OFD) provides administrative and support functions for all Programs within the Department. This program is responsible for coordination and management of the budget, project management, fleet, records management, and billing services for Fleet, Medic One, and the MNRFTC.

Emergencies do not follow a schedule; therefore it is essential that support services are available when the need arises. The Administration Program mobilizes day or night to support response activities whenever there is a need, including greater alarm fires and disaster situations. Emergent apparatus repairs for OFD and our regional fleet maintenance customers are provided 24-hours a day, seven days a week, 365 days per year.

Good fiscal management is the primary function of the Administration Program. Without effective management, the greater mission of the Fire Department cannot be sustained.

The major areas of responsibility managed by Administration include:

- **Fiscal Systems:** Extends the City's fiscal accounting and reporting system to the Fire Department and coordinates billing for all fleet services, Medic One, Fire Prevention, contracts, and the rental of the MNRFTC. Revenues billed total over \$3,000,000.
- **Business Administration Systems:** Provides personnel, records, public records requests, and technology management services to department members, the community, and other City departments.
- **Fleet Systems:** OFD Fleet services maintains apparatus and vehicles for OFD, Thurston County Medic One, Tumwater Fire Department, Lacey Fire District 3, and four other Thurston County Fire Districts. The fleet program excels in providing maintenance and safe operations for the Department's and County's fire ground apparatus, equipment, staff cars, medic units, and major mechanical operating equipment.
- **Facilities Systems:** Provides and/or coordinates maintenance to all the Fire Department buildings, grounds, and systems to maintain a safe and healthy working environment for the members and community.

Trends

Uncovering and creating new funding is a recent trend in fire service that will continue for the foreseeable future. Finding new revenue streams is challenging in today's economy. Any new revenue-producing endeavors must provide high quality service, enhanced safety, and sustainability. The Administrative Program looks for opportunities to maximize the use of personnel and property in a way that generates funds for the City. No other Program within the Fire Department has this focus.

Program Budget Overview

The cost of supplies and services necessary to support the mission of the Department continues to increase due to inflation and increased call volumes. Expanding requests for service not only impacts apparatus and members, but places additional demands on Fire Department systems and structures that support the response.

The budget reflects an overall increase as a direct result of labor, benefits, and some service costs.



Fire - Administration (continued)

Future Challenges and Opportunities

During 2018, the Administrative Program will continue to be a key player in the administration and financial growth of the Mark Noble Regional Fire Training Center and the Regional Fleet Vehicle maintenance repair shop. The long standing contract with Thurston County for Medic One Paramedic will likely see some changes as a new Medic One Administration enters into their first full year in 2018.

The Administration also plays a significant role in promotions and new hires. In 2018, four members of the department's senior staff will retire. This will create the need for promotions requiring testing and ultimately hiring of replacement firefighters as vacancies created at the top of the organization are filled by existing members promoting to new responsibilities. This trickle-down effect ultimately concludes with a new hire firefighter, the process for filling these positions is the most time-intensive in the department.

Projects Completed or Currently Underway

- Continue moving towards a mission-driven, performance-based budget process as part of the Department's efforts to track performance measures.
- Optimize existing cost recovery programs as part of the budget process.
- Carefully assess cost recovery and billing rates for new programs with an eye towards expanding the Department's revenue.
- Repair existing facilities with the conservation of natural resources in mind and, when possible, with LEED- compliant certification results.
- Repair vehicles with the conservation of natural and fiscal resources in mind.
- Develop experience with its new fleet maintenance program, considering the replacement of apparatus on an individual basis, taking into account actual maintenance costs, appropriateness of the equipment for response, technological improvements, and firefighter safety.
- Anticipate future facility remodeling needs and develop a facility remodeling schedule for future capital budgets.
- Long-term Capital Replacement Plan for all vehicles, and major equipment. This work follows a goal of the Department's 2017-2022 Strategic Plan. The first 10 years of the plan regarding vehicles was presented to the Finance Committee in June of 2017.

Recent Accomplishments

- On-going coordination with the Training Program as we develop an efficient billing procedure for the rental of the MNRFTC.
- Fiscal management of the SAFER Grant.
- Jointly with City of Olympia Public Work's Fleet program, purchased and implemented of a software program that supports all the business needs for both departments and their customers.



Fire - Administration (continued)

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Emergency vehicles arriving on scene without system failures systems failure.	100%	100%	100%	98%
Preventive maintenance for all vehicles within the Department completed on time and in accordance with national safety standards	98%	98%	98%	98%
Bills processed and sent to City Hall within 10 days of arrival	98%	98%	98%	98%
Service Profiles		2016	2017	2018 Budget
False Alarm Billings		120	120	110
Inspection Billings		2,450	2,590	2,562
Occupant Files Maintained		2,280	2,300	2,300
OFD Fire Apparatus and Vehicle Maintenance		38	39	39
Trailers		3	4	4
Generators		3	5	5
Breathing Air Systems		5	5	5
Boat		1	1	1



Fire/EMS Operations and Training

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$12,021,493	\$12,549,642	\$12,717,121	\$167,479
Supplies & Services	750,978	564,979	498,829	(66,150)
Interfund Payments	316,836	358,605	389,935	31,330
Total Expenditures	\$13,089,307	\$13,473,226	\$13,605,885	\$132,659
Program Revenue	2,726,490	2,674,320	2,743,682	69,362
Funding from General Revenues	\$10,362,817	\$10,798,906	\$10,862,203	\$63,297

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Assistant Fire Chief	1.00	1.00	1.00
Battalion Chief	3.00	4.00	4.00
Deputy Chief	1.00	1.00	1.00
Fire Captain	2.00	1.00	1.00
Fire Lieutenant	21.00	21.00	21.00
Firefighter Paramedic	14.00	14.00	14.00
Firefighter	38.00	44.00	44.00
Fire Captain - Medical Services Officer	1.00	1.00	1.00
Fire Paramedic Lieutenant	3.00	3.00	3.00
Senior Program Specialist	-	1.00	1.00
Total	84.00	91.00	91.00

Highlights of Program Budget Changes

- \$(127,000) Reduction in supplies related to one-time funding in 2017 for replacement of bunker gear.
- \$60,000 Funding for replacement of Self Contained Breathing Apparatus (SCBA) gear

Program Description

The Fire and EMS Operations along with the Training Division continue to strive to provide the highest level of protection for the citizens and responders of Olympia. Emergency response includes fire suppression and emergency medical services, as well as hazardous materials and other technical rescue services. The Program coordinates all interactions of the uniformed Department members with the public in both emergency and non-emergency situations. In 2018, the Training Program will contract with Lacey, Tumwater, and other Fire Departments to extend fire ground training to their members and bring revenue to the City.

A new aid car in the downtown was started in July of 2017. The unit runs five days a week, 12 hours a day, with six firefighter FTEs funded by a federal grant. This unit is responding to the calls generated in the downtown, providing relief to the two busiest fire stations in the City.

There is a desire to add three additional FTEs for this unit in 2018 to make it a full-time response unit, and a need for nine FTEs in early 2019 when the grant funding expires.

Emergency Management, the preparation for and coordination of disaster response, is also included in Operations. Emergency Management has a small budget that supports approximately 0.5 an FTE and a small amount of supplies and services. The remainder of the Emergency Management FTE comes via an Emergency Management Performance Grant (EMPG).

Trends

In 2018, the Program will continue to leverage technology to maximize our training efficiency. The Program continues to use Target Solutions training software to distribute, record, and track assigned required fire, emergency medical and administrative training. We will continue to use video training produced with the help of our training partners to reinforce identified best practices. Using the available technology and partnering with Lacey and Tumwater Fire Departments increases our efficiency and quality of emergency response training. These efforts result in a cost-effective means to reduce staff hours for the City and for our regional fire service customers.

The Program will look for revenue opportunities by entering into additional contracts with fire service agencies from Thurston County and regional, to include vocational institutions.

Program Budget Overview

The cost of supplies and services necessary to support the mission of the Department continues to increase due to inflation and increased call volumes. Expanding requests for service not only impacts our response apparatus, but places additional demands on Fire Department staff. The budget reflects an overall increase as a direct result of labor, benefits, (new Collective Bargaining Agreement in 2017) and service costs.

Fire/EMS Operations and Training (continued)

Future Challenges and Opportunities

- A desire to add three additional FTEs (the current grant only funds six FTEs) to the downtown aid car in 2018 to make it a full time response unit, and a need for nine FTEs in early 2019 when the grant funding expires.
- Expand our partnership of fire and rescue training model to EMS training.
- Continue the analysis of Fire and EMS calls for response times and the distribution of emergent and non-emergent demand. Identify ways to maintain the current level of service in an efficient manner.
- Track responses to non-emergency incidents for services and implementation of a non-traditional response resource.
- Establish reasonable community expectations, assess efficiency and effectiveness of the Department's services, and identify practices that lead to superior service.
- Provide state-of-the-art firefighter training to members of the Olympia Fire Department and the regional partners, while striving for 100 percent cost recovery for the MNRFTC.
- Diversify our emergency response training to reflect our commitment to prepare for "All Hazards." This will include training enhancements to our Hazardous Materials and Technical Rescue disciplines.

Recent Accomplishments

- Staffing the Mark Noble Regional Fire Training Center (MNRTC) to meet the State of Washington's and Fire's training requirements for live fire training.
- Completed a promotional assessment for the position of Fire Lieutenant and Battalion Chief. This assessment center included realistic job simulations that included: administrative, emergency response, interpersonal, writing, and presentation skills.
- Implemented a Target Hazard Training Program. Target hazards are occupancies that pose an increased risk to occupants and fire service responders. The purpose of this training program is to increase our members understanding of the hazards present and increase our ability to effectively respond to emergencies within these identified buildings.
- Revised the probationary and promotional performance standards using a multi-disciplinary department member team. Deployed and trained all supervisors and began using the new standards in July of 2017.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
% Fire Responses in 6 Minutes	90%	80%	81%	81%
% Medical (Basic Life Support) Responses in 6 Minutes	90%	88%	85%	85%
% Medical (Advanced Life Support) Responses in 9 Minutes	90%	97%	97%	97%
% Full Deployment on Structure Fires within 10 Minutes	90%	65%	50%	50%
Service Profiles		2016	2017	2018 Budget
Fire Calls (other than Basic Life Support)		3,104	3,200	3,400
Advanced Life Support Calls		3,200	3,300	3,460
Basic Life Support Calls		7,824	7,900	8,100
Property Dollar Loss (Due to Fires)		1,000,000	1,000,000	1,000,000
Average Response Time		6:53	6:49	6:49
Fire (not EMS)		7:31	7:04	7:05
Emergency Medical Services (EMS)		6:42	6:45	6:50
EMS CPR Class Attendees		400	400	400
Emergency Operations Center Activations and Drills		2	2	2
Emergency Management Public Education (Traditional/face to face presentations)		200	550	750
Emergency Management Public Education (Social Media/Internet)		<500	2,000	3,000



Fire Prevention

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$753,026	\$799,621	\$824,214	\$24,593
Supplies & Services	23,264	31,290	68,856	37,566
Interfund Payments	18,890	20,035	19,655	(380)
Total Expenditures	\$795,180	\$850,946	\$912,725	\$61,779
Program Revenue	598,116	490,459	534,971	44,512
Funding from General Revenues	\$197,064	\$360,487	\$377,754	\$17,267

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Asst. Fire Chief/Fire Marshal	1.00	1.00	1.00
Fire Captain	1.00	1.00	1.00
Fire Inspector Lieutenant	1.00	1.00	1.00
Fire Inspector/Firefighters	2.00	-	- *
Fire Prevention Officer	-	2.00	2.00*
Total	5.00	5.00	5.00

*Title Changed

Program Description

The mission of the Fire Prevention Program is to prevent fires and provide fire education that will minimize loss of life, injuries, and property loss for the citizens and the responders. Fire Prevention fulfills this critical public safety function by inspecting commercial properties and providing fire safety plan review for all new construction projects within the City. Additionally, the Program supports the Operations Program by assuring fire safety practices are in-place for new and remodeled commercial construction. Results from investigations are used to educate firefighters and the public about the specific causes of fires so that the information can be applied to mitigate future fires thus meeting the mission to minimize loss of life, injuries, and loss of property.

The Fire Prevention Program is organized into three program areas of responsibility—new construction, existing construction, and fire investigation.

Fire Prevention participates with other City departments in conducting land use development plan review, new construction plan review, fire sprinkler and fire alarm construction permits, special permit inspections, fire investigation, and hazardous materials compliance. The Fire Prevention Program conducts fire safety training with fire extinguishers and evacuation planning for specific occupancies (assemblies, high rises, etc). The Program provides fire education classes within schools.

Trends

The Fire Prevention Program continues to work hard at preventing structure fires and limiting injuries from fires within the business community through inspections and educational classes in fire safety and fire extinguisher usage.

Public fire safety education is taught in the schools to first and fifth grade students and for the community/neighborhoods to impact fire losses in residential properties. Large community-focused events on fire safety are being done twice a year.

New development planning, construction, and plan reviews continue to push resources to the limits. Residential fire sprinklers are now in at least 400 new homes and several business occupancies that previously did not have them. This will have a positive effect on future fire losses.

Program Budget Overview

In recent years the downturn of the economy slowed commercial and residential growth. Prior to this slowdown the Program campaigned and passed the requirement that mandated sprinklers in all newly constructed residential homes. The Program used it's time during the downturn to build up skills and knowledge in residential sprinkler plan reviews and inspections. In late 2016 and into 2017, new construction exploded in Olympia placing a heavy demand on the Fire Prevention staff. The cost of supplies and services necessary to support the activities of the Program continue to increase due to inflation. The budget reflects overall increases in the cost of labor and benefits but has not been expanded to keep pace with the new demand. This situation cannot continue for long without a drop in the level of service.

Fire Prevention (continued)

Future Challenges and Opportunities

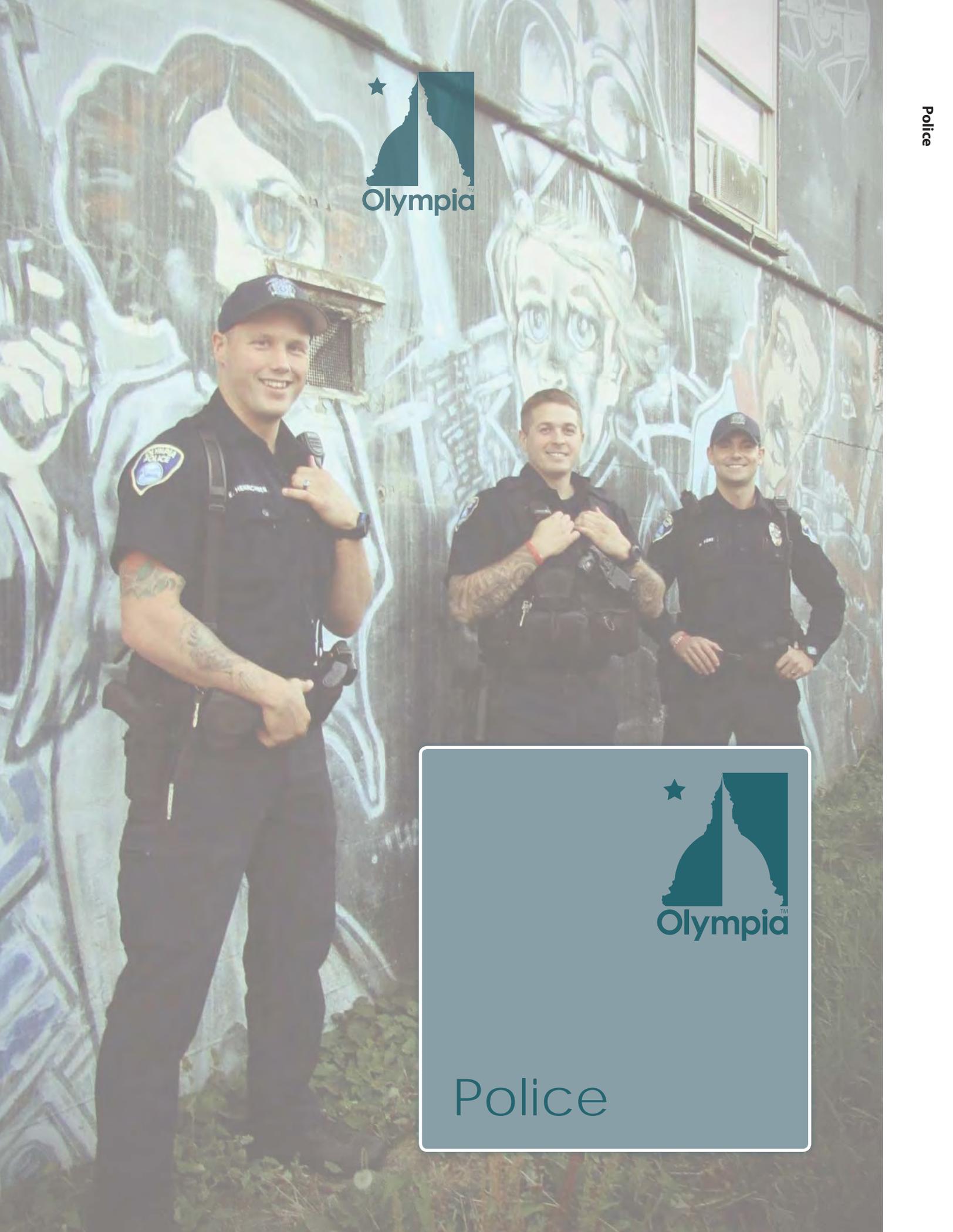
- Fire Investigators continue to meet and work with Lacey Fire District 3. We will continue to enhance joint training opportunities.
- The ability to meet training requirements continues to prove challenging. All opportunities for quality, affordable training in prevention, investigation, firefighting and EMS are used.
- The Department is working hard to meet the growing demands for public contact and education for events, and fire safety/extinguisher training, the Fire Prevention Program has been the lead in this outreach.
- The Fire Safety Open House and Community Safety Event allows Fire Prevention members to reach children and adults in the community at one time, each year usually in the summer or early fall. School visits make up the rest of the outreach to children.

Recent Accomplishments

- The Fire Marshal recently completed "Blue Card" Incident Command training and is certified for incident response at the Command level. The Assistant Fire Marshal is currently in the recertification process.
- All Prevention Program members have participated in classes at the National Fire Academy for both fire prevention, fire investigation, and leadership. One member is now IFSAC-certified as an Investigator. The Fire Marshal and Assistant Fire Marshal are maintaining Blue Card Command Certification.
- Fire Safety Open House and Community Safety Events facilitated the education of about 500 children and adults in two large events.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Semi-Annual Occupancy Inspections Accomplished on Time	99%	99%	99%	99%
Annual Occupancy Inspections Accomplished on Time	99%	99%	99%	99%
% Plan Reviews and Field Inspections Completed on Time Per Month	95%	99%	98%	98%
Major Code Violations Cleared per Quarter	99%	99%	95%	95%
Initial Fire Investigations Completed Within 24 Hours	100%	100%	100%	100%
Service Profiles		2016	2017	2018 Budget
Commercial Inspections		2,577	2,590	2,562
Plan Reviews		633	525	530
Fire Investigations		17	15	17
Juvenile Fire Setter Contacts		8	8	10
Complaints (flammable concerns such as overgrown grass)		5	5	5
Hazardous Operations Permits		17	12	12
Extinguisher Programs Presented		10	12	12
Fire Safety Classes Attendees		N/A	1,000	1,000



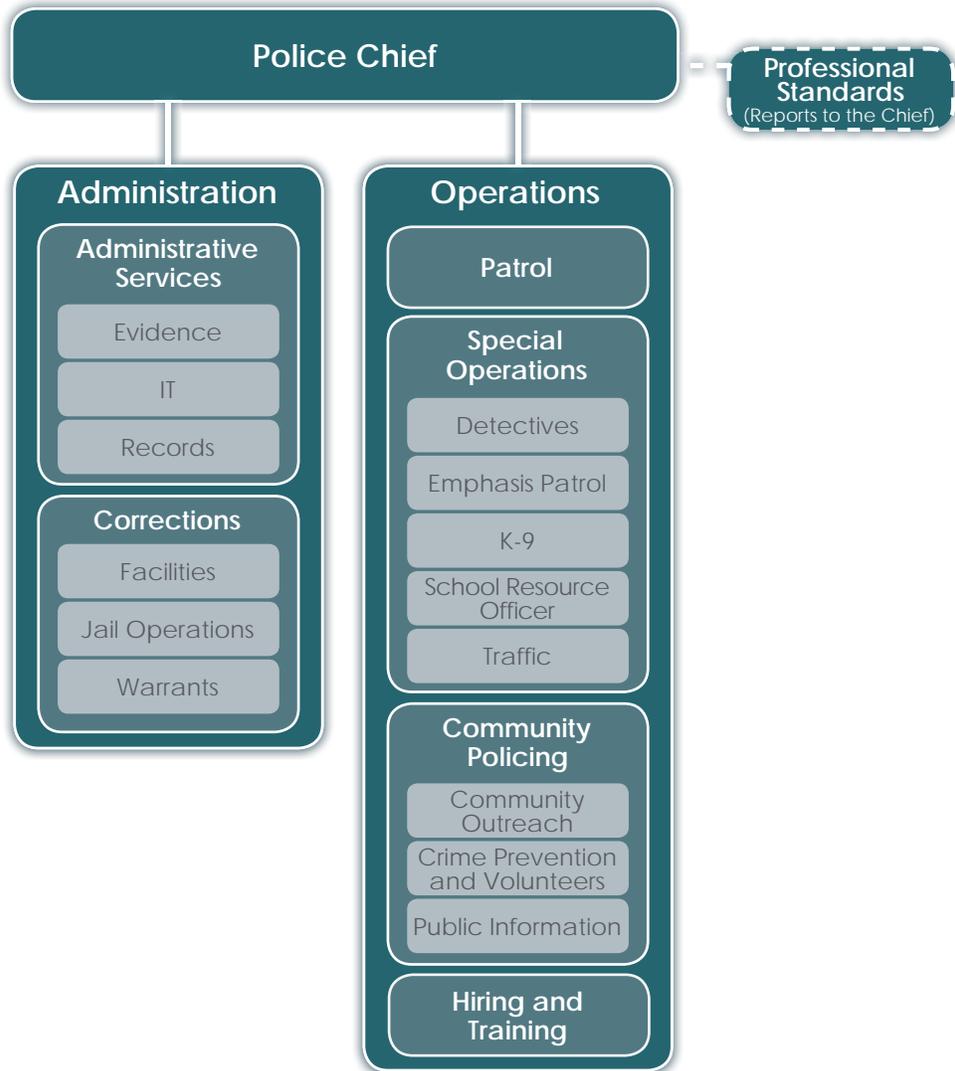


Police





Police



Mission

The mission of the Olympia Police Department is to consistently earn the trust of the residents and visitors in our community. We accomplish our mission through a team approach to proactive policing, corrections, community education and support services. We are recognized as compassionate, respectful, highly-trained, innovative people who are dedicated to making a positive difference in the City of Olympia.

Vision

We are a professional law enforcement agency respected and trusted by our community. Our employees are empowered and challenged to solve problems at the lowest level in the organization. We honor and respect each other as valued members of the department. We are constantly learning through professional training and the opportunity to pursue a wide range of unique specialty assignments. We operate in a model of excellence, and our community shows pride in our efforts by providing the support and resources to deliver the best policing services to the City.



Police Department Overview

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Administration	\$4,645,034	\$4,814,965	\$6,132,438	\$1,317,473
Operations	11,419,014	11,063,380	13,182,810	2,119,430
Total Expenditures	\$16,064,048	\$15,878,345	\$19,315,248	\$3,436,903
Recap of Expenditures				
Personnel Services	\$13,500,923	\$13,055,961	\$15,324,659	\$2,268,698
Supplies & Services	1,757,498	1,852,756	2,861,988	1,009,232
Capital Outlay	-	-	40,000	40,000
Interfund Payments	805,627	969,628	1,088,601	118,973
Total Expenditures	\$16,064,048	\$15,878,345	\$19,315,248	\$3,436,903
Program Revenues	539,227	373,633	520,120	146,487
Funding from General Revenues	\$15,524,821	\$15,504,712	\$18,795,128	\$3,290,416

Department Description

The City of Olympia Police Department (OPD) provides professional, innovative, and progressive criminal justice services to the Olympia community. Since 2015, the Department has been following a comprehensive Strategic Plan, concentrating on community engagement and staff development. In 2017, OPD expanded its outreach efforts in the community. The Department met with over 300 community groups, from neighborhood associations to local shelters. Staff at every level of the Department built relationships with the public, attending events, meetings, and celebrations of all kinds. In addition, quality one-on-one interactions continue to further the Department’s mission of building public trust. Internally, throughout 2017 OPD maintained its commitment to training staff on modern criminal justice principles and techniques. Recruiting, hiring and training of new staff continues to be an important part of building the desired culture and workforce here at the Olympia Police Department. The retirement trend that began in 2011 continued in 2017, with the Department welcoming 12 new employees in 2017.

The Department is comprised of two Divisions: The Operations Division and the Administrative Services Division. Both Divisions are led by the Office of the Chief. The Operations Division houses the police patrol program, the detectives unit, hiring and training, community policing and specialty units, including K9, School Resource and Traffic officers. The Administrative Services Division is responsible for the law enforcement records management, Evidence, IT, and the Department’s finances. Administrative Services also manages the Department’s Corrections Services Division. The Corrections Division is responsible for the care and custody of those accused and convicted of misdemeanor crimes. Corrections runs the City Jail, a 28-bed facility, and also administers a contract with the Lewis County Jail for additional bed space. Administrative Services also oversees the newly created Crisis Community Outreach program. This program was created and funded through the 2017 public safety levy. An outreach coordinator will direct a public engagement process to identify programmatic responsibilities related to identifying and delivering street level assistance to individuals experiencing crisis on the streets and coordinating appropriate non enforcement services.

The Office of the Chief oversees the entire Department and is also responsible for the Department’s Professional Standards program. The Olympia Police Department has 76 fully-commissioned Police Officers, 14 limited-commission Corrections Officers, and 16 civilian staff. Together, the members of the Olympia Police Department deliver community-centered public safety.

Trends

As an integral part of our community, OPD is experiencing several trends impacting the City: the lack of options for those suffering from mental illness or substance addiction; changing community expectations; population growth. OPD works closely with a variety of social service providers within the City and in Thurston County to assist our most vulnerable populations to access the services they need. However, the Department and its partners recognize that the criminal justice system is not appropriate for providing adequate holistic care that will lead to lasting results for this segment of our community.

Changing demographics, new technology, and national policing trends are impacting how we communicate and interact with our community. The Department is discovering that we must be proactive and nimble in order to meet the evolving service expectations.

Police Department Overview (continued)

Lastly, the City of Olympia continues to grow, with an emphasis on growth in its urban core. The City was successful in passing a robust public safety levy in 2017. The levy will generate resources to implement street level crisis outreach, enhance hiring and training capability and support for a wide variety of community policing services.

Budget Overview

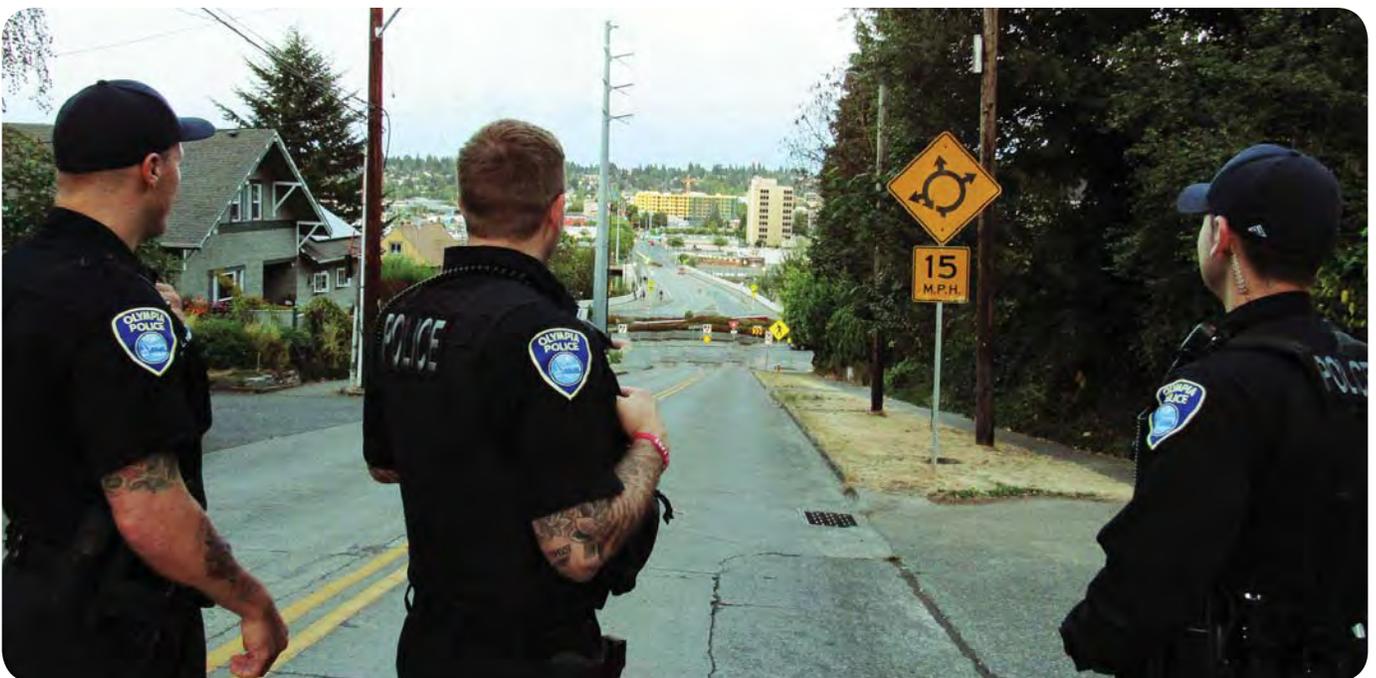
The Department's budget will increase approximately 2.8 million dollars in 2018 as a result of the 2017 public safety levy, with increases in salaries and benefits accounting for most of the increases. Fleet expenses also increased by 47%. Personnel and fleet expenses account for over 80% of the Department's total budget.

Future Challenges and Opportunities

The Department is challenged by aging and inadequate facilities. The City Jail is significantly past its useful life and needs to be replaced. The Department's Training Facility and Firing Range is no longer usable due to outdated equipment and lead contamination. The City's West side Police Station will be demolished in 2018 in order to abate asbestos and lead contamination. To address these needs, the City has leased a new facility to house the West side station in close proximity to the old station. Staff will move to the new station in the first quarter of 2018. This opportunity will allow stronger connections to the community by housing neighborhood officers, volunteers and community policing support. In addition, the Department is exploring options for regionalization, with multiple jurisdictions potentially sharing facilities.

Recent Accomplishments

- OPD hired six new police officers, two new corrections officers and four new civilian staff.
- OPD engaged with over 300 community groups in formal meetings, at celebrations, and in community events.
- Chief Roberts was honored with a Leadership Award at the community's annual Martin Luther King, Jr. Day banquet.
- The Department participated in many charity events, including the Special Olympics Torch run, the Race for Inclusion, and Holiday Shopping with the non-profit organization "Cops and Kids". The crowning achievement of the year was the collection of over 18,000 diapers for No Child Wet Behind.





Police - Administration

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$3,441,807	\$3,467,575	\$3,853,110	\$385,535
Supplies & Services	1,099,311	1,231,075	2,126,755	895,680
Capital Outlays	-	-	10,000	10,000
Interfund Payments	103,916	116,315	142,573	26,258
Total Expenditures	\$4,645,034	\$4,814,965	\$6,132,438	\$1,317,473
Program Revenue	106,467	102,633	106,670	4,037
Funding from General Revenues	\$4,538,567	\$4,712,332	\$6,025,768	\$1,313,436

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Administrative Secretary	1.00	1.00	1.00
Commissioned Officers	3.00	3.00	- *
Computer Support Specialist	1.00	1.00	1.00
Corrections Lieutenant	-	-	1.00**
Corrections Officer	9.00	9.00	9.00 ^
Evidence Custodian	1.00	1.00	1.00 ^^
Finance & Policy Coordinator	-	-	1.00
Jail Manager	-	-	- ***
Jail Sergeant	-	-	3.00 ^
Lead Worker	1.00	1.00	1.00
Line of Business Director	1.00	-	1.00 ***
Program Assistant	5.00	5.00	6.00^
Program Manager	-	-	1.00^^
Secretary	2.00	1.00	2.00^
Senior Program Specialist	1.00	1.00	- *
Supervisor IV (Records Manager)	1.00	1.00	1.00
Total	26.00	24.00	29.00
* Moved to Operations			
** Added Position			
*** Moved from Operations Corrected Title to Line of Business Director			
^ Moved from Operations			
^^ Added with Public Safety Levy			

Program Description

The Administration Division comprises the Department's administrative, support, and community programs. Under the direction of the Support Administrator this Division is responsible for:

- **Administration**
 - Records
 - IT
 - Property and Evidence
 - Policy and Finance
- **Crisis Outreach Services**
- **Correction Services**

Administration

Administration includes the maintenance of law enforcement records and statistics, technology deployment and support, and the safe-keeping of property and evidence. Together, these programs provide the behind-the-scenes services that are the essential partners to Operations and Corrections.

Crisis Outreach Services

Crisis Outreach Services includes the coordination and delivery of crisis response in support of police operations. The goal of this program is to defer individuals in crisis from uniformed response and coordinate appropriate care, follow-up and support with social service providers.

Police - Administration (continued)

Corrections Services

Under the direction of the Corrections Lieutenant, the Corrections Services Program is responsible for providing care and custody for misdemeanor and gross misdemeanor offenders, as mandated by state law. The City maintains a 28-bed short-stay jail and contracts for additional beds for inmates serving longer sentences at the Lewis County Jail.

Trends

Administration

Policing continues to be a focus of public records requests in the City. To meet the demand, the Department has assigned one employee to exclusively manage records requests, while other staff are also needed to ensure timeliness and transparency. The role of technology in policing continues to grow. New technical applications and tools that can substantially improve policing are regularly being developed and implemented. The storage of digital evidence is an emerging issue. As storage media become easily outdated, the Department must constantly find ways to store information securely so it can be retrieved in the future. In 2018, OPD hopes to implement a new digital asset management system to address storage needs effectively.

Crisis Outreach Services

With the passage of a public safety levy in 2017, the Department conducted a significant organizational restructure aligning services into two major divisions. Implementation of street level crisis outreach through a funded emphasis on crisis intervention and outreach will begin as a new outreach coordinator is hired and a service provider is identified through a community engagement process leading to an RFP process.

Corrections Services

The Corrections program has been organized under the Administrative Services Division and a Corrections Lieutenant position was created through consolidation. Overall program oversight will fall under the newly created Support Administrator position.

The need to address offenders with mental health and substance addiction problems continues. The cost of incarcerating these individuals is high, while the effectiveness in changing behavior is low. At the same time, incarceration often exacerbates the inmates' illnesses. OPD is playing an integral role in establishing inter-agency work groups who, collectively, may be able to build better systems to improve outcomes for both the individuals and the public.

Program Budget Overview

The budget for Administration has increased to accommodate public safety levy dollars allocated for the crisis outreach program management and services. Major cost centers include personnel costs, along with IT equipment and software expenses.

The 2018 budget reflects little change in Corrections. Overtime will continue to be difficult to control as staffing at the Jail is at minimal levels necessitating overtime use for any staff absence. The cost for additional bed space in the Lewis County Jail is increasing in 2018 and the Department will purchase fewer days to compensate for the additional cost.

Future Challenges and Opportunities

Workload remains a primary challenge for the law enforcement records unit. Records requests continue to flow in with many of them far-reaching in scope. Incidents that capture the public's attention cause spikes in requests that are difficult to manage effectively.

Technology use in the field is another area that presents both opportunities and challenges. Investigative and analysis tools continue to proliferate and can substantially improve policing. However, the cost of implementing the tools is often high and the cost of maintaining them higher still as the Department lacks adequate technological support.

The Corrections Program is exploring opportunities to partner with the City's Community Court in order to help people with criminal convictions to be successful in society. Corrections will be coordinating with social service providers in the community to ensure continuity of medical care as inmates leave the jail, to find housing, and to register for assistance programs. Corrections will also be working closely with the Olympia Municipal Court to identify people who are appropriate for alternatives to incarceration.

How the City meets its obligation to house misdemeanor prisoners in coming years is a critical issue that needs immediate attention. The City jail remains an old, inefficiently designed facility that is nearing the end of its useful life. In 2018, a feasibility study will begin to determine the best alternatives for replacing the Jail and other criminal justice facilities. The City will consider the study's findings and options for moving forward.



Police - Administration (continued)

Recent Accomplishments

Administration

Administration staff successfully deployed laptops to all officers, with a total of 65 computers now in the field. In addition, Administration implemented several new software packages to help the Department be more efficient and effective: payroll and scheduling software; training software; inventory software.

The Corrections Division successfully implemented the national Prison Rape Elimination Act requirements in 2017 providing substantial safeguards for inmates in the City Jail. Additionally, Corrections staff provided training to the entire Department about the transgender community to ensure that OPD staff understand and support the unique aspects of this community.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
In-Service Training hours	144	176	176	176
Public Disclosure Requests filled within statutory Guidelines	100%	100%	100%	100%
Volunteer Hours Donated	9,800	6,147	6,300	6,300
Percent of Operational Capacity - City Jail	<100%	54%	60%	60%
Percent of Operational Capacity - Contract Jail	<100%	68%	60%	60%
Service Profiles		2016	2017	2018 Budget
Citizen Complaints Received and Investigated		19	10	10
Community Events Attended		15	100	100
Public Disclosure Requests		3,097	3,100	3,100
Software Packages Supported		14	15	15
Average Daily Population - City Jail		15.17	16	16
Average Daily Population - Contract Jail		10.93	10	10



Police Operations

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$10,059,116	\$9,588,386	\$11,471,549	\$1,883,163
Supplies & Services	658,187	621,681	735,233	113,552
Capital Outlay	-	-	30,000	30,000
Interfund Payments	701,711	853,313	946,028	92,715
Total Expenditures	\$11,419,014	\$11,063,380	\$13,182,810	\$2,119,430
Program Revenue	432,760	271,000	413,450	142,450
Funding from General Revenues	\$10,986,254	\$10,792,380	\$12,769,360	\$1,976,980

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Commissioned Police Officers	65.00	65.00	76.00*
Corrections Officer	9.00	9.00	- **
Crime Analyst	1.00	1.00	1.00
Jail Manager	1.00	1.00	- ***
Jail Sergeant	3.00	3.00	- **
Police Cadet	0.50	0.50	0.50
Program Assistant	1.00	1.00	2.00^
Secretary	1.00	2.00	1.00*
Senior Program Specialist	1.00	1.00	1.00
Total	82.50	83.50	81.50

* 3.0 FTE moved from Admin; 8.0 FTE's added with the Public Safety Levy
 ** Moved to Administration
 *** Moved to Administration corrected title to Line of Business Director
 ^ 1.0 FTE moved to Admin; 2.0 FTE's added with the Public Safety Levy

Program Description

The Operations Program comprises the Department's front-line policing and corrections activities. Under the direction of the Deputy Chief, this Program is responsible for:

- Patrol
- Special Operations
- Community Policing
- Recruitment, Hiring, and Training
- Detectives
- School Resource Officers
- K9 Officers
- Traffic Officers
- Neighborhood Liaison Officers
- Walking Patrol Officers

Patrol provides core law enforcement services. Officers are assigned geographically to four Patrol Districts and provide 24 hour per day/7 day per week policing service to the community. The majority of police officers are assigned to the Patrol Division. Patrol officers are responsible for responding to calls for service and for proactively policing their areas. They also engage in non-enforcement community outreach, spending time with community members in their neighborhoods and participating in community events.

Special Operations is responsible for the Department's specialized units. These programs enhance the regular patrol function by providing expertise in these specific fields and to particular populations, such as school children. School Resource Officers are assigned to each of the Olympia School District's two high schools and also provide service to the corresponding middle and elementary schools. The K9 unit includes two handler officers and their dogs. They are responsible for tracking people or things related to a suspected crime. Traffic Officers specialize in accident investigation, DUI investigations, and traffic safety. Community Policing manages the Department's communications efforts, neighborhood support, crime prevention programs, and public information, including social media. The Volunteers in Policing is also part of the Community Policing program. The downtown Walking Patrol provides services to the downtown on foot and on bicycle and is the primary liaison to the Downtown community. Newly funded neighborhood Liaison Officers will work directly with neighborhood leaders to identify and resolve ongoing issues that impact quality of life such as nuisance and abatement issues related to problem houses.

Hiring and Training is responsible for recruiting new police officers, corrections officers, and civilian staff, managing the Police Training Officer (PTO) program, and ensuring that new police officers are given the support they need to succeed. The program is also responsible for the Department's in-service training that occurs twice monthly on a variety of topics.



Police Operations (continued)

The Detective Unit conducts investigations of major crimes that require extensive follow-up efforts. Detectives may specialize in investigating sexual offenses, financial cases, or forensic investigations. Crime classifications typically assigned to detectives are crimes of violence, crimes against children, and cases involving significant monetary loss.

Trends

The nationwide trend to expand community policing efforts is impacting the way policing services are delivered. Community engagement has become an essential part of officers' daily work, while data-driven policing continues to be important to our crime reduction efforts.

The needs of the downtown area are a focus for the Department. A major challenge for law enforcement and the criminal justice system is the growing number of offenders with mental health and substance addiction problems. This subset of offenders is both labor and resource intensive. A comprehensive community approach to improving the alternatives for treatment and housing must be developed.

As outlined in the City's Action Plan, neighborhoods and overall public safety in the City are also at the forefront of Patrol and Special Operations workloads. Special Operations, in particular, is the front-line of the policing efforts in these areas. Special Operations is increasing its focus on schools and families (School Resource Officers) and targeted programs for neighborhoods (Traffic and Walking Patrol.)

Hiring and Training

Recruitment, hiring, and the training of new police and corrections officers will continue to be a Department priority for the next several years. While the rate of retirements is slowing, the Department still anticipates several openings each year. Stiff competition for qualified applicants is expected to continue as other agencies experience high retirement rates. Contemporary training will remain an essential part of policing, especially as new priorities emerge.

Community Policing will remain the gold-standard of policing for the foreseeable future. 21st Century Policing is predicated on strong relationships between the police and the community they serve. Community outreach and community involvement in policing are keys to building the trust in our Department that our community expects.

Program Budget Overview

Patrol and Special Operations are the largest section of the Department budget. Community policing, and hiring and training have also been moved to this division. As such, the increases in personnel and fleet budgets are most prevalent in this Division. 2017 levy funds allocated for additional personnel will be reflected in these programs.

Future Challenges and Opportunities

The primary challenge facing the Operations Division and its programs are the increasing demands of the community to provide more individualized services. In order to gain public trust, it is important for officers to spend time with the community, especially in non-enforcement ways, so that relationships can be built. Stronger relationships with the community are essential to policing. As we build those relationships, the Department will experience better support from the community, the community will feel safer and trust will be enhanced.

Recruiting for both police and corrections officers will remain challenging in future years. The entire industry is facing significant levels of retirement. The Department will be adding refresher courses for Critical Incidents Training (CIT) and Blue Courage to its annual training plan. Additional training needs are also growing as community, State, and Federal mandates increase.

The Department is interested in exploring new recruiting methods to increase the number of qualified candidates applying for OPD positions and broaden the backgrounds from which they come.

The community's thirst for information about OPD and its practices continues to grow. In addition, the options for communication are expanding rapidly. The Department is challenged with providing information through multiple social media outlets as well as conventional ones. At the same time, the options for reaching more and more citizens are exciting. The Department will need to invest in staffing and tools to take advantage of the growing communication opportunities.



Police Operations (continued)

Recent Accomplishments

The Operations Division engaged with several new sectors of our community in 2017: The Hispanic Round-Table, the Veterans of Foreign Wars (VFW), the Islamic Center of Olympia, and the Thurston County Drug, Mental Health, and Veterans Courts. This Division also successfully investigated several significant crimes. In one case, three men were assaulting and robbing members of our homeless community. Through diligent and compassionate investigation, the suspects were located and arrested. In another case, officers responded to a call of a burglar and while investigating, the suspect (who was hiding in the attic) fired several shots at the officers. Due to the professionalism of nearly a dozen officers, the suspect was arrested without injury to either officers or the suspect.

The Patrol Division successfully handled a number of planned and unplanned events and protests. In particular, a train blockade consumed significant resources but was handled professionally without injury or arrests. In addition, officers facilitated several events related to the controversies of the Trump presidency.

Staff attended and presented at “LatinX”, a career and educational fair for Hispanic youth with more than 300 attendees. The Department met with over 300 different community groups and organizations during the year. Almost every week, OPD staff attended events throughout the City, visiting community centers, schools, and neighborhoods.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Response Time To Priority One Calls	< 4 minutes	< 4 minutes	< 4 minutes	< 4 minutes
Service Profiles		2016	2017	2018 Budget
Calls For Service		46,835	47,000	50,000
Incidents Requiring a Report		8,307	8,500	8,700





Parks,
Arts and
Recreation





Parks, Arts, and Recreation



Mission

To enrich lives by connecting people with quality experiences.

Vision

To make a difference by enriching Olympia's quality of life, being good environmental stewards, strengthening community connection, creating neighborhood identity, fostering artistic expression, and beautifying our City. In short, to touch the life of every Olympian in a positive way.

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Administration	\$838,768	\$906,176	\$999,223	\$93,047
Facilities Operations	977,878	1,085,319	1,105,310	19,991
Recreation	1,014,013	1,178,975	1,251,105	72,130
Arts and Events	160,651	236,264	224,333	(11,931)
Parks Maintenance	2,509,821	3,880,406	4,182,861	302,455
Planning and Design	310,634	553,950	588,002	34,052
Total Expenditures	\$5,811,765	\$7,841,090	\$8,350,834	\$509,744
Recap of Expenditures				
Personnel Services	\$4,117,507	\$5,868,304	\$6,175,292	\$306,988
Supplies and Services	1,294,099	1,481,102	1,516,882	35,780
Capital Outlay	44,287	24,500	24,500	-
Interfund Payments	355,872	467,184	634,160	166,976
Total Expenditures	\$5,811,765	\$7,841,090	\$8,350,834	\$509,744
Program Revenues	1,189,372	2,898,682	3,174,642	275,960
Funding from General Revenues	\$4,622,393	\$4,942,408	\$5,176,192	\$233,784

Highlights of Program Budget Changes

Interfund payment increase is mainly due to indirect overhead allocations as a result of 2017 increases in operations (\$1.6 million) funded from the Olympia Metropolitan Park District.



Parks, Arts, and Recreation Department Overview

Department Description

Olympia Parks, Arts and Recreation is a cornerstone to Olympia's high quality of life. Olympia's great parks, vibrant arts community, and many recreation programs enrich Olympians' lives and strengthen their connection to the community. One only has to walk to a neighborhood park, search for a new skill to learn, or catch the latest downtown Arts Walk to experience this. These facilities and programs promote active lifestyles, create a sense of place, and contribute to the local economy.

Trends

The 2018 budget anticipates over six percent increase in service revenue. Funding sources attributed to this increase include recreation programs, ballfield reservation fees, facility and shelter rentals, boating moorage, and general leases. The majority of the increases in expenses are related scheduled salary and benefit increases similar to all City departments.

Budget Overview

The operating budget for the Parks, Arts and Recreation Department (OPARD) is based on funding allocations that have been established as conditions of the Interlocal Agreement between the City of Olympia and the Olympia Metropolitan Park District. This agreement stipulates that in addition to revenue generated from fees and services, OPARD will receive 11% of selected budgeted General Fund tax revenue. The Department also allocates 52% of the Olympia Metropolitan Parks District funds to the operating budget, while 48% go towards the capital budget.

Although the portion of the City's Utility Tax that is dedicated to parks can be used for maintenance and operations, 100% of this funding source is currently dedicated to the capital budget. These funds are dedicated towards catching up on the City's park acquisition goals as stipulated in the Interlocal Agreement and 2016 Parks, Arts and Recreation Plan.

The funding strategy outlined above is closely tied to the extensive public process that was facilitated to develop the 2016 Park, Arts and Recreation Plan. This 20-year vision creates a clear path for allocating new OMPD resources towards operations, major maintenance, parks safety, arts administration, and Percival Landing.

Future Challenges and Opportunities

In 2017, the City was successful in acquiring more than 65 acres of future park land. This latest round of land acquisition has allowed us to reach over 339 new acres of parks since 2004. We are now over 2/3 of the way to the 500-acre goal that was established as a component of the 2004 voted utility tax for parks. While we celebrate each additional acre in the park system, we also recognize that there is an additional maintenance cost attributed with new parks, even while they are in an undeveloped state. It is likely that as the Parks Department grows closer to our 500-acre goal, some Voted Utility Tax funding dedicated for Parks will be needed to fulfill new maintenance and operation obligations.

In 2016, our data trends demonstrated a 78% increase in loose needles collected and a 108% increase in encampment notices served throughout the Olympia park system. These numbers are representative of the increasing challenges that our community faces in terms of substance abuse, lack of mental-health funding, and homelessness. If this trend continues, increased resources will likely be needed in order to keep parks safe, clean, and accessible for public use.

Recent Accomplishments

As outlined in the OPARD Business plan, the 2015 and 2016 Performance Reports were developed to track 44 different performance measures and business metrics. This data-driven process will provide clear communication of department progress to the public, and will also provide clear targets and goals for the Department to work towards. The measures are broken out by division, and will be presented on the department webpage annually.

- In 2015, OPARD contracted with the Learning Resources Network (LERN) to conduct a full audit of Olympia's Recreation Division. This data-driven program review analyzed participation trends, existing staff models, marketing strategies, and the current revenue philosophy. Using national benchmarks, LERN also provided a series of recommendations to the Recreation Division to consider for implementation. Some of those recommendations include an increased emphasis on marketing and new programs, and staff

Parks, Arts, and Recreation Department Overview (continued)

restructuring to centralize daily tasks and create efficiencies. The Department has implemented a majority of the recommendations and will continue to refine operations to maintain and improve the standard that has been established.

- In addition to improving safety throughout our park system, the Park Ranger program also allows maintenance staff to focus on maintenance duties. Prior to the creation of the Ranger program, maintenance staff were frequently delayed or inhibited from performing their basic duties due to ongoing behavior issues within our parks. Park Rangers are able to implement proactive enforcement strategies, which improves safety for patrons and staff, while allowing maintenance staff to focus on their regular duties more efficiently.
- The Arborist Position was restored to the Parks Maintenance Division. This individual will focus on a very long backlog of downtown street trees and tree maintenance in parks.
- Parks Maintenance staff are embracing technology by implementing the use of tablets to track street tree maintenance, and perform playground safety inspections.





Parks, Arts and Recreation Funding (Excludes Impact Fees and Grants)

	Dedicated Taxes	Program Revenue	Utility Tax	OMPD	Total
Revenue*	\$ 5,188,351	\$ 1,393,513	\$ 3,029,560	\$ 3,602,744	\$ 13,214,168
USES:					
Operations:					
Administration & Communications	\$ 924,688	\$ 40	\$-	\$ 74,495	\$ 999,223
Facility & Support Services	919,678	166,650	-	18,982	1,105,310
Recreation	447,405	803,700	-	-	1,251,105
Arts & Events	134,448	25,800	-	64,085	224,333
Parks Maintenance	2,560,559	119,295	-	1,503,007	4,182,861
Planning & Development	189,414	278,028	-	120,560	588,002
Total Operations	\$ 5,176,192	\$ 1,393,513	\$-	\$ 1,781,129	\$ 8,350,834
Debt Service					
2013 Bonds (Percival Landing)			\$-	\$ 243,000	\$ 243,000
Bond Anticipation Note (2018 interest only)			120,000	-	120,000
Total Debt Service			\$ 120,000	\$ 243,000	\$ 363,000
Available for Capital			\$ 2,909,560	\$ 1,578,615	\$ 4,488,175

*** Explanation of Revenues:**

Dedicated Taxes	2018 Estimate
Property Tax	\$ 11,078,306
Regular Sales Tax	19,443,900
B&O Tax	6,558,000
Private & City Utility Tax	10,086,620
Total	\$ 47,166,826
11% of Total to support the Parks, Arts and Recreation Department	\$ 5,188,351

Program Revenue

Revenues generated by the Department, e.g. rents and class fees. This includes transfers in from other funds to support the programs.

Utility Tax

2018 Estimate

Non-voted utility tax	\$ 1,000,000
Voter-approved utility tax	2,029,560
	\$ 3,029,560

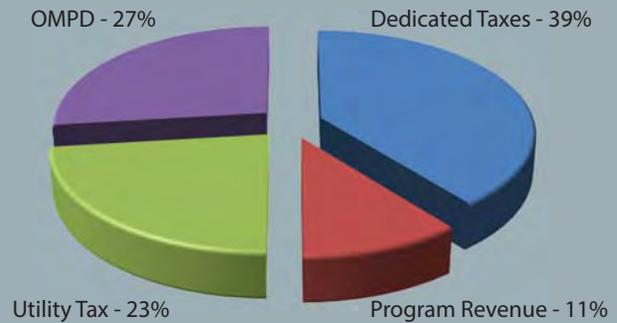
OMPD

The OMPD, was voter-approved in November 2015. The District may levy up to \$0.75 per \$1,000 of assessed value.

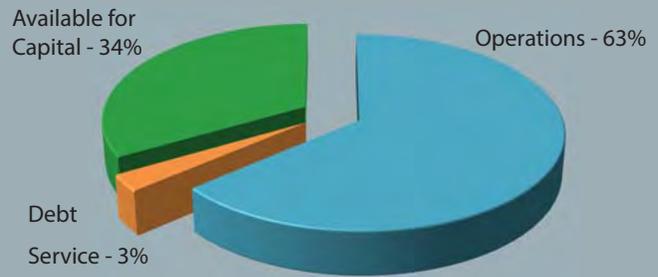
Estimated 2018 Levy is **\$3,612,744** at a rate of \$0.54.

Payments to City of Olympia	\$ 3,602,744
OMPD administrative costs	\$ 10,000

TOTAL PARKS REVENUES \$13,214,168



USE OF FUNDS





Administration

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$494,368	\$484,095	\$540,946	\$56,851
Supplies & Services	185,199	251,768	229,677	(22,091)
Interfund Payments	159,201	170,313	228,600	58,287
Total Expenditures	\$838,768	\$906,176	\$999,223	\$93,047
Program Revenue	37	25,040	74,535	49,495
Funding from General Revenues	\$838,731	\$881,136	\$924,688	\$43,552

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Associate Line of Business Director	2.00	2.00	2.00
Director	1.00	1.00	1.00
Total	3.00	3.00	3.00

Highlights of Program Budget Changes
 Program revenue increase due to revenue from OMPD Fund.
 Increase in Interfund payments mainly due to consolidation of liability insurance into the Administration program and general increase in premiums.

Program Description

Administration provides department leadership in creating a work place that promotes productivity, creativity, and accountability. Core services include emergency management, labor relations, communications, policy development and implementation, and budget development/oversight.

Trends

The 2016 Parks, Arts and Recreation Plan update provides a road map for budget decision-making. As community priorities evolve, it becomes increasingly more important to use the Plan as a grounding tool, while remaining open and flexible to emerging opportunities.

Department administration has recognized a gap in a broad spectrum of documented policies and procedures. Efforts have been made in the past few years, and will continue to expand, to identify and document necessary policies and procedures. The goal is to increase support staff productivity and assist customers with efficient decision-making processes.

Program Budget Overview

The Olympia Parks, Arts and Recreation Department is dedicated to the business of parks, arts and recreation. Whether it is redesigning a landscape, coordinating camps for youth or managing a playground replacement; the employees all know that what they do is designed to improve the lives of others. The 2018 administration program will continue to inspire staff to do the work that brings so much pride to the community.

Future Challenges and Opportunities

As we look to the future, we need to implement fiscal strategies that match the community expectations. The Olympia Metropolitan Park District has significantly enhanced the Department's ability to move new ideas forward while restoring services that were eliminated in weaker economic times. The Department will also look to leverage available funds with grants and community partnerships.

Administration (continued)

Recent Accomplishments

- Development of a new dedicated Park Ranger Program.
- Created the second annual Performance Report for 2016.
- Anticipate receiving approximately \$1.8 million in Recreation and Conservation Office state grant funds to support local parks initiatives.
- Served over 11,000 participants in recreation activities in 2017.
- Project a 10% increase in facility use of department facilities by the community.
- Performed facility improvements to the Percival West Restroom.
- Developed an interim use plan for design improvements on the park properties located at the Isthmus.





Facilities Operations

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$795,548	\$872,338	\$896,551	\$24,213
Supplies & Services	182,330	212,981	208,759	(4,222)
Total Expenditures	\$977,878	\$1,085,319	\$1,105,310	\$19,991
Program Revenue	189,205	175,871	185,632	9,761
Funding from General Revenues	\$788,673	\$909,448	\$919,678	\$10,230

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Maintenance Worker I (Oly Center)	3.50	4.00	4.00
Maintenance Worker II	1.00	1.00	1.00
Program Specialist	0.65	0.30	0.30
Public Service Representative	3.00	3.00	3.40*
Supervisor II	1.00	1.00	1.00
Supervisor I	-	0.35	0.35
Total	9.15	9.65	10.05
* Added 0.40 FTE			

Program Description

The Facility Operations Program is responsible for the scheduling and use of key public facilities in the Department. This includes room rentals at The Olympia Center, park shelters, transient moorage, Artesian Commons and the Harbor House at Percival Landing. In addition, the Program is responsible for scheduling games, tournaments, and practices on City and Olympia School District athletic fields. Staff also provides for the coordination of unique facility requests throughout the park system. Facility Operations provides support to community service partners that include Senior Services for South Sound, the Olympia Farmers Market, and the Sandman Foundation.

Trends

Recreation programming and Senior Services room use continues to grow. This trend will eventually have a negative impact on general community access to the facility and is something to keep a watchful eye on.

Program Budget Overview

There are no significant changes to the 2018 budget. It maintains all existing services and accounts for market driven revenue trends.

Future Challenges and Opportunities

The Harbor House has become a key rental attraction for small meetings or events, easily exceeding revenue goals the past two years. However, some success has been at the expense of meeting room rentals at the adjacent Olympia Center. This will require staff to continue to find resources to invest in amenity and aesthetic upgrades, not only to stay relevant within our department, but with competing facilities in the area.

Percival Landing is returning as a destination for transient boaters now that word of the upgrades is out. A key focus city-wide is downtown safety and security to ensure visitors feel safe and secure while moored on the publicly accessible docks.

The investment of one synthetic field at Stevens Field has helped provide reliable and predictable access for baseball games in the spring and fall. For increased tournament revenues throughout the year, both fields will need to be converted to host even small tournaments. The need for synthetic, lit rectangular fields continues to be identified as a key need for a community our size.

Recent Accomplishments

The opening of our first synthetic infield has created year-round access to a lit playfield for practices and games as desired by the community. In 2017, the Department offered two neighborhood park shelters for reservations that previously were only first come/first serve. This has been well received by reservation holders, primarily from the neighborhoods served by Lions Park and Friendly Grove Park. The Farmers Market of Olympia signed a new five-year Maintenance and Operations Agreement with the City at the end of 2016, ensuring quality produce, product, and entertainment for this much loved community asset for years to come.

Facilities Operations (continued)

Service Profiles	2016	2017	2018 Budget
Number of League Games Scheduled at Yauger, Stevens, and LBA Parks	1,797	1,989	1,850
Number of Community Use Hours Scheduled on Olympia School District Fields	7,770	8,804	8,000
Number of Community Rental Hours at The Olympia Center	3,203	3,546	3,450
Number of City Recreation Activity Hours at The Olympia Center	4,800	3,900	4,500
Number of Senior Services for South Sound Rental Hours at The Olympia Center	9,217	9,000	9,000
Transient Moorage Nights at Percival Landing	501	516	500
Park Shelter Hours Reserved for Picnics, Weddings, and Educational Programs	2,486	2,900	2,600
Program/Facility Transactions Performed by Customer Service Team	14,356	14,500	14,500
Number of Community Rental Hours at The Harbor House	958	1,200	1,200





Recreation

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$678,844	\$845,239	\$896,963	\$51,724
Supplies & Services	323,791	317,595	337,875	20,280
Interfund Payments	11,378	16,141	16,267	126
Total Expenditures	\$1,014,013	\$1,178,975	\$1,251,105	\$72,130
Program Revenue	817,819	744,360	803,700	59,340
Funding from General Revenues	\$196,194	\$434,615	\$447,405	\$12,790

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Lead Recreation Specialist	0.60	-	-
Program Specialist	1.60	3.10	2.45 *
Recreation Specialist	3.42	3.42	3.42
Supervisor I	2.00	2.00	2.65 *
Total	7.62	8.52	8.52
*Reclassified 0.65			

Highlights of Program Budget Changes
 Revenue increase due to increased participation and added classes and events.

Program Description

The Recreation Program provides a wide variety of programs for the community, including athletics, fitness and enrichment classes, outdoor adventures, youth camps and clinics, and teen camps/trips.

Trends

Summer activities are at capacity and wildly popular with our citizens. This is in large part due to high quality staff at the coordination and implementation levels.

Sports leagues and fitness activities continue to show strong support in our community.

Program Budget Overview

As the community grows, so will the activities offered by our program. This budget begins to plan for growth in participation assuming that the percentage of our population that participates remains the same. It is the intent of the Department that all fee-based programs support the growth through user fees, while community priorities that provide for subsidy are also built into the budget.

Future Challenges and Opportunities

Camps and summer Outdoor Adventures have reached capacity, primarily due to staff, facility and transportation resources. Any enhancement or growth will require an investment in some infrastructure, capital costs for transportation being a key need. The Outdoor Program is now offering year-round activities and growth in this area requires continued outreach to partners to build on classes, trips, and events.

The Department is exploring emerging opportunities to build Special Events into the inventory of services. This is not currently proposed in the 2018 budget but we will be looking for the right combination of focus and partners for future consideration.

Recent Accomplishments

For the sixth year in a row, the Recreation Program has set records in participation and revenue. This is a strong indicator of community trust and value in the services we provide.



Recreation (continued)

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Activity Participants Quality Rating (1-5 scale)	4.5	4.49	4.62	4.5
Customer Service Rating (1-5 scale)	4.5	4.49	4.67	4.5
Percentage of Participants Self-Registering Online for Recreation Programs	40%	48%	50%	50%
Service Profiles		2016	2017	2018 Budget
Special Interest Class Participation		4,274	4,624	4,700
Number of Sports Teams/Participants		399/3,125	399/3,125	400/3,150
Number of Summer Camp Participants		2,024	2,144	2,300
Number of Meals Served During Summer Nutrition		7,333	9,191	9,000
Outdoor Adventure Camp Participation		631	610	650



Arts and Events

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$145,321	\$204,672	\$197,110	\$(7,562)
Supplies & Services	15,330	31,032	22,354	(8,678)
Interfund Payments	-	560	4,869	4,309
Total Expenditures	\$160,651	\$236,264	\$224,333	\$(11,931)
Program Revenue	22,565	82,430	89,885	7,455
Funding from General Revenues	\$138,086	\$153,834	\$134,448	\$(19,386)

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Program Manager	1.00	1.00	1.00
Program Specialist	0.25	0.75	0.75
Total	1.25	1.75	1.75

Highlights of Program Budget Changes
 Increase in Interfund payments due to increased overhead charges.

Program Description

Olympia Arts and Events brings Arts Walk to the community twice a year, manages the City's collection of public art, provides arts education and technical support to the greater community, participates in design team efforts within Parks, Arts and Recreation and serves as staff to the Olympia Arts Commission.

Trends

Two current City endeavors - the West Bay Master Plan and Franklin and Legion Street Improvements - are noteworthy in that both projects required consultants to include a public artist within their team. This approach allows for creative input early on in the project, and presents an inclusive relationship between public artists and the consultant teams.

Program Budget Overview

The 2018 budget reflects limited changes from 2017.

Future Challenges and Opportunities

Completion of the Gateways Public Art Master Plan offers a blueprint to place public art deep into Olympia's neighborhoods, contribute to a sense of community identity, and introduce place making elements that help to define and bring together different areas of our community. It also directs staff work for the next three to five years in completing the vision of the eight Gateways as set forth in the Comprehensive Plan.

The City is currently engaged in a feasibility study for raising the profile of the City's Arts, Cultures, and Heritage endeavors (ArCH). There is general agreement that ArCH elements contribute to the economic and citizen well-being of our community and the potential to expand on those strengths offers tremendous opportunities for Olympia.

Recent Accomplishments

- The Arts Program welcomes a new Arts Program Specialist.
- 10 new Traffic Box Wraps installed on the Eastside bringing the total to 30.
- Gateways Public Art Master Plan completed.
- Music Out Loud mosaic design process initiated.
- Program Manager Stephanie Johnson recipient of both the South Sound Exceptional Woman's Award from Soroptimist International of Olympia and Commitment to the Arts Award from the Washington Center for the Performing Arts in 2017.

Arts and Events (continued)

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Condition Reports on Public Art Pieces that Result in a Positive Rating	80%	90%	87%	90%
Service Profiles		2016	2017	2018 Budget
ArtsWalk Spring Attendance		15,000	15,000	15,000
ArtsWalk Fall Attendance		10,000	10,000	10,000
Arts Digest Readers Receiving Weekly Local Arts News		983	1,000	1,000





Parks Maintenance

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,701,598	\$2,928,994	\$3,084,215	\$155,221
Supplies & Services	578,643	650,192	698,883	48,691
Capital Outlays	44,287	24,500	24,500	-
Interfund Payments	185,293	276,720	375,263	98,543
Total Expenditures	\$2,509,821	\$3,880,406	\$4,182,861	\$302,455
Program Revenue	132,737	1,525,971	1,622,302	96,331
Funding from General Revenues	\$2,377,084	\$2,354,435	\$2,560,559	\$206,124

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Electrician	0.75	1.00	1.00
Field Crew Leader	1.00	1.00	1.00
Lead Worker	2.00	3.00	3.00
Maintenance Worker I	2.00	4.00	4.00
Maintenance Worker II	8.00	9.00	9.00
Program & Planning Supervisor	1.00	1.00	1.00
Program Aide	-	0.75	0.75
Program Assistant	1.00	1.00	1.00
Program Specialist	0.50	1.00	1.00
Ranger II	-	2.00	2.00
Senior Program Specialist	1.00	-	-
Supervisor III	1.00	2.00	2.00
Total	18.25	25.75	25.75

Highlights of Program Budget Changes

Program Revenue reflects increased amounts received from OMPD.

Personnel services increased through addition of Maintenance Worker II, increasing Electrician from .75 to Full Time and an increase in funding the Artesian Well Host/Ranger.

Interfund payment increase is due to indirect overhead allocations as a result of 2017 increases in operations (\$1.4 million) funded from the OMPD.

Program Description

The Parks Maintenance Program is responsible for keeping 48 parks totaling 1,242 acres—safe, clean, and enjoyable. Maintenance responsibilities include park restrooms, picnic shelters, playground equipment, three ballfield complexes, Artesian Commons, Heritage Park Fountain, park trails, neighborhood parks, Percival Landing, undeveloped park sites, and school fields. The Park Ranger and Stewardship Program is also funded in the Parks Maintenance Program. This program combines environmental education with a volunteer program providing people an opportunity to contribute to their parks. The program also encompasses Park Rangers who focus on deterring unwanted behaviors through education and warning park code violators. The Rangers work closely with partners such as Animal Services and the Olympia Police Department to provide enforcement.

Trends

An increase in efforts to improve park safety is a critical trend. During the past few years, several parks have experienced an increase in illegal behavior including drug and alcohol use, camping, vandalism, and violence. To reverse this trend, the Department is using Olympia Metropolitan Park District (OMPD) funding for two full-time park rangers and three seasonal park rangers. This is providing greater enforcement of park rules and allowing the Department to more effectively respond to illegal behavior in our parks.

Another trend in park maintenance is an increasing commitment to “green” maintenance practices. The Department uses an Integrated Pest Management approach that minimizes pesticide use, has six pesticide-free neighborhood parks, is replacing two gas-powered Gators with electric models and is piloting a recycling program at Yauger Park. The Park Stewardship program provides volunteer opportunities for environmental restoration projects such as tree planting and invasive plant removal.

A final trend worth noting is a renewed commitment to street tree maintenance. After a several-year vacancy due to budget cuts, in 2017 the Department refilled its Arborist position. This will allow the Department to begin to reduce the street tree maintenance backlog that has developed during the past several years. In 2017 the City also began work on a Street Tree Master Plan which will help guide this work.

Program Budget Overview

The 2018 Parks Maintenance Operating Budget is essentially the same as 2017 with an addition of 0.25 FTE to make the electrician position full-time and \$50,000 to increase coverage at the Artesian Commons for the Well Host and Ranger.



Parks Maintenance (continued)

Future Challenges and Opportunities

In 2017, OMPD funding added seven new permanent park maintenance positions as well as increased seasonal positions. As this work group continues to grow, it is becoming increasingly difficult to accommodate this work group at the park maintenance headquarters at Priest Point Park. A recent consultant's study of the space needs at the Priest Point Park facility found that the site is considerably smaller than the industry standard for a work group of this size. To address this need, OPARD is collaborating with Public Works to explore the feasibility of a co-located Parks/Public Works maintenance center. Since this would likely not happen for several years, OPARD is making minor improvements to the existing space to accommodate the growing work force as best as possible.

Recent Accomplishments

- Implementation of Recycling Pilot Program at Yauger Park.
- Implemented Crime Prevention through Environmental Design (CPTED) projects at Percival Landing, Seven Oars, Sunrise, Olympia Woodland Trail, Madison Scenic, and Friendly Grove.
- Developed new/updated policies on edibles in parks, gate hours, de-escalation, park donations, uniforms, trespassing of individuals, and encampment cleanup.
- Developed standard operating procedures manual for Park Stewardship and Park Ranger programs including patrols and routing, use of force, and check-in documentation and background check procedures.
- Installed irrigation system, landscaping, and an arbor at the new Rose Garden shelter at Priest Point Park.
- Implemented partnership with Public Works to share a trash compactor at the public works maintenance center which will improve employee safety. It is projected to save over \$6,000 annually in garbage disposal costs.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Total Maintenance Hours (Permanent FTEs)	50,155	34,596	49,635	50,155
Number of Volunteers	2,251	2,420	2,251	2,251
Volunteer Work Hours	7,280	7,642	7,280	7,280
Service Profiles		2016	2017	2018 Budget
Developed Neighborhood Park Sites Maintained		12	12	12
Interim Use Park Sites Maintained		5	6	6
Developed Community Park Sites Maintained		13	13	13
Developed Open Space Park Sites Maintained		10	10	11
Total Park Acreage		1,169	1,235	1,255
Street Trees Maintained		2,700	2,700	2,700
Olympia School Fields Maintained (Baseball/Softball)*		24	24	24
Olympia School Fields Maintained (Soccer)*		20	21	21



Parks Planning and Design

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$301,828	\$532,966	\$559,507	\$26,541
Supplies & Services	8,806	17,534	19,334	1,800
Interfund Payments	-	3,450	9,161	5,711
Total Expenditures	\$310,634	\$553,950	\$588,002	\$34,052
Program Revenue	27,009	345,010	398,588	53,578
Funding from General Revenues	\$283,625	\$208,940	\$189,414	\$(19,526)

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Associate Planner	0.75	0.75	0.75
Engineering Project Manager	1.00	-	-
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	1.00	0.75	0.75
Project Engineer II	-	1.00	1.00
Senior Engineer		1.00	1.00
Total	3.75	4.50	4.50

Highlights of Program Budget Changes
 Program Revenue reflects increased reimbursements from capital projects

Program Description

The Parks Planning and Design Program is responsible for implementing the adopted Parks, Arts and Recreation Plan. This involves acquiring, planning, designing, and constructing a variety of parks and open spaces to meet citizens' recreation, leisure, and wellness needs.

Trends

Olympians have a robust appetite for parks! In 2015, the Park Planning and Design team initiated the process to update Olympia's Parks, Arts and Recreation Plan, which was approved by Council in February 2016. From the extensive neighborhood outreach effort and household survey some very clear and strong trends emerged. They were:

- Ninety-five percent of survey respondents visited an Olympia park in the last year.
- Completing Percival Landing, demolishing the Capital Center building and completing the Olympia Woodland Trail ranked 1-2-3 in the survey.
- Trails, open space, and improved maintenance ranked as the highest priorities for new projects in the survey.
- LBA Woods acquisition ranked the highest priority from the public meetings and web-based outreach.
- Neighborhood parks were ranked as the most needed park type in Olympia.

Program Budget Overview

The program budget is used to plan, acquire, design, and construct Olympia's park lands and facilities. The program's core services are policy analysis, park master planning, land acquisition, land management, site and facility design, infrastructure inspection and assessment, contract management, and construction administration.

Future Challenges and Opportunities

Implementing the 2016 Parks, Arts and Recreation Plan will remain the focus in 2018. Acting on the parks and recreation needs of the community brought forward with the Plan will create some exciting challenges. In addition, other needs include managing the upkeep of current facilities through the Capital Asset Management Program (CAMP). Maintaining the public's prior investments in parks is an essential public service. In 2015, the Planning and Design staff created the Facility Condition Index (FCI). That is a statement of the overall condition of our park assets as a measure of project cost of repairs over current replacement value. Currently the FCI is 0.14 which is a "Fair" rating, but only slightly above "Poor." There is an opportunity to improve that score with the additional funding provided by the Olympia Metropolitan Park District.

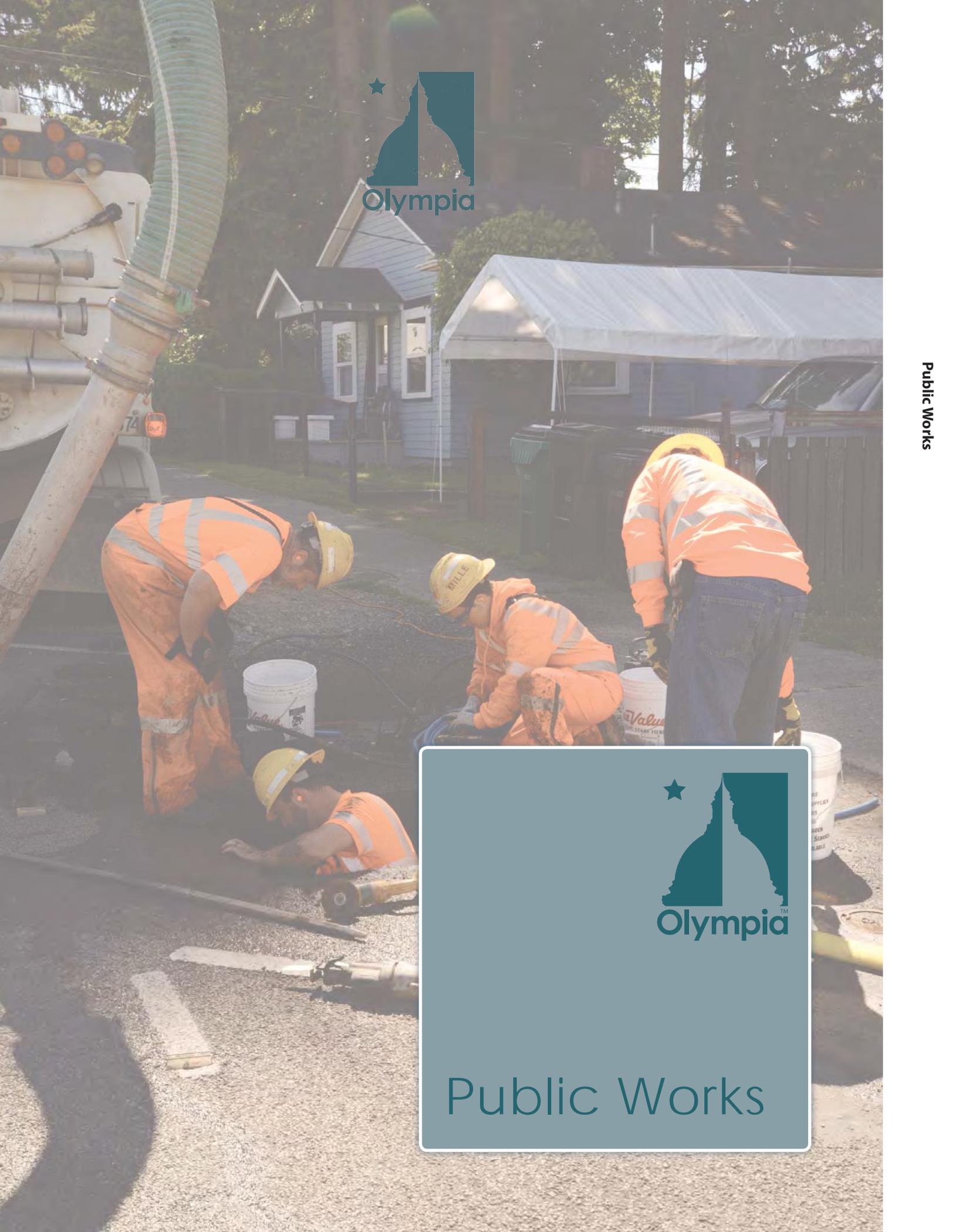


Parks Planning and Design (Continued)

Recent Accomplishments

- Kaiser Woods Building Demolition and Site Stabilization Plan
- Land Acquisition and Donations
- LBA Woods (Morse-Merryman Site) Site Stabilization Plan
- Capital Asset Management Program projects
- Percival Landing Bulkhead Design
- Restroom ADA Upgrades at Percival West and LBA Park
- Stevens Field Synthetic Turf Installation
- Yauger Ballfield Lighting Replacement

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Total Park System Acreage	1,403	1,170.68	1,235	1,255
Percentage of land within 1/2 mile distance of a park or open space entrance	90%	58.4%	59%	60%
Facility Condition Index < 0.11 Good, 0.11-0.15 Fair, 0.15-0.50 Poor, > 0.50 Serious	Good	0.14 Fair	0.14 Fair	0.14 Fair
Service Profiles		2016	2017	2018 Budget
Land Acquisition, Leases, Easements and Licenses		6	6	5
Park Design Projects		2	3	2
Park Construction Projects		5	5	4
Percival Landing Annual Inspection/Maintenance		1	1	1
Annual CAMP Inspection and Projects		5	6	5
Park Master Plans and Special Studies		2	5	6
Grant Applications		6	0	4



Public Works

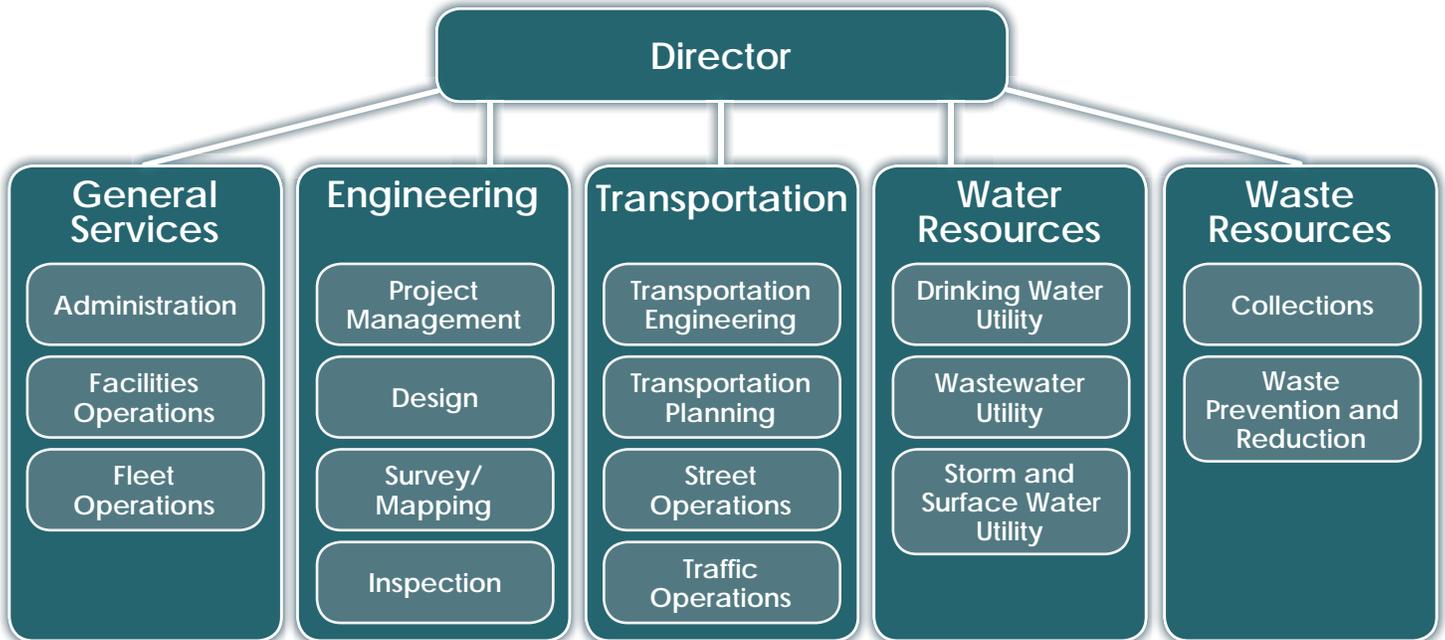


Public Works





Public Works



Mission

We build and maintain the foundation of our extraordinary Olympia.

Vision

A healthy environment. A thriving economy. A vibrant community.

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
PW General Services	\$4,379,894	\$5,072,485	\$5,130,748	\$58,263
Engineering Services	3,282,314	3,700,786	3,728,778	27,992
Transportation	5,508,899	5,765,139	5,819,908	54,769
Water Resources	33,956,038	38,510,587	39,750,363	1,239,776
Waste Management	10,461,302	10,998,787	12,108,571	1,109,784
Total Expenditures	\$57,588,447	\$64,047,784	\$66,538,368	\$2,490,584
Recap of Expenditures				
Personnel Services	\$17,269,015	\$18,917,765	\$19,042,037	\$124,272
Supplies & Services	15,631,232	17,700,632	18,788,234	1,087,602
Capital Outlay	228,360	-	-	-
Debt Service	804,192	896,964	1,946,634	1,049,670
Interfund Payments	7,414,579	8,211,647	8,704,408	492,761
Interfund Transfers	4,519,740	5,276,836	4,761,115	(515,721)
Total Expenditures	\$45,867,118	\$51,003,844	\$53,242,428	\$2,238,584
Program Revenues	54,310,361	58,971,331	61,132,627	2,161,296
Funding from General Revenues or use of Reserves	\$(8,443,243)	\$(7,967,487)	\$(7,890,199)	\$77,288

Public Works Department Overview

Department Description

The Public Works Department serves our community by providing and maintaining foundational services — safe water, sewer, stormwater, solid waste collection, transportation, and sound public buildings. We strive to provide these services in a way that makes our community extraordinary — a place where people love to live, raise families, and do business. We do this by integrating sustainability into our work and providing services that benefit our local economy, environment, and citizens.

In 2018, the Public Works Department will continue to:

- Provide safe and reliable drinking water to more than 60,000 residents.
- Maintain 11 City-owned buildings and manage capital repairs on an additional five City-owned buildings.
- Maintain a fleet of over 270 vehicles.
- Provide solid waste, recycling, and organics disposal services to over 45,000 residents.
- Maintain 217 miles of streets, 35 miles of bike lanes and many miles of sidewalks across the City.
- Ensure safe delivery of millions of gallons of wastewater per day to the LOTT treatment plant.
- Reduce flooding, improve water quality and protect/enhance our aquatic habitat in eight watershed basins.

Department Trends

A key challenge for Public Works will be to continue to deliver critical services to the community and to advance sustainability at a time when expenditures are outpacing our revenues. We must continue to innovate and find more opportunities for increased citizen involvement. We need to optimize our investments by ensuring we maintain our existing infrastructure, while integrating new infrastructure as our community grows.

Asset management, defined as “providing agreed upon customer and environmental services at the lowest lifecycle cost” is key to our success. It is imperative that we understand the condition of our infrastructure, set clear levels of service, and understand the risks of infrastructure failure to make the best decisions in the investment of limited funds. Public Works is using a new GIS-based asset management software program that will help set priorities for maintenance and help make decisions about repair and replacement of infrastructure. Adequately maintaining our infrastructure will save money in the long run.

We continue to look for opportunities to operate at a higher level of efficiency while realizing minimal impact on our resources and reducing our environmental footprint.

Examples include:

- Citywide Energy Conservation Program
- Conversion of all City-owned streetlights to LED technology
- Transitioning to an automated meter reading system
- Requiring residents to place all solid waste and recycle containers on a designated side of the road or street
- Anti-idling efforts at all traffic signals
- Waste reduction
- Water conservation
- Supporting alternative modes of transportation

Public Works General Services Overview

General Services Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Administration	\$678,217	\$741,721	\$673,292	\$(68,429)
Facilities Operations	1,955,275	2,008,330	2,097,916	89,586
Fleet Operations	1,746,402	2,322,434	2,359,540	37,106
Total Expenditures	\$4,379,894	\$5,072,485	\$5,130,748	\$58,263
Recap of Expenditures				
Personnel Services	\$2,051,241	\$2,202,574	\$2,179,568	\$(23,006)
Supplies and Services	1,572,270	2,017,788	2,048,860	31,072
Capital Outlay	-	-	-	140
Interfund Payments	756,383	852,123	902,320	50,197
Total Expenditures	\$4,379,894	\$5,072,485	\$5,130,748	\$58,263
Program Revenues	2,944,593	3,508,929	3,536,815	27,886
Funding From General Revenues	\$1,435,301	\$1,563,556	\$1,593,933	\$30,377

PW General Services - Administration

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$622,969	\$639,302	\$570,433	\$(68,869)
Supplies & Services	40,703	50,000	50,300	300
Interfund Payments	14,545	52,419	52,559	140
Total Expenditures	\$678,217	\$741,721	\$673,292	\$(68,429)
Program Revenue	658,504	705,952	687,714	(18,238)
Funding from General Revenues	\$19,713	\$35,769	\$(14,422)	\$(50,191)

Highlights of Program Budget Changes

Reduction in personnel services is related to the transfer of 1.00 FTE to Administrative Services.

The reduction in revenue is related to interfund cost allocation related to the transferred position.

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Director	1.00	1.00	1.00
Line of Business Director	1.00	1.00	1.00
Program Assistant	1.00	2.00	2.00
Public Service Representative	1.00	-	-
Safety Officer	1.00	1.00	1.00
Senior Program Specialist	1.00	1.00	1.00
Total	6.00	6.00	6.00

Program Description

General Services Administration includes:

- Contracts and Project Management Support, (which is budgeted within Engineering)
- Energy Management
- Customer Service
- Safety
- Emergency Management

Contract and project management support provides expertise in developing contracts and procuring goods and services. They ensure the City's bidding and procurement process is fair, competitive, and inclusive. They also assist the Engineering Line of Business in permitting, public communication, and documentation for City capital construction projects. The energy management program focuses on reducing overall Citywide energy consumption. It looks for innovative ways to implement energy saving projects that reduce the City's energy



PW General Services - Administration (continued)

bills and greenhouse gas emissions. The Customer Service program enables our community to contact Public Works directly to report problems, inquire about utility services, and obtain general information about Public Works programs and projects. The Safety Program ensures a safe and healthy workplace for employees by promoting a culture of safety through education and technical assistance. The Safety Program provides services for all City employees with the exception of Fire and Police.

Trends

Capital projects construction contracts for 2017 stayed the same as 2016 but increased in value, size, and complexity. A number of these projects are funded by grants and loans which have very specific compliance conditions and require a higher level of support to successfully execute the requirements of the grant/loan and maintain eligibility for future funding. This trend will continue into 2018 with a slight increase in capital projects. The number of overall contracts and agreements that Contract Administration is processing continues to increase. In 2016, Contract Administration staff processed over 160 contracts. The increase is attributed to the fact that Contract Administration staff expanded support to all City departments, not just Public Works.

Delivering the best value to internal customers and the community must include economic, social, and environmental equity when contracting. The City has contracting policies in place to ensure we are considering all aspects of sustainable procurement. Examples include the Green Cleaning policy, which requires the janitorial provider to use environmentally friendly cleaning products, and the Clean Clothes policy, which ensures that clothing purchased by the City is manufactured responsibly. These policies help ensure that public spending practices minimize the impact to the environment, are socially responsible, and make economic sense.

Energy Management

The City spends over one million dollars a year on energy. Energy costs are increasing at an average of three percent per year. Advancements in energy efficient equipment continue to improve. The City participates in Puget Sound Energy's Resource Conservation Management Program to identify energy reduction strategies in 13 City-owned buildings and 10 pump stations. Staff continues to identify and implement measures that will decrease energy consumption and greenhouse gas emissions from City facilities.

In 2015, the City signed on to the Compact of Mayors. The Compact of Mayors is a global coalition of mayors and city officials committing to reducing local greenhouse gas emissions, enhancing resilience to climate change and track progress publicly. The City is collaborating with local partners to track and report community-wide greenhouse gas emissions and to develop reduction strategies. These efforts will culminate in a Climate Action Plan which will outline how the City plans to work toward emission reduction and respond to climate change.

Safety

The Safety Program is responsible for implementing and coordinating over 200 training and certification classes. The Safety Program tracks over 2,000 training and certification classes to ensure compliance with OSHA and WISHA regulations. In 2017, a major focus was to perform a complete update to the Hazard Communication Program (Right To Know). This update includes a complete inventory of all products requiring SDS (Safety Data Sheets), archiving of products no longer used, uploading new products, and reviewing and updating all Safety Data Sheets active in our inventory. This update confirmed complete compliance with the OSHA requirements for our program.

Program Budget Overview

The budget reflects the Energy Management, Safety Program, and Customer Service. Salaries and benefits for Contract and Project Management Support staff is budgeted in the Public Works Engineering Line of Business.

Future Challenges and Opportunities

Energy Management

The City's efforts to decrease energy use and costs in City buildings has paid off. Since 2011, energy in 13 City buildings has decreased 30 percent resulting in an avoided cost of over \$120,000. Sustaining energy decreases in the coming years will become more difficult and will require continued diligence and investment in emerging technology and equipment.



PW General Services - Administration (continued)

Recent Accomplishments

Contract and Project Management Support

Contract Administration and Project Management Support Services continue to lead the annual State Audit and Federal Project Management Review (PMR) Audit for Public Works. Staff provides manual and electronic process documentation in accordance with City, State and Federal policies and guidelines. The group successfully passed audits with no findings from the State Auditor's Office for six consecutive years.

Energy Management

In 2016, the City completed its second year in Puget Sound Energy's Resource Conservation Management program. The program provides grant funding based on achievement in energy reduction for 13 City buildings and 10 City pump stations. The target is to reduce electricity and natural gas consumption by five percent every year. In the second year, which doesn't include savings already achieved in the first year of the program, the City reduced electricity consumption by two percent and natural gas consumption by thirteen percent. The City received a total of \$17,776 from PSE for the first two years of the Program. We also reduced energy costs by \$46,000 over the same two-year period, and reduced 256 metric tons of greenhouse gas. The City will invest the grant funds received into more energy saving projects at City facilities.

In 2016 and early 2017, Facilities' Staff replaced nearly 10,000 lamps in City buildings with new, energy efficient LED lamps. These projects qualified for PSE rebates in the amount of \$45,000 with anticipated electricity savings of approximately \$30,000 annually. The payback for the projects is about one and a half years.

Safety

The Safety Program scope of work has expanded to include Emergency Preparedness duties. In 2017 the City's Safety Officer completed the FEMA Emergency Management Basic Academy. In 2017, we will begin the task of creating a Continuity of Operations plan (COOP) for our Public Works Department. The COOP plan is created in case of a catastrophic event that renders our current operations facility inoperable. We must be prepared to restart operations at an alternate facility within 12 hours and for a duration of up to 30 days, so we can continue our mission essential functions. We have established a Public Works Emergency Preparedness Committee that meets monthly. The committee's responsibility is to review FEMA Emergency Preparedness guidelines, identify training needs, and identify action items for improvement. For the third straight year we had a significant decrease in the cost of injury claims with an 87% decrease in total claim costs.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Accident Claims	0	12	10	8
Injury Claims	0	15	13	10
Reduce Energy	5%	5%	5%	5%
Reduce Greenhouse Gas Emissions	80% by 2050			



PW General Services - Facilities Operations

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$754,145	\$852,093	\$911,801	\$59,708
Supplies & Services	870,931	820,339	820,338	(1)
Interfund Payments	330,199	335,898	365,777	29,879
Total Expenditures	\$1,955,275	\$2,008,330	\$2,097,916	\$89,586
Program Revenue	479,232	480,543	478,079	(2,464)
Funding from General Revenues	\$1,476,043	\$1,527,787	\$1,619,837	\$92,050

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Electrician	1.00	1.00	1.00
Facilities Systems Technician	1.00	2.00	2.00
Lead Worker	1.00	1.00	1.00
Maintenance Worker II	4.00	3.00	3.00
Operations Supervisor	-	1.00	1.00
Office Specialist II	0.50	0.50	0.50
Program and Planning Supervisor	0.50	-	-
Total	8.00	8.50	8.50

Highlights of Program Budget Changes
 Interfund increase is mainly due to increases in charges for Public Works Administration indirect overhead and property insurance increases

Program Description

Facilities Operations operates and maintains 11 City-owned buildings comprising over 322,000 square feet. This program is also responsible for managing the capital repair and replacement for 17 City-owned buildings.

Trends

Studies show that good building design and operation that support employees can improve productivity and satisfaction. Facility changes can be made that target employee performance, making a positive contribution to the organization. Common examples of facility design that positively affect employees include adequate space and privacy, current technology, and close location to coworkers.

Facility management is integral to the City's sustainability efforts. Utilities are one of the largest expenses in the operating budget. Facilities staff plays an integral role in the effort to reduce energy used in City buildings thereby reducing costs and environmental impact. Technology plays a vital role in energy reduction. Building automation systems are merging with information technology to ensure that devices, systems, and users are connected and can communicate efficiently. This helps facility managers instantaneously see how the buildings are performing, quickly troubleshoot problems, and respond to occupant issues. Technology also provides data that can be used to make more informed decisions. Integrating technology into buildings is a trend that will likely continue to expand and evolve over the coming years. Investing in technology ensures that occupants are comfortable, resources are used efficiently, and the City is minimizing its environmental footprint.

Over the past few years, facilities management has evolved from simply maintaining buildings. Facilities management has grown to include construction planning and support, data reporting, energy management and managing vendor relationships. This trend is likely to continue with staff playing a greater role in finding ways to increase efficiencies, incorporate new technology and working collaboratively with staff at all levels to create better work environments.

Program Budget Overview

In 2017, we reclassified a 0.50 FTE Program and Planning Supervisor to a 1.0 FTE Operations Supervisor. This was necessary to address the span of control of the Program and Planning Supervisor who was responsible for both Fleet and Facility Operations. It also provides greater oversight and attention given the increased demands in Facility Operations.

The 2018 budget reflects a \$18,700 reduction in gas and electricity as a result of energy conservation projects. This savings was reallocated to repair and maintenance and used to cover cost of living cost increases for custodial and landscaping contracts.



PW General Services - Facilities Operations (continued)

Future Challenges and Opportunities

The City's building portfolio continues to age. Despite an aggressive preventative maintenance schedule, the building systems continue to deteriorate and will need substantial investment in the coming years to keep them operational. The estimated cost of improvements to City buildings in need of repair over the next ten years is over \$18 million. The older and mid-range aged buildings have the most systems that will require replacement over the next six years. Public Works completed a feasibility study to explore the best way to meet the facility needs of both Parks and Public Works maintenance operations. Currently the maintenance center on Eastside Street is at capacity, does not meet operational needs, and has not had seismic upgrades. Over \$10 million of projects have been identified to repair the building and major systems. In 2018, Public Works will continue to explore the viability of renovating/rebuilding a new facility on the existing site or co-locating with parks maintenance staff on a different site.

In 2018, we will update our Building Condition Assessment and include an ADA (American with Disability Act) Assessment to inform our future capital needs. The City will continue working with Puget Sound Energy in the Resource Conservation Management Program. The reduction goal for 2017 is five percent for electricity and natural gas.

Recent Accomplishments

In 2016 and 2017, Facilities Staff replaced nearly 10,000 lamps in City buildings with energy efficient LED lamps. The anticipated electricity savings is approximately \$30,000 annually. Staff was able to accomplish this additional work quickly with no interruptions to building occupants or operations.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Improve Building Condition Rating	2.0 or Better	?	?	?
Decrease Building Energy Consumption	5% Annually	5%	5%	5%
Service Profiles		2016	2017	2018 Budget
Square Footage of Facilities Maintained		322,000	322,000	322,000



PW General Services - Fleet Operations

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$674,127	\$711,179	\$697,334	\$(13,845)
Supplies & Services	660,636	1,147,449	1,178,222	30,773
Interfund Payments	411,639	463,806	483,984	20,178
Total Expenditures	\$1,746,402	\$2,322,434	\$2,359,540	\$37,106
Program Revenue	1,806,857	2,322,434	2,371,022	48,588
Funding from General Revenues	\$(60,455)	\$-	\$(11,482)	\$(11,482)

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Inventory Control Specialist II	0.75	0.60 *	0.60
Master Mechanic	3.00	3.00	3.00
Office Specialist II	0.50	0.50	0.50
Program & Planning Supervisor	0.50	0.50	0.50
Senior Master Mechanic	1.00	1.00	1.00
Total	5.75	5.60	5.60
*Reduced by 0.15 to Fire			

Program Description

Fleet Operations provides reliable, safe, well maintained, and environmentally friendly vehicles and equipment to all City Departments, with the exception of Fire, so they can effectively perform their services for the City of Olympia. We also perform preventive and corrective maintenance on City vehicles and equipment, coordinate the purchase and disposal of fleet assets, and manage the purchase and distribution of fuel, parts, and inventory.

Trends

There is increasing pressure from federal, state, and local government, as well as the community to find ways to reduce greenhouse gas emissions, which are known to affect climate change. The new fleet vehicles and equipment we purchase have advanced computerized and electronic systems that aid in the reduction of greenhouse gases. In addition, the number of electric and hybrid vehicles in our fleet continues to grow. Fleet Operations staff continues to pursue alternative methods for reducing Citywide vehicle and equipment fuel consumption.

Program Budget Overview

Since 2014, we have realized significant savings in maintenance costs due to the replacement of aging vehicles like police vehicles, refuse trucks, a street sweeper, and two vacuum trucks. The improved preventive maintenance program coupled with the replacement of aging vehicles decreased the number of major repairs resulting in an increased capacity for our ASE certified master mechanics. The increased capacity allows Fleet to in-source work from the State Department of Enterprise Services (DES) and provide staffing to support Olympia Fire Department's fleet parts management. Fleet has reduced their FTE compliment by 1.75.

Future Challenges and Opportunities

As a community leader in the pursuit of reduced greenhouse gas emissions, Fleet continues to explore methods that will reduce emissions and fuel use, save money through technology and alternative fuels, and change how City employees operate City vehicles and equipment. Fleet continues to explore ways to expand the integration of electric vehicles. The City currently has seven Nissan LEAF electric vehicles in the fleet and will look for opportunities to replace suitable gas powered vehicles with electric vehicles. In 2018, Fleet will replace three Parking Enforcement vehicles with Electric Vehicles.

The Washington legislature mandated that all public vehicles (except emergency response) purchased after 2018 be either electric or biofuel powered. This presents a challenge for the City as both biofuel and electric vehicle technologies are still developing. Additionally, Nissan donated four double-head EV charging stations to the City. Two of the chargers are available for public use and two are exclusively for Fleet use. This enables us to continue to add EV technology to the Fleet and focus on greenhouse gas and fuel reduction, as well as save money on fuel and vehicle maintenance costs. The City will continue to keep abreast of evolving EV technology and seek out opportunities to add EVs to the fleet as well as strengthen the EV charging network within the City.



PW General Services - Fleet Operations (continued)

Biodiesel use continues to be a great option for fleets to reduce greenhouse gas emissions, lessen dependence on foreign oil, and improve engine performance. In early 2013, we began using B5 (5% biodiesel, 95% diesel). In 2014, we increased to B10 biodiesel. We continue to research and evaluate viable alternative fuel vehicles within the Fleet. The addition of these vehicles will save the City money in decreased fuel costs, maintenance, and greenhouse gas emissions.

We ensure Fleet staff remains up-to-date on technological changes associated with Fleet vehicles and equipment through education and training. This expedites repair and maintenance service times, and in turn decreases interruptions to City operations. We continue to evaluate our replacement parts acquisition process in an effort to improve fleet availability and reduce costs without compromising quality. Current initiatives include focusing on right-sizing the parts room inventory and reducing processed invoices.

We will continue to evaluate the optimal lifecycle for various classes of equipment. This is important so we can make sure we are paying the lowest possible lifetime cost to operate our vehicles and equipment.

Recent Accomplishments

Fleet installed FleetWave, a modern fleet management information system. This new software streamlines fleet's day-to-day operations, key performance metrics tracking, and vehicle procurement and disposal functions. Olympia Fire Department also uses the software to manage their growing in-sourced maintenance operations. Continuing maintenance costs for the software will be off set by savings provided by operational efficiencies.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Fuel Consumed (gallons)	2% decrease	200,281	200,000	195,000
Service Profiles		2016	2017	2018 Budget
Vehicles and Equipment in City Fleet		271	249	279
Preventive Maintenance Inspections Conducted		550	550	550
Vehicles and Equipment Purchased and Placed in Service		17	24	18



Engineering

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$2,977,539	\$3,383,373	\$3,413,572	\$30,199
Supplies & Services	130,316	123,738	129,138	5,400
Interfund Payments	174,459	193,675	186,068	(7,607)
Total Expenditures	\$3,282,314	\$3,700,786	\$3,728,778	\$27,992
Program Revenue	3,186,507	4,070,170	4,085,134	14,964
Funding from General Revenues	\$95,807	\$(369,384)	\$(356,356)	\$13,028

Program Staffing	2016 Actual	2017 Actual	2018 Budget
City Engineer	1.00	1.00	1.00
City Surveyor	1.00	1.00	1.00
Construction Inspector	3.00	4.00*	4.00
Engineering and Planning Supervisor	-	1.00**	1.00
Engineering Program Manager	1.00	1.00	1.00
Engineering Project Coordinator	1.00	1.00	1.00
Engineering Project Manager	4.00	1.00**^	1.00
Engineering Tech II	7.00	6.00*	6.00
Lead Construction Inspector	1.00	1.00	1.00
Program Specialist	1.00	1.00	1.00
Project Engineer I	3.00	3.00	3.00
Project Engineer II	3.00	4.00^	4.00
Senior Engineer	-	1.00^	1.00
Supervisor III	1.00	1.00	1.00
Survey/Mapping Coordinator	1.00	1.00	1.00
Total	28.00	28.00	28.00
* Reclassification from Engineer Tech II ** Reclassification from Engineer Project Manager ^ Reclassed to Senior Engineer(1.00) and Project Engineer II (1.00)			

Program Description

Engineering provides project management, professional engineering, surveying and inspection services to Public Works and other City Departments to support City utilities, facilities, and transportation systems, consistent with our community's vision.

The Engineering Line of Business is responsible for implementing the Public Works portion of the City's Annual Capital Facilities Plan (CFP), updating the Engineering Design and Development Standards (EDDS), providing support to Community Planning and Development on platting and private development projects, delivering projects identified in the CFP, enforcing erosion and sediment control regulations for new construction, inspecting private development construction in the right of way, utility locating, surveying, and mapping the City's infrastructure.

Engineering is made up of four programs: Project Management, Design, Survey/Mapping, and Inspection.

The Project Management program is responsible for the successful completion of projects identified in the City's CFP. Core services include:

- Project pre-design and planning
- Scope, schedule, and budget management
- Ensuring compliance with local, state, and federal funding
- Ensuring compliance with local, state, and federal permitting requirements

The Design program is responsible for designing and constructing capital projects consistent with established standards. Core services include:

- Developing project scopes
- Developing cost estimates
- Completing engineering studies
- Developing engineering plans and specifications
- Ensuring compliance with plans and specifications during construction



Engineering (continued)

The Survey/Mapping program is responsible for survey, Geographic Information Systems (GIS) mapping, utility locating, real property and right of way acquisition, right of way vacations and easement acquisition.

The Inspection program is responsible for ensuring public work projects are constructed in accordance with applicable plans and specifications, enforcing erosion and sediment control regulations for new construction and inspecting private development construction in the right of way. Core services include:

- Inspecting and documenting work completed by the City's contractors
- Inspecting and documenting work completed by private development contractors
- Ensuring construction complies with applicable plans and specifications
- Enforcing erosion and sediment control regulations for new construction

Trends

The increase in the number of private development projects has affected the number of contractors available to work on capital projects. In order to ensure competitive bids, staff is developing processes that will allow us to complete bid packages earlier, allowing us to bid projects in the first quarter of the year.

The number, value, and complexity of new CFP projects will increase in 2018. Past years work focused on investment in utility projects. The future is trending towards transportation projects. Those projects include festival streets downtown and development of options to improve the Fones Road corridor. Staff will also start scoping options for the Henderson/Eskridge intersection.

We continue to rely on grants and loans to complete capital projects. The complexity of compliance with funding regulations has increased, requiring a higher level of support for these projects.

Inspection efforts to complete erosion and sediment control for both public and private projects has increased as the number of projects under construction has increased. We are providing erosion and sediment control inspection certification for all inspectors to ensure that we have resources to complete the necessary inspections.

The cost for construction materials, labor, and the purchase of rights of way is increasing. We continue to monitor economic trends in order to accurately estimate all project costs.

We are increasing our reliance on U.S. Communities, a government purchasing alliance, to complete some of our projects. The process allows us to realize cost savings on projects including roof, HVAC, electrical, and painting projects.

Program Budget Overview

The Engineering Line of Business generates revenue from work on capital projects to cover expenses including labor, supplies and equipment. In addition to Engineering, the cost of Legal and Accounting support to capital projects are included in the overhead calculation. Continued investment in LEAN processes help us to maximize our capacity to complete capital projects.

Future Challenges and Opportunities

The Engineering Line of Business collaborates with other lines of business to provide the information and essential expertise necessary to achieve Public Works' mission. We are also developing processes related to project delivery that will move the needle on the Comprehensive Plan Action Plan.

Implementing new standard work focused on Building Capital Projects Together provides both challenges and opportunities. The challenge is in implementing new standard work. The opportunity is to create cross Department teams that leverage knowledge, experience, and expertise that results in sustainable capital projects; reliable facilities, water, sewer, storm, and transportation systems.

We will continue implementation of Envision as a tool to guide sustainable decision making. The tool helps teams consistently apply social, economic, and environmental considerations at the initial scoping phase in order to complete "the right project."



Engineering (continued)

Recent Accomplishments

In 2017, Engineering managed the construction of 23 projects, totaling approximately \$22 million. Use of innovative means and methods reflect our commitment to sustainable solutions.

Completed projects, including an investment of nearly \$1.7 million downtown, include:

- Artesian Loo
- 7th/Water Street Stormwater Improvements
- 4th Avenue Bridge Coating
- Washington Center for the Performing Arts - HVAC Improvements
- Fones Road Booster Pump Station
- Ensign Road Generator Improvements
- Small Diameter Waterline Improvements
- McAllister Corrosion Control Improvements
- Martin Way Paving/Improvements
- Annual Pavement Preservation - Chip Seal and Crack Seal Projects
- Kick off of the Boulevard Road/Morse-Merryman Roundabout
- Pedestrian Crossing - Flashing Beacon Upgrades

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Percent of Projects Constructed	90%	75%	82%	80%
Service Profiles		2016	2017	2018 Budget
Design and Construction Projects Identified in the CFP		54	50	55

Transportation Overview

Transportation Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Administration	\$1,291,119	\$1,296,708	\$1,317,317	\$20,609
Traffic Operations	2,086,668	2,104,885	2,092,483	(12,402)
Street Operations	2,131,112	2,363,546	2,410,108	46,562
Total Expenditures	\$5,508,899	\$5,765,139	\$5,819,908	\$54,769
Recap of Expenditures				
Personnel Services	\$3,048,962	\$3,311,477	\$3,402,996	\$91,519
Supplies and Services	1,701,043	1,584,224	1,548,724	(35,500)
Interfund Payments	758,894	869,438	868,188	(1,250)
Total Expenditures	\$5,508,899	\$5,765,139	\$5,819,908	\$54,769
Program Revenues	1,714,001	1,676,676	1,715,938	39,262
Funding From General Revenues	\$3,794,898	\$4,088,463	\$4,103,970	\$15,507

Program Description

The mission of the Transportation line of business is to make your trip safe, efficient, and inviting. We further this mission through our four programs:

1. Transportation Planning - Develop plans, policies, and programs that increase walking, biking, and transit use, and promote the safe movement of motor vehicles.
2. Transportation Engineering - Manage, monitor, develop, and implement complete transportation systems for today and into the future.
3. Traffic Operations - Maintain traffic control devices for the safety of all users of the street system.
4. Street Operations - Repair, maintain, and improve streets and rights-of-way.

Trends

Policy Development - Implement the policy guidance of the Regional Transportation Plan (RTP) and the Comprehensive Plan. Emphasis areas for implementation include development of complete streets, improving street and pathway connectivity, integration of land use and transportation strategies, and revising our approach to concurrency to accommodate all modes of travel.

Master Plan Development - Create a comprehensive 20-year plan defining capital projects to increase walking, biking, and transit use and enhance vehicle mobility and safety.

Downtown - Look for opportunities to implement the Comprehensive Plan vision by focusing capital investments downtown. These include improvements such as sidewalk repair, crossing enhancements, landscaping, bicycle facilities, transit enhancements, and pavement preservation.

Asset Management - We continue implementation of an asset management system to more efficiently maintain the City's transportation infrastructure (pavement, traffic signals, streetlights, traffic control signs, and markings). Asset management systems predict maintenance needs, allowing maintenance activities to be more cost-effective. We will ultimately be more proactive in addressing maintenance needs through lifecycle analysis, predictive maintenance, and condition rating of assets.

Geographic Information Systems (GIS) - We are continuing to expand our use of GIS for asset management, for project planning and prioritization, and for communication with the public. Continued training and dedicated staff resources will allow GIS to become a greater tool in our work and will fundamentally change our approach to transportation planning and budgeting.

Program Budget Overview

The 2018 budget maintains current levels of service with no new programs.



Transportation Overview (continued)

Future Challenges and Opportunities

Work Orders and Efficiencies - With rising costs and aging infrastructure, it is increasingly important to try to maintain our current level of service. We are evaluating methods of capturing data to help us understand where there are opportunities for increased efficiencies. This data is also used to determine the true cost of the services we provide.

Transportation - Planning and Engineering

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,039,573	\$1,079,959	\$1,101,655	\$21,696
Supplies & Services	109,162	67,745	67,745	-
Interfund Payments	142,384	149,004	147,917	(1,087)
Total Expenditures	\$1,291,119	\$1,296,708	\$1,317,317	\$20,609
Program Revenue	276,504	274,523	329,218	54,695
Funding from General Revenues	\$1,014,615	\$1,022,185	\$988,099	\$(34,086)

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Engineering and Planning Supervisor	1.00	1.00	1.00
Engineering Designer	1.00	1.00	1.00
Engineering Technician II	1.00	1.00	1.00
Line of Business Director	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Project Engineer II	2.00	2.00	2.00
Senior Planner	1.00	1.00	1.00
Senior Program Specialist	1.00	1.00	1.00
Total	9.00	9.00	9.00

Program Description

The Transportation Planning Program develops policies, plans and programs that increase walking, biking, and transit use and promote the safe movement of motor vehicles.

Core services include:

- Develop plans and programs to implement the Comprehensive Plan and Regional Transportation Plan.
- Conduct studies that identify improvements to the transportation system.
- Plan bicycle, pedestrian, motor vehicle, and overall roadway safety projects.
- Develop strategies and policies to reduce congestion and pollution.
- Develop bicycle and pedestrian education and encouragement tools.
- Respond to public concerns and create opportunities for greater public input.
- Work with the Bicycle and Pedestrian Advisory Committee (BPAC) on their Council-approved work program items.

The Transportation Engineering Program manages, monitors, develops, and implements complete transportation systems for today and into the future.

Core services include:

- Respond to transportation requests and concerns from the public.
- Collect and evaluate transportation system data, including collisions and volumes.
- Identify transportation system needs and implement improvement projects.
- Develop funding strategies for transportation projects using grants, impact fees, and City revenues.
- Review and advise on transportation improvements associated with development.



Transportation - Planning and Engineering (continued)

- Develop and guide street standards.
- Collect and analyze pavement condition data.

Trends

Planning:

- Multimodal Concurrency is a high priority for the public and City Council. We have scoped a new concurrency program. The next step is to develop a Transportation Master Plan.
- Major improvements to five downtown streets are being designed. This work to rebuild these streets will improve walking, biking, and transit.

Engineering:

- Grant funds are needed to augment current funding for capital projects.
- Pavement condition ratings are below established targets.
- Identifying system improvements that can result in safer streets for all uses and potentially reduce collisions.

Program Budget Overview

The Planning Program budget maintains current staffing levels, however, there are multiple planning projects scheduled for the next six years that are pending staff availability. Education and encouragement activities are dependent upon grant opportunities.

The Engineering Program budget maintains our core services at their current level of service.

Future Challenges and Opportunities

Planning:

- Begin work on the Transportation Master Plan, a 20-year multi-modal capital plan.
- Continue the development of a multi-modal concurrency program which will add system capacity through pedestrian, bicycle, transit, and vehicle improvements to our streets.
- Continue development of Bike Corridors - low volume streets that are modified to support a wide range of bicyclists.
- Expand the use of GIS for capital facilities planning and sharing information with the public.
- Look for ways to share and receive input from the public on transportation planning and project priorities.
- Explore additional programs for encouraging walking, biking, and transit.
- Identify and draft needed updates to the Engineering Design and Development Standards as a result of the new Comprehensive Plan goals and policies.

Engineering:

- Continue to find ways to retrofit our street network with street designs that work for all modes of transportation.
- Continue to improve the system for responding to public requests to be more efficient and constructive.
- Work with the City Engineer to scope, design, and budget for capital projects with greater accuracy and efficiency.
- Pursue funding for system improvements.
- Seek funding for design, right-of-way purchase, and construction for new access to US 101 near Kaiser Road and Yauger Way.



Transportation - Planning and Engineering (Continued)

Recent Accomplishments

Planning:

- Completed a scope for the Transportation Master Plan.
- Defined pedestrian, bike, and streetscape improvements for several Downtown streets.
- Conducted an evaluation of the Neighborhood Pathways Program with the program participants and the BPAC.
- Completed a value-planning exercise on Fones Road to identify the opportunities to build a more sustainable complete street with the reconstruction of this corridor.
- Received a Complete Street grant and award from the Transportation Improvement Board.

Engineering:

- Smart Corridors - We are participating in a regional project to upgrade traffic signals which allows transit buses to have priority at intersections and stay on schedule.
- US 101/West Olympia Access project - We received approval for the SEPA Determination of non-Significance and the Interchange Justification Report. These approvals allow us to move the design of this project forward.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Percent of arterials and major collectors that are "Functionally Complete," serving all modes. Functionally Complete streets have bike lanes on both sides and sidewalks on at least one side.	100%	46%	46%	46%
Pavement Condition Rating (Graded A to D Scale)	"B" or higher	C+	C+	C+
Service Profiles		2016	2017	2018 Budget
Major Planning Projects		6	5	3
Public Request Responses		1,065	1,075	1,100
Grants Received		2	2	2



Transportation - Traffic Operations

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$923,713	\$965,887	\$968,100	\$2,213
Supplies & Services	978,820	939,636	904,136	(35,500)
Interfund Payments	184,135	199,362	220,247	20,885
Total Expenditures	\$2,086,668	\$2,104,885	\$2,092,483	\$(12,402)
Program Revenue	118,640	58,854	43,354	(15,500)
Funding from General Revenues	\$1,968,028	\$2,046,031	\$2,049,129	\$3,098

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Data Control Specialist	0.50	0.50	0.50
Lead Worker	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Sign Technician	3.00	3.00	3.00
Sr. Traffic Signal Technician	1.00	1.00	1.00
Traffic Signal Technician	2.00	2.00	2.00
Total	8.50	8.50	8.50

Program Description

The Traffic Operations Program maintains traffic control devices for the safety of all users of the street system.

Core services include:

- Maintain traffic signals and streetlights.
- Maintain signs and pavement markings.
- Ensure all signs, pavement markings, traffic signals, and streetlights within the City are fully operational and meet current standards.

Trends

We are developing asset management systems for more cost effective and predictable maintenance of traffic control devices.

Program Budget Overview

Current levels of service will be maintained with a focus on preventative maintenance for traffic signals and replacement of pavement markings.

Future Challenges and Opportunities

- Due to the age and critical function of our signal systems, we are rating their condition in order to systematically address future repair and capital replacement needs.
- We will continue to support special events in the community by installing holiday lights, banners and flags on streetlight poles, and providing temporary closures.
- Graffiti continues to be a major issue and expense. Graffiti removal is important to the viability of Downtown businesses and the livability of our neighborhoods. Partnering with neighborhoods and other departments has helped improve response times for removal.
- With grant funds, we will be replacing nine in-pavement lighting systems in crosswalks with side-mounted flashing beacons which are more reliable and require less maintenance.

Recent Accomplishments

- Began the replacement of signal cabinets, part of a multi-year effort to replace aging cabinets.
- Installed three new camera systems for vehicle detection at signals along Martin Way. Cameras are a more reliable system for vehicle detection and require less maintenance.



Transportation - Traffic Operations (continued)

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Traffic Signal Condition (Graded A to D Scale)	"B" or higher	TBD	TBD	TBD
Service Profiles		2016	2017	2018 Budget
Signalized Intersections		95	95	95
Streetlights		4,500	4,550	4,550
Traffic Control Signs		12,100	12,200	12,300
Lane Miles Striped		232	233	233
Lighted Crosswalk Systems		21	23	24



Transportation - Street Operations

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,085,676	\$1,265,631	\$1,333,241	\$67,610
Supplies & Services	613,061	576,843	576,843	-
Interfund Payments	432,375	521,072	500,024	(21,048)
Total Expenditures	\$2,131,112	\$2,363,546	\$2,410,108	\$46,562
Program Revenue	1,318,857	1,343,299	1,343,366	67
Funding from General Revenues	\$812,255	\$1,020,247	\$1,066,742	\$46,495

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Data Control Specialist	0.50	0.50	0.50
Field Crew Leader	1.00	1.00	1.00
Lead Worker	1.00	1.00	1.00
Maintenance Worker II	8.00	8.00	9.00*
Operations Supervisor	1.00	1.00	1.00
Program Assistant	-	-	-
Total	11.50	11.50	12.50

*Adding 1.0 FTE

Highlights of Program Budget Changes
 Addition of one FTE maintenance worker

Program Description

The Street Operations Program is responsible for repairing, maintaining, and improving our streets and rights-of-way.

Core Services include:

- Roadway maintenance and repair
- Street sweeping
- Shoulder and alley grading
- Bridge maintenance and repair
- Sidewalk repair
- Bicycle facility maintenance
- Snow and ice control
- Roadside mowing

Trends

We continue to meet our commitment of repairing reported potholes by the end of the work day or within two hours if reported after working hours. This proactive response to potholes minimizes liabilities as well as slows the deterioration of the street surface.

While there is an ordinance requiring property owners to repair their sidewalk, we make some repairs downtown and in areas with heavy pedestrian use to remove trip hazards. However, there is a long list of sites needing repair.

Program Budget Overview

The 2018 budget maintains current levels of service. However, maintenance efforts continue to be adversely affected by rising material costs, progressively aging infrastructure, the damaging effects of winter weather, and additional annexations.

Future Challenges and Opportunities

- The program has a backlog in needed sidewalk repair and pavement maintenance.
- There is an increased demand for services resulting from our aging infrastructure and the additional number of streets maintained.
- Disposal of sweeper spoils continues to be a challenge. As we continue to explore disposal methods, these costs are unpredictable.
- Winters requiring snow and ice control affect our budget and our ability to address other work.

Transportation - Street Operations (continued)

Recent Accomplishments

- Explored different staffing strategies for asphalt patching which must be done each summer in a short amount of time.
- Increased our emphasis on sidewalk repair downtown.
- Researched new ways to prepare for snow and ice events through equipment modifications and the bulk storage of salt.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Reported potholes are repaired by the end of the day. Potholes reported after business hours are replaced within two hours.	100%	100%	100%	100%
Service Profiles		2016	2017	2018 Budget
Miles of Street Maintained		217	218	218
Miles of Bike Lanes Maintained		34.5	35	41
Total Lane Miles Mowed		64	64	65



Public Works - Water Resources Overview

Water Resources Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Drinking Water	\$11,004,355	\$13,297,934	\$14,084,680	\$786,746
Wastewater	18,099,359	19,901,896	20,258,201	356,305
Stormwater	4,852,324	5,310,757	5,407,482	96,725
Total Expenditures	\$33,956,038	\$38,510,587	\$39,750,363	\$1,239,776
Recap of Expenditures				
Personnel Services	\$6,452,704	\$6,954,499	\$6,989,952	\$35,453
Supplies & Services	6,570,472	8,191,794	8,406,652	214,858
Payment to LOTT for Sewer Treatment	11,721,329	13,043,940	13,295,940	252,000
Capital Outlays	26,006	-	-	-
Debt Service not paid from Debt Funds	804,192	896,964	1,946,634	1,049,670
Interfund Payments	3,874,095	4,159,054	4,363,584	204,530
Interfund Transfers	4,507,240	5,264,336	4,747,601	(516,735)
Total Expenditures	\$33,956,038	\$38,510,587	\$39,750,363	\$1,239,776
Program Revenues	35,712,462	38,517,236	39,635,072	1,117,836
Additions to, or (Use) of Reserves	\$(1,756,424)	\$(6,649)	\$115,291	\$121,940

Program Description

The Water Resources line of business includes Olympia's Drinking Water, Wastewater, and Storm and Surface Water utilities. The mission of the Water Resources line of business is to provide and protect nature's water for a healthy community. Through a management structure focused on a long-term, holistic view of water, we provide services in a comprehensive and integrated way.

Key services include operations and maintenance of infrastructure, long-term planning, technical assistance, capital facility development, water quality monitoring, and public involvement and education. Residents, businesses, and institutions provide funding through monthly or bi-monthly utility rates. The purpose statements for the three Water Resources utilities are:

Drinking Water—Provide the public with safe and sustainable drinking water and reclaimed water, and to ensure a sufficient water supply for firefighting needs.

Wastewater—Ensure the long-term management of the sewer infrastructure so that wastewater is collected, conveyed, and treated with minimal risk to public health and the environment.

Storm and Surface Water—Provide environmental management services to the public so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced.

Trends

The Drinking Water utility began using its new water supply in the fall of 2014. The transfer of our water supply from the surface waters of McAllister Springs to the deep, well-protected groundwater supply at the new McAllister Wellfield is the result of many years of work and coordination. We are proud to say Olympia's water supply is secure and adequate until the year 2058.

Drinking Water utility staff recently updated the six-year Water System Plan to better reflect future needs. Implementation of the Plan started in 2016 and continues into 2017. In addition to addressing water demand needs, conservation, water quality, capital improvements, and financial scenarios, this update emphasizes the need to comprehensively understand the condition and integrity of our extensive water distribution system. This work will shape the future of the utility. Drinking water quality remains high and in compliance with State and Federal requirements.

Wastewater utility staff is implementing a new six-year Wastewater Management Plan that was adopted in late 2013. The Plan builds upon the current Wastewater program by refining existing policies and practices. The issue of providing cost-effective sanitary sewer service for infill and outlying development continues to be a challenge and is addressed in the Plan. The Plan lays out a program of

Public Works - Water Resources Overview (continued)

proactive system maintenance and timely upgrades. The extensive Wastewater pipe and pump system is well understood and is in good condition.

Responding to new State and Federal regulatory requirements will continue to be a focus for the Storm and Surface Water utility. The evolving National Pollutant Discharge Elimination System (NPDES) Phase II stormwater permit creates new regulatory obligations for the City. Expanding the use of Low Impact Development techniques Citywide and implementation of an aquatic habitat protection strategy are focus areas for 2017. Staff will share with the community work on a comprehensive update to our Storm and Surface Water Management Plan in 2018.

Global climate change will affect the Water Resources utilities if predictions hold true. Increasing sea levels would result in increased downtown flooding. Hotter and drier summers could increase water demand. The utilities are working to understand the impacts of global climate change and develop adaptation strategies.





PW - Water Resources - Drinking Water

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$3,234,442	\$3,384,601	\$3,371,505	\$(13,096)
Supplies & Services	2,890,141	4,045,021	4,235,296	190,275
Capital Outlay	6,065	-	-	-
Debt Service	698,156	792,700	1,842,830	1,050,130
Interfund Payments	1,841,587	1,989,010	2,084,482	95,472
Interfund Transfers	2,333,964	3,086,602	2,550,567	(536,035)
Total Expenditures	\$11,004,355	\$13,297,934	\$14,084,680	\$786,746
Program Revenue	12,289,597	13,302,290	13,983,920	681,630
Use of or, (Additions) to Reserves	\$(1,285,242)	\$(4,356)	\$100,760	\$105,116

Program Staffing	2016 Actual	2017 Actual	2018 Budget
AMR Meter Technician	2.00	2.00	2.00
Engineering and Planning Supervisor	0.34	0.34	0.34
Inventory Control Specialist I	0.75	0.75	0.75
Lead Worker	2.00	2.00	2.00
Line of Business Director	0.52	0.52	0.52
Maintenance Technician	2.00	2.00	2.00
Maintenance Worker II	11.00	11.00	11.00
Office Specialist III	0.52	0.52	0.52
Operations Supervisor	1.50	1.50	1.50
Program and Planning Supervisor	1.00	1.00	1.00
Program Assistant	1.52	0.52	0.52
Program Manager	-	0.75	0.75
Program Specialist	-	1.00	1.00
Project Engineer I	1.00	1.00	1.00
Project Engineer II	0.75	0.75	0.75
Remote Systems Technician	1.25	1.25	1.25
Senior Planner	0.34	0.34	0.34
Senior Program Specialist	1.75	1.00	1.00
Water Monitoring Assistant	1.00	1.00	1.00
Water Quality Specialist	1.00	1.00	1.00
Total	30.24	30.24	30.24

Highlights of Program Budget Changes

Revenue
 \$522,800 of the revenue increase is from a 4.4% rate increased to pay for debt related to Log Cabin Reservoir, Corrosion Control Facility, and Fones Road booster pump. Additional revenue includes a 1.5% growth in customers.

Expenditures
 Of the \$190,275 increase in Supplies and Services \$173,690 is for increased utility taxes.
 The increase in debt service is for the three loans from the State of Washington for the Log Cabin Reservoir, Corrosion Control Facility, and Fones Road booster pump projects.
 Rates were increased in 2016 and 2017 in anticipation of debt service to finance the projects listed above. Revenue from those increases was set-aside in the interfund transfers. The set-aside revenue has been moved to debt service.

Program Description

The Drinking Water utility provides the public with safe and sustainable drinking water and reclaimed water. It ensures a sufficient water supply for our growing community. The Utility serves as a steward of Olympia's water resources. Program areas include: operation and maintenance, water quality monitoring, cross-connection control, groundwater protection, water conservation, water source development, reclaimed water, and capital facility development. The 2015-2020 Water System Plan, approved by the State Department of Health and adopted by the Olympia City Council, guides the activities of the Drinking Water utility.

Trends

- Trends that significantly affect the Drinking Water utility and its budget include:
- The work to develop additional sources of water supply have been successful in recent years, requiring engineering evaluations, construction of new facilities, and mitigation associated with new water rights. Olympia has sufficient water for many years.
 - Water conservation efforts are paying off. For example, it would have been reasonable to see an increase in irrigation use by up to 25 percent based on the weather in the past several years, however the substantial indoor water savings helped to limit the overall increase in use to only seven percent.
 - The City is constructing a new water reservoir for Southeast Olympia (Log Cabin Reservoir). The construction project will be completed in 2018 using a low-interest loan from the State of Washington.
 - Automated meters were installed throughout the City in 2014-2015. The meters have improved efficiency of operations, saved staff time, and more accurately recorded water usage.

PW - Water Resources - Drinking Water (continued)

- New regulations related to water quality and water use efficiency are increasing capital costs and placing more demands on staff.
- Increased development and ongoing landowner practices in Olympia's Drinking Water (Wellhead) Protection Areas requires efforts to ensure that our water supplies are adequately protected. Groundwater monitoring efforts, land use regulations, land acquisition, and education with area residents help us protect our water sources long-term.
- The ongoing replacement of aging infrastructure, especially small diameter water pipe, is critical to the utility's long-term viability.
- Additionally, seismic retrofits for two reservoirs will ensure our community has water in the event of a catastrophic earthquake.

Program Budget Overview

The goal of the Drinking Water utility is to implement the policy direction set forth in the 2015-2020 Water System Plan. Investments in water protection and efficient operations continue to receive high priority. Staffing levels in 2018 will be the same as in 2017. The 2018 budget includes modest increased expenses related to salaries, benefits, and other inflationary and overhead costs.

Future Challenges and Opportunities

The 2015-2020 Water System Plan places top priority on ensuring that the community's water supply is understood and managed proactively.

The following challenges face the Drinking Water Utility:

- Aging infrastructure
- Changing water quality regulations
- Financing several major construction projects
- Keeping pace with development
- Protecting groundwater from contamination
- Maintaining equitable and predictable rates and fees
- Fostering public education and involvement

In 2012, the goal of providing a 50-year supply was achieved with the approval of Olympia's application to transfer its water rights from McAllister and Abbott Springs to the McAllister Wellfield. This water source is Olympia's new primary source of drinking water. In addition to new supply development, the 50-year water supply strategy includes efforts to maximize current water supplies by continuing our aggressive water conservation program, investing in an ongoing leak detection and repair program and maintaining our extensive pipe systems.

Olympia made formal commitments through intergovernmental agreements to develop new sustainable supplies and protect water resources long-term. Due to increasing development and ongoing landowner practices in Olympia's Wellhead Protection Areas, the utility will also need to scrutinize and respond accordingly to potential impacts to our drinking water supplies. State and Federal water quality mandates require continued improvements to our water infrastructure. Following Council's direction, the utility will ensure that "growth pays for growth" and will also work with new development to help minimize water use. The utility will seek to keep construction costs low by "piggybacking" with transportation and other types of construction projects.

Recent Accomplishments

- Completed connection to the City's new water source at the McAllister Wellfield replacing McAllister Springs as the City's primary supply of drinking water.
- Upgraded 19,000 water meters across the City to receive water usage information via radio/wireless signals. This has streamlined customer service, operations and maintenance response, improved customer equity by ensuring customers are paying for water they are using, and enhanced water conservation by identifying and notifying customers of possible water leaks.
- Initiated a formal maintenance program for valve, hydrant, and distribution system pressure regulating valves (PRV). This program will help staff understand and evaluate assets and make repair and replacement decisions.
- Enhanced work to better understand the structural integrity of our extensive pipe systems. The utility is developing a detailed asset management strategy to support the long-term work effort.
- Exceeded our water conservation goals. Working towards a goal of reducing indoor water use by 100,000 gallons per day by 2020. We are on track with water savings of 20,456 gallon per day (GPD) in our first year.



PW - Water Resources - Drinking Water (continued)

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Water Quality Samples Meeting Standards	100%	100%	100%	100%
High-Risk Connections with Adequate Backflow Protection	100%	100%	100%	100%
Indoor Water Use Reduction, 2015-2020 100,000 gallons per day	100,000	20,000	20,000	20,000
Outdoor Water Use Reduction, 2015 - 2020 (5%)	5%	1%	1%	1%
Service Profiles		2016	2017	2018 Budget
Total Number of Water Service Connections		20,078	20,091	20,500
Miles of Water Mains Maintained		290	290	295
Water Sources Maintained		9	9	9
Water Quality Compliance Samples Collected		980	975	975
Backflow Devices Tested/Inspected		2,802	3,020	3,320
Water Conserving Devices/Rebates Distributed		1,100	1,100	1,200
Groundwater Protection Area Residents Reached with Information, Training and Technical Assistance		600	1,500	4,100
Reclaimed Water Service Connections		5	5	5



PW- Water Resources - Wastewater

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,423,739	\$1,552,473	\$1,596,619	\$44,146
Supplies & Services	2,627,189	2,909,287	2,910,952	1,665
Payment to LOTT for Sewer Treatment	11,721,329	13,043,940	13,295,940	252,000
Debt Service	106,036	104,264	103,804	(460)
Interfund Payments	960,566	1,048,246	1,090,796	42,550
Interfund Transfers	1,260,500	1,243,686	1,260,090	16,404
Total Expenditures	\$18,099,359	\$19,901,896	\$20,258,201	\$356,305
Program Revenue	18,533,458	19,901,896	20,254,540	352,644
Use of or, (Additions) to Reserves	\$(434,099)	\$-	\$3,661	\$3,661

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Data Control Specialist	0.375	0.375	0.375
Engineering & Planning Supervisor	0.33	0.33	0.33
Inventory Control Specialist I	0.13	0.13	0.13
Lead Worker	1.25	1.25	1.25
Line of Business Director	0.24	0.24	0.24
Maintenance Technician	2.00	2.00	2.00
Maintenance Worker I	1.00	1.00	1.00
Maintenance Worker II	4.50	4.50	4.50
Office Specialist III	0.24	0.24	0.24
Operations Supervisor	1.00	1.00	1.00
Program Assistant	0.24	0.24	0.24
Project Engineer II	1.25	1.25	1.25
Remote Systems Technician	0.75	0.75	0.75
Senior Planner	0.33	0.33	0.33
Total	13.635	13.635	13.635

Highlights of Program Budget Changes

Revenue

Increase is from a 2% increase in rates for sewage treatment (LOTT rates), and an anticipated 1.5% customer growth.

Program Description

The Wastewater utility ensures the long-term management of sewer infrastructure so that wastewater is collected, conveyed, and treated with minimal risk to public health and the environment. All wastewater collected by the utility is conveyed downtown to the LOTT Clean Water Alliance facility for treatment. The City contracts with LOTT for this service. Utility activities include operation and maintenance of pipe and pumping infrastructure, long-term planning, infrastructure analysis, capital facility development, odor control, technical assistance, and septic system conversions to public sewer. The activities of the Wastewater utility are guided by the 2013-2018 Wastewater Management Plan.

Trends

Trends affecting the Wastewater utility and its budget:

- Growth in Olympia and its Urban Growth Area (UGA) necessitate costly, privately-funded sewer extensions. Costs can be high, especially for infill and outlying development. Alternative methods are needed to keep sewer costs manageable.
- Condition rating of sewer pipe and manholes highlight the need for numerous repairs and replacements. Thirty-two percent of the utility infrastructure was installed prior to 1960. Repairs are being completed in a timely manner before acute pipe failures occur.
- In response to needed pipe repairs, the City is maximizing the use of new trenchless repair technologies to line existing pipes without costly excavation of the street.
- On-site septic systems are being linked to water quality impacts in Budd and Henderson Inlets and other sensitive areas in the City and its Urban Growth Area. Approximately 4,150 on-site septic systems are used within the City limits and UGA. We support the long-term conversion of on-site septic systems to City sewer.
- The number of sewer spills and overflows continues to decline due to increased preventative maintenance by City crews and increased attention to the Fats, Oils, and Grease (FOG) prevention program.
- The 2013-2018 Wastewater Management Plan emphasizes the need to cost-effectively provide sewer service, ensure that utility rates are equitable, and incorporate new technologies into our management program.
- The Wastewater program is increasingly linked to the environmental protection work of the Storm and Surface Water and Drinking Water utilities.



PW- Water Resources - Wastewater (continued)

Program Budget Overview

The Wastewater utility continues to work on sewer system cleaning and operations, condition rating, preventive maintenance, long range planning, and capital improvements—with few changes in the last several years. The Wastewater utility is implementing refinements outlined in the 2013-2018 Wastewater Management Plan. Goals of the Plan support various community-wide efforts including reconstruction of aging pipe systems, pump station retrofits, system extensions, and on-site septic system conversions. The 2018 operating budget reflects various minor cost increases but no new initiatives.

Future Challenges and Opportunities

Many of the trends create both challenges and opportunities for the utility. Coordination and partnership with the development community create effective sewer extensions into new areas of the City and UGA. These extensions, while often into areas topographically difficult for sewer service, can allow for existing homeowners to convert from on-site septic to public sewer service. Increasing costs heighten the need to incorporate these modifications into existing and future construction projects. Additionally, the utility has revised regulations to better facilitate infill development.

Efforts to reduce bacteria and nitrogen discharges to surface and ground waters reinforce the need to prevent wastewater discharges from both pipe and on-site systems. The Wastewater utility will continue to play a role in environmental protection work. The Capital Facilities Plan focuses on proactive actions that minimize future unanticipated construction costs. The City will continue to retrofit costly pump stations on a timely schedule.

Recent Accomplishments

- Considerable progress has been made with pipe repairs. The repair work builds upon pipe televising and condition rating of the pipe system. All major pipes have been televised and their structural integrity documented.
- Capital facility planning under a 20-year horizon suggests that the utility can continue to cost-effectively and proactively respond to system needs.
- Staff continues to take on the larger and more complex construction projects using new technologies such as cured in place pipe and oxygen-based odor control.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Rated Sewer Pipes in Fair or Better Condition	90%	92%	93%	94%
City and Urban Growth Area (UGA) Residents with Gravity Sewer Service (excludes septic systems and STEPS)	100%	70%	70%	71%
Service Profiles		2016	2017	2018 Budget
Sewer Connections		15,950	16,000	16,150
STEP Customers		1,895	1,900	1,910
Miles of Sewer Pipe Maintained		225	225	227
Pump Stations Maintained		36	33	33
Septic Systems (City and UGA)		4,190	4,190	4,175



Public Works - Water Resources - Storm and Surface Water Utility

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$1,794,523	\$2,017,425	\$2,021,828	\$4,403
Supplies & Services	1,053,142	1,237,486	1,260,404	22,918
Capital Outlay	19,941	-	-	-
Interfund Payments	1,071,942	1,121,798	1,188,306	66,508
Interfund Transfers	912,776	934,048	936,944	2,896
Total Expenditures	\$4,852,324	\$5,310,757	\$5,407,482	\$96,725
Program Revenue	4,889,407	5,313,050	5,396,612	83,562
Use of or, (Additions) to Reserves	\$(37,083)	\$(2,293)	\$10,870	\$13,163

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Associate Planner	2.00	2.00	2.00
Data Control Specialist	0.375	0.375	0.375
Engineering & Planning Supervisor	0.33	0.33	0.33
Inventory Control Specialist I	0.125	0.125	0.125
Lead Worker	0.75	0.75	0.75
Line of Business Director	0.24	0.24	0.24
Maintenance Worker I	1.00	1.00	1.00
Maintenance Worker II	4.50	4.50	4.50
Office Specialist III	0.24	0.24	0.24
Operations Supervisor	0.50	0.50	0.50
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	0.24	0.24	0.24
Program Specialist	0.50	1.50	1.50
Project Engineer II	1.00	1.00	1.00
Senior Planner	0.33	0.33	0.33
Senior Program Specialist	5.00	5.00	5.00
Total	18.13	19.13	19.13

Highlights of Program Budget Changes

Revenue
Revenue assumes a 1.5% growth in new customers

Program Description

The Storm and Surface Water utility provides environmental management services so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced. Over its 25-year history, the utility has played an important role in helping the City understand and reduce its impact on the local environment and advance its sustainability goals.

Trends

The Storm and Surface Water utility will begin implementing an updated Storm and Surface Management Plan in 2018. Some trends include:

- Challenges in managing stream and wetland health due to increasing urbanization. While acknowledging these hard to beat impacts, stream quality in Olympia is relatively good for an urban area.
- State and Federal stormwater regulations are increasing and require additional work efforts. In 2016, we adopted new City development codes for implementation of Low Impact Development techniques. Implementation of the new codes are requiring increased effort from both private and public entities.
- More than 50 percent of our many stormwater pipes have been televised and evaluated for needed repairs. While the list of repairs is long, progress is being made. Overall, the pipe system is in good condition.
- Programming for enhancing high-priority aquatic habitats continues to grow.
- Rapid urban growth in Olympia is pushing development into areas with challenging stormwater and environmental constraints. Careful analysis and regulation are needed to minimize impacts.
- State and regional efforts to improve water quality in Budd Inlet are under way with the Storm and Surface Water Utility playing an important role.

PW- Water Resources - Storm and Surface Water Utility(continued)

Program Budget Overview

The 2018 budget follows the policy direction outlined in the Storm and Surface Water Management Plan. With recent refinements, increased focus is placed on protecting and improving water quality, as well as aquatic habitats. Evaluating the condition of aging pipe systems and investing capital funds on necessary replacement projects is also under way. Public education and outreach for local environmental concerns continues on a daily basis. Over the past several years, implementation of an aquatic habitat enhancement and protection strategy has shifted some resources within the utility.

Future Challenges and Opportunities

- Managing and protecting our environmental resources in Olympia is expected to remain challenging as our community grows and becomes more densely populated.
- Design and construction using new Low Impact Development techniques require expertise and time for effective design, inspection, and maintenance.
- Environmental education needs to keep pace with ever-changing social trends. Our communication tools must become more effective if we are to change behaviors that influence the local environment.
- Efforts are under way to develop a sea level rise response plan for Olympia. The Storm and Surface Water utility is leading the development of an effective City strategy to address this problem.
- Televising and condition rating our stormwater pipe continues to identify many needed repairs. Overall, the pipe system is in relatively good condition.

Recent Accomplishments

- The Storm and Surface Water utility continues to be in full compliance with State and Federal regulations.
- Considerable progress has been made to improve our inventory of stormwater systems, more accurately map underground pipes, clean/televise high-priority pipes to determine their structural integrity, and increase our understanding of the long-term needs of our systems.
- The City continues to retrofit existing arterial streets with water quality treatment technologies.
- Technical support for aquatic habitat protection work is well supported by the community.
- The City Council adopted new Low Impact Development (LID) requirements.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Flooding Problems Resolved in a Timely Manner (Minor problems within one year and major problems within three years)	90%	100%	100%	100%
Maintenance Compliance - Private Storm Systems (2005 and newer)	100%	100%	100%	100%
Service Profiles		2016	2017	2018 Budget
Customer Accounts		15,829	15,934	16,150
Miles of Storm Pipe		155	158	160
Miles of Storm Pipe Televised		11	11	11
City-owned Treatment and Flow Control Facilities Maintained		296	296	296
Number of Catch Basin Cleaned		3,600	3,500	3,500
Number of Participants Attending Education/Outreach Events		3,500	3,500	3,500
Illicit Discharge Investigations		50	50	50
Private Storm Systems Inspected		200	230	240
Acres of Vegetation Managed		140	150	150
Acres in Habitat Stewardship Program		150	300	325
Number of Development Site Plans Reviewed		35	70	70



Public Works - Waste ReSources Overview

Department Recap	2016 Actual	2017 Actual	2018 Budget	Variance
Collections	\$10,111,386	\$10,568,501	\$11,670,927	\$1,102,426
Waste Prevention and Reduction	349,916	430,286	437,644	7,358
Total Expenditures	\$10,461,302	\$10,998,787	\$12,108,571	\$1,109,784
Recap of Expenditures				
Personnel Services	\$2,738,569	\$3,065,842	\$3,055,949	\$(9,893)
Supplies & Services	5,657,131	5,783,088	6,654,860	871,772
Capital Outlays	202,354	-	-	-
Interfund Payments	1,850,748	2,137,357	2,384,248	246,891
Interfund Transfers	12,500	12,500	13,514	1,014
Total Expenditures	\$10,461,302	\$10,998,787	\$12,108,571	\$1,109,784
Program Revenues	10,752,798	11,198,320	12,159,668	961,348
Use of or, (Additions) to Reserves	\$(291,496)	\$(199,533)	\$(51,097)	\$148,436

Highlights of Program Budget Changes

Revenue

Rate increases:

Base Services:

- 2% Drop Box Services
- 2% Residential Services
- 1% Commercial Services

Increase in addition to base services to fund future new facility for operations and vehicle maintenance:

- 4% Drop Box Services
- 4% Residential Services
- 4% Commercial Services

Revenue increase also includes \$558,500 in recorded recycled material which was previously netted against cost of disposal. (See supplies and services under expenditures below.)

Expenditures

Interfund payment increases are mainly in taxes and indirect overhead costs.

Supplies and services increased due to a change in the cost and processing of recycling materials. Previously, one vendor hauled and disposed of the material and billed the City the difference between costs value received for the material. Now we will be paying separately for hauling and recycle processing and record 100 percent of the value of the material as revenue.

Cost increases:

- \$341,000 Hauling Fees
- \$469,780 Disposal Costs

Program Description

The Waste ReSources utility is funded through customer service fees. The utility is focused on collecting and transporting solid waste and recyclables discarded by residents, businesses, and visitors so the community remains clean and safe. Our work is driven by the 2015-2020 Waste ReSources Management Plan. With a vision of Zero Waste and the goal of a sustainable City, Waste ReSources' mission is to "lead and inspire our community toward a waste-free future." Our strategic goal is to "create opportunities to eliminate waste." Two programs within Waste ReSources work closely together to deliver on the mission and strategic role: Collections and Waste Prevention and Reduction.

Trends

City Council adopted the 2015-2020 Waste ReSources Management Plan in August 2015. The Plan coincided with the completion of a waste sort at the end of 2014. The results of the waste sort suggest that our waste diversion programs are working. However, a significant amount of recyclables are still being disposed of in the waste stream, even though over 99 percent of our residential customers have at



PW- Waste ReSources Overview (continued)

least one recycle cart at their residence, and nearly 60 percent of the residents subscribe to the organic collection service. The 2014 waste study shows that residents discarded around 8,700 tons of material into the garbage. Of that, approximately 4,000 tons could have been diverted to recycling in our current programs.

Commercial diversion increased 14 percent over the 2008 study. However, the commercial solid waste stream has a much larger potential for diversion. Out of 17,338 tons of commercial garbage in 2014, 42.6 percent or 7,378 tons of material discarded as garbage could have been diverted from the landfill by using current diversion programs. The waste sort and our Plan suggest that, in order to increase waste diversion, we begin looking at alternative approaches to our already established recycle or diversion programs.

The Plan addresses many strategic issues that could improve our diversion programs. These include:

- Providing commercial recycling.
- Increasing construction and demolition recycling.
- Increasing both the residential and commercial organics programs.
- Deciding whether to continue collecting glass mixed with other recyclables.
- Developing an alternative rate structure to encourage waste diversion.

Program Budget Overview

The top three expenditure categories are:

1. Labor (wages, salaries and benefits).
2. Disposal (per ton cost of disposing) for garbage, recycling, and organic materials.
3. Equipment (maintenance, fuel, replacement).

In 2018, tipping fees at the Waste and Recovery Center (WARC) will remain the same at \$119 per ton for garbage and \$37 per ton for organics. However, Thurston County is expecting to increase tipping fees for both garbage and organics in 2019. Fuel prices are up 4.5% or \$11,000 from 2017. Costs for operating and maintaining the fleet are up by \$96,000. The majority of the costs are due to additional vehicles needed to operate the utility.

New recycle contracts were put in place in early 2017. Budget expenditures now reflect the full cost of hauling and processing recyclable materials. One hundred percent of the commodity values are now being received as revenue. Commodity values continue to roller coaster, but we are seeing an average trend higher than past years. Revenues from material values are predicted to offset expenses by \$10,000 more than 2017. There is still uncertainty about commodity values because of China’s tightened restrictions on importing recycled materials.

Future Challenges and Opportunities

- Ever-growing solid waste per capita, a vulnerable disposal system, and landfills nearing capacity intensify the need for overall solid waste reduction, recycling, and composting. Our focus is shifting from solid waste collection and disposal to solid waste recovery.
- In 2018, staff will continue to explore the pros and cons of providing recycling programs to our commercial customers.
- Develop rates to support and encourage additional customer use of the new Downtown shared compactor. Identify additional areas for this type of service in the Downtown core.
- Balance and develop rates that reflect the true cost of service and encourage the use of our diversion programs.
- China’s restriction on recycle imports may impact values negatively, cause greater volatility, or force changes in accepted materials.

Key Results Measures	Target/Goal	2016	2017	2018 Budget
Increase Recycling	65%	63%	63%	63%
Reduce Per Capita Waste	5%	4.25%	4.25%	4.23%



PW - Waste ReSources - Collections

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$2,434,874	\$2,738,565	\$2,724,720	\$(13,845)
Supplies & Services	5,619,490	5,689,703	6,554,175	864,472
Debt Service	202,354	-	-	-
Interfund Payments	1,842,168	2,127,733	2,378,518	250,785
Interfund Transfers	12,500	12,500	13,514	1,014
Total Expenditures	\$10,111,386	\$10,568,501	\$11,670,927	\$1,102,426
Program Revenue	10,402,882	10,768,034	11,722,024	953,990
Use of or, (Additions) to Reserves	\$(291,496)	\$(199,533)	\$(51,097)	\$148,436

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Accounting Technician	1.00	1.00	1.00
Assoc. Line of Business Director	1.00	1.00	1.00
Lead Worker	2.00	2.00	2.00
Maintenance Worker I	1.00	2.00	2.00
Maintenance Worker II	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Refuse/Recycle Collector	16.00	17.00	17.00
Total	24.00	26.00	26.00

Program Description

The Collections Program provides garbage, recycling, and organics collection services to residents, businesses, and the public. It uses three different collection methods:

1. Curbside collection of carts and containers for both residential and commercial customers.
2. Drop box service for large quantity generators of garbage, recyclables, and organics.
3. Self-haul of yard waste, metals, and traditional recycling materials to our Saturday drop-off site.

We provide carts to City residents for all three waste streams. Garbage service is mandatory at a minimum level. Recycling and organics collection services are a subscribed service. Residents with these services can recycle plastic and glass containers, aluminum and tin cans, paper, and cardboard all in one recycling cart and all organics, such as food, food-soiled paper, yard debris, and some other organic materials in another. Commercial customers have options for container size and collection frequency, ranging from half-yard containers to 30-yard drop boxes. The Saturday drop-off site is open March through November.

Trends

The following trends are major focus areas for the Collections Program:

- Collecting every other week, along with our new practice of one-side road collection, still proves to be leading edge in collection efficiencies. We collect all three streams of materials (garbage, recycle, and organics) with the same truck and driver in every-other-week collection (four routes, four trucks, and four drivers). However, it is important to note that annexations and new residential development created the need for an additional residential collection truck. Current trends show the addition of 1,000 single-family residential customers by the end of 2017. Restructuring and balancing residential routes is a high priority for Operations staff.
- Residential organics customers continue to grow and so does their "set-out" rate. The weight of the organic material remains an issue. Organic material is dense and heavy (especially during the spring and summer), which causes our drivers to make frequent trips to the Thurston County Waste and Recovery Center (WARC) to ensure the trucks stay within their legal weight limits.
- In 2017, an additional collector FTE was added to the personnel compliment.

Program Budget Overview

The top three expenditure categories in the Collections Program are:

- Labor (wages, salaries and benefits).
- Disposal (per ton cost of disposing) for garbage, recycling and organic materials.
- Equipment (maintenance, fuel, replacement).



PW - Waste ReSources - Collections (continued)

Future Challenges and Opportunities

The commercial sector generates about 60 percent of all solid waste in Olympia. The Organics Collection Program should have the most significant impact in reducing expenditures related to garbage collection, bringing us closer to meeting the objectives set in the Plan.

Results from Thurston County's contract with a new organics hauler and processor, as well as consistency throughout the County on acceptable items, enable us to grow our organics customer base.

Space for additional commercial containers continues to be our biggest challenge. Limited space in Downtown makes it difficult for customers to add containers to their account. Some core areas sport a maze of carts and containers. Some buildings and blocks share garbage and recycling containers to reduce the number of containers. A pilot project for a shared Downtown compactor began in late 2016. To date over 20 Downtown businesses share this compactor. All existing garbage containers were removed - cleaning up the area. Service to the new compactor happens every six weeks, instead of the previous containers collected three times per week.

Recent Accomplishments

- The shared compactor is up and running with great success. New cameras have been installed to oversee the activities with and around the compactor. Hauling frequencies are even more efficient than we predicted, allowing hauls every six weeks, rather than four weeks. In early 2018, we will be opening the compactor up to other businesses to use on a regular basis.
- Residential routes are being balanced and collection days readjusted in a few areas, in order to accommodate the new annexations and growth. Routes on Tuesdays and Fridays will have four routes, while Wednesday and Thursday will now have five routes.
- Transitioned the Southwest Harrison neighborhood to one side of the road collection (nearly 400 residents).
- Started collection in newly annexed areas including residential and commercial customers. We estimate 450 to 500 new accounts.



PW - Waste ReSources - Waste Prevention and Reduction

Program Cost Summary	2016 Actual	2017 Actual	2018 Budget	Variance
Expenditures				
Personnel Services	\$303,695	\$327,277	\$331,229	\$3,952
Supplies & Services	37,641	93,385	100,685	7,300
Interfund Payments	8,580	9,624	5,730	(3,894)
Total Expenditures	\$349,916	\$430,286	\$437,644	\$7,358
Program Revenue	349,916	430,286	437,644	7,358
Use of or, (Additions) to Reserves	\$-	\$-	\$-	\$-

Program Staffing	2016 Actual	2017 Actual	2018 Budget
Program Specialist	1.00	1.00	1.00
Senior Program Specialist	2.00	2.00	2.00
Total	3.00	3.00	3.00

Program Description

The Waste Prevention and Reduction Program provides planning, education and technical assistance to residents, businesses and other users in our community. In congruence with our mission and strategic role, program staff are the visionaries, promoters, and technical advisors for our solid waste reduction programs. They work closely with Collections staff to ensure efficient collection and separation of solid waste and recyclables. They work directly with citizens, businesses, schools, organizations, and other program participants to look for opportunities to eliminate waste.

Waste Prevention and Reduction Program staff are responsible for presentations to resident and neighborhood groups, as well as classroom lectures and field trips to all Olympia School District third grade classes. Program staff is also responsible for designing and implementing creative solid waste reduction programs, such as the GrassCycling, Waste-Free Lawn Care, and Zero Waste Event Recycling programs.

This Program is also responsible for the following:

- Education and assistance to residents and businesses wishing to have Zero Waste Events
- Solid waste assessments and technical assistance for diversion in businesses
- Data collection and analysis
- Financial analysis and projections throughout the year
- Developing and implementing policies
- Presentations and responses to Council and the Utility Advisory Committee
- Planning and implementing new programs, as well as maintaining existing ones
- Technical assistance to residents about solid waste reduction and recycling
- Recycle transload and processing contract management

Trends

- The City's Festival and Event Permit Application was revised to include a Recycling Plan section to encourage recycling and composting at public events. Interest in creating Zero Waste Events continues to grow.
- Requests for commercial organic collection in businesses and schools continues to increase.
- Curbside organics set out rates and tonnage continues to increase.
- Peak season demand for organics collection impacts the Utility's resources. Our focus on front-end solid waste reduction, such as GrassCycling, is a way to mitigate this trend.
- Increase in food scrap and organics diversion from tenants of apartments and condominiums is moving forward as awareness improves.
- Our School Outreach and Education program will expand to 6th grade science classes in the 2017/2018 school year.

PW - Waste ReSources - Waste Prevention and Reduction (continued)

Program Budget Overview

The Program's main expenses are salaries and benefits.

Future Challenges and Opportunities

- The commercial organics collection program will help divert material and bring us closer to our diversion goals. Two of the biggest challenges continue to be working with some businesses and multi-family customers where the property owners are not local or are larger companies with multiple management layers. In order to encourage more recycling and better diversion of waste, continued outreach to these property owners, managers, and businesses is necessary.
- The Plan identifies new opportunities for waste reduction. Program staff will be the lead on all new programs.
- Moving co-mingled and cardboard recycling to the commercial sector is another area we will address in 2018.
- Staff will study the option of removing glass from our residential co-mingled mixed recycling program.
- Recycle commodity values have not yet stabilized and processing and handling fees are projected to increase nine percent.

Recent Accomplishments

- New recycle contracts separate the hauling and processing of materials. Budget expenditures now reflect the full cost of the two separate contracts with 100 percent of the commodity values as revenue.
- Issued a Request for Proposal (RFP) for a solid waste rate study to include looking at commercial recycling options. Project to be completed in 2018.
- Worked with TCTV to create a recycling video to take into sixth grade classrooms.
- Launched *Recycle Coach*, a mobile and web-based application to help residents know which cart to put out, and what to recycle and compost.
- Launched the shared-use Downtown compactor project in May 2017. The project consolidates waste from 21 businesses and eliminates numerous trash containers, some of them emptied multiple times per week. Added composting for five new businesses at the same location.
- Helped St. Peters Hospital move from a dumpster to an organics compactor and restart their organics collection program.
- Continued collaboration with Community Planning and Development (CP&D) and developers on Site Plan Review to ensure adequate space for garbage, recycle, and organics collection.

Key Results Measures	2016	2017	2018 Budget
Increase recycling to 65%	63%	64%	64%
Reduce per capita waste by 5%	4.25%	4.23%	4.25%
Service Profiles	2016	2017	2018 Budget
Saturday Drop-off Site - Number of Customers	812	930	940
Saturday Drop-off Site - Tons of Material Collected	121	81	81
School Education - Number of Presentations	26	30	35
School Education - Number of Field Trips	14	20	20
Christmas Tree Collection - Tons Collected	30	32	32
Commercial Organics - Number of Accounts Participating	154	165	175
Commercial - Number of Waste Assessments Performed	32	32	35
Zero Waste - Number of Events Supported	34	46	50
Zero Waste - Number of Permitted and Public Events	43	50	50
Multi-Family Recycling - Number of Properties with Recycle	140	142	145
Multi-Family Recycling - Number of Outreach Events	5	5	10





Debt
Administration



Debt
Administration





Debt Administration

As the demand for public sector investment and infrastructure continues to grow, the issuance of debt has become an increasingly important component of state and local government capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects at the local level, it also entails careful monitoring of such issuances to ensure that an erosion of the government’s credit quality does not result. The City of Olympia currently has an “Aa2” rating for its general obligation debt from Moody’s and AA from Standard & Poor’s and Fitch’s rating agencies.

The City’s bond ratings reflect the investment community’s faith in Olympia’s financial management and its ability to repay outstanding debt. Higher-rated bonds indicate less risk to prospective buyers, translating to lower interest costs to the City. The ratings are from 2013 Bond issues. The rating agency stated that the ratings reflect the City’s sustained strong debt service coverage and good liquidity levels coupled with good financial policies and practices.

Two basic types of municipal debt are short-term and long-term debt. Short-term debt is generally used by municipalities to even out cash flows. Two basic forms of long-term debt are general obligation and revenue bonds. The difference between these two types of bonds is that general obligation issues are backed by the City’s full faith and credit. That is, for taxes of a municipality and for revenue bonds, the income of a specific utility or activity is pledged for repayment. Olympia has utilized both short and long-term types of debt in its operations as well as general obligation and revenue debt.

In addition to issuing bonds, the City has several general obligation and revenue loans through various State of Washington programs. The loans carry an interest rate lower than issuance of revenue bonds.

CREDIT RATING SCALE

Moody's	S&P	Fitch	Rating Description
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High Grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper Medium Grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower Medium Grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly Speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC+	Substantial risks
Caa2	CCC	CCC	
Caa3	CCC-	CCC-	
Ca	CC	CC	Ext. Speculative
Ca	C	C	Default imminent
C	RD	DDD	In Default
-	SD	DD	
-	D	D	

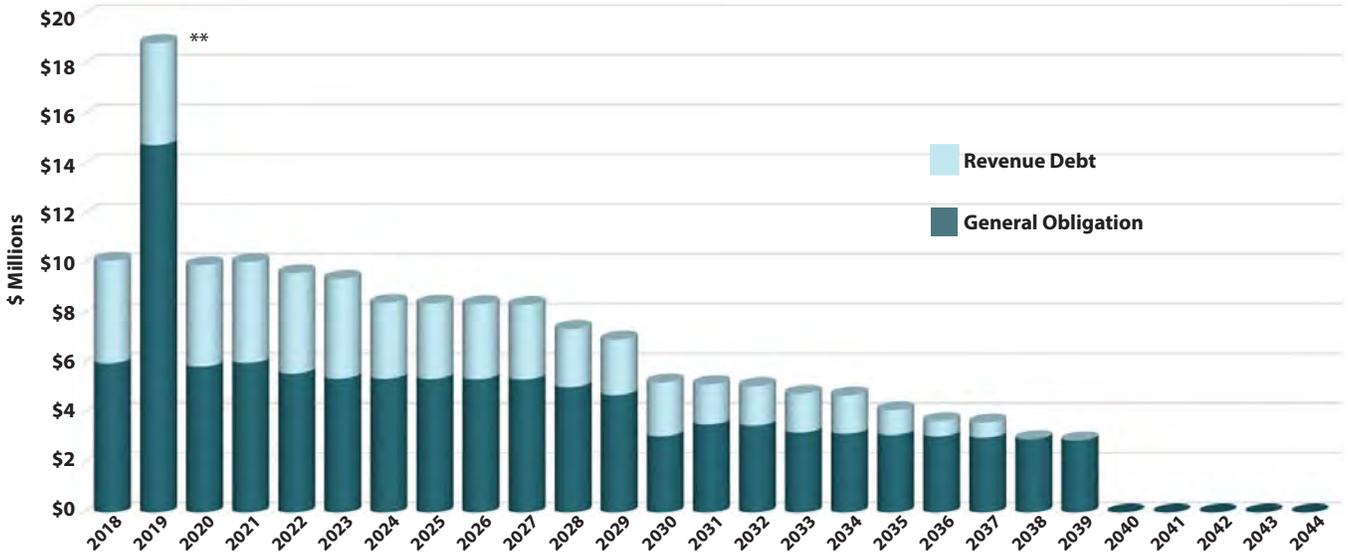


General Obligation Debt and Revenue Debt

The table below presents a summary of City debt, both principal and interest. It distinguishes between General Obligation debt and debt payable from City-operated utilities (revenue debt).

General Obligation and Revenue Debt*

Debt Service to Maturity (includes State Loans)



** Amount shown is maximum amount available to be drawn from BAN. Actual amount of draw may vary.

Future Debt Planning

The 2018-2023 Capital Facilities Plan (CFP) may require the issuance of debt for parks and utility purposes. Amounts to be issued are unknown at this time. The amount is dependant on other sources of revenue such as grant funds.

There are currently \$24.5 million in projects approved in the Drinking Water utility. Of those, \$3.3 million in the Wastewater (sewer) utility and \$4.2 million in the Stormwater Utility are anticipated to be funded by debt. \$16.1 million of the total \$24.5 million in Drinking Water utility projects to be funded by debt will be from loans from the State of Washington lending programs.

The CFP calls for rate increases for Drinking Water, Wastewater, and Storm and Surface Water to implement the comprehensive plans. The Comprehensive Plan calls for a shift to more cash financing rather than the issuance of debt; therefore, the City is building higher cash reserves in anticipation of greater reliance on cash financing.

Conclusions

Council and management have set policies to be sure the City meets its debt payments in a timely manner. The policies also state that new debt will be issued only after careful consideration. Council incorporates these policies into the Financial and Management Policies. Briefly summarized, the policies include:

- Conservative revenue projections.
- Rate increases based on related cost of services provided and the impact of inflation on those services.
- Lease purchase of equipment and real property when practical and prudent.
- Accumulation of adequate reserves to protect the City from uncontrollable expenditures or unforeseen reductions in revenues.
- Issuance of debt only after rigorous review.

The City tries to communicate with other governmental entities to be sure that their debt issues, as well as the City's, remain at conservative levels. This will help control the resulting overlapping debt that may become a burden on taxpayers.

The City's overall financial health is positive. The Council and management, through the financial and management policies, emphasize continued effort toward maintaining and improving the City's financial performance.



Debt Limitation

State law limits bonded debt to 2.5 percent of assessed value of taxable property. Of this limit, up to 1.5 percent of assessed value of taxable property may be non-voter approved (Councilmanic bonds). **However, the amount of non-voted plus voter-approved may not exceed the 2.5 percent of assessed value limit.**

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

The goal of Olympia’s debt policy is to maintain the ability to provide high quality, essential City services in a cost effective manner. Council members weigh this goal against maintaining the ability to borrow at the lowest possible rates. The City uses the following guidelines before financing projects with long-term debt:

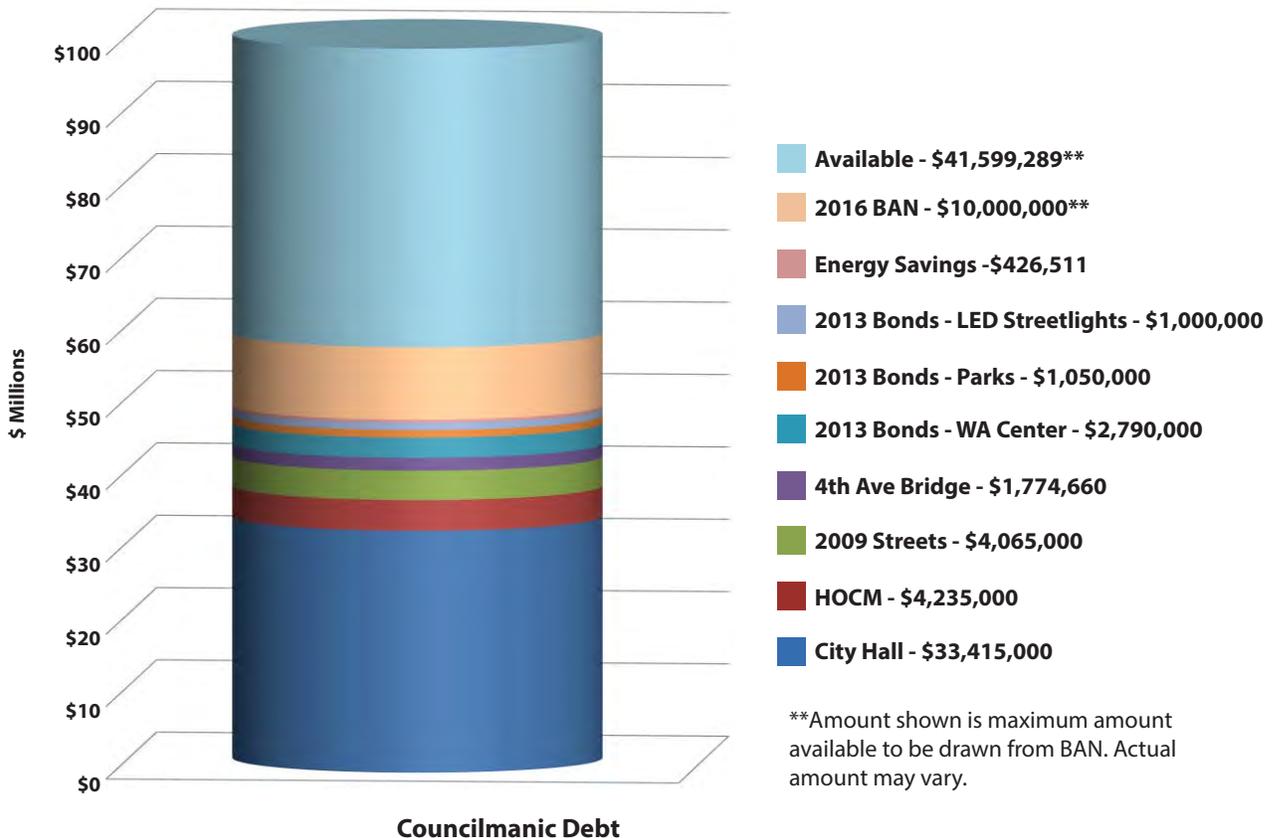
	Estimate 01/01/2018
Taxable Assessed Value	\$6,690,364,182
General Indebtedness Without a Vote of the People:	
Legal Limit, 1.5% of property value:	\$100,355,463
G.O. Bond Liabilities	<u>(58,291,172)</u>
Remaining non-voted debt capacity	<u>\$42,064,291</u>
General Indebtedness with a Vote of the People:	
Legal Limit, 2.5% of property value:	\$167,259,105
Outstanding voted debt	(11,140,000)
Outstanding non-voted debt (excluding 2014 principal payments)	<u>(58,291,172)</u>
Remaining voted debt capacity	<u>\$ 97,827,933</u>

- Management, staff, and elected officials conservatively project the revenue sources to pay off the debt.
- The financing of the improvement will not exceed its useful life.
- The benefits of the improvement must outweigh its costs including the interest costs of financing.

Olympia uses debt only to provide financing for essential and necessary capital projects. Through debt planning and the Capital Facilities Plan, the City integrates its capital projects. The services that the City determines necessary to its residents and visitors form the basis for all capital projects.

Allocation of Debt

Not Requiring Voter Approval - As of 01/01/2018





Schedule of Debt Obligations

General Obligations	Payment From	Type*	Year Issued	Final Payment	Interest Rate	Total Issue	Outstanding 1-1-18	Principal Payments 2018	Interest Payments 2018
Bridge/Corridor Street Improvements	Debt Service Fund 216	PWTF	2000	2020	0.5 - 1.00%	\$9,996,144	\$1,774,661	\$533,759	\$14,279
Fire Station & Training Facility	Debt Service Fund 224	ULTGO	2009	2029	3.00 - 4.25%	\$16,180,000	\$11,140,000	\$740,000	\$451,156
City Hall Construction	Debt Service Fund 225	LTGO	2009	2039	4.2%	\$35,210,000	\$33,415,000	\$295,000	\$2,123,718
Street Improvements	Debt Service Fund 226	LTGO	2010	2029	3.00 - 4.25%	\$5,865,000	\$4,065,000	\$270,000	\$165,613
Facility Energy Improvements	Debt Service Fund 227	LOCAL	2010	2020	2.97%	\$1,534,496	\$426,510	\$166,840	\$11,441
Hands On Children's Museum	Debt Service Fund 228	LTGO	2010	2028	3.00 - 4.25%	\$5,670,000	\$4,235,000	\$270,000	\$165,388
US HUD, Section 108 Loan	HUD Fund 107	HUD	2010	2020	LABOR + 0.2%	\$325,000	\$121,000	\$-	\$1,392
WA Center, LED Conv., & Percival Landing	Debt Service Fund 229	LTGO	2013	2032	3.00 - 5.00%	\$6,345,000	\$4,375,000	\$485,000	\$190,275
Parks Bond Anticipation Note	Debt Service Fund 230	LTGO	2016	2019	1.35%	\$10,000,000	\$8,766,379	\$-	\$118,346
Total General Obligation							\$68,318,550	\$2,760,600	\$3,241,607
Utility Operations									
Combined Drinking Water and Wastewater:									
W/S Refunding & Construction	Drinking & Wastewater Revenue		2013	2023	4.10%	\$7,780,000	\$4,985,000	\$750,000	\$215,350
Drinking Water:									
Drinking Water System Improvements	Drinking Water Revenue		2007	2027	4.0 - 4.13%	\$8,000,000	\$4,960,000	\$395,000	\$201,244
Fones Road Booster Pump Station**	Drinking Water DWSRF		2016	2038	1.50%	\$1,931,982	\$981,029	\$104,304	\$14,715
McAllister Corrosion Control Facility***	Drinking Water DWSRF		2016	2038	1.50%	\$4,058,632	\$1,348,317	\$221,318	\$59,756
McAllister Well Development	Drinking Water DWSRF		2011	2034	1.50%	\$10,871,640	\$8,925,771	\$525,045	\$133,887
Reservoir Development ****	Drinking Water DWSRF		2014	2037	1.50%	\$11,983,650	\$3,453,539	\$599,183	\$179,755
Wastewater (Sewer) :									
General System Improvements	Wastewater Revenue		2010	2030	2.0 - 4.375%	\$6,485,000	\$4,725,000	\$285,000	\$195,388
Septic to Sewer Conversion	Wastewater DOE		2010-2011	2031	3.10%	\$250,000	\$81,450	\$4,523	\$2,508
Sleater-Kinney Sewer Line	Wastewater PWTF		2009-2010	2028	0.50%	\$1,803,375	\$1,011,409	\$91,946	\$5,057
Storm & Surface Water:									
State Avenue Stormwater Retrofit	Storm & Surface Water DOE		2014	2035	2.30%	\$619,485	\$591,956	\$26,860	\$13,526
Yaeger Park Retention Improvements	Storm & Surface Water DOE		2010-2011	2031	2.90%	\$1,219,756	\$870,407	\$58,290	\$24,973
Total Utility Operations							\$31,933,877	\$3,061,469	\$1,046,158
Total General Obligation & Revenue External Indebtedness							\$100,252,427	\$5,822,069	\$4,287,764

Notes:

* Type Acronym: Definition:

- Revenue Revenue bonds
- PWTF State of Washington, Public Works Trust Fund loan
- LTGO Limited Tax General Obligation bond (non-voter approved)
- ULTGO Unlimited Tax General Obligation bond (voter approved)
- LOCAL State of Washington, Local Option Capital Asset Lending program. This is an obligation of the State of Washington in which the City participates.
- DOE State of Washington, Department of Ecology
- DWSRF State of Washington, Drinking Water Revolving Fund loan
- US HUD HUD Department Section 108 loans

** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is \$1,931,982- of which the City began drawing down in mid-2016. Repayments are being estimated based on estimated draws.

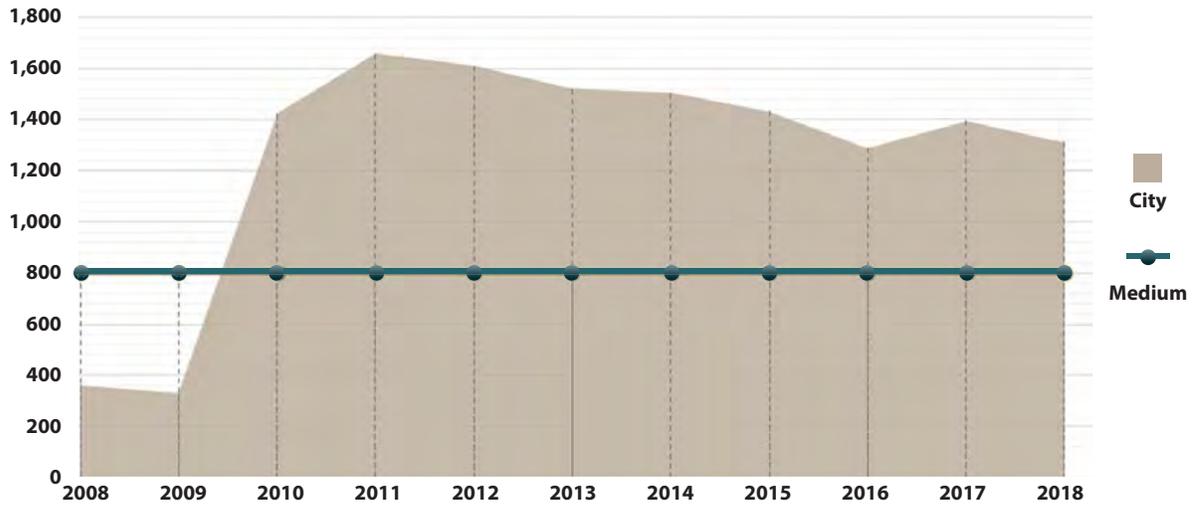
*** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is \$4,058,632 which the City began drawing down in mid-2016. Repayments are being estimated based on estimated draws.

**** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is for \$11,983,650 of which the City began drawing down mid-2014. Repayments are estimated to be about \$750,000 annually. Required payments will begin on October 1 following the final loan draw, estimated to begin October 1, 2018.



General Debt per Capita

Includes General Obligation Bonds and Bridge Corridor Public Works Trust Fund Loans



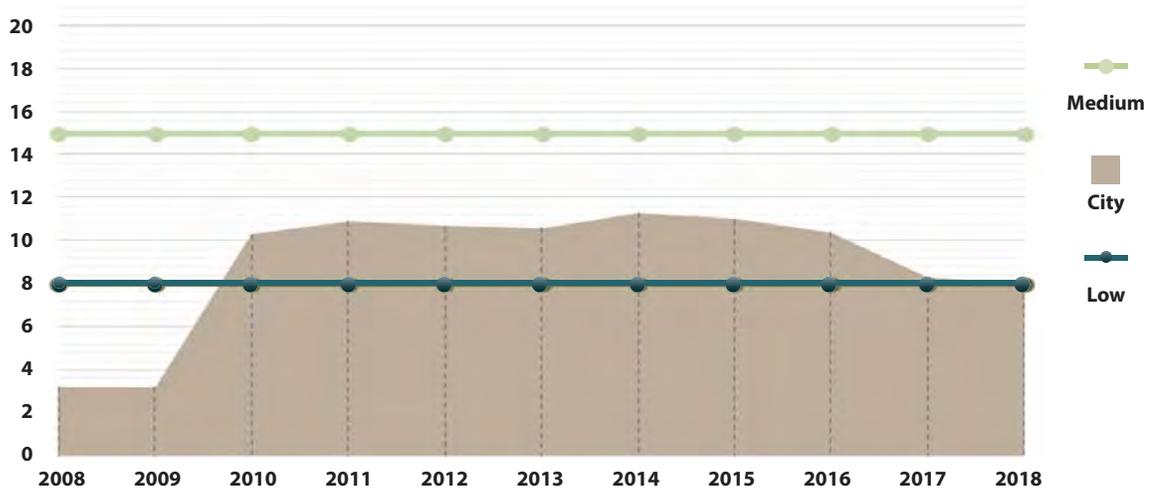
Use of Ratios to Assess Credit Quality

Measurement per Capita for Cities	Low	Medium	Above Average	High
	<500	500 - 800	800 - 1,200	> 1,200

Source: Standard & Poor's Corporation

Ratio of General Debt Service to General Fund Expenditures

Includes General Obligation Bonds and Bridge Corridor Public Works Trust Fund Loans



Debt Service as a Percentage of Budget Guideline

Measurement	Low	Medium	High
State	0 - 2	2 - 6	> 6
County	0 - 7	7 - 12	> 12
Schools	0 - 10	10 - 20	> 15
Cities	0 - 8	8 - 15	> 15

Source: Standard & Poor's Corporation



Debt Service Funds

	2016 Actual	2017 Budget	2018 Budget	Variance
Bridge/Corridor P WTF Loans (1)	\$556,979	\$552,509	\$548,038	\$(4,471)
2006 Park Bonds (2)	1,191,750	-	-	-
Fire Station & Training Facility (3)	1,193,731	1,191,331	1,191,156	(175)
City Hall Bonds (4)	2,421,118	2,420,118	2,418,718	(1,400)
Street Improvement Bonds (5)	438,663	436,013	435,613	(400)
Energy Project Debt (6)	178,282	178,281	178,281	-
Hands On Children's Museum (7)	420,668	430,888	435,388	4,500
2013 General Obligation Bonds (8)	671,675	673,875	675,275	1,400
Parks Bond Anticipation Note (9)	-	115,000	125,000	10,000
Water/Sewer Bonds (10)	2,013,281	2,023,330	2,032,448	9,118
Stormwater Debt Service (11)	103,219	123,359	123,648	289
Total	\$9,189,366	\$8,144,704	\$8,163,565	\$18,861

Note: All other debt is paid directly from various other funds and is included in the budget of those funds.

- (1) State of Washington Public Works Trust Fund loans to fund the 4th/5th Avenue Bridge and Corridor improvements. Final payment will be in 2020. These bonds are paid with general levy property tax.
- (2) These bonds were issued to pay for Park acquisition and improvements. Final payment was in 2016. These bonds are paid with voter-approved utility tax.
- (3) Bonds issued to pay construction of a Fire Station, Fire Training Facility, and Vehicle purchases. Final payment will be in 2029. These bonds are paid from voter-approved excess property tax levy.
- (4) Bonds issued to pay construction of City Hall. Final payment will be in 2039. These bonds are paid with general levy property tax.
- (5) Bonds issued to pay transportation system improvements. Final payment will be in 2029. These bonds are paid from the following revenues sources, in order: Transportation Impact Fees, State shared gas tax revenue, and general levy property tax.
- (6) Bonds issued by the State of Washington Local Option Capital Asset Lending program. The City has contracted with the State to pay the State the City's share of the bond issue. Final payment will be in 2020. The City obligation is paid with general levy property tax. Savings from energy savings are estimated to be about the same as the debt service on this debt.
- (7) Bonds issued to pay for the construction of a museum which will be managed and operated by the Hands On Children's Museum non-profit organization. Final payment will be in 2028. Debt service is paid from funds received from the Capital Area Regional Public Facilities District.
- (8) Bonds issued for improvements to the Washington Center for the Performing Arts, street light conversion to LED lighting, and redemption of Bond Anticipation Notes (BANs) issued in 2011 for the Percival Landing Project. The BANs were issued with the intent to convert them to longer term debt by April of 2014. Final payment will be in 2021 for the Parks portion, 2022 for the LED street light conversion, and 2032 for the Washington Center portion. The Parks portion is repaid from voter-approved utility tax, the LED Streetlight portion from power savings within the General Fund, and the Washington Center portion from funds set aside for facilities major repair.
- (9) Bonds Anticipation Note issued to pay for the acquisition of parks land. Final payment will be in 2019. The debt service is paid from funds received from Parks Impact Fees.
- (10) The budget on this schedule will vary from information on the Schedule of Debt Obligations. That schedule indicates actual payment made, where this schedule is on an accrual basis.

2007 Bonds issued to fund water improvements will be fully paid in 2027. Bonds issued in 2010 for sewer improvement will be fully paid in 2030. Bonds were issued in 2013 to refund the 2001 issue and finance the conversion of water meters to automatic reads. The bonds will be fully paid in 2023. The bonds are paid from water & sewer utility revenues.
- (11) This fund was created in 2014 to pay debt service of the Stormwater Utility on loans from the State of Washington. Final payment will be in 2031.



Supplementary Information





Comparative Summary of Operating Budget by Revenue Source and Budget Classification

General Fund - Regular Operations

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$52,858,976	\$49,384,099	\$46,678,163	\$45,373,725
Licenses and Permits	1,043,650	943,835	1,057,642	1,114,683
Intergovernmental	2,156,891	2,907,646	2,780,309	2,039,799
Charges for Services	14,716,819	14,301,937	13,465,814	12,669,847
Fines and Penalties	491,500	447,578	508,535	481,149
Operating Transfers In	5,088,277	4,943,447	2,945,077	3,208,683
Other Revenue	1,828,569	1,961,946	1,886,778	1,396,835
Total Revenues	\$78,184,682	\$74,890,488	\$69,322,318	\$66,284,721
EXPENDITURES				
Salaries	\$45,203,290	\$42,624,141	\$39,328,429	\$36,838,908
Personnel Benefits	15,082,025	14,153,248	13,143,381	12,607,118
Supplies	2,060,200	2,351,481	2,518,311	2,073,068
Other Services and Charges	8,941,338	8,026,295	7,621,292	6,805,935
Intergovernmental Services	1,374,096	4,355,062	1,316,588	1,361,905
Interfund Payments	4,556,843	4,054,626	3,500,761	3,099,200
Capital Outlays	64,500	260,470	68,716	266,195
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	1,630	488	2,192
Operating Transfers Out	1,114,961	1,063,914	2,427,730	2,427,730
Total Expenditures	\$78,397,253	\$76,890,867	\$69,925,696	\$65,482,251
Net Gain or (Use) of Fund Equity from Operations	\$(212,571)	\$(2,000,379)	\$(603,378)	\$802,470
Estimated Fund Equity January 1 Available for Appropriations	\$9,342,945			
Estimated Fund Equity December 31 Before Reserve Requirement	\$9,130,374			
(Less) Operating Reserve	\$(7,640,355)			
Estimated Fund Equity Available for Appropriations After Reserve	\$1,490,019			
Estimated Non-Spendable, Restricted, Committed and Assigned Equity	\$(1,490,019)			
Estimated Fund Equity Available	\$-			
Operating Reserve Based on Original Budget. Requirement:	10% revenue excluding revenue received from the Olympia Metropolitan Park District			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification

General Fund - Sub-Funds

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$1,111,000	\$1,085,000	\$1,177,867	\$752,060
Licenses and Permits	2,913,900	2,716,518	3,252,292	2,860,797
Intergovernmental	-	-	-	15,566
Charges for Services	1,555,000	1,535,534	1,423,412	1,124,741
Fines and Penalties	420,000	390,794	461,993	497,542
Operating Transfers In	1,908,189	2,298,712	2,551,178	5,204,272
Other Revenue	1,474,473	1,609,325	1,597,330	1,442,736
Total Revenues	\$9,382,562	\$9,635,883	\$10,464,072	\$11,897,714
EXPENDITURES				
Salaries	\$469,926	\$523,911	\$464,711	\$419,458
Personnel Benefits	184,211	1,000,623	992,860	914,633
Supplies	267,188	255,711	170,614	336,943
Other Services and Charges	3,926,898	3,039,457	2,839,141	2,074,988
Intergovernmental Services	-	3,876	6,438	8,676
Interfund Payments	1,027,104	1,151,865	1,344,683	767,318
Capital Outlays	-	657,063	344,008	282,695
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Operating Transfers Out	3,361,488	3,165,378	3,030,169	4,864,143
Total Expenditures	\$9,236,815	\$9,797,884	\$9,192,624	\$9,668,854
Net Gain or (Use) of Fund Equity from Operations	\$145,747	\$(162,001)	\$1,271,448	\$2,228,860
Estimated Fund Equity January 1 Available for Appropriations	\$11,616,363			
Estimated Fund Equity December 31 Before Reserve Requirement	\$11,762,110			
(Less) Operating Reserve	Not required			
Estimated Fund Equity Available for Appropriations After Reserve	\$11,762,110			
Estimated Non-Spendable, Restricted, Committed and Assigned Equity	\$(11,762,110)			
Estimated Fund Equity Available	\$-			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification

General Obligation Funds

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$3,425,580	\$3,471,985	\$3,480,111	\$3,493,553
Licenses and Permits	-	-	-	-
Intergovernmental	734,831	685,230	684,495	683,026
Charges for Services	-	-	-	-
Fines and Penalties	-	-	-	-
Operating Transfers In	1,839,272	1,817,479	1,649,380	2,898,707
Other Revenue	-	10,745	106,658	3,396
Total Revenues	\$5,999,683	\$5,985,439	\$5,920,644	\$7,078,682
EXPENDITURES				
Salaries	\$-	\$-	\$-	\$-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Intergovernmental Services	-	-	-	-
Interfund Payments	-	-	-	-
Capital Outlays	-	-	-	-
Debt Service - Principal	2,760,599	2,670,752	2,586,044	3,596,473
Debt Service - Interest	3,246,870	3,320,977	3,325,659	3,478,225
Operating Transfers Out	-	-	-	-
Total Expenditures	\$6,007,469	\$5,991,729	\$5,911,703	\$7,074,698
Net Gain or (Use) of Fund Equity from Operations	\$(7,786)	\$(6,290)	\$8,941	\$3,984
Estimated Fund Equity January 1 Available for Appropriations	\$65,459			
Estimated Fund Equity December 31 Before Reserve Requirement	\$57,673			
(Less) Operating Reserve	Not required			
Estimated Fund Equity Available for Appropriations After Reserve	\$57,673			
Estimated Non-Spendable, Restricted, Committed and Assigned Equity	\$(57,673)			
Estimated Fund Equity Available	\$-			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Revenue Bonds

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Penalties	-	-	-	-
Operating Transfers In	2,165,630	2,158,120	2,124,025	2,125,066
Other Revenue	-	11,701	6,931	3,410
Total Revenues	\$2,165,630	\$2,169,821	\$2,130,956	\$2,128,476
EXPENDITURES				
Salaries	\$-	\$-	\$-	\$-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Intergovernmental Services	-	-	-	-
Interfund Payments	-	-	-	-
Capital Outlays	-	-	-	-
Debt Service - Principal	1,515,150	1,465,080	1,392,884	1,343,438
Debt Service - Interest	640,947	681,608	735,785	768,904
Operating Transfers Out	-	-	-	-
Total Expenditures	\$2,156,097	\$2,146,688	\$2,128,669	\$2,112,342
Net Gain or (Use) of Fund Equity from Operations	\$9,533	\$23,133	\$2,287	\$16,134
Estimated Fund Equity January 1 Available for Appropriations	\$24,789			
Estimated Fund Equity December 31 Before Reserve Requirement	\$34,322			
(Less) Operating Reserve	Not required			
Estimated Fund Equity	\$34,322			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Drinking Water Utility

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	13,692,450	12,887,405	12,043,102	11,896,472
Fines and Penalties	-	-	-	-
Operating Transfers In	-	-	-	-
Other Revenue	291,470	301,963	246,496	203,073
Total Revenues	\$13,983,920	\$13,189,368	\$12,289,598	\$12,099,545
EXPENDITURES				
Salaries	\$2,435,573	\$2,236,193	\$2,239,919	\$2,085,885
Personnel Benefits	935,932	994,632	994,519	950,241
Supplies	890,911	658,109	651,439	748,704
Other Services and Charges	1,114,630	1,050,354	813,459	896,515
Intergovernmental Services	2,229,855	1,872,112	1,425,343	1,921,283
Interfund Payments	2,084,482	1,943,049	1,841,587	1,739,903
Capital Outlays	-	16,424	6,065	4,267
Debt Service - Principal	1,439,523	654,453	525,045	525,045
Debt Service - Interest	403,307	217,849	173,111	136,427
Operating Transfers Out	2,550,567	2,550,549	2,333,865	2,322,048
Total Expenditures	\$14,084,780	\$12,193,724	\$11,004,352	\$11,330,318
Net Gain or (Use) of Fund Equity from Operations	\$(100,860)	\$995,644	\$1,285,246	\$769,227
Estimated Fund Equity January 1 Available for Appropriations	\$6,243,678			
Estimated Fund Equity December 31 Before Reserve Requirement	\$6,142,818			
(Less) Operating Reserve	\$(3,495,980)			
Estimated Fund Equity	\$2,646,838			
Operating Reserve Based on Original Budget. Requirement:	25%			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification Wastewater Utility

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	20,226,040	19,503,355	18,466,692	18,323,318
Fines and Penalties	-	-	-	-
Operating Transfers In	-	10,937	-	-
Other Revenue	28,500	35,375	66,767	(2,564)
Total Revenues	\$20,254,540	\$19,549,667	\$18,533,459	\$18,320,754
EXPENDITURES				
Salaries	\$1,158,300	\$1,024,173	\$1,014,362	\$941,091
Personnel Benefits	438,319	413,200	409,376	387,285
Supplies	350,421	304,577	295,697	290,239
Other Services and Charges	394,331	335,309	279,017	342,806
Intergovernmental Services	15,462,140	14,499,204	13,773,804	13,631,603
Interfund Payments	1,090,796	1,001,257	960,565	903,952
Capital Outlays	-	5,475	-	7,841
Debt Service - Principal	96,469	96,331	96,198	96,068
Debt Service - Interest	7,335	8,301	9,839	8,748
Operating Transfers Out	1,260,090	1,279,035	1,260,500	1,285,391
Total Expenditures	\$20,258,201	\$18,966,862	\$18,099,358	\$17,895,024
Net Gain or (Use) of Fund Equity from Operations	\$(3,661)	\$582,805	\$434,101	\$425,730
Estimated Fund Equity January 1 Available for Appropriations	\$3,020,069			
Estimated Fund Equity December 31 Before Reserve Requirement	\$3,016,408			
(Less) Operating Reserve	\$(693,010)			
Estimated Fund Equity	\$2,323,398			
Operating Reserve Based on Original Budget. Requirement:	Sewer 10% of collection revenues. Excludes revenues collected for sewage treatment. Wastewater 10% of Collection Revenues, excludes revenue collected for treatment paid to LOTT.			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Stormwater Utility

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses and Permits	-	-	-	-
Intergovernmental	-	7,166	20,646	142,573
Charges for Services	5,384,112	5,508,322	4,882,329	4,799,207
Fines and Penalties	-	-	-	-
Operating Transfers In	-	-	-	-
Other Revenue	12,500	14,135	7,079	(6,769)
Total Revenues	\$5,396,612	\$5,529,623	\$4,910,054	\$4,935,011
EXPENDITURES				
Salaries	\$1,510,792	\$1,400,008	\$1,342,229	\$1,215,098
Personnel Benefits	511,036	487,559	458,792	440,802
Supplies	152,731	162,839	172,888	197,094
Other Services and Charges	344,126	220,478	254,815	339,215
Intergovernmental Services	763,547	763,119	639,742	572,891
Interfund Payments	1,188,306	1,168,194	1,071,941	928,731
Capital Outlays	-	-	19,941	8,534
Debt Service - Principal	-	188	-	-
Debt Service - Interest	-	101	-	-
Operating Transfers Out	936,944	936,878	912,775	944,501
Total Expenditures	\$5,407,482	\$5,139,364	\$4,873,123	\$4,646,866
Net Gain or (Use) of Fund Equity from Operations	\$(10,870)	\$390,259	\$36,931	\$288,145
Estimated Fund Equity January 1 Available for Appropriations	\$1,492,435			
Estimated Fund Equity December 31 Before Reserve Requirement	\$1,481,565			
(Less) Operating Reserve	\$(539,660)			
Estimated Fund Equity	\$941,905			
Operating Reserve Based on Original Budget. Requirement:	10%			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification Waste ReSources

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	17,429
Charges for Services	11,503,068	11,278,840	10,513,187	10,030,818
Fines and Penalties	-	-	-	-
Operating Transfers In	-	-	66,000	-
Other Revenue	656,600	582,229	173,609	91,588
Total Revenues	\$12,159,668	\$11,861,069	\$10,752,796	\$10,139,835
EXPENDITURES				
Salaries	\$2,113,589	\$2,035,309	\$1,866,410	\$1,790,052
Personnel Benefits	942,360	936,316	872,158	840,677
Supplies	250,863	328,354	261,215	433,134
Other Services and Charges	4,916,331	4,755,908	4,174,117	3,883,919
Intergovernmental Services	1,487,666	1,339,080	1,221,801	1,126,624
Interfund Payments	2,384,248	2,047,941	1,850,750	1,688,867
Capital Outlays	-	-	202,354	27,502
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Operating Transfers Out	13,514	14,421	12,500	12,500
Total Expenditures	\$12,108,571	\$11,457,329	\$10,461,305	\$9,803,275
Net Gain or (Use) of Fund Equity from Operations	\$51,097	\$403,740	\$291,491	\$336,560
Estimated Fund Equity January 1 Available for Appropriations	\$1,887,471			
Estimated Fund Equity December 31 Before Reserve Requirement	\$1,938,568			
(Less) Operating Reserve	\$(1,215,970)			
Estimated Fund Equity	\$722,598			
Operating Reserve Based on Original Budget. Requirement:	10%			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Equipment Rental (Fleet)

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	2,371,022	2,144,768	1,842,039	1,504,154
Fines and Penalties	-	-	-	-
Operating Transfers In	-	-	-	38,505
Other Revenue	-	3,940	2,905	380
Total Revenues	\$2,371,022	\$2,148,708	\$1,844,944	\$1,543,039
EXPENDITURES				
Salaries	\$495,447	\$455,704	\$465,745	\$434,727
Personnel Benefits	201,887	201,924	208,382	203,008
Supplies	1,074,172	922,241	588,634	412,642
Other Services and Charges	103,550	90,731	79,345	88,320
Intergovernmental Services	500	255	275	535
Interfund Payments	483,984	407,818	421,375	429,785
Capital Outlays	-	-	-	8,028
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Expenditures	\$2,359,540	\$2,078,673	\$1,763,756	\$1,577,045
Net Gain or (Use) of Fund Equity from Operations	\$11,482			
Estimated Fund Equity January 1 Available for Appropriations	\$328,090			
Estimated Fund Equity December 31 Before Reserve Requirement	\$339,572			
(Less) Operating Reserve	\$(474,200)			
Estimated Fund Equity	\$(134,628)			
Operating Reserve Based on Original Budget. Requirement:	20%			

Continued on next page



Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Total All Operating Funds

	2018 Budget	2017 Est. Actual	2016 Actual	2015 Actual
REVENUE				
Taxes	\$57,395,556	\$53,941,084	\$51,336,141	\$49,619,338
Licenses and Permits	3,957,550	3,660,353	4,309,934	3,975,480
Intergovernmental	2,891,722	3,600,042	3,485,450	2,898,393
Charges for Services	69,448,511	67,160,161	62,636,575	60,348,557
Fines and Penalties	911,500	838,372	970,528	978,691
Operating Transfers In	11,001,368	11,228,695	9,335,660	13,475,233
Other Revenue	4,292,112	4,531,359	4,094,553	3,132,085
Total Revenues	\$149,898,319	\$144,960,066	\$136,168,841	\$134,427,777
EXPENDITURES				
Salaries	\$53,386,917	\$50,299,439	\$46,721,805	\$43,725,219
Personnel Benefits	18,295,770	18,187,502	17,079,468	16,343,764
Supplies	5,046,486	4,983,312	4,658,798	4,491,824
Other Services and Charges	19,741,204	17,518,532	16,061,186	14,431,698
Intergovernmental Services	21,317,804	22,832,708	18,383,991	18,623,517
Interfund Payments	12,815,763	11,774,750	10,991,662	9,557,756
Capital Outlays	64,500	939,432	641,084	605,062
Debt Service - Principal	5,811,741	4,886,804	4,600,171	5,561,024
Debt Service - Interest	4,298,459	4,230,466	4,244,882	4,394,496
Operating Transfers Out	9,237,564	9,010,175	9,977,539	11,856,313
Total Expenditures	\$150,016,208	\$144,663,120	\$133,360,586	\$129,590,673
Net Gain or (Use) of Fund Equity from Operations	\$(117,889)	\$296,946	\$2,808,255	\$4,837,104
Estimated Fund Equity January 1 Available for Appropriations	\$34,021,299			
Estimated Fund Equity December 31 Before Reserve Requirement	\$33,903,410			
(Less) Operating Reserve	\$(14,059,175)			
Estimated Fund Equity Available	\$19,844,235			
Estimated Non-Spendable, Restricted, Committed and Assigned Equity	(13,309,802)			
Net Equity Available	\$6,534,433			



2018 Employee Classifications

Position Title	Bargaining Unit	Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2016 Actual	2017 Actual	2018 Budget
Accountant		54	\$5,290	\$5,551	\$5,828	\$6,121	\$6,426	6.00	6.00	6.00
Accounting Technician		44	\$4,308	\$4,522	\$4,745	\$4,987	\$5,234	8.00	7.00	7.00
Administrative Secretary		50	\$4,894	\$5,141	\$5,397	\$5,670	\$5,951	3.00	3.00	3.00
Administrative Services Director		230					\$13,202	1.00	1.00	1.00
AMR Meter Technician	AFSCME	440	\$3,931	\$4,130	\$4,337	\$4,552	\$4,766	2.00	2.00	2.00
Assistant City Attorney		80	\$7,832	\$8,226	\$8,635	\$9,069	\$9,519	0.60	-	-
Assistant City Manager		237					\$13,016	1.00	1.00	1.00
Assistant Fire Chief	IAFF	796	\$9,776	\$10,263	\$10,776	\$11,317	\$11,888	2.00	2.00	2.00
Assistant Planner		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	1.00	1.00	1.00
Assistant Prosecutor II		72	\$7,050	\$7,400	\$7,771	\$8,156	\$8,568	1.00	1.00	1.00
Associate Line of Bus. Director		82	\$8,030	\$8,430	\$8,853	\$9,299	\$9,760	3.00	5.00	5.00
Associate Planner		60	\$5,878	\$6,169	\$6,480	\$6,800	\$7,139	5.75	5.75	5.75
Battalion Chief	IAFF	760			\$9,713	\$9,870	\$10,027	3.00	3.00	3.00
Battalion Chief - Day Shift		765			\$10,183	\$10,340	\$10,653	-	-	1.00
Benefit Specialist /Accounting Technician		50	\$4,894	\$5,141	\$5,397	\$5,670	\$5,951	-	1.00	1.00
Billing Specialist		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	2.00	2.00	2.00
Building Inspector	AFSCME	452	\$5,113	\$5,370	\$5,638	\$5,923	\$6,214	3.00	3.00	3.00
Building Plans Examiner	AFSCME	458	\$5,744	\$6,034	\$6,331	\$6,650	\$6,978	3.00	2.00	2.00
Case Manager		38	\$3,722	\$3,906	\$4,100	\$4,308	\$4,523	-	-	0.60
Chief Prosecutor		76	\$7,440	\$7,814	\$8,187	\$8,616	\$9,046	1.00	1.00	1.00
City Attorney		236					\$13,530	1.00	1.00	1.00
City Engineer		96	\$9,682	\$10,164	\$10,673	\$11,208	\$11,774	1.00	1.00	1.00
City Manager		500					\$14,514	1.00	1.00	1.00
City Surveyor		72	\$7,050	\$7,400	\$7,771	\$8,156	\$8,568	1.00	1.00	1.00
Clean Team Worker		30	\$2,912	\$3,086	\$3,237	\$3,401	\$3,569	-	-	4.00
Code Enforcement Officer (CP&D)	AFSCME	452	\$5,113	\$5,370	\$5,638	\$5,923	\$6,214	2.00	1.00	2.00
Computer Support Specialist	Teamsters	660	\$5,929	\$6,221	\$6,532	\$6,860	\$7,202	1.00	1.00	1.00
Computer Systems Technician		60	\$5,878	\$6,169	\$6,480	\$6,800	\$7,139	3.00	3.00	3.00
Construction Inspector		53	\$4,939	\$5,191	\$5,453	\$5,725	\$6,009	3.00	4.00	4.00
Corrections Lieutenant		86	\$8,418	\$8,843	\$9,281	\$9,750	\$10,235	-	-	1.00
Corrections Officer	Teamsters	650	\$4,839	\$5,078	\$5,332	\$5,600	\$5,881	9.00	9.00	9.00
Councilmember		103					\$1,739	5.00	5.00	5.00
Court Operations Supervisor		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	1.00	1.00	1.00
CP&D Director		228					\$12,795	1.00	1.00	1.00
Crime Analyst	Teamsters	656	\$5,378	\$5,642	\$5,924	\$6,222	\$6,532	1.00	1.00	1.00
Data Control Specialist	AFSCME	444	\$4,329	\$4,542	\$4,767	\$5,007	\$5,259	1.75	1.75	1.75
Deputy City Attorney		88	\$8,618	\$9,049	\$9,500	\$9,972	\$10,473	1.00	2.00	2.00
Deputy Fire Chief		97	\$10,067	\$10,570	\$11,098	\$11,654	\$12,243	1.00	1.00	1.00
Deputy Police Chief		93	\$12,481	\$13,075	\$13,670			1.00	1.00	1.00
Deputy Public Works Director		120	\$8,839	\$9,285	\$9,745	\$10,232	\$10,747	-	-	1.00
Design & Construction Contract Specialist		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	-	-	3.00
Economic Development Director		82	\$8,030	\$8,430	\$8,853	\$9,299	\$9,760	1.00	1.00	1.00
Electrical Plans Examiner	AFSCME	458	\$5,744	\$6,034	\$6,331	\$6,650	\$6,978	1.00	1.00	1.00
Electrician	AFSCME	454	\$5,310	\$5,579	\$5,853	\$6,148	\$6,452	1.75	2.00	2.00
Engineering & Planning Supervisor		76	\$7,440	\$7,814	\$8,187	\$8,616	\$9,046	2.00	3.00	3.00



2018 Employee Classifications (Continued)

Position Title	Bargaining Unit	Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2016 Actual	2017 Actual	2018 Budget
Engineering Designer		54	\$5,290	\$5,551	\$5,828	\$6,121	\$6,426	1.00	1.00	1.00
Engineering Plans Examiner		58	\$5,678	\$5,949	\$6,262	\$6,575	\$6,905	2.00	3.00	3.00
Engineering Program Manager		78	\$7,713	\$8,098	\$8,503	\$8,929	\$9,374	1.00	1.00	1.00
Engineering Project Coordinator		66	\$6,461	\$6,786	\$7,127	\$7,481	\$7,854	1.00	1.00	1.00
Engineering Project Manager		72	\$7,050	\$7,400	\$7,771	\$8,156	\$8,568	5.00	2.00	1.00
Engineering Technician II		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	8.00	7.00	4.00
Evidence Custodian	Teamsters	652	\$5,039	\$5,292	\$5,557	\$5,838	\$6,126	1.00	1.00	1.00
Executive Assistant		58	\$5,678	\$5,949	\$6,262	\$6,575	\$6,905	1.00	1.00	1.00
Facilities Systems Technician	AFSCME	454	\$5,310	\$5,579	\$5,853	\$6,148	\$6,452	1.00	2.00	2.00
Field Crew Leader	AFSCME	449	\$4,751	\$4,986	\$5,238	\$5,500	\$5,776	2.00	3.00	3.00
Finance and Policy Coordinator		58	\$5,678	\$5,949	\$6,262	\$6,575	\$6,905	-	-	1.00
Fire Captain	IAFF	761			\$9,713	\$9,870	\$10,027	3.00	3.00	2.00
Fire Captain Medical Services Officer	IAFF	761			\$9,713	\$9,870	\$10,027	1.00	1.00	1.00
Fire Chief		232					\$13,493	1.00	1.00	1.00
Fire Inspector Lieutenant	IAFF	735				\$9,008	\$9,400	1.00	1.00	1.00
Fire Lieutenant	IAFF	730				\$8,773	\$8,930	21.00	21.00	21.00
Fire Paramedic Lieutenant	IAFF	735				\$9,008	\$9,165	3.00	3.00	3.00
Fire Prevention Officer	IAFF	720	\$7,050	\$7,442	\$7,833	\$8,225	\$8,617	2.00	2.00	2.00
Firefighter	IAFF	710	\$6,267	\$6,658	\$7,050	\$7,442	\$7,833	38.00	44.00	44.00
Firefighter Paramedic	IAFF	725	\$7,050	\$7,442	\$7,833	\$8,225	\$8,617	14.00	14.00	14.00
GIS Analyst		66	\$6,461	\$6,786	\$7,127	\$7,481	\$7,854	1.00	1.00	1.00
Information Specialist		50	\$4,894	\$5,141	\$5,397	\$5,670	\$5,951	3.00	3.00	3.00
Inventory Control Specialist I	AFSCME	446	\$4,525	\$4,749	\$4,989	\$5,238	\$5,501	1.00	1.00	1.00
Inventory Control Specialist II	AFSCME	450	\$4,915	\$5,163	\$5,425	\$5,691	\$5,978	1.00	1.00	1.00
IT Asset Management Specialist		54	\$5,290	\$5,551	\$5,828	\$6,121	\$6,426	-	-	1.00
IT Support Specialist		51	\$4,992	\$5,243	\$5,505	\$5,784	\$6,070	2.00	2.00	2.00
Jail Manager		86	\$8,418	\$8,843	\$9,281	\$9,750	\$10,235	1.00	1.00	-
Jail Sergeant	Teamsters	664	\$6,249	\$6,561	\$6,889	\$7,234	\$7,596	3.00	3.00	3.00
Lead Construction Inspector		58	\$5,678	\$5,949	\$6,262	\$6,575	\$6,905	1.00	1.00	1.00
Lead Recreation Specialist		30	\$2,912	\$3,086	\$3,237	\$3,401	\$3,569	0.60	-	-
Lead Worker	AFSCME	454	\$5,310	\$5,579	\$5,853	\$6,148	\$6,452	12.00	14.00	14.00
Lead Worker	Teamsters	654	\$5,187	\$5,442	\$5,714	\$6,001	\$6,300	1.00	1.00	1.00
Lead Worker		54	\$5,290	\$5,551	\$5,828	\$6,121	\$6,426	-	-	1.00
Line of Business Director		86	\$8,418	\$8,843	\$9,281	\$9,750	\$10,235	9.00	9.00	8.00
Maintenance Technician	AFSCME	453	\$5,160	\$5,421	\$5,696	\$5,976	\$6,277	4.00	4.00	4.00
Maintenance Worker I	AFSCME	438	\$3,735	\$3,921	\$4,117	\$4,324	\$4,539	6.00	8.00	8.00
Maintenance Worker I (Olympia Center)	AFSCME	438	\$3,735	\$3,921	\$4,117	\$4,324	\$4,539	3.50	4.00	4.00
Maintenance Worker II	AFSCME	446	\$4,525	\$4,749	\$4,989	\$5,238	\$5,501	42.00	42.00	43.00
Master Mechanic	AFSCME	460	\$5,971	\$6,269	\$6,583	\$6,912	\$7,257	3.00	3.00	3.00
Master Mechanic - Fire		60	\$5,878	\$6,169	\$6,480	\$6,800	\$7,139	3.00	3.00	3.00
Mayor		101					\$2,086	1.00	1.00	1.00
Mayor Pro-Tem		102					\$1,912	1.00	1.00	1.00
Municipal Court Judge		105					\$13,008	1.00	1.00	1.00
Network Analyst		66	\$6,461	\$6,786	\$7,127	\$7,481	\$7,854	5.00	5.00	5.00
Office Specialist I		36	\$3,524	\$3,702	\$3,886	\$4,082	\$4,284	0.25	0.25	0.25
Office Specialist II		40	\$3,918	\$4,112	\$4,319	\$4,532	\$4,761	4.56	4.56	3.56



2018 Employee Classifications (Continued)

Position Title	Bargaining Unit	Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2016 Actual	2017 Actual	2018 Budget
Office Specialist II	AFSCME	442	\$4,130	\$4,337	\$4,552	\$4,779	\$5,017	1.00	1.00	1.00
Office Specialist III		44	\$4,308	\$4,522	\$4,745	\$4,987	\$5,234	8.00	7.00	7.00
Operations Supervisor		68	\$6,658	\$6,992	\$7,343	\$7,707	\$8,093	-	1.00	1.00
Operations Supervisor	IUOE	364	\$6,661	\$6,993	\$7,343	\$7,709	\$8,098	4.00	4.00	5.00
Operations Supervisor - Water Operations	IUOE	366	\$6,978	\$7,326	\$7,693	\$8,076	\$8,483	2.00	2.00	2.00
Paralegal I		48	\$4,700	\$4,932	\$5,179	\$5,440	\$5,712	1.00	2.00	2.00
Paralegal II		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	1.00	1.00	1.00
Park Ranger II		42	\$4,112	\$4,309	\$4,532	\$4,759	\$4,995	-	2.00	2.00
Parking Services Field Rep	AFSCME	440	\$3,931	\$4,130	\$4,337	\$4,552	\$4,766	6.00	5.00	5.00
Parks, Arts & Rec Director		224					\$11,908	1.00	1.00	1.00
Permit Specialist		50	\$4,894	\$5,141	\$5,397	\$5,670	\$5,951	4.00	4.00	5.00
Personnel Analyst		59	\$5,778	\$6,053	\$6,372	\$6,690	\$7,025	1.00	2.00	2.00
Personnel Assistant		50	\$4,894	\$5,141	\$5,397	\$5,670	\$5,951	1.00	1.00	1.00
Police Cadet		26	\$2,546	\$2,673	\$2,809	\$2,942	\$3,094	0.50	0.50	0.50
Police Chief		238					\$14,644	1.00	1.00	1.00
Police Lieutenant		73				\$10,896	\$11,887	4.00	4.00	4.00
Police Officer	Police Guild	810	\$6,594	\$6,954	\$7,339	\$7,651	\$8,163	53.00	53.00	59.00
Police Sergeant	Sgt. Union	65	Step 4 \$8,639	Step 5 \$9,352	Step 8 \$8,771	Step 9 \$9,617		9.00	9.00	11.00
Probation Officer I		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	2.00	2.00	2.00
Probation Services Supervisor		70	\$6,854	\$7,198	\$7,554	\$7,933	\$8,327	1.00	1.00	1.00
Probation Work Crew Leader		44	\$4,308	\$4,522	\$4,745	\$4,987	\$5,234	2.00	2.00	2.00
Program & Planning Supervisor		72	\$7,050	\$7,400	\$7,771	\$8,156	\$8,568	7.00	7.00	6.50
Program Aide		38	\$3,722	\$3,906	\$4,100	\$4,308	\$4,523	-	0.75	2.75
Program Assistant		46	\$4,504	\$4,729	\$4,967	\$5,216	\$5,474	11.00	9.75	11.75
Program Assistant	Teamsters	646	\$4,416	\$4,636	\$4,870	\$5,114	\$5,367	6.00	6.00	8.00
Program Manager		64	\$6,266	\$6,579	\$6,909	\$7,252	\$7,618	2.00	2.75	3.75
Program Specialist		48	\$4,700	\$4,932	\$5,179	\$5,440	\$5,712	11.50	14.00	14.00
Project Engineer I		64	\$6,266	\$6,579	\$6,909	\$7,252	\$7,618	4.00	4.00	4.00
Project Engineer II		68	\$6,658	\$6,992	\$7,343	\$7,707	\$8,093	8.00	9.00	10.00
Public Defense Coordinator		76	\$7,440	\$7,814	\$8,187	\$8,616	\$9,046	0.50	0.65	1.00
Public Service Representative		42	\$4,112	\$4,309	\$4,532	\$4,759	\$4,995	7.00	7.00	3.40
Public Works Director		234					\$13,478	1.00	1.00	1.00
Records Manager		64	\$6,266	\$6,579	\$6,909	\$7,252	\$7,618	-	1.00	1.00
Recreation Specialist		26	\$2,546	\$2,673	\$2,809	\$2,942	\$3,094	3.42	3.42	3.42
Refuse/Recycle Collector	AFSCME	446	\$4,525	\$4,749	\$4,989	\$5,238	\$5,501	16.00	17.00	17.00
Remote Systems Technician	AFSCME	456	\$5,576	\$5,857	\$6,146	\$6,456	\$6,774	2.00	2.00	2.00
Safety Officer		55	\$5,547	\$5,824	\$6,116	\$6,421	\$6,743	1.00	1.00	1.00
Secretary	Teamsters	646	\$4,416	\$4,636	\$4,870	\$5,114	\$5,367	3.00	3.00	3.00
Senior Accountant		62	\$6,070	\$6,377	\$6,695	\$7,030	\$7,380	1.00	1.00	1.00
Senior Engineer		74	\$7,247	\$7,606	\$7,988	\$8,388	\$8,808	-	2.00	2.00
Senior Master Mechanic	AFSCME	462	\$6,209	\$6,520	\$6,846	\$7,188	\$7,548	1.00	1.00	1.00
Senior Personnel Analyst		76	\$7,440	\$7,814	\$8,187	\$8,616	\$9,046	2.00	1.00	1.00
Senior Planner		64	\$6,266	\$6,579	\$6,909	\$7,252	\$7,618	7.00	7.00	7.00
Senior Plans Examiner	AFSCME	462	\$6,209	\$6,520	\$6,846	\$7,188	\$7,548	-	1.00	1.00
Senior Program Specialist		56	\$5,482	\$5,760	\$6,048	\$6,345	\$6,664	12.75	12.50	12.00



2018 Employee Classifications (Continued)

Position Title	Bargaining Unit	Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2016 Actual	2017 Actual	2018 Budget
Senior Program Specialist	Teamsters	656	\$5,378	\$5,642	\$5,924	\$6,222	\$6,532	1.00	1.00	1.00
Senior Program Specialist-RPN		56	\$5,482	\$5,760	\$6,048	\$6,345	\$6,664	0.25	0.25	0.25
Senior Traffic Signal Technician	AFSCME	456	\$5,576	\$5,857	\$6,146	\$6,456	\$6,774	1.00	1.00	1.00
Service Desk Administrator		69	\$6,758	\$7,097	\$7,454	\$7,823	\$8,214	-	1.00	1.00
Sign Technician	AFSCME	448	\$5,744	\$6,034	\$6,331	\$6,650	\$6,978	3.00	3.00	3.00
Social Worker		44	\$4,308	\$4,522	\$4,745	\$4,987	\$5,234	-	-	0.40
Strategic Communications Director		220					\$10,235	1.00	1.00	1.00
Supervisor I		52	\$5,087	\$5,347	\$5,617	\$5,897	\$6,190	2.00	2.00	3.00
Supervisor II		56	\$5,482	\$5,760	\$6,048	\$6,345	\$6,664	2.00	2.00	2.00
Supervisor III		64	\$6,266	\$6,579	\$6,909	\$7,252	\$7,618	4.00	4.00	5.00
Supervisor IV		76	\$7,440	\$7,814	\$8,187	\$8,616	\$9,046	9.00	6.00	6.00
Survey/Mapping Coordinator		54	\$5,290	\$5,551	\$5,828	\$6,121	\$6,426	1.00	1.00	1.00
Systems & Application Specialist		66	\$6,461	\$6,786	\$7,127	\$7,481	\$7,854	5.00	5.00	5.00
Traffic Signal Technician	AFSCME	454	\$5,310	\$5,579	\$5,853	\$6,148	\$6,452	2.00	2.00	2.00
Victim Assistance Coordinator		50	\$4,894	\$5,141	\$5,397	\$5,670	\$5,951	1.00	1.00	1.00
Water Monitoring Assistant	AFSCME	444	\$4,329	\$4,542	\$4,767	\$5,007	\$5,259	1.00	1.00	1.00
Water Quality Specialist	AFSCME	454	\$5,310	\$5,579	\$5,853	\$6,148	\$6,452	1.00	1.00	1.00
Total FTEs in Budget								547.68	567.88	591.63



Capital Facilities Plan





Capital Facilities Plan

The combined six-year Capital Facilities Plan includes fiscal year 2018 and expenditure and revenue projections for the next five years. The total planned Capital expenditures for fiscal years 2018 through 2023 are \$147,404,126.

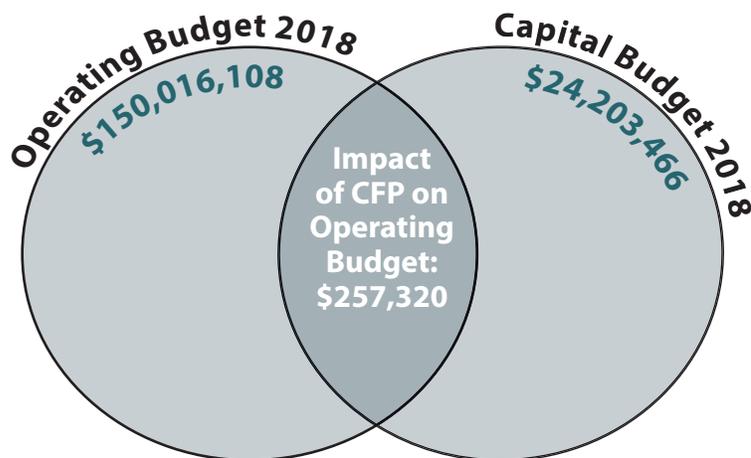
The Capital expenditure budget for Fiscal year 2018 is \$23,838,466 which represents 19.3% of the six-year plan. This total breaks down as follows:

Parks Projects	\$5,764,000
Transportation Projects	\$7,281,766
General Capital Facilities Projects	\$1,510,000
Drinking Water Utility Projects	\$5,551,000
Wastewater Utility Projects	\$2,322,000
Stormwater Utility Projects	\$1,774,700 (Includes a transfer of \$186,500 for Sidewalks)

The Capital Improvement Program is a separate budgeting process within the annual operating budget process. The CIP process is used to plan, budget, and finance the purchase and/or construction of large capital infrastructure, facilities, equipment, and other fixed assets. The City uses this process to ensure these expensive, long-lasting projects are aligned with its strategic direction and long-term goals, and that the money is well spent.

Before each potential project is included in the six-year Capital Facilities Plan, it is analyzed to determine its financial impact on operations, operating expenditures, and revenues. The total costs of each potential project are identified as part of the capital budgeting process, and associated operating expenses are either included in the current operating budget, or reductions are taken elsewhere in the operating budget to absorb the additional operating costs. When and if this is applicable, this has been clearly stated in the Budget Overview section in the appropriate Department section of this budget document. Sometimes there is no negative financial impact to the operating budget as the capital project will result in a reduction to maintenance and operating costs, or the impact will result in a cleaner environment, improved response time by public safety employees, and/or access to public buildings and public transportation by all citizens.

If the project is justified and included in the City's overall strategic plan and long-term goals, the project is recommended for approval. The six-year Capital Facilities Plan provides the essential components of a sound Capital Improvement Plan. It is an economical and responsible financial plan to ensure quality public services today and into the future. Together, the 2018 CFP and five-year forecast serve as a strategy to intelligently plan for the City's future.





The Capital Improvement Projects Appropriated

The following capital projects were appropriated for in the 2017 fiscal year. Appropriations were not made for those projects funded by grants, impact fees or private developer contributions. At the time these anticipated revenue sources are received for an associated project, the funds will then be appropriated for that particular project. These projects are marked by an asterisk (*).

Program	Project	FY 2017 Appropriation
PARKS, ARTS & RECREATION	Community Parks	\$640,000
	Capital Asset Management Program (CAMP)	750,000
	Park Acquisition	2,430,000
	Percival Landing Major Maintenance & Reconstruction	658,000
	Open Space	641,505
	Special Use Parks	180,000
	Small Capital Projects	27,000
Total Parks, Arts & Recreation		\$5,326,505
TRANSPORTATION	Access & Safety Improvements	\$200,000
	Bike Improvements	201,530
	Sidewalks & Pathways	1,161,500
	Street Repair and Reconstruction	
	Street Repair/Reconstruction, general	3,600,000
	Boulevard Road	3,380,780
	Cain Road & North Street	250,000
	Fones Road	-
	Henderson Boulevard & Eskridge Boulevard Intersection Improvements	-
	Log Cabin Road Extension	273,000
	Transportation Master Plan	200,000
Total Transportation		\$9,266,810
GENERAL CAPITAL FACILITIES	Building Repair and Replacement	\$1,330,000
	ADA Projects	180,000
Total General Capital Facilities		\$1,510,000
DRINKING WATER UTILITY	Asphalt Overlay Adjustments	\$11,000
	Groundwater Protection Land Acquisition	482,000
	Infrastructure Pre-Design and Planning	22,000
	Small Pipe Replacement	536,000
	Transmission & Distribution Projects	2,743,000
	Water Storage	1,252,500
	Water Source Development	1,120,000
Total Drinking Water Utility		\$ 6,166,500
WASTEWATER UTILITY	Asphalt Overlay Adjustments	\$11,000
	Infrastructure Pre-Design and Planning	40,000
	Lift Stations	1,131,000
	On-Site Sewage System Conversions	341,000
	Transmission & Collection projects	595,000
	System Planning	53,000
Total Wastewater Utility		\$2,171,000
STORMWATER UTILITY	Aquatic Habitat Improvements	\$360,000
	Flood Mitigation and Collection	1,080,200
	Infrastructure Pre-Design & Planning	178,400
	Water Quality Improvements	684,000
Total Stormwater Utility		\$2,302,600
Total Capital Projects		\$26,743,415



Operating Impacts of The Capital Improvement Program

The development and implementation of capital projects in Olympia is accompanied by operating and maintenance costs throughout the life of the projects. As illustrated in the chart below, the 2018 fiscal year impacts of the CIP are \$257,320.

Name of Project	FY 2018 O&M Operating Budget Impacts	Comments
PARKS, ARTS AND RECREATION		
ADA Facility Upgrades	\$-	Since this project is not adding new facilities but rather upgrading existing facilities, it is not anticipated that there will be additional maintenance costs.
Community Park Development	\$-	None of the projects proposed in 2018 add new facilities that would require operations and maintenance.
Capital Asset Management Program (CAMP)	\$-	None
Neighborhood Park Development	\$-	The project proposed in 2018 does not add facilities that would require additional operations and maintenance.
Open Space Acquisition and Development	\$27,000	The new off-road bike park is anticipated to cost approximately \$27,000 annually to maintain.
Parks Bond Issue Debt Service	\$-	Operating costs are dependent on the parcels of property purchased.
Park Land Acquisition	\$17,000	Maintenance costs for the LBA Woods (Bentridge parcel) is estimated at \$17,000. These funds are necessary for hazard tree management, noxious weed compliance, transient encampment cleanup, and signage.
Percival Landing Major Maint. and Reconstruction	\$-	None
Small Capital Projects	\$-	None
TRANSPORTATION		
Access and Safety Improvements	\$-	Until Asset Management programs are in place, specific costs are not available
Bike Improvements	\$-	Until Asset Management programs are in place, specific costs are not available
Sidewalks and Pathways	\$50,000	\$50,000 per year has been identified for sidewalk repair and pathway maintenance. No specific funding to maintain Neighborhood Pathways has been identified.
Street Repair and Reconstruction	\$-	This projects helps minimize the need for additional maintenance funds
Boulevard Road Intersection Improvements	\$7,670	\$15,000 per lane mile, or \$7,670 annually
Cain Road and North Street Intersection Improvements	\$2,550	\$15,000 per lane mile, or \$2,550 annually
Fones Road	\$12,000	\$15,000 per lane mile, or \$12,000 annually
Henderson Boulevard and Eskridge Boulevard Intersection Improvements	\$4,750	\$20,630 per lane mile, or \$4,750 annually
Log Cabin Road Extension	\$76,200	\$15,000 per lane mile, or \$76,200 based on additional lane miles; initial cost will be minimal for the first few years compared to the later years
Wiggins Road and 37th Avenue Intersection Improvements	\$2,550	\$15,000 per lane mile, or \$2,550
US 101 West Olympia access project	\$4,300	\$15,000 per lane mile, or \$4,300
GENERAL CAPITAL FACILITIES		
Building Repair and Replacement	-	Not yet determined
DRINKING WATER UTILITY		
Asphalt Overlay Adjustments	-	None - work conducted by transportation crew
Groundwater Protection/Land Acquisition	-	Minimal
Small Diameter Water Pipe Replacement	-	None - pipe replacements
Transmission and Distribution Projects	-	Minimal maintenance on new transmission main
Water Storage Systems	\$53,300	\$50,000; in addition, new 417 Zone Reservoir Construction requires \$3,300 annually.
WASTEWATER UTILITY		
Lift Stations	-	Not yet determined
Onsite Sewage Conversions	-	Not yet determined
Replacement and Repairs	-	Decreases maintenance and emergency response costs
STORM AND SURFACE WATER UTILITY		
Flood Mitigation and Collection	-	Not yet determined
Water Quality Improvements	-	
Estimated Total	\$257,320	

The Capital Facilities Plan

What Are Capital Facilities and Why Do We Need to Plan for Them?

Capital facilities are all around us. They are the public facilities we all use on a daily basis. They are our public streets and transportation facilities, our City parks and recreation facilities, our public buildings such as libraries, fire stations, and community centers, our public water systems that bring us pure drinking water, and the sanitary sewer systems that collect our wastewater for treatment and safe disposal. Even if you don't reside within the City, you use capital facilities every time you drive, eat, shop, work, or play here.

While a CFP does not cover routine maintenance, it does include renovation and major repair or reconstruction of damaged or deteriorating facilities. Capital facilities do not usually include furniture and equipment. However, a capital project may include the furniture and equipment clearly associated with a newly constructed or renovated facility.

The planning period for a CFP is six years. Expenditures proposed for the first year of the program are incorporated into the Annual Budget as the Capital Budget (adopted in December of each year).

One of the most important aspects of the CFP process is that it is not a once-a-year effort, but an important ongoing part of the City's overall management process. New information and evolving priorities require continual review. Each time the review is carried out, it must be done comprehensively.

All of these facilities should be planned for years in advance to assure they will be available and adequate to serve all who need or desire to use them. Such planning involves determining not only where facilities will be needed, but when, and not only how much they will cost, but how they will be paid for. It is important to note that the CFP is a planning document that includes timeline estimates based on changing dynamics related to growth projections, project schedules, or other assumptions.

City of Olympia Capital Facilities

- Public Buildings
- Public Street Systems
- Public Parks
- Public Water Systems
- Public Sewer Systems

The State Growth Management Act and Its Effect on the Capital Facilities Planning Process

In response to the effect of unprecedented population growth on our State's environment and public facilities, the Washington State Legislature determined that "uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in the conservation and wise use of our lands, pose a threat to the environment, sustainable economic development, and to the health, safety, and high quality of life enjoyed by the residents of this state," and that "it is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning." The State of Washington Growth Management Act (GMA) was adopted by the Legislative body in the early 1990s to address these concerns.

The GMA requires that all jurisdictions located within counties that (a) have a population of 50,000 or more people and have experienced a population increase of 10% or more over the last ten years, or (b) regardless of current population, have experienced a population increase of 20% or more over the last ten years, must write, adopt, and implement local comprehensive plans that will guide all development activity within their jurisdictions and associated Urban Growth Areas (UGA) over the next twenty years. Each jurisdiction is required to coordinate its comprehensive plan with the plans of neighboring jurisdictions, and unincorporated areas located within designated Urban Growth Areas must be planned through a joint process involving both the city and the county.

The GMA requires that comprehensive plans guide growth and development in a manner that is consistent with the following 13 State planning goals, plus a shoreline goal:

1. Encouragement of urban density growth within designated urban growth management areas.
2. Reduction of urban sprawl outside of designated urban growth management areas.
3. Encouragement of efficient transportation systems, including alternate systems of travel.
4. Encouragement of affordable housing availability to all economic segments.
5. Encouragement of economic development.
6. Just compensation for private property obtained for public use.
7. Timely processing of governmental permits.
8. Enhancement of natural resource-based industries and encouragement of productive land conservation.
9. Encouragement of open space retention for recreational opportunities and wildlife habitat.
10. Protection of the environment, including air and water quality.
11. Encouragement of citizen participation in the planning process.
12. Provision of adequate public facilities to support development without decreasing current service standards below locally established minimum standards.
13. Encouragement of the preservation of lands, sites, and structures that have historical or archaeological significance.
14. Protection of shorelines, including preserving natural character, protecting resources and ecology, increasing public access, and fostering reasonable and appropriate uses.



The Capital Facilities Plan as an Element of Olympia’s Comprehensive Plan

The Growth Management Act requires inclusion of mandatory planning elements in each jurisdiction’s comprehensive plan, and suggests the inclusion of several optional elements. The mandatory elements required by the GMA are:

1. Six-year Capital Facilities Plan Element
2. Land Use Element
3. Housing Element
4. Utilities Element
5. Transportation Element
6. Rural Element (counties only)
7. Park and Recreation Element

Olympia’s Comprehensive Plan includes additional elements (Chart 2.1).

Elements of Olympia’s Comprehensive Planning Process



Concurrency and Levels-of-Service Requirements

The Growth Management Act requires jurisdictions to have capital facilities in place and readily available when new development occurs or a service area population grows. This concept is known as concurrency. Specifically, this means that:

1. All public facilities needed to serve new development and/or a growing service area population must be in place at the time of initial need. If the facilities are not in place, a financial commitment must have been made to provide the facilities within six years of the time of the initial need; and
2. Such facilities must be of sufficient capacity to serve the service area population and/or new development without decreasing service levels below locally established minimum standards, known as levels-of-service.

Levels-of-service are quantifiable measures of capacity, such as acres of park land per capita, vehicle capacity of intersections, or water pressure per square inch available for the water system. Minimum standards are established at the local level. Factors that influence local standards are citizen, City Council and Planning Commission recommendations, national standards, federal and state mandates, and the standards of neighboring jurisdictions.

The GMA stipulates that if a jurisdiction is unable to provide or finance capital facilities in a manner that meets concurrency and level-of-service requirements, it must either (a) adopt and enforce ordinances which prohibit approval of proposed development if such development would cause levels-of-service to decline below locally established standards, or (b) lower established standards for levels-of-service.

Determining Where, When, and How Capital Facilities Will Be Built

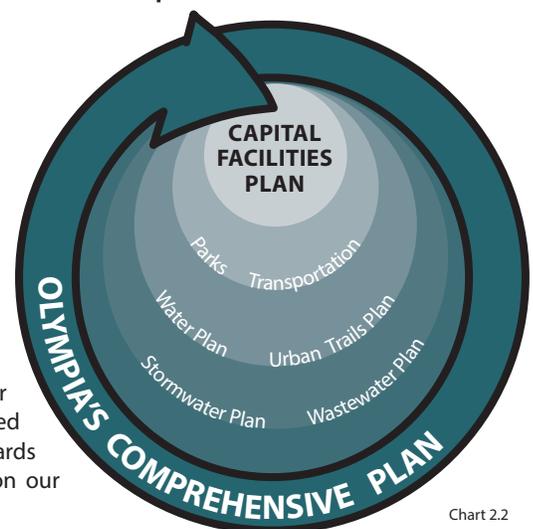
In planning for future capital facilities, several factors have to be considered. Many are unique to the type of facility being planned. The process used to determine the location of a new park is very different from the process used to determine the location of a new sewer line. Many sources of financing can only be used for certain types of projects. Therefore, this capital facilities plan is actually the product of many separate but coordinated planning documents, each focusing on a specific type of facility. Future sewer requirements are addressed via a sewer plan, parks facilities through a parks and recreation plan, urban trail facilities through an urban trails plan, etc.

Some capital facilities projects are not included in the Comprehensive Plan. Nonetheless, many of the projects are vital to the quality of life in Olympia. These projects meet the growth management definition of capital facilities but do not fall into one of the standard growth management chapters. The Farmers Market and City Hall are examples of this. In addition, the recommendations of local citizens, advisory boards, and the Olympia Planning Commission are considered when determining types and locations of projects. Chart 2.2 illustrates how the City’s Comprehensive Plan directly impacts the other plans and ultimately the CFP. The various elements of the Comprehensive Plan affect the type and required capacities of capital facilities required.

How Citizens Can Get Involved in the Capital Facilities Plan

The City of Olympia strives to create a CFP which truly responds to the needs of our community. Citizens, community groups, businesses, and other stakeholders can maximize the attention and consideration paid to their suggestions by working with staff and the Olympia Planning Commission to merge their suggestions into major City planning processes. Projects and policies are continually monitored and modified by updates to long-term plans, usually via a public process with associated City boards and commissions. See the 2018-2023 Capital Facilities Plan Calendar of Events, on our website for public hearing dates.

Elements of Olympia’s Capital Facilities Plan



Population Forecasts for Olympia's Urban Growth Management Area (UGMA)

The GMA mandates that capital facility plans be structured to accommodate projected population growth within a jurisdiction's UGMA planning area. The Thurston Regional Planning Council (TRPC) anticipates growth of roughly 17% in the City's population between 2010 and 2020, or from approximately 46,500 to 54,600 persons. The fastest growing parts of the City will continue to be the West and Southeast sides. Each of the capital project category sections of this CFP demonstrates how the facilities listed under that section have been planned to accommodate the additional growth.

Joint Projects and Projects by Other Jurisdictions

Several of the projects listed within this document will be undertaken jointly with other jurisdictions or agencies. A stormwater project, for instance, may address a drainage problem that ignores City or UGMA boundaries. A transportation project may involve the upgrading of a roadway that crosses in and out of the city and the county. On such projects, joint planning and financing arrangements have been detailed on the individual project's worksheet.

Thurston County has several "county only" parks or transportation projects planned within Olympia's unincorporated UGMA. Under the joint planning agreement established between the City and Thurston County, initial financing and construction of these projects falls under County coordination. County projects have been listed for reference purposes in the Project Funding Reports. For more detail, please refer to the Thurston County CFP.

Capital Facilities Not Provided by the City

In addition to planning for public buildings, streets, parks, trails, water systems, wastewater systems, and storm drainage systems, the GMA requires that jurisdictions plan for 1) public school facilities, 2) solid waste (garbage) collection and disposal facilities, and 3) wastewater treatment. These facilities are planned for and provided throughout the UGMA by the various school districts, the Thurston County Department of Solid Waste, and the LOTT Alliance, respectively. Additionally, Solid Waste may have capital costs for equipment that could be included in the CFP. The City of Olympia charges school impact fees on behalf of the Olympia School District. The District's CFP is included in the CFP document.

Early in 2000, the LOTT partners (Lacey, Olympia, Tumwater, and Thurston County) signed an agreement to provide a new governance structure to carry out a plan which anticipates development of additional treatment capacity for the LOTT partners through innovative wastewater reclamation and management facilities. The LOTT Wastewater Alliance functions as a regional agency providing wholesale wastewater resource treatment and management services in the public's interest. Therefore, the LOTT Alliance capital facilities are not included in this document.

What is Not Included in The CFP Document?

The Capital Facilities Plan does not provide a status update on previously funded capital projects still in progress. If the project is currently active and requires additional funding in the future, it is included in this plan. Otherwise, it is simply listed in the Active Project list in the Miscellaneous Reports section.



The Capital Facilities Plan - Funding Sources

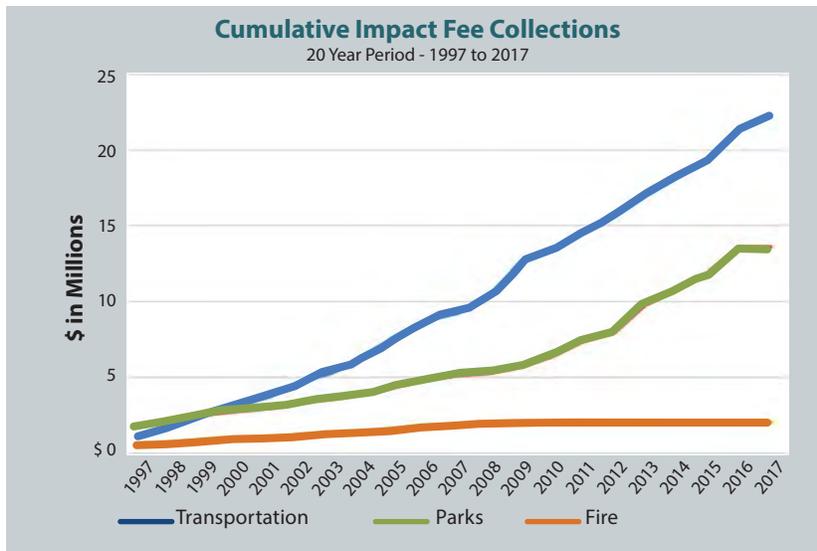
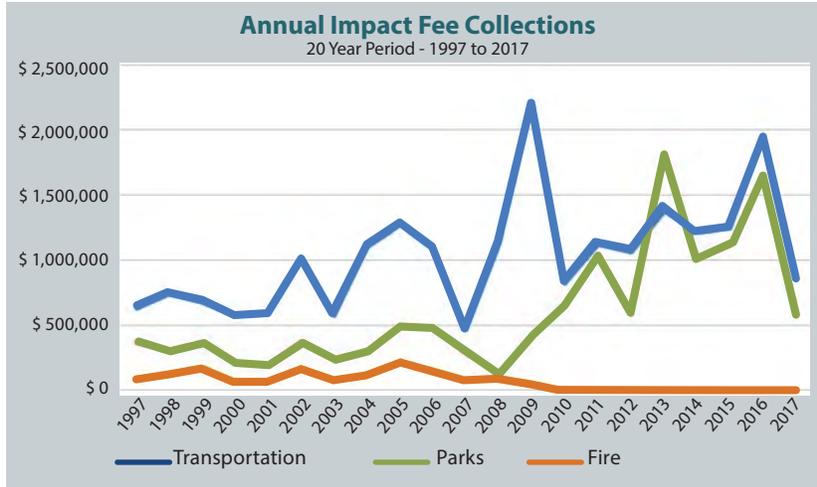
In an attempt to stretch the money as far as it will go, the CFP incorporates many different funding sources. Those sources may include current revenues, bonds backed by taxes or utility revenues, state and federal grants, special assessments on benefiting properties, as well as donations. A complete list of funding sources for the 2018-2023 includes:

CFP Funding Sources	
Current Revenues	
<ul style="list-style-type: none"> Wastewater Rates Drinking Water Rates Storm & Surface Water Rates General Facilities Charges Non-Voted Utility Tax (1%) 	<ul style="list-style-type: none"> Voted Utility Tax (3%) Motor Vehicle Fuel Tax Interest Real Estate Excise Tax (REET) (0.5%)* <p style="text-align: right;">* REET funds must be spent on Parks or Transportation.</p>
Debt	
<ul style="list-style-type: none"> The City has \$90 million of voter-approved debt capacity. Of this, \$38 million may be issued by the Council without a vote of the people. 	<ul style="list-style-type: none"> Loans from State of Washington agencies Utility Revenue Bonds
Grants	
<ul style="list-style-type: none"> Federal Surface Transportation Program Funds State Transportation Improvement Board Funds Federal Community Development Block Grant 	<ul style="list-style-type: none"> Federal Highways Administration Washington State Department of Transportation State Recreation Conservation Office
Other	
<ul style="list-style-type: none"> Impact Fees (OMC 15.16) Transportation Benefit District fees SEPA Mitigation Fees 	<ul style="list-style-type: none"> Olympia Metropolitan Park District (OMPD)

Revenues Dedicated to the CFP

Impact Fees (OMC 15.16)

Impact Fees are one-time charges imposed on development activity to raise revenue for the construction or expansion of public facilities needed to serve new growth and development. Impact fees are assessed and dedicated primarily for the provision of additional roads and streets, parks, schools, and fire protection facilities. Currently the City does not collect Fire Impact Fees.



Impact Fee Rates

City

Single Family	2014	2015	2016	2017	2018
Parks	\$5,090	\$5,334	\$5,437	\$5,446	\$5,581
Transportation	\$2,654	\$2,688	\$2,913	\$3,498	\$3,450

Schools

Year	2014	2015	2016	2017	2018
Single Family	\$5,090	\$5,895	\$5,240	\$5,298	\$5,350
Multi Family	\$2,654	\$1,749	\$2,498	\$2,520	\$2,621



Revenues Dedicated to the CFP (continued)

Real Estate Excise Tax (REET)

A tax upon the sale of all residential and commercial property within the City of Olympia at a rate of one-half of 1% of the purchase price. This tax is restricted by State law to Transportation and Parks capital projects. In 2011, the State Legislature authorized up to one-third of REET to be used for maintenance of existing capital projects. This provision expired December 31, 2016.

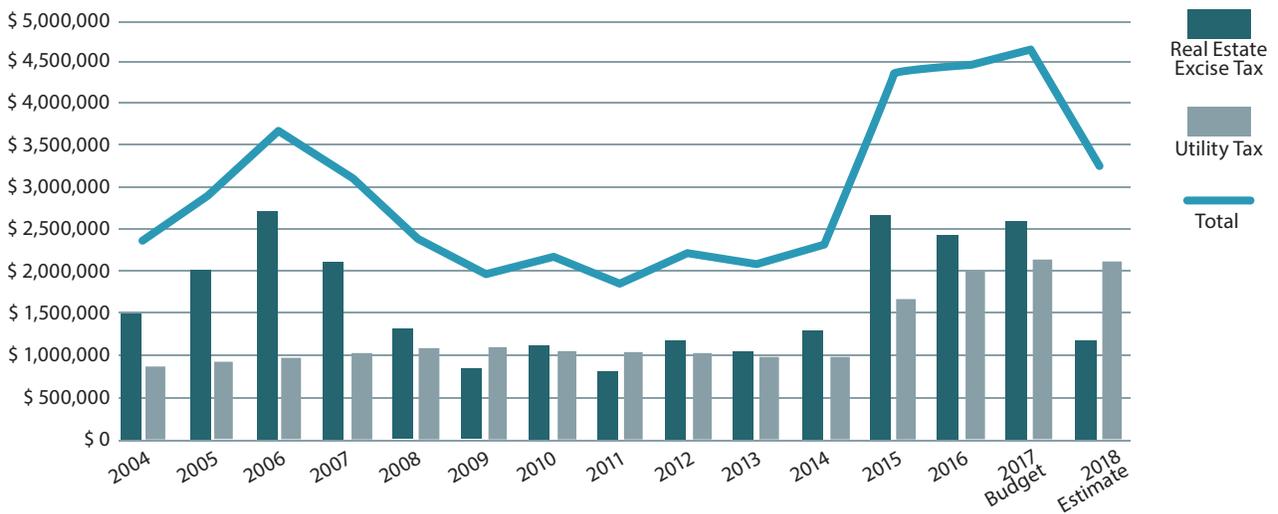
Generally, in Olympia this tax is used for capital transportation projects. For the 2016 CFP, the Council authorized \$307,400 for Percival Landing maintenance. All REET tax for 2016 was allocated to the Capital Program.

Utility Tax

Of the 6% Non-Voted Utility Tax upon electric, natural gas and telecommunications utilities, one-sixth (1% tax) is allocated by Council policy to the CFP. In addition all of the non-voted utility tax on cable TV is dedicated to the CFP. This tax is a general revenue and can be used for any purpose determined by the Council.

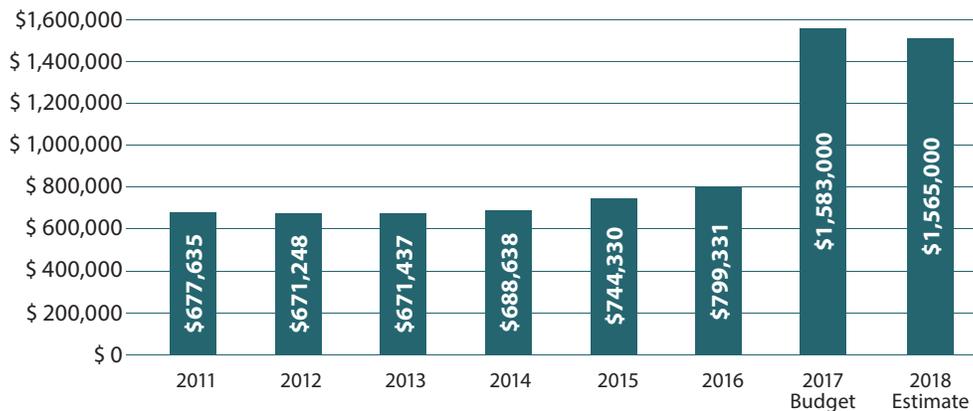
REET and Utility Tax

2004-2016 Actual, 2017 Budget, and 2018 estimate



Transportation Benefit District (TBD) Revenue Collected

2011-2018



Transportation Benefit District (TBD) Revenue

These are gross revenues. Each year \$5,000 is appropriated for operating expenses (audit, insurance, etc.) The net funds are dedicated to the CFP. In 2017 the fees increased from \$20 to \$40 per vehicle.



Calendar of Events

Review Status of Existing Projects in CFP	April
Proposed CFP Projects due from Departments	May 1
Present Preliminary CFP to City Council	July 18
Planning Commission Public Hearing on Preliminary CFP (City and School District)	August 7 (Monday)
City Council Public Hearing and Discussion on Preliminary CFP	October 17
First Reading on Capital Budget	December 12
Second and Final Reading and Adoption of Operating and Capital Budgets	December 19



Project Funding Summary - General Government Projects

Project Funding Summary - General Government Projects: Parks				
Parks Projects	Funding	2018	2019-2023	TOTAL
ADA Facility Upgrades	OMPD Funds	\$ 200,000	\$ 1,000,000	\$ 1,200,000
Community Park Expansion	Impact Fees	\$ 500,600	\$ 2,500,000	\$ 3,000,600
	SEPA Mitigation Fees	\$ 9,400	\$ -	\$ 9,400
	OMPD Funds	\$ -	\$ 1,000,000	\$ 1,000,000
Capital Asset Management Program	OMPD Funds	\$ 750,000	\$ 3,750,000	\$ 4,500,000
Neighborhood Park Development	Impact Fees	\$ 175,000	\$ 350,000	\$ 525,000
Open Space Acquisition and Development	Impact Fees	\$ 285,600	\$ 1,150,000	\$ 1,435,600
	SEPA Mitigation Fees	\$ 14,400	\$ -	\$ 14,400
Parks Bond Issue Debt Service	Voted Utility Tax	\$ 120,000	\$ 3,620,000	\$ 3,740,000
	OMPD Funds	\$ 243,000	\$ 727,000	\$ 970,000
Parks Land Acquisition	Voted Utility Tax	\$ 1,805,000	\$ 6,005,000	\$ 7,810,000
	Non-Voted Utility Tax	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
Percival Landing Major Maintenance and Reconstruction	OMPD Funds	\$ 658,000	\$ 2,766,000	\$ 3,424,000
Small Capital Projects	Impact Fees	\$ 3,000	\$ 75,000	\$ 78,000
Total Parks		\$ 5,764,000	\$ 27,943,000	\$ 33,707,000
Funding Recap	Funding	2018	2019-2023	TOTAL
	Impact Fees	\$ 964,200	\$ 4,075,000	\$ 5,039,200
	Non-Voted Utility Tax	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
	OMPD Funds	\$ 1,851,000	\$ 9,243,000	\$ 11,094,000
	SEPA Fees	\$ 23,800	\$ -	\$ 23,800
	Voted Utility Tax	\$ 1,925,000	\$ 9,625,000	\$ 11,550,000
Total Parks		\$ 5,764,000	\$ 27,943,000	\$ 33,707,000



Project Funding Summary - General Government Projects: Transportation

Transportation Projects		Funding	2018	2019-2023	TOTAL
Access and Safety Improvements	CIP Fund		\$ 100,000	\$ 500,000	\$ 600,000
Bike Improvements	CIP Fund		\$ 100,000	\$ 500,000	\$ 600,000
Pre-Design and Planning	Gas Tax		\$ 50,000	\$ 250,000	\$ 300,000
Sidewalks and Pathways	Stormwater Utility Rates (asphalt overlay)		\$ 150,000	\$ 750,000	\$ 900,000
	Voted Utility Tax - Sidewalks		\$ 950,000	\$ 4,750,000	\$ 5,700,000
	Voted Utility Tax - Parks		\$ 25,000	\$ 125,000	\$ 150,000
Street Repair and Reconstruction	CIP Fund		\$ 1,100,000	\$ 5,500,000	\$ 6,600,000
	Gas Tax		\$ 225,000	\$ 1,125,000	\$ 1,350,000
	Transportation Benefit District		\$ 1,500,000	\$ 7,500,000	\$ 9,000,000
Total Transportation			\$ 4,200,000	\$ 21,000,000	\$ 25,200,000

Funding Recap		Funding	2018	2019-2023	TOTAL
	CIP Fund		\$ 1,300,000	\$ 6,500,000	\$ 7,800,000
	Gas Tax		\$ 275,000	\$ 1,375,000	\$ 1,650,000
	Transportation Benefit District		\$ 1,500,000	\$ 7,500,000	\$ 9,000,000
	Storm Water Utility Rate		\$ 150,000	\$ 750,000	\$ 900,000
	Voted Utility Tax		\$ 975,000	\$ 4,875,000	\$ 5,850,000
Total Transportation			\$ 4,200,000	\$ 21,000,000	\$ 25,200,000

Project Funding Summary - General Government Projects: Transportation with Impact Fees

Transportation Impact Fee Projects		Funding	2018	2019-2023	TOTAL
2010 Transportation Stimulus Project Repayment	Impact Fees		\$ 435,613	\$ 2,181,863	\$ 2,617,475
Boulevard Road - Intersection Improvements (Program #0628)	Grant		\$ -	\$ -	\$ -
	Impact Fees		\$ 2,646,153	\$ -	\$ 2,646,153
Cain Road & North Street - Intersection Improvements (Program #0631)	Grant		\$ -	\$ 172,417	\$ 172,417
	Impact Fees		\$ -	\$ 226,271	\$ 226,271
Fones Road—Transportation (Program #0623)	Grant		\$ -	\$ 6,378,233	\$ 6,378,233
	Impact Fees		\$ -	\$ 8,370,449	\$ 8,370,449
Henderson Boulevard & Eskridge Boulevard - Intersection Improvements (Program # 0630)	Grant		\$ -	\$ 240,605	\$ 240,605
	Impact Fees		\$ -	\$ 315,756	\$ 315,756
Log Cabin Road Extension - Impact Fee Collection (Program #0616)	Grant		\$ -	\$ 216,231	\$ 216,231
	Impact Fees		\$ -	\$ 283,769	\$ 283,769
Wiggins Road and 37th Ave Intersection Improvements (Program # 0629)	Grant		\$ -	\$ 189,274	\$ 189,274
	Impact Fees		\$ -	\$ 248,393	\$ 248,393
US 101/West Olympia Access Project (Program #0627)	Grant		\$ -	\$ 2,761,611	\$ 2,761,611
	Impact Fees		\$ -	\$ 3,624,189	\$ 3,624,189
Total Transportation with Impact Fee			\$ 3,081,766	\$ 25,209,061	\$ 28,290,826

Funding Recap		Funding	2018	2019-2023	TOTAL
	Grant		\$ -	\$ 9,958,371	\$ 9,958,371
	Impact Fees		\$ 3,081,766	\$ 15,250,690	\$ 18,332,455
Total Transportation with Impact Fees			\$ 3,081,766	\$ 25,209,061	\$ 28,290,826

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.



Project Funding Summary - General Government Projects: General Capital Facilities				
General Capital Facilities Projects	Funding	2018	2019-2023	TOTAL
Building Repair and Replacement	CIP Fund	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
ADA Transition Plan and Projects	CIP Fund	\$ 180,000	\$ 500,000	\$ 680,000
Total General Capital Facilities		\$ 1,510,000	\$ 7,500,000	\$ 9,010,000

Funding Recap	Funding	2018	2019-2023	TOTAL
	CIP Fund	\$ 1,510,000	\$ 7,500,000	\$ 9,010,000
Total General Capital Facilities		\$ 1,510,000	\$ 7,500,000	\$ 9,010,000

Summary of Funding Sources for General Government Projects			
Funding Sources	2018	2019-2023	TOTAL
CIP Fund	\$ 2,810,000	\$ 14,000,000	\$ 16,810,000
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
Grant	\$ -	\$ 9,958,371	\$ 9,958,371
Impact Fees	\$ 4,045,966	\$ 19,325,690	\$ 23,371,655
Non-Voted Utility Tax	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
OMPD Funds	\$ 1,851,000	\$ 9,243,000	\$ 11,094,000
SEPA Fees	\$ 23,800	\$ -	\$ 23,800
Storm Water Utility Rate	\$ 150,000	\$ 750,000	\$ 900,000
Transportation Benefit District	\$ 1,500,000	\$ 7,500,000	\$ 9,000,000
Voted Utility Tax	\$ 2,900,000	\$ 14,500,000	\$ 17,400,000
Total General Government	\$ 14,555,766	\$ 81,652,061	\$ 96,207,826

Capital Improvement Plan (CIP) Revenues

CIP Revenues include 1% non-voted utility tax on gas, electric, and telephone utilities plus 6% utility tax on Cable TV. CIP revenues also include REET and interest.

CIP Revenues		
ANNUAL PROJECTION:	2017 Budget	2018 Budget
Non-Voted Utility Tax		
(1%) Gas/Electric/Telephone	\$380,000	\$-
(6%) Cable TV	\$1,130,000	\$1,130,000
Real Estate Excise Tax (REET)	\$1,200,000	\$1,200,000
General Fund Contribution	\$-	\$445,000
Interest	\$-	\$35,000
Total	\$2,710,000	\$2,810,000
ONE TIME REVENUE:		
Real Estate Excise Tax - Fund Balance	\$831,800	\$-
CIP - Fund Balance	\$59,730	\$-
Total	\$891,530	\$-
Amount available for 2018 Appropriations	\$3,601,530	\$2,810,000

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.



Project Funding Summary - Utilities Projects

Project Funding Summary - Utilities Projects: Drinking Water

Drinking Water Projects	Funding	2018	2019-2023	TOTAL
Asphalt Overlay Adjustments—Water (Program # 9021)	Rates	\$ 12,000	\$ 60,000	\$ 72,000
Groundwater Protection—Water (Program #9701)	Rates	\$ 413,000	\$ 36,000	\$ 449,000
Infrastructure Pre-Design and Planning—Water (Program #9903)	Rates	\$ 24,000	\$ 120,000	\$ 144,000
Reclaimed Water (Program #9710)	Rates	\$ -	\$ 113,000	\$ 113,000
Small Diameter Water Pipe Replacement—Water (Program #9408)	Rates	\$ 563,000	\$ 2,815,000	\$ 3,378,000
Transmission and Distribution Projects—Water (Program #9609)	General Facility Charges	\$ 186,000	\$ 1,409,750	\$ 1,595,750
	Rates	\$ 1,504,000	\$ 11,538,250	\$ 13,042,250
Water Source Development and Protection (Program #9700)	General Facility Charges	\$ 20,000	\$ 3,744,000	\$ 3,764,000
	Rates	\$ 20,000	\$ 100,000	\$ 120,000
Water Storage Systems (Program #9610)	Rates	\$ 2,809,000	\$ 1,416,000	\$ 4,225,000
Water System Planning (Program #9906)	General Facility Charges	\$ -	\$ 169,000	\$ 169,000
	Rates	\$ -	\$ 169,000	\$ 169,000
Total Drinking Water		\$ 5,551,000	\$ 21,690,000	\$ 27,241,000

Project Funding Summary - Utilities Projects: Wastewater

Wastewater Projects	Funding	2018	2019-2023	TOTAL
Asphalt Overlay Adjustments - Sewer (Program #9021)	Rates	\$ 12,000	\$ 60,000	\$ 72,000
Infrastructure Predesign and Planning - Sewer (Program #9903)	Rates	\$ 42,000	\$ 210,000	\$ 252,000
Lift Stations—Sewer (Program #9806)	General Facility Charges	\$ -	\$ 1,510,750	\$ 1,510,750
	Rates	\$ 486,000	\$ 1,159,250	\$ 1,645,250
Onsite Sewage System Conversions - Sewer (Program #9813)	General Facility Charges	\$ 359,000	\$ 1,795,000	\$ 2,154,000
Replacement and Repair Projects - Sewer (Program #9703)	Existing Budget	\$ 365,000	\$ -	\$ 365,000
	Rates	\$ 1,001,000	\$ 2,703,000	\$ 3,704,000
Sewer System Planning - Sewer (Program #9808)	Rates	\$ 57,000	\$ 285,000	\$ 342,000
Total Wastewater		\$ 2,322,000	\$ 7,723,000	\$ 10,045,000

Project Funding Summary - Utilities Projects: Stormwater

Stormwater Projects	Funding	2018	2019-2023	TOTAL
Aquatic Habitat Improvements - Stormwater (Program #9024)	Rates	\$ 266,000	\$ 1,330,000	\$ 1,596,000
Flood Mitigation & Collection - Stormwater (Program #9028)	General Facility Charges	\$ -	\$ 2,687,000	\$ 2,687,000
	Rates	\$ 733,700	\$ 5,068,600	\$ 5,802,300
Infrastructure Pre-Design & Planning - Stormwater (Program #9903)	Rates	\$ 175,000	\$ 375,000	\$ 550,000
Water Quality Improvements - Stormwater (Program #9027)	Rates	\$ 150,000	\$ 760,000	\$ 910,000
	Stormwater Utility Grant	\$ 450,000	\$ 2,280,000	\$ 2,730,000
Total Stormwater		\$ 1,774,700	\$ 12,500,600	\$ 14,275,300

Additionally: Included in the Transportation Section are Projects funded by transfers from the Stormwater Utility as follows:

Project	Funding	2018	2019-2023	TOTAL
Sidewalks and Pathways—Transportation Section	Stormwater Utility Rates	\$ 150,000	\$ 750,000	\$ 900,000

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Summary of Funding Sources for Utilities Projects			
Funding Sources	2018	2019-2023	TOTAL
Existing Budget	\$ 365,000	\$ -	\$ 365,000
General Facilities Charges	\$ 565,000	\$ 11,315,500	\$ 11,880,500
Rates	\$ 8,267,700	\$ 28,318,100	\$ 36,585,800
Storm Water Utility Grant	\$ 450,000	\$ 2,280,000	\$ 2,730,000
Total Utilities	\$ 9,647,700	\$ 41,913,600	\$ 51,561,300

Combined Summary of Funding Sources for Both General Government and Utilities Projects			
Funding Sources	2018	2019-2023	TOTAL
CIP Fund	\$ 2,810,000	\$ 14,000,000	\$ 16,810,000
Existing Budget	\$ 365,000	\$ -	\$ 365,000
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
General Facilities Charges	\$ 565,000	\$ 11,315,500	\$ 11,880,500
Grant	\$ -	\$ 9,958,371	\$ 9,958,371
Impact Fees	\$ 4,045,966	\$ 19,325,690	\$ 23,371,655
Non-Voted Utility Tax	\$ 1,000,000	\$ 5,000,000	\$ 6,000,000
OMPD Funds	\$ 1,851,000	\$ 9,243,000	\$ 11,094,000
Rates	\$ 8,267,700	\$ 28,318,100	\$ 36,585,800
SEPA Fees	\$ 23,800	\$ -	\$ 23,800
Stormwater Utility Grant	\$ 450,000	\$ 2,280,000	\$ 2,730,000
Stormwater Utility Rate	\$ 150,000	\$ 750,000	\$ 900,000
Transportation Benefit District	\$ 1,500,000	\$ 7,500,000	\$ 9,000,000
Voted Utility Tax	\$ 2,900,000	\$ 14,500,000	\$ 17,400,000
Total	\$ 24,203,466	\$ 123,565,661	\$ 147,769,126

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.



County Funded Projects in Olympia Urban Growth Area

Project	2018	2019-2023	Total
Buildings			
County Wide Security Upgrade	\$0	\$1,250,000	\$1,250,000
Potential Consolidated Sheriff/Training/Patrol Facility	\$0	\$8,000,000	\$8,000,000
Special Projects (Major Maintenance/Repairs)	\$885,000	\$3,900,000	\$4,785,000
Courthouse Air System Major Maintenance	\$200,000	\$0	\$200,000
Courthouse Building #1 Infrastructure Improvements	\$0	\$325,000	\$325,000
Courthouse Building #1 Security Projects	\$60,000	\$0	\$60,000
Courthouse Building #2 Infrastructure Improvements	\$150,000	\$225,000	\$375,000
Courthouse Building #2 Secured Entrance Project	\$0	\$1,000,000	\$1,000,000
Courthouse Building #3 Infrastructure Improvements	\$275,000	\$300,000	\$575,000
Courthouse Building #4 Infrastructure Improvements	\$0	\$250,000	\$250,000
Courthouse Building #4 Security Projects	\$60,000	\$0	\$60,000
Courthouse Building #5 Security Projects	\$0	\$350,000	\$350,000
Courthouse Building #6 Security Projects	\$0	\$250,000	\$250,000
Courthouse Buildings #2 & #3 Security Projects	\$60,000	\$0	\$60,000
Courthouse Campus Geotechnical Report	\$0	\$150,000	\$150,000
Courthouse Mansard Roof Major Maintenance	\$0	\$200,000	\$200,000
Courthouse Project	\$200,000	\$199,700,000	\$199,900,000
Courthouse Secured Entrance Project	\$0	\$3,000,000	\$3,000,000
Emergency Services Center HVAC Replacement Project	\$0	\$250,000	\$250,000
Emergency Services Center Roof Replacement Project	\$0	\$350,000	\$350,000
Energy Saving - Air Handling Systems, LED Lighting & Solar Panels	\$0	\$500,000	\$500,000
Energy Savings - Automation & Metering Solutions	\$0	\$325,000	\$325,000
McLane Property Improvements	\$10,000	\$0	\$10,000
Public Health Building Improvement Project	\$75,000	\$175,000	\$250,000
Storm and Surface Water Utility			
Donelly Drive - Infiltration Gallery	\$0	\$467,000	\$467,000
Stuart Place - Conveyance & Treatment	\$0	\$335,000	\$335,000
Woodard Creek Retrofit - Site 11	\$145,000	\$330,000	\$475,000
Roads and Transportation			
Evergreen Parkway/Mud Bay Rd Interchange Improvements (61161)	\$0	\$50,000	\$50,000
Parks			
Chehalis Western Trail Improvements	\$175,000	\$475,000	\$650,000
Total:	\$2,295,000	\$222,157,000	\$224,452,000



Capital Facilities Plan Project Funding - 2018

GENERAL GOVERNMENT:	
Real Estate Excise Tax 1/2%	\$ 1,200,000
Utility Tax 1%	1,000,000
Cable Utility Tax	1,130,000
Utility Tax 3%:	
Park Projects	1,925,000
Recreational Walking Facilities	975,000
Motor Vehicle Fuel Tax	275,000
Transfer in from General Fund	445,000
Transportation Benefit District	1,500,000
Olympia Metropolitan Park District	1,851,000
Impact Fees:	
Parks Projects	964,200
Transportation Projects	3,081,766
SEPA, mitigation Fees:	
Parks Projects	23,800
Stormwater Utility , transfer from	150,000
	\$ 14,555,766
DRINKING WATER UTILITY:	
Existing Rates, GFCs and Reserves or Bonds Funded from Rates	\$ 5,551,000
WASTEWATER UTILITY:	
Existing Rates, GFCs and Reserves or Bonds Funded from Rates	\$ 2,322,000
STORM & SURFACE WATER UTILITY:	
Existing Rates, GFCs and Reserves or Bonds Funded from Rates	\$ 1,774,700
Total City Funding, All Sources	\$ 24,203,466
Thurston County-Funded Projects within City of Olympia Urban Growth Area	\$ 2,295,000



Parks, Arts, and Recreation Projects

ADA Facility Upgrades

Location

Various locations Citywide

Description

Many of Olympia’s parks and associated facilities were constructed prior to the passage of the Americans with Disabilities Act (ADA) in 1990. In 2017, the City conducted an ADA Feasibility Study of its parks system. The purpose of the study was to determine if any park facilities were not ADA compliant, and if so, what upgrades would be necessary to bring them into compliance. The study found that indeed several parks contain elements that are not ADA accessible and that need to be upgraded to bring them into compliance. This program will provide ADA upgrades to park facilities.

Projects identified for 2018 are:

- Woodruff Park Restroom ADA Upgrades
- LBA Park Upper Ballfield ADA Path Design

Justification (Need/Demand)

ADA regulations prohibit discrimination against individuals on the basis of disability and require local governments to make their facilities accessible to persons with disabilities. These requirements focus on providing accessibility by addressing and eliminating structural barriers associated with park facilities.

Capital Costs:	2018	2019-2023	Total
ADA Facility Upgrades	\$200,000	\$1,000,000	\$1,200,000
Total	\$200,000	\$1,000,000	\$1,200,000

Funding Sources	2018	2019-2023	Total
OMPD Funds	\$200,000	\$1,000,000	\$1,200,000
Total	\$200,000	\$1,000,000	\$1,200,000

Annual Operations and Maintenance

Estimated Costs	Since this project is not adding new facilities but rather upgrading existing facilities, it is not anticipated that there will be additional maintenance costs.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide

Parks, Arts, and Recreation Projects

Community Park Development

Location

Community Parks are located throughout Olympia

Description

Community parks are places for large-scale community use. Community parks include athletic fields, picnic shelters, tennis courts, water access and other facilities. Impact fees collected for ball field and tennis court expansion were merged into a new Community Park impact fee category. For further simplification, in 2012 the Special Use Area impact fee category was also merged into the Community Park category.

Justification (Need/Demand)

In 2018, funding is requested for the following projects:

Aquatic Center Feasibility Study:

In the random sample survey conducted for the 2016 Parks, Arts & Recreation Plan, when asked what the most needed recreational amenity not currently offered was, “swimming facilities” was the number one response. Development of an aquatic center feasibility study will identify potential partnerships, preferred locations, features of the aquatic center, as well as estimated costs for development and ongoing operation and maintenance.

LBA Woods Interim Improvements:

Full acquisition of LBA Woods was completed in 2017. This project may include improvements to the trails, removal of unnecessary fencing, the addition of trail signage, and other minor improvements to enhance the usability and experience of the Woods for park users.

Athletic Field Community Park Master Plan and Design:

This project develops a master plan and the designs for an athletic field complex at a yet to be determined community park. Depending on the size of the chosen park, the complex will likely include two to four soccer fields and associated parking and support facilities. The project may also consider addition of other, complementary recreational facilities, such as a playground, dog park or skate court. Subsequent to the Master Plan, the 2016 Parks, Arts & Recreation Plan calls for phase 1 development of the complex to begin in 2019.

Dog Park Site Selection and Concept Plan:

Assess the suitability of Olympia’s parks for a future dog park. This includes analysis of existing conditions, assessment of required public improvements, ranking of the sites based on suitability, and development of a conceptual master plan with cost estimates.





Parks, Arts, and Recreation Projects

Community Park Development (continued)

Capital Costs:	2018	2019-2023	Total
Aquatic Center Feasibility Study	\$100,000	-	\$100,000
Athletic Field Community Park Master Plan and Design	\$250,000	-	\$250,000
Athletic Field Community Park Construction (Phase 1)	-	1,900,000	\$1,900,000
Dog Park Site Selection and Concept Plan	\$60,000	-	\$60,000
LBA Woods Interim Improvements	\$100,000	-	\$100,000
Ward Lake Park Phase 1 Development	-	\$1,000,000	\$1,000,000
West Bay Park Restroom	-	\$300,000	\$300,000
West Bay Park Phase 2 Design	-	\$300,000	\$300,000
Total	\$510,000	\$ 3,500,000	\$4,010,000

Funding Sources	2018	2019-2023	Total
Impact Fees	\$500,600	\$2,500,000	\$3,000,600
SEPA Mitigation Fees	\$9,400	-	\$9,400
OMPD Funds	-	\$1,000,000	\$1,000,000
Total	\$510,000	\$3,500,000	\$4,010,000

Annual Operations and Maintenance

Estimated Costs	None of the projects proposed in 2018 add new facilities that would require operations and maintenance.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Parks, Arts, and Recreation Projects

Capital Asset Management Program (CAMP)

Location

Park Facilities Citywide

Description

Sustaining a maintenance fund for parks is as important as building new facilities. It is critical that future maintenance requirements are identified and funded concurrently with new construction so that the community is assured uninterrupted access to its inventory of public recreation facilities.

CAMP incorporates a systematic inspection and criteria-based prioritization process for fixing park infrastructure. One-third of all park infrastructure is inspected annually by a City staff engineer and Park maintenance staff.

The Department is continuing to integrate park facilities into the Citywide Asset Management System and has continued to integrate condition data and project prioritization assessments developed for CAMP into the system.

With voter approval of the Olympia Metropolitan Park District and the Parks, Arts and Recreation Plan, funding for CAMP is targeted at \$750,000 per year. This stable and predictable funding source will provide the foundation to schedule and make repairs. Allocation at this funding level will help make repairs identified in the annual assessments. With new repair needs identified every year, the steady revenue source will improve the park Facility Condition Index (FCI) over time.

CAMP projects identified for 2018 are:

- Priest Point Park Restroom #2 Replacement
- Priest Point Park Kitchen #2 Replacement
- Priest Point Park Upper Loop Shelter Upgrades
- Priest Point Park Garden Kiosk Roof Replacements

Justification (Need/Demand)

CAMP is the maintenance backbone of Olympia’s park system. Funding maintenance isn’t glamorous, but it is essential to responsibly maintain public assets. CAMP is necessary to ensure that existing park facilities are rehabilitated and replaced as needed to maintain the park amenities citizens expect. This program supports sustainability by extending the life of our park facilities. Deferred maintenance can result in closed facilities or additional maintenance costs.

Capital Costs:	2018	2019-2023	Total
CAMP Major Maintenance Projects	\$750,000	\$3,750,000	\$4,500,000
Total	\$750,000	\$3,750,000	\$4,500,000

Funding Sources	2018	2019-2023	Total
OMPD Funds	\$750,000	\$3,750,000	\$4,500,000
Total	\$750,000	\$3,750,000	\$4,500,000

Annual Operations and Maintenance

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



Parks, Arts, and Recreation Projects

Neighborhood Park Development

Location

Neighborhood parks are located in all quadrants of the City

Description

Neighborhood parks are an integral part of implementing the urban design strategy for Olympia’s neighborhoods. Neighborhood parks are a common gathering place for families and children, and are a high priority for expanding Olympia’s park system.

Justification (Need/Demand)

In 2018, funding is requested for the following projects:

Sprayground #2 (2018-2019 Grant Match):

A sprayground is a recreation area for water play that has little or no standing water and includes ground nozzles that spray water upwards out of the splash pad’s raindeck. They eliminate the need for lifeguards because there is little risk of drowning and they require less maintenance than a pool. Adding a sprayground amenity to a neighborhood park will address the recreation trend for water play features for children. The selected neighborhood park has not yet been chosen. Funding for this project includes planning, design and construction, and will be allocated over three years, starting in 2018. If the grant application is successful, construction would occur in 2020.

Capital Costs:	2018	2019-2023	Total
Sprayground #2	\$175,000	\$350,000	\$525,000
Total	\$175,000	\$350,000	\$525,000

Funding Sources	2018	2019-2023	Total
Impact Fees	\$175,000	\$350,000	\$525,000
Total	\$175,000	\$350,000	\$525,000

Annual Operations and Maintenance

Estimated Costs	The project proposed in 2018 does not add facilities that would require additional operations and maintenance.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide

Parks, Arts, and Recreation Projects

Open Space Acquisition and Development

Location

Open Space parks are located in all quadrants of the City

Description

Open space is property acquired to protect the special natural character of Olympia's landscape. The Open Space Network includes trail corridors, greenways, forests, streams, wetlands and other natural features. Facility development is limited to trails and trailhead facilities that include parking, restrooms, information kiosks and environmental education and interpretation facilities.

Justification (Need/Demand)

In 2018, funding is requested for the following projects:

Off-road Bike Park:

This project includes planning, design and construction of an off-road mountain biking park possibly at Kaiser Woods. Trail design for various biking skill levels as well as pedestrian-only trails will be developed. The project will also include design for a restroom, parking area, and entry kiosk. The project will incorporate ways to minimize potential impacts to adjacent property owners.

Capital Costs:	2018	2019-2023	Total
Grass Lake Trail to Cooper Point		\$800,000	\$800,000
Off-Road Bike Park	\$300,000		\$300,000
Olympia Woodland Trail Phase 3 Design		\$350,000	\$350,000
Total	\$300,000	\$1,150,000	\$1,450,000

Funding Sources:	2018	2019-2023	Total
Impact Fees	\$285,600	\$1,150,000	\$1,435,600
SEPA Mitigation Fees	\$14,400	\$-	\$14,400
Total	\$300,000	\$1,150,000	\$1,450,000

Annual Operations and Maintenance

Estimated Costs	The new off-road bike park is anticipated to cost approximately \$27,000 annually to maintain.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Parks, Arts, and Recreation Projects

Parks Bond Issue Debt Service

Location

N/A

Description

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

In 2016 the City issued an additional BAN for land acquisition. The City will have interest only payments due on the BAN (\$60,000 approximately) twice a year. In 2019, the City anticipates refinancing the BAN with a 20-year bond.

Justification (Need/Demand)

N/A

Capital Costs:	2018	2019-2023	Total
2013 Bond Debt Service	\$243,000	\$727,000	\$970,000
2016 Bond Anticipation Note(BAN)	\$120,000	\$120,000	\$240,000
2019 Bond Debt Service	\$-	\$3,500,000	\$3,500,000
Total	\$363,000	\$4,347,000	\$4,710,000

Funding Sources:	2018	2019-2023	Total
Voted Utility Tax (VUT)	\$120,000	\$3,620,000	\$3,740,000
OMPD Funds	\$243,000	\$727,000	\$970,000
Total	\$363,000	\$4,347,000	\$4,710,000

Annual Operations and Maintenance

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



Parks, Arts, and Recreation Projects

Park Land Acquisition

Location

Various locations Citywide

Description

This program is designed to set aside almost \$14 million for park land acquisition over the next six years. The 2016 Parks, Arts & Recreation Plan identified acquisition of additional Community Parks, Neighborhood Parks, and Open Space areas as important to provide adequate park and recreation spaces for a growing Olympia.

In 2017, the City exercised an Option to Purchase the Bentrige parcel, which is the final remaining piece of LBA Woods. The City is making the purchase in three installments, the second of which is \$1.2 million in 2018. A final payment of \$1 million will be made in 2019.

The Capital Investment Strategy included in the Parks Plan proposed selling bonds to be financed by the voted utility tax and a portion of non-voted utility tax. In 2016, City Council approved the sale of \$10 million in Bond Anticipation Notes (BAN) to pay for acquisitions. Any future park land acquisitions require Council review and approval.

The park land acquisition program will also use 1% Non-voted Utility Tax and the 2% Voted Utility Tax.

Justification (Need/Demand)

Additional park land is needed to meet the target outcome ratios established for parks. Once the debt has been sold and the land acquired, this project will be rolled into the Park Bond Issue Debt Service project.

Capital Costs:	2018	2019-2023	Total
Bentrige (LBA Woods) Installment Payments	\$1,200,000	\$1,000,000	\$2,200,000
Land Acquisition	\$1,605,000	\$10,005,000	\$11,610,000
Total	\$2,805,000	\$11,005,000	\$13,810,000

Funding Sources:	2018	2019-2023	Total
Voted Utility Tax	\$1,805,000	\$6,005,000	\$7,810,000
Non Voted Utility Tax	\$1,000,000	\$5,000,000	\$6,000,000
Total	\$2,805,000	\$11,005,000	\$13,810,000

Annual Operations and Maintenance

Estimated Costs	Maintenance costs for the LBA Woods (Bentrige parcel) is estimated at \$17,000. These funds are necessary for hazard tree management, noxious weed compliance, transient encampment cleanup, and signage.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide

Parks, Arts, and Recreation Projects

Percival Landing Major Maintenance and Reconstruction

Location

Port Plaza southward along the shoreline of the West Bay of Budd Inlet to its southern terminus at the 4th Avenue Bridge

Description

Since 2004, the City has been in the process of designing, engineering, and fundraising for the replacement of Olympia's public waterfront facility on Percival Landing. In 2007, a concept plan was completed for the entire length of Percival Landing. The original Percival Landing was built in three sections, in part due to financial constraints. The same is true for the current project.

Phase I, which started construction in July 2010, cost \$14.5 million for design, construction, contingencies, project management, and permitting. Dedicated in August 2011, this phase extends from Water Street to Thurston Avenue and sets the design template for the replacement of the entire landing.

The 2011 CFP included funds to continue monitoring of site clean-up under a voluntary clean-up program agreement with the Department of Ecology.

The 2016 and 2017 CFP allocated funding for the Percival Landing Bulkhead Replacement Project, which is the next phase in the reconstruction of Percival Landing. In addition, the City received a \$921,000 direct appropriation from the Washington State Legislature for this project. This CFP will allocate the remaining funds necessary to complete this next step in the reconstruction of Percival Landing.

Justification (Need/Demand)

Percival Landing is one of the most popular destinations in the region, drawing a wide range of visitors to the waterfront and downtown. Percival Landing was constructed in three phases in the 1970s and 1980s and the remaining original phases are exhibiting the effects of years of exposure to the harsh marine environment.

In 2004, 2009, and 2014 marine structural engineering consultants prepared thorough condition assessments of the facility. The 2017-2022 CFP requests \$48,000 in funding to continue the assessments throughout this CFP period. These studies monitor the deteriorating condition of the boardwalk and ensure it is safe and accessible to the public. The approach to managing the situation is to perform annual inspections and repairs and to explore funding opportunities for future replacement.

The 2014 Percival Landing Condition Assessment Report provided four classifications of repairs that are required to maintain the boardwalk. The four classifications and their associated costs are:

- Immediate repairs (\$350,000), completed in 2016
- New sheet pile bulkhead replacement (\$3M)
- Three to five year repairs (\$700,000)
- "D" and "E" float replacement (\$4M)

The new bulkhead and "D" and "E" float replacements are big projects. The City is pursuing grants and other funding sources to augment City funding for these projects. The OMPD will fund a maintenance reserve account to set aside funding annually to pay for the anticipated three-to-five-year repairs.

The 2015 Parks, Arts and Recreation Plan Survey indicated that respondents placed a high priority on conducting maintenance on existing facilities and upon completing Percival Landing. In 2016 the City appropriated \$199,000 and will receive a direct Legislative appropriation of \$921,500 to fund a portion of the Percival Landing (4th and Water St.) bulkhead project. In 2017, the City completed the design and began permitting for the bulkhead project while continuing to develop the funding package for the project. This CFP will allocate the remaining funds necessary to complete the bulkhead replacement project as well as funding for the annual inspections and maintenance reserve.



Parks, Arts, and Recreation Projects

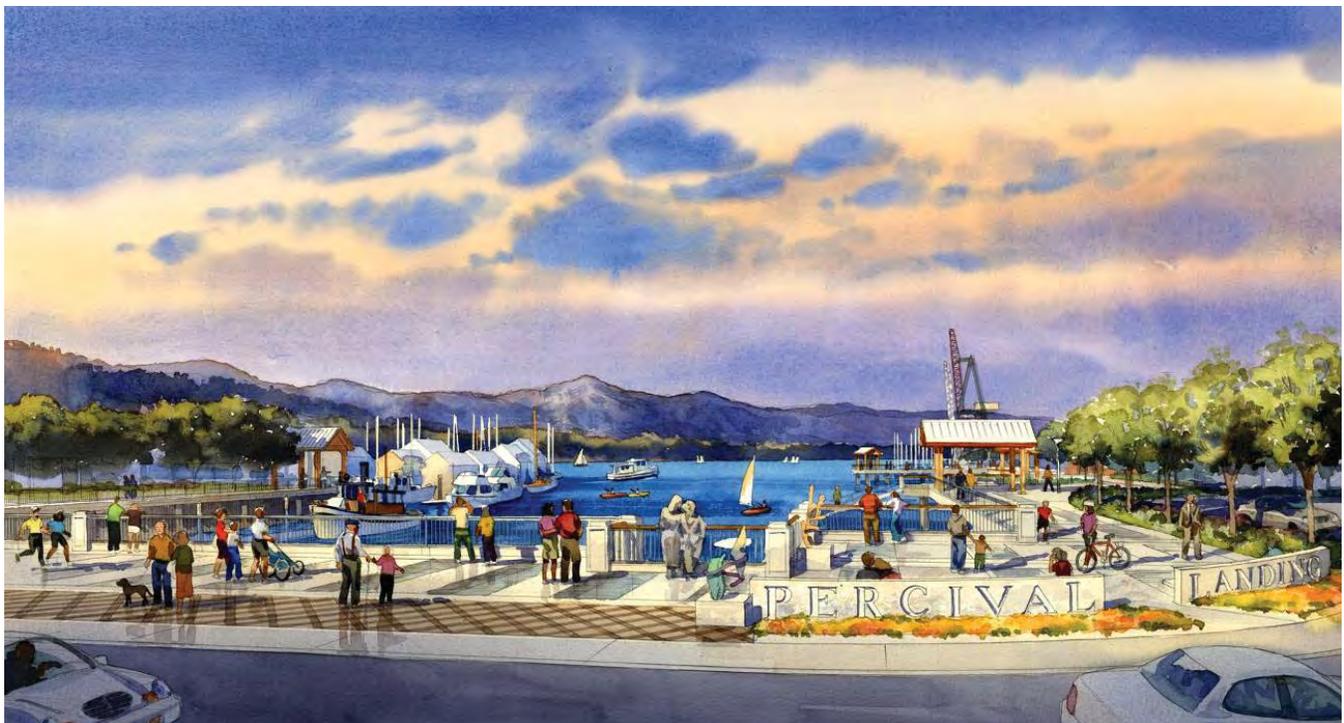
Percival Landing Major Maintenance and Reconstruction (continued)

Capital Costs:	2018	2019-2023	Total
Annual Inspection	\$8,000	\$40,000	\$48,000
Bulkhead Replacement	\$500,000	\$-	\$500,000
Maintenance Reserve	\$150,000	\$745,000	\$895,000
Percival Landing Phase 2 Replacement Reserve	\$-	\$1,981,000	\$1,981,000
Total	\$658,000	\$2,766,000	\$3,424,000

Funding Sources:	2018	2019-2023	Total
OMPD Funds	\$658,000	\$2,766,000	\$3,424,000
Total	\$658,000	\$2,766,000	\$3,424,000

Annual Operations and Maintenance

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





Parks, Arts, and Recreation Projects

Small Capital Projects

Location

Various Parks Citywide.

Description

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

Justification (Need/Demand)

Throughout the year, the Parks, Arts and Recreation Department receives citizen requests for minor park enhancements. By adding a small piece of play equipment, a basketball half court or other small improvements. The department can respond to operational needs and community requests and increase the use and enjoyment of parks. In 2018, funding is requested for the following project:

Cultural and Historic Resources Survey

This project will perform a professional survey of Priest Point Park to help determine its broader cultural significance and identify potential locations of cultural, archaeological, and historic sites, resulting in cultural resource management recommendations. The resulting document will be a go-to resource for Parks staff and the City Historic Preservation Officer to support informed and inclusive planning, public access management, and other environmental stewardship activities in this Olympia Heritage Register park that is of interest to multiple Washington State tribes. The final report will include additional contextual information on all City of Olympia parks. Information brought to light by this survey that is not protected by State law will also be used in educational programming and other interpretation forums.

Capital Costs:	2018	2019-2023	Total
Cultural and Historic Resources Survey	\$3,000	\$-	\$3,000
Small Capital Projects in Existing Parks	\$-	\$75,000	\$75,000
Total	\$3,000	\$75,000	\$78,000

Funding Sources:	2018	2019-2023	Total
Impact Fees	\$3,000	\$75,000	\$78,000
Total	\$3,000	\$75,000	\$78,000

Annual Operations and Maintenance

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

Transportation Projects

Access and Safety Improvements

Location

Various locations Citywide

Description

The purpose of this program is to improve access and safety for all users of the transportation system:

- Hazard Elimination and Safety projects improve safety on high accident street sections or intersections. Projects may include new guardrails, railroad crossings, and intersection improvements.
- Pedestrian Crossing Improvements help pedestrians cross major streets. Improvements may include bulb-outs, crossing islands, and/or flashing crosswalk beacons.
- Street Access projects remove barriers on walkways for persons with disabilities. Projects may include ADA access ramps or audible pedestrian signals.

Project List

Hazard Elimination and Safety projects:

1. Wiggins Road roadway and storm drainage improvements. This project will include safety, shoulder and stormwater modification and will be designed and funded with the Stormwater Utility. Total estimated cost: \$1,500,000.
2. Legion Way and Adams Street traffic signal; \$1,091,800
3. Jefferson Street and 8th Avenue traffic signal; \$1,223,000
4. Harrison Avenue and Division Street right turn lane; \$1,312,600. This project is also likely needed for capacity reasons and will be recommended for future impact fee funding.

Grant funds have been used in the past to accomplish Hazard Elimination and Safety projects.

Pedestrian Crossing Improvements:

1. East Bay Drive and Olympia Avenue
2. Martin Way and Pattison Street
3. Martin Way and Chambers Street

Street Access projects: (a long-term list is maintained by staff)

1. Audible pedestrian signals at Pacific and Pattison, and Plum at 8th and Legion
2. Access ramps are planned on Columbia at Talcott and Columbia at 10th and on Central and Thurston

Justification (Need/Demand)

Hazard Elimination and Safety projects are identified through an annual collision analysis. Trends are evaluated and high accident locations are identified in this analysis. Traffic signal installation is based upon signal warrants, criteria established by the Federal Highways Administration that define when a signal is needed.

Pedestrian crossing improvements are based upon requests from the public. Requests are evaluated and prioritized based upon a methodology that considers traffic volumes, number of lanes for the pedestrian crossing, speed of traffic, and any collision history.

Street Access projects are identified each year with feedback from citizens. The City is currently doing a system-wide inventory of access ramps.



Transportation Projects

Access and Safety Improvements (continued)

Capital Costs:	2018	2019-2023	Total
Hazard Elimination and Safety	\$-	\$-	\$-
Pedestrian Crossing Improvements	\$50,000	\$250,000	\$300,000
Street Access	\$50,000	\$250,000	\$300,000
Total	\$100,000	\$500,000	\$600,000

Funding Sources	2018	2019-2023	Total
CIP Fund	\$100,000	\$500,000	\$600,000
Total	\$100,000	\$500,000	\$600,000

Annual Operations and Maintenance

Estimated Costs	These costs are included in the existing Public Works Transportation operating budgets. Until asset management programs are in place, specific costs are not available.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Transportation Projects

Bike Improvements

Location

Various locations Citywide

Description

The purpose of this program is to complete elements of the bicycle network:

- Bike Corridors—Low-volume, low-stress streets improved for bicycle travel.
- Other Improvements—Gaps and spot improvements in the bike lane network.

Generally, completely new bike lanes are added in the Street Repair and Reconstruction Program as part of Complete Street Reconstruction work.

Project List

Bike Corridor projects:

1. Bike Corridor Permanent Improvements
2. Southeast to Downtown Route: Sylvester Park to the I-5 bike path
3. Westside Route: Thomas/Plymouth/Decatur

Gaps and spot improvement projects:

1. Division Street and 28th Avenue curve shoulder widening
2. Lakeridge Drive re-striping for bike lane

Justification (Need/Demand)

A bike lane network on major streets provides bicyclists direct access to destinations. Bike Corridors are a network of low-stress streets that serve all ages and abilities.

Capital Costs:	2018	2019-2023	Total
Bike Corridors	\$50,000	\$250,000	\$300,000
Other Improvements	\$50,000	\$250,000	\$300,000
Total	\$100,000	\$500,000	\$600,000

Funding Sources	2018	2019-2023	Total
CIP Fund	\$100,000	\$500,000	\$600,000
Total	\$100,000	\$500,000	\$600,000

Annual Operations and Maintenance

Estimated Costs	Bike facility maintenance is incorporated in annual street sweeping program costs. Until asset management programs are in place, specific costs for bike facilities are not available.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Transportation Projects

Pre-design and Planning

Location

Various locations Citywide

Description

Develop scope, schedule, and budget for multiple planned transportation projects.

Project List

The project list will be developed annually based on master plans and other program priorities.

Justification (Need/Demand)

By doing early project development, we can more efficiently scope and plan for capital projects before resources are allocated and design is initiated.

Capital Costs:	2018	2019-2023	Total
Pre-design and Planning	\$50,000	\$250,000	\$300,000
Total	\$50,000	\$250,000	\$300,000

Funding Sources	2018	2019-2023	Total
Gas Tax	\$50,000	\$250,000	\$300,000
Total	\$50,000	\$250,000	\$300,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Transportation Projects

Sidewalks and Pathways

Location

Various locations Citywide

Description

The purpose of this program is to:

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

The Transportation Master Plan, which is under development, will update the 2004 Sidewalk Program and evaluate the Neighborhood Pathways program. New prioritization systems and project lists are anticipated to be proposed in the Transportation Master Plan.

Project List

Sidewalk and pathway repair and maintenance will be identified annually.

Pathways are determined on an annual basis.

These sidewalk projects are derived from the prioritized 2004 Sidewalk Program and will be constructed with voted utility tax revenues. These five projects are high priority due to new pedestrian destinations, land use density changes or sub area planning work that was recently done.

1. 26th Avenue from Bethel Street to Gull Harbor Road construction—Estimated cost: \$571,000
2. Fern Street from 9th Avenue to 14th Avenue—\$500,000
3. Eastside Street/22nd Avenue from Fir Street to I-5—Estimated cost: \$4,042,000
4. Elliott Avenue from Division Street to Crestline Boulevard
5. Boulevard Road from 15th Avenue to 18th Avenue

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

1. Phoenix Street from South Bay Road to Martin Way and State Avenue from Wilson Street to Phoenix Street (\$739,000)
2. 4th Avenue from Pacific Avenue to Phoenix Street
3. Martin Way from Pattison Street to Lilly Road

Justification (Need/Demand)

The need for sidewalk and pathway repair and maintenance continues to grow.

Pathways provide bicyclists and pedestrians more safe and direct off-street routes within neighborhoods.

By completing sidewalks on major streets, people are safer and more comfortable walking for transportation and recreation.

Transportation Projects

Sidewalks and Pathways (continued)

Capital Costs:	2018	2019-2023	Total
Maintenance	\$50,000	\$250,000	\$300,000
Pathways	\$175,000	\$875,000	\$1,050,000
Sidewalks	\$900,000	\$4,500,000	\$5,400,000
Total	\$1,125,000	\$5,625,000	\$6,750,000

Funding Sources	2018	2019-2023	Total
Stormwater Utility Rates (asphalt overlay)	\$150,000	\$750,000	\$900,000
Voted Utility Tax - Sidewalks	\$950,000	\$4,750,000	\$5,700,000
Voted Utility Tax - Parks	\$25,000	\$125,000	\$150,000
Total	\$1,125,000	\$5,625,000	\$6,750,000

Annual Operations and Maintenance

Estimated Costs	\$50,000 per year has been identified for sidewalk repair and pathway maintenance. No specific funding to maintain Neighborhood Pathways has been identified.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Transportation Projects

Street Repair and Reconstruction

Location

Various locations Citywide

Description

This program addresses:

- Complete Street Reconstruction projects address streets with pavement in the worst condition. These reconstruction projects add bicycle and pedestrian facilities at the time the street is reconstructed.
- Maintenance projects that are beyond the capacity of City maintenance crews. Examples include repairing and replacing striping, guardrails, railing, signals, and lighting.
- Major Resurfacing projects are repaving projects that may include other elements such as ADA access ramps, bulb-outs for pedestrians at intersections, streetscapes, and bike facilities.
- Street Preservation is an on-going effort to preserve the condition of our streets and delay major reconstruction. Examples include chip sealing streets and sealing cracks..

Project List

Complete Street Reconstruction project timing is based upon the pavement condition rating. Because these projects have a larger scope than just resurfacing, they will require grant funds and/or other funding sources to be completed.

- Mottman Road from Mottman Court to West of SPSCC—includes an asphalt overlay, bike lanes and sidewalk, planter strip and street lighting on one side. \$ 5,714,500 (Legislative Transportation Funding anticipated 2023-2027.)

Maintenance projects include:

- Maintenance projects will be identified annually

Major Resurfacing projects in this six-year period are focused on downtown streets:

1. Franklin Street from Legion Way to State Avenue
2. Legion Way from Water Street to Franklin Street
3. Capitol Way from Legion Way to State Avenue
4. Washington Street from Legion Way to Olympia Avenue

Street Preservation work is identified annually based upon pavement condition ratings and are not shown here.

Justification (Need/Demand)

The City uses a pavement condition rating system to evaluate the condition of our street surfaces. Depending upon the level of deterioration, a project may require minor preservation work such as chip sealing, a simple resurfacing, or full reconstruction. A major emphasis in this program is to preserve the condition of a street before it deteriorates to a point that more costly full reconstruction is needed.

Currently our backlog of deferred maintenance is approximately \$48,000,000. Addressing this backlog would bring the streets in our system that are in poor condition up to fair and good condition.



Transportation Projects

Street Repair and Reconstruction (continued)

Capital Costs:	2018	2019-2023	Total
Complete Street Reconstruction	\$-	\$-	\$-
Maintenance	\$100,000	\$500,000	\$600,000
Major Resurfacing	\$1,347,000	\$6,735,000	\$8,082,000
Street Preservation	\$1,378,000	\$6,890,000	\$8,268,000
Total	\$2,825,000	\$14,125,000	\$16,950,000

Funding Sources	2018	2019-2023	Total
CIP Fund	\$1,100,000	\$5,500,000	\$6,600,000
Gas Tax	\$225,000	\$1,125,000	\$1,350,000
Transportation Benefit District	\$1,500,000	\$7,500,000	\$9,000,000
Total	\$2,825,000	\$14,125,000	\$16,950,000

Annual Operations and Maintenance

Estimated Costs	N/A - This project helps minimize the need for additional maintenance funds.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Transportation Projects Funded by Impact Fees

2010 Transportation Stimulus Project Repayment

Location

In May 2009, the Council agreed to fund a stimulus package for Harrison Avenue, Harrison Avenue - 500' Extension, Boulevard/Log Cabin roundabout, and 18th Avenue from Hoffman Road to Fones Road.

Bond funds were also used to pay for a portion of the City's Yelm Highway project.



Description

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

YEAR	PRINCIPAL	INTEREST	TOTAL
2018	\$ 270,000	\$ 135,612.50	\$ 435,612.50
2019	\$ 280,000	\$ 154,812.50	\$ 434,812.50
2020	\$ 295,000	\$ 143,612.50	\$ 438,612.50
2021	\$ 305,000	\$ 131,812.50	\$ 436,812.50
2022	\$ 315,000	\$ 119,612.50	\$ 434,612.50
2023	\$ 330,000	\$ 107,012.50	\$ 437,012.50
2024–2029	\$2,270,000	\$ 343,950.00	\$ 2,613,950.00

Project List

- Harrison Avenue, Phase II & III, from College Station frontage improvements to Yauger Way
- 18th Avenue from Hoffman Road to Fones Road
- Boulevard and Log Cabin roundabout
- Yelm Highway from Henderson Boulevard to East City Limits

Justification (Need/Demand)

In 2010, the City issued councilmanic debt for approximately \$6 million for the completion of major street capacity projects identified through the City's Concurrency Review. The projects were completed in 2010 at a cost of \$18,861,000. The bonds are 20 year bonds.

Funding Sources for Debt Repayment	2018	2019-2023	Total
Impact Fees	\$435,612.50	\$2,181,862.50	\$2,617,475.00
Total	\$435,612.50	\$2,181,862.50	\$2,617,475.00

Annual Operations and Maintenance

None

Transportation Projects Funded by Impact Fees

Boulevard Road Intersection Improvements (Program #0628)

Location

Intersection of Boulevard Road and Morse-Merryman Road

Links to Other Projects or Facilities

- Sewer System Planning—Sewer Program
- Transmission and Distribution Projects—Water Program

Description

Intersection capacity improvements at the intersection listed above will include a roundabout. Design includes features to assist bicyclists and pedestrians. Stormwater improvements are also part of the project, but are not listed separately. Transportation components include bicycle facilities, pedestrian crossings, raised pavement markings, roadside planting, a roundabout, sidewalks, signs, striping, streetlights, and overhead utility undergrounding.



Project List

Boulevard Road and Morse-Merryman Road is dependent on receiving grant funding and/or other sources of funding for construction.

PROJECT	COST
Boulevard Road and Morse Merryman Road. Construction of the full intersection.	\$ \$6,065,830*

*Projected construction year of 2017-2018

Justification (Need/Demand)

The Boulevard Road Corridor Study identifies roundabouts at these intersections as the preferred alternative to address traffic congestion and to further enhance safety. Installation of roundabouts improves bicycle, pedestrian and motorist safety and flow, particularly during periods of peak traffic. In addition, they provide increased pedestrian safety by allowing safer access to schools, parks, businesses and other destinations.

Capital Costs:	2018	2019-2023	Total
Construction	\$2,646,153	\$-	\$2,646,153
Design and Engineering	\$-	\$-	\$-
Total	\$2,646,153	\$-	\$2,646,153

Funding Sources:	2018	2019-2023	Total
Grant	\$-	\$-	\$-
Impact Fees	\$2,646,153	\$-	\$2,646,153
Total	\$2,646,153	\$-	\$2,646,153



Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$7,670 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South





Transportation Projects Funded by Impact Fees

Cain Road and North Street Intersection Improvements (Program #0631)

Location

Intersection of North Street and Cain Road

Links to Other Projects or Facilities

N/A

Description

Installation of a compact roundabout and sidewalk modifications in intersection.

Justification (Need/Demand)

Installation of compact roundabout improves motor vehicle safety and flow, particularly during periods of peak traffic. An annual review process prioritizes non-signalized intersections.

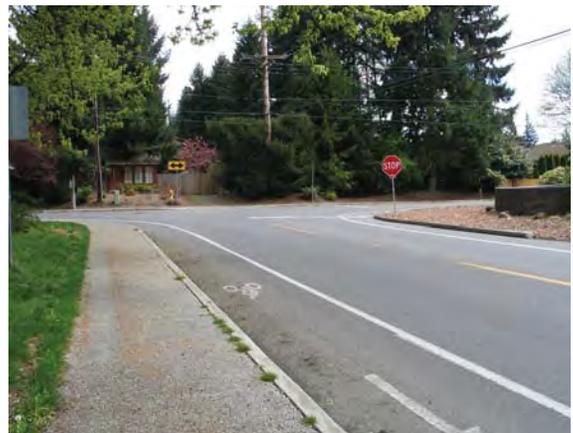


Capital Costs:	2018	2019-2023	Total
Construction	\$-	\$279,300	\$279,300
Design and Engineering	\$-	\$119,388	\$119,388
Total	\$-	\$398,688	\$398,688

Funding Sources:	2018	2019-2023	Total
Grant	\$-	\$172,417	\$172,417
Impact Fees	\$-	\$226,271	\$226,271
Total	\$-	\$398,688	\$398,688

Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$2,550 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

Fones Road—Transportation (Program #0623)

Location

Fones Road from Pacific Avenue on the north to 17th Avenue SE on the south. (S:D7)*
 *(Quadrant: Map Coordinate)

Links to Other Projects or Facilities

Transmission and Distribution—Drinking Water section

Description

Improvements to this corridor are preliminarily defined as installation of a roundabout at the intersection of Fones Road and South Home Depot driveway. Widen Fones Road to five lanes from Pacific Avenue to the south property line of the Home Depot retail store, with a transitional four lanes to the Bellweather apartment complex driveway that intersects Fones Road. From the Bellweather driveway, the roadway will transition to three lanes to 17th Avenue SE.

In 2017, prior to any design work, a review of the project scope was done to balance bicycle and pedestrian improvements with vehicle-capacity improvements. Also, a value engineering evaluation is being done to examine the function and cost of the planned improvements. The scope of this project will be revised to reflect revisions based on this work.

This is a high priority transportation system project needed to serve increased vehicular, pedestrian, bicycle, and transit traffic in the area. Stormwater improvements are included but are not listed in the project components. Project components include streetlights, paving, roadside planting, sidewalks, signs, striping, pedestrian crossings, bicycle facilities, a roundabout, and overhead utility undergrounding.



Justification (Need/Demand)

Fones Road needs to be widened due to new development occurring in Southeast Olympia and projections for continued residential and commercial development. Without this proposed widening, Fones Road is expected to fall below the City's acceptable LOS within the next six years.

Capital Costs:	2018	2019-2023	Total
Construction	\$-	\$8,267,100	\$8,267,100
Design and Engineering	\$-	\$1,391,282	\$1,391,282
Land and Right-of-Way	\$-	\$5,090,300	\$5,090,300
Total	\$-	\$14,748,682	\$14,748,682

Funding Sources:	2018	2019-2023	Total
Grant	\$-	\$6,378,233	\$6,378,233
Impact Fees	\$-	\$8,370,449	\$8,370,449
Total	\$-	\$14,748,682	\$14,748,682

Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$12,000 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

Henderson Blvd and Eskridge Blvd Intersection Improvements (Program #0630)

Location

Intersection of Henderson Boulevard and Eskridge Boulevard (S:E6)*
 *(Quadrant:Map Coordinate)

Links to Other Projects or Facilities

N/A

Description

Install a traffic signal within existing intersection configuration.

Justification (Need/Demand)

A traffic signal provides better traffic flow during peak periods, reduces the frequency of accidents, and improves the LOS during off peak hours. In the latest annual concurrency review, traffic levels at this intersection will exceed the current LOS standard within the next six years. This improvement will bring the intersection back within the established LOS.

If and when widening is needed at this intersection, a roundabout would be considered. Roundabout construction would include sidewalk, street lighting, bike lanes and landscaping within project limits. The City intends to begin design in 2018.



Capital Costs:	2018	2019-2023	Total
Construction	\$-	\$556,361	\$556,361
Design and Engineering	\$-	\$-	\$-
Total	\$-	\$556,361	\$556,361

Funding Sources:	2018	2019-2023	Total
Grant	\$-	\$240,605	\$240,605
Impact Fees	\$-	\$315,756	\$315,756
Total	\$-	\$556,361	\$556,361



Annual Operations and Maintenance

Estimated Costs	\$20,630 per lane mile or \$4,750 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South

Transportation Projects Funded by Impact Fees

Log Cabin Road Extension (Program # 0616)

Location

From Boulevard Road to Wiggins Road.

Links to Other Projects or Facilities

N/A

Description

This project will eventually extend the roadway and create a connection between Boulevard Road and Wiggins Road. The proposed extension of Log Cabin Road crosses through City Parks property. For this reason, the street cross-section has been reduced to two lanes. Design work will not proceed until development of City Parks property occurs.

Justification (Need/Demand)

Southeast Olympia is one of Olympia’s fastest developing areas. The project is needed for regional mobility.

Capital Costs:	2018	2019-2023	Total
Design and Engineering	\$-	\$500,000	\$500,000
Land and Right-of-Way	\$-	\$-	\$-
Total	\$-	\$500,000	\$500,000

Funding Sources:	2018	2019-2023	Total
Grant	\$-	\$216,231	\$216,231
Impact Fees	\$-	\$283,769	\$283,769
Total	\$-	\$500,000	\$500,000

Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$76,200
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South





Transportation Projects Funded by Impact Fees

Wiggins Road and 37th Avenue Intersection Improvements (Program # 0629)

Location

Intersection of Wiggins Road and 37th Avenue

Links to Other Projects or Facilities

N/A

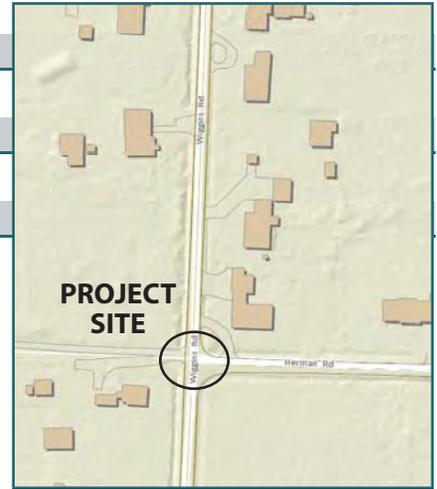
Description

Install a traffic signal within existing intersection configuration.

Justification (Need/Demand)

A traffic signal provides better traffic flow during peak periods, reduces the frequency of accidents, and improves the LOS during off peak hours. In the latest annual concurrency review, traffic levels at this intersection will exceed the current LOS standard within the next six years. This improvement will bring the intersection back within the established LOS.

If and when widening is needed at this intersection, a roundabout would be considered. Roundabout construction would include sidewalk, street lighting, bike lanes and landscaping within project limits.



Capital Costs:	2018	2019-2023	Total
Construction	\$-	\$437,667	\$437,667
Total	\$-	\$437,667	\$437,667

Funding Sources:	2018	2019-2023	Total
Grant	\$-	\$189,274	\$189,274
Impact Fees	\$-	\$248,393	\$248,393
Total	\$-	\$437,667	\$437,667

Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$2,550
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

US 101/West Olympia Access Project (Program # 0627)

Location

US 101 at Kaiser Road and the extension of Yaeger Way from the Black Lake Boulevard and US 101 Interchange

Description

The initial funding for this project will complete the design, environmental permit and mitigation work, and Right-of-way. The project will construct a new westbound off-ramp from US 101 to Kaiser Road and an eastbound on-ramp from Kaiser Road to US 101. The project will also construct a new westbound off-ramp from US 101 to Yaeger Way via an at-grade connection through the existing interchange at US 101 and Black Lake Boulevard. Auxiliary lanes (one eastbound and one westbound) on US 101 will be constructed between Black Lake Boulevard and the new Kaiser Road ramps to facilitate weaving and merge/diverge movements safely.

Justification (Need/Demand)

The intersection of Black Lake Boulevard and Cooper Point Road as well as the Black Lake Boulevard and US 101 Interchange are showing the strain of sustained residential and economic growth. Traffic delays during the p.m. peak period are approaching unacceptable levels and mobility for other travel modes in the area is strained. There is a need for improved access to US 101 to support planned community growth and maintain emergency access, while providing safe and acceptable levels of service on both the Local and State transportation system.

Additional information on the project can be found at <http://olympiawa.gov/city-services/transportation-services/plans-studies-and-data/west-olympia-access-study.aspx>

Capital Costs:	2018	2019-2023	Total
Design and Engineering	\$-	\$4,149,300	\$4,149,300
Land and Right-of-Way	\$-	\$2,236,500	\$2,236,500
Total	\$-	\$6,385,800	\$6,385,800

Funding Sources:	2018	2019-2023	Total
Grant	\$-	\$2,761,611	\$2,761,611
Impact Fees	\$-	\$3,624,189	\$3,624,189
Total	\$-	\$6,385,800	\$6,385,800

Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$4,300
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	West





General Facilities Projects

Building Repair and Replacement (Program # 029)

Location

City Hall	Mark Noble Regional Fire Training Center	Olympia Police – Firing Ranger
Court Services	Olympia Fire – Command Training Center	Olympia Police – Westside
Family Support Center	Olympia Fire – Main	The Olympia Center
Hands on Children’s Museum	Olympia Fire – 2	Washington Center for the Performing Arts
Lee Creighton Justice Center	Olympia Fire – 3	
Maintenance Center-Public Works	Olympia Fire – 4	

Description

This program covers major maintenance to building interior and exterior, as well as equipment replacement at the 16 locations listed above. In 2018, the annual debt service for the Washington Center Exterior Repair will be \$235,000 which comes from this programs funding.

Justification (Need/Demand)

In 2013, Public Works conducted a building condition assessment of the 16 buildings listed above. The purpose was to evaluate the state of the major systems and equipment, identify repair and replacement needs, prioritize identified needs, and develop planning level cost estimates. Based on the 2013 report, the City’s facility repair and replacement costs are estimated to exceed \$3 million per year over the next six years.

The City maintains a reserve fund, but it has never been adequately funded. It remains a priority for the City.

Capital Costs:	2018	2019-2023	Total
Major Maintenance	\$1,330,000	\$7,000,000	\$8,330,000
Total	\$1,330,000	\$7,000,000	\$8,330,000

Funding Sources:	2018	2019-2023	Total
CIP	\$1,330,000	\$7,000,000	\$8,330,000
Total	\$1,330,000	\$7,000,000	\$8,330,000



Annual Operations and Maintenance

Estimated Costs	Not Determined
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





General Facilities Projects

ADA Transition Plan and Projects

Location

Various City-owned buildings and facilities

Links to Other Projects or Facilities

Transportation currently includes ADA modifications in street repairs and reconstruction. This project focuses on non-transportation related projects.

Description

Transition or modification of existing buildings/facilities to ensure accessibility.

Justification (Need/Demand)

Compliance with American with Disabilities Act (ADA) provides accessibility to City buildings and facilities.

Capital Costs:	2018	2019-2023	Total
ADA Transition	\$180,000	\$500,000	\$680,000
Total	\$180,000	\$500,000	\$680,000

Funding Sources:	2018	2019-2023	Total
CIP	\$180,000	\$500,000	\$680,000
Total	\$180,000	\$500,000	\$680,000

Annual Operations and Maintenance

Estimated Costs	There are no additional costs associated with increasing accessibility.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works and Parks
Quadrant Location	Citywide



Drinking Water Projects

Asphalt Overlay Adjustments—Water (Program #9021)

Location

Various locations Citywide

Links to Other Projects or Facilities

Street Repair and Reconstruction Projects—Transportation section

Asphalt Overlay Adjustments—Wastewater section

Description

Make necessary adjustments to raise water system components to street level in conjunction with the annual asphalt overlay/ street reconstruction process. This is a pass-through amount that is used by the Transportation Street Repair and Reconstruction Project for water facilities.

Justification (Need/Demand)

Asphalt overlay and street reconstruction projects require the adjustment of water system structures and equipment (e.g., castings, manholes, inlets, and covers) during construction as part of the paving process.

Capital Costs:	2018	2019-2023	Total
Construction	\$12,000	\$60,000	\$72,000
Total	\$12,000	\$60,000	\$72,000

Funding Sources	2018	2019-2023	Total
Rates	\$12,000	\$60,000	\$72,000
Total	\$12,000	\$60,000	\$72,000

Annual Operations and Maintenance

Estimated Costs	None (Work conducted by transportation crew.)
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Drinking Water Projects

Groundwater Protection (Program #9701)

Location

Various locations Citywide-See Project List

Links to Other Projects or Facilities

Critical Habitat Land Acquisition—Storm and Surface Water section
Open Space Expansion—Parks, Arts and Recreation section

Description

This program is targeted towards the purchase of land and other activities that will monitor and protect the groundwater that Olympia relies on for its drinking water supply.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018	Groundwater Monitoring Wells—This project will drill 12 additional groundwater monitoring wells within the capture zones to provide advance warning of any water quality issues that could impact the City’s drinking water sources.	\$ 225,000
2018	Wellhead Protection Program—This is an annual program (\$215,000) to refine the capture zones for the City’s wells (areas around the wells that capture stormwater which contribute to the aquifers).	\$ 170,000
2018-2022	Groundwater Protection (Easements, Appraisals, etc.)—This project is needed for installation of groundwater monitoring wells. Depending on the location of the wells, the City may have to obtain easements on property outside of the right-of-way and pay for those easements. The appraisals will determine the cost of the easements.	\$ 54,000

Justification (Need/Demand)

The acquisition of land within the City’s designated groundwater protection areas represents the ultimate groundwater protection strategy. By owning land or easements, the City can control land uses and associated activities on land near its water sources and help prevent contamination of critical groundwater resources.

Capital Costs:	2018	2019-2023	Total
Construction	\$180,000	\$-	\$180,000
Design and Engineering	\$215,000	\$-	\$215,000
Land and Right of Way	\$18,000	\$36,000	\$54,000
Total	\$413,000	\$36,000	\$449,000

Funding Sources:	2018	2019-2023	Total
Rates	\$413,000	\$36,000	\$449,000
Total	\$413,000	\$36,000	\$449,000

Annual Operations and Maintenance

Estimated Costs	Minimal
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Drinking Water Projects

Infrastructure Pre-Design and Planning—Water (Program #9903)

Location

City water service area

Links to Other Projects or Facilities

Not yet determined.

Description

Perform pre-design evaluation and analysis of water project alternatives in order to recommend projects identified in the Water System Plan and support other City project planning requirements that occur outside of the annual CFP process.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018-2023	Pre-Design and Planning	\$ 144,000

Justification (Need/Demand)

The City’s Water System Plan and six-year Capital Facilities Plan identify projects from a planning level perspective based on detected deficiencies in a specific portion of the system. They also include planning level cost estimates done at the time the plan was developed and may not include enough detail in the scope to accurately assess project costs. This program evaluates these projects prior to their appropriation in the annual Capital Facilities Plan. It ensures accurate scope of work and cost estimates and a full evaluation of project alternatives. Other uses for this information include project scheduling, assessment of rate impacts, and cash flow planning.

Capital Costs:	2018	2019-2023	Total
Engineering	\$24,000	\$120,000	\$144,000
Total	\$24,000	\$120,000	\$144,000

Funding Sources:	2018	2019-2023	Total
Rates	\$24,000	\$120,000	\$144,000
Total	\$24,000	\$120,000	\$144,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Drinking Water Projects

Reclaimed Water—Water (Program #9710)

Location

Various Locations Citywide. See Project List.

Links to Other Projects or Facilities

N/A

Description

This program is targeted towards delivery of reclaimed water. Reclaimed water is delivered through a completely separate distribution system that consists of purple colored pipes, connections, and distribution points for easy identification. Reclaimed water is recycled municipal wastewater that has been cleaned and treated in order to remove pollutants and contaminants so that the water can be safely reused for a variety of approved uses, such as irrigation.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2020	Reclaimed Water Filling Stations—Install reclaimed water filling stations at convenient locations for contractors to use on construction projects. This project will reduce the likelihood of cross connections occurring and increase the use of reclaimed water.	\$ 113,000

Justification (Need/Demand)

Given that sources of potable water are limited, State law and Olympia’s Water System Plan strongly encourage the use of reclaimed water as a resource to help meet current and future water needs. The LOTT Sewer Plan calls for the use of reclaimed water by each of the LOTT partner cities. LOTT is now producing reclaimed water at its Budd Inlet Reclaimed Water Plant and Martin Way Reclaimed Water Plant to help meet Federal and State water quality discharge standards to protect Budd Inlet. Water treated at the Budd Inlet Reclaimed Water Plant is now being used for irrigation at the Port of Olympia, the City’s Percival Landing Park, and near Capitol Lake by the State’s General Administration building.

Capital Costs:	2018	2019-2023	Total
Construction	\$-	\$90,400	\$90,400
Design and Engineering	\$-	\$22,600	\$22,600
Total	\$-	\$113,000	\$113,000

Funding Sources:	2018	2019-2023	Total
Rates	\$-	\$113,000	\$113,000
Total	\$-	\$113,000	\$113,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Drinking Water Projects

Small Diameter Water Pipe Replacement (Program #9408)

Location

Various locations based on the Utility's Small Diameter Water Pipe Upgrade Plan. Projects selected are based on service complaints, and operation and maintenance records of leaks and main breaks.

Description

Replace small diameter substandard water pipes within the existing system. Project components may include hydraulic modeling, valves, vaults, and water lines.

Project List

2018-2023 Small Diameter Water Pipe Replacement Location

LOCATION - Street	FROM	TO
7th Avenue	Central Street	Boundary Street
Boundary Street	9th Avenue	8th Avenue
Fir Street	4th Avenue	State Avenue
Giles Street	Thomas Street	Division Street
Percival Street	Harrison Avenue	Jackson Avenue
Puget Street	4th Avenue	State Avenue
Union Avenue	Central Street	Fir Street
7th Avenue	Boundary Street	Central Street
Thurston Avenue	Tullis Street	Puget Street
Amhurst Street	18th Avenue	20th Avenue
Brown Street	18th Avenue	22nd Avenue
Eastside Circle	To End	To End
End of Rogers Court	South of 11th Court	End of Street
McCormick Street	13th Avenue	Union Avenue
13th Avenue	Fir Street	Fairview Street
Fir Street	14th Avenue	13th Avenue
Evergreen Park Lane	At Cul-de-sac	At Cul-de-sac
Water Street	22nd Avenue	24th Avenue

Justification (Need/Demand)

The City is responsible for providing domestic and firefighting water flows at minimum pressures as established by the Department of Health. This program implements the improvements outlined in the 2015-2020 Water System Plan. The Plan identifies location, size, and timing of major and minor water main distribution line improvements. The Plan also identifies deficient areas that require looping or upgrading to improve flows and pressures. This project provides improvements to the basic system to assure adequate pressure and flow for domestic and firefighting situations. Maintenance records and service complaints are used to identify the lines needing replacement.

Drinking Water Projects

Small Diameter Water Pipe Replacement (Program #9408) (continued)

Capital Costs:	2018	2019-2023	Total
Construction	\$450,400	\$2,252,000	\$2,702,400
Design and Engineering	\$112,600	\$563,000	\$675,600
Total	\$563,000	\$2,815,000	\$3,378,000

Funding Sources:	2018	2019-2023	Total
Rates	\$563,000	\$2,815,000	\$3,378,000
Total	\$563,000	\$2,815,000	\$3,378,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Decreases cost of line breaks — estimated at \$1,400 per repair. Some main breaks also require extensive road restoration costs.
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Drinking Water Projects

Transmission and Distribution Projects—Water (Program #9609)

Location

Various locations within the existing system as service complaints and operation and maintenance records indicate. See Project List.

Links to Other Projects or Facilities

- Sewer Pipe Extensions—Sewer Program
- Boulevard Road Intersection—Transportation Impact Fee section
- Fones Road—Transportation Impact Fee section
- Thurston County CFP

Description

This program includes projects necessary to rehabilitate and replace existing transmission and distribution facilities, including water mains, valves, fire hydrants, service meters and booster pump stations. These projects are targeted to respond to identified capacity problems (related to flow, pressure, firefighting) as well as to replace infrastructure that is beyond its useful life. This program also includes installation of new transmission mains to connect new key facilities to the system.

Projects are often coordinated with other public works projects (e.g., road improvements), to take advantage of cost efficiencies and to minimize inconvenience to citizens. Specific components covered under this program include hydrants, hydraulic modeling, valves, vaults, water lines, and water system structures and equipment.

Project List

YEAR	PROJECT DESCRIPTION (Quadrant: Map Coordinate)	COST ESTIMATE
2018-2023	Aging Pipe Replacement—This is an annual project to replace substandard pipe throughout the City. Each year based on maintenance records and asset management scores, the City will choose which pipes to replace based on age and material. The primary focus is on Asbestos Cement (AC) pipe. Currently 40% of the City’s water system is comprised of AC pipe which is prone to leaking and breaks.	\$ 3,378,000
2018-2023	Asset Management Program—This project will begin the process to provide an asset management plan to replace, rehabilitate, and maintain the City’s water system to ensure it is reliable.	\$ 342,000
2018	Kenyon Ross Intertie and Otis Street Pressure Reducing Valve (PRV)—This project will install an important intertie and a PRV station needed to improve service redundancy and enhance water quality. This project is partially funded by GFCs.	\$ 225,000
2018-2023	Corrosion Control Aeration Tower Condition Assessment & Upgrades—The City has three corrosion control towers that will need periodic large scale maintenance that is beyond the normal day to day maintenance. This project will assess the work that is needed and perform the upgrades.	\$ 174,000
2018-2023	Cross Country Mains—This project will identify watermains that are located outside of roadways and cross through neighborhoods. The project will determine if the watermains have easements and if they should be relocated to areas that have easier access for maintenance.	\$ 174,000
2018-2023	Distribution and Transmission Main Condition Assessment—This project is a part of the asset management program to assess the condition and reliability of the distribution mains to prioritize repair or replacement.	\$ 1,104,000
2018-2023	Distribution System Oversizing—This project funds oversizing of distribution pipeline projects associated with development-related improvement to provide additional capacity to meet anticipated future needs that may be greater than at the time of development. This project is funded by GFCs.	\$ 186,000
2022	Eastside Street and Henderson Boulevard Water Main Extension Design—This project will design a new 16-inch water main to replace an existing 10-inch pipe that presents a bottleneck in the Zone 264 distribution system. The replacement line will connect to an existing 16-inch main at Eastside Street, where it originates as a tap off of the 36-inch transmission main near the Fir Street Storage Tanks. The new line will then extend approximately 3,500 feet through the City’s Maintenance Center property and across Henderson Boulevard, terminating at an existing 12-inch main that feeds a portion of Zone 264 west of Henderson. This project is partially funded by GFCs.	\$ 292,000
2023	Eastside Street and Henderson Boulevard Water Main Extension Construction—This project will construct a new 16-inch water main to replace an existing 10-inch pipe that presents a bottleneck in the Zone 264 distribution system.	\$ 1,167,000



Drinking Water Projects

Transmission and Distribution Projects—Water (Program #9609) (continued)

Project List (Continued)

2018-2023	On-site Generator Replacement Plan—This project sets aside money to enable replacement of on-site generators located at the water pumping facilities. The generators will be replaced as their useful life nears an end.	\$ 516,000
2018-2023	Security and Remote Systems Program—This project will provide enhancements to the security and remote monitoring systems of Drinking Water Utility sites.	\$ 318,000
2018-2023	Booster Station Upgrade/Rehabilitation—This is a project to upgrade pumps, electrical and other associated upgrades and rehabilitation necessary to keep the system running and reliable. Construction will occur approximately every five years at sites identified by operations staff as requiring the most upgrades. This project is partially funded by GFCs.	\$ 1,020,000
2018-2023	Water Meter Replacement Program—This project will provide for a systematic replacement of water meters and AMR radios.	\$ 1,578,000
2019	Fones Road Water Main Design—This project will design a new water main to replace the existing AC water main in Fones Road from Pacific Ave to 18th Avenue, to be coordinated with planned roadway reconstruction. This project is partially funded by GFCs.	\$ 330,000
2020	Fones Road Water Main Construction (N:C7)—This project installs a new water main to replace an existing AC water main in Fones Road from Pacific Avenue to 18th Avenue, to be coordinated with a planned roadway reconstruction. This project is partially funded by GFCs.	\$ 2,380,000
2019	Park Drive Booster Pump Station Design—This project will design a new booster pump station to increase residential pressure and fire flows in a small portion of Zone 298 just west of Ken Lake in the Park Drive area.	\$ 275,000
2020	Park Drive Booster Pump Station Construction—This project will install a new booster pump station to increase residential pressure and fire flows in a small portion of Zone 298 just west of Ken Lake in the Park Drive area.	\$ 825,000
2019	Pressure Reducing Valve (PRV) (N:C6)—East Bay Drive: Installation of PRV stations to reduce high pressures in the waterlines along East Bay Drive and allow water to flow from Zone 247 to Zone 226.	\$ 292,000
2021	Pressure Reducing Valve (PRV) Telemetry—This project will install radio-based telemetry instrumentation in PRV vaults. The new telemetry will enhance system operation and efficiency by increasing the ability to monitor flows through PRVs. Additionally, better understanding of system operation and water usage will facilitate improved calibration of the hydraulic model.	\$62,000

Justification (Need/Demand)

This program will ensure that existing distribution and transmission facilities are rehabilitated and replaced as needed in order to continue to secure a safe and sustainable water supply. Priority projects are targeted to those areas of the water system that fall short of meeting DOH standards for water pressure and UFC fire flow criteria or have ongoing maintenance problems (e.g., a history of repeated main breaks). This program also provides funding for the installation of new transmission mains to connect new critical source and storage facilities to the water system.



Drinking Water Projects

Transmission and Distribution Projects—Water (Program #9609) (continued)

Capital Costs:	2018	2019-2023	Total
Construction	\$1,142,200	\$9,466,200	\$10,608,400
Design and Engineering	\$547,800	\$3,481,800	\$4,029,600
Total	\$1,690,000	\$12,948,000	\$14,638,000

Funding Sources:	2018	2019-2023	Total
General Facility Charges	\$186,000	\$1,409,750	\$1,595,750
Rates	\$1,504,000	\$11,538,250	\$13,042,250
Total	\$1,690,000	\$12,948,000	\$14,638,000

Annual Operations and Maintenance

Estimated Costs	Minimal maintenance on new transmission main
Estimated Revenues	None
Anticipated Savings Due to Project	Decreases cost of line breaks — estimated at \$2,700 per repair. Some main breaks also require extensive road restoration costs.
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Drinking Water Projects

Water Source Development and Protection (Program #9700)

Location

Various locations Citywide. See Project List.

Description

The overall goal of this project is to develop and maintain a water source system that provides adequate water source and water quality in compliance with Federal and State safe drinking water standards. It would also ensure that storage reservoirs are sized sufficiently to have reserve water for fire fighting. Specific project types include water source reliability, water quality and treatment, water system structures, and equipment.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018-2023	McAllister Mitigation (Smith Property Restoration)—This is an annual project to restore the Smith farm located near the Deschutes River as part of the mitigation plan related to the operations of the new McAllister Wellfield. Reforestation of a riparian zone along the Deschutes River will improve fish habitat. This project is partially funded by GFCs.	\$ 180,000
2018-2023	McAllister Wellfield Mitigation (Woodland Creek Infiltration Facility) O&M Costs—This is a joint project with Lacey. Olympia will participate in the operations and maintenance costs as part of the mitigation for the McAllister Wellfield project. This project is partially funded by GFCs.	\$ 60,000
2020	Olympia Brewery Water Engineering Analysis—This project continues the study to determine the best way to develop this new source in conjunction with Tumwater and Lacey. This project is funded by GFCs.	\$ 57,000
2022	Hoffman Well Treatment Design—this project will design hypo-chlorination and iron/manganese removal treatment facilities for the Hoffman Well 3, needed to provide high quality water from this source. This project is funded by GFCs.	\$ 608,000
2023	Briggs Well Design—The City previously purchased and transferred water rights to the Briggs well. This project will design a new groundwater supply well in the Briggs Urban Village Area to supply Zone 338 with an additional anticipated 30 gallons per minute of source capacity, enhancing supply redundancy and reliability for Zones 417 and 338. Drilling was originally scheduled for 2008, but the project was delayed primarily due to the need for costly iron and manganese treatment. The City obtained approval to extend the water rights development schedule until 2019, and hopes to negotiate additional extensions as needed. This project is funded by GFCs.	\$ 547,000
2023	Hoffman Well Treatment Construction—this project will construct hypo-chlorination and iron/manganese removal treatment facilities for the Hoffman Well 3, needed to provide high quality water from this source. This project is funded by GFCs.	\$ 2,432,000

Justification (Need/Demand)

The Safe Drinking Water Act (SDWA) of 1974 signaled the beginning of a new age in public water supply. The detection of organic contaminants in drinking water throughout the United States spurred the passage of the SDWA.

The 2015–2020 Water System Plan calls for additional source water quality treatment in various areas of the City to meet State drinking water requirements.



Drinking Water Projects

Water Source Development and Protection (Program #9700) (continued)

Capital Costs:	2018	2019-2023	Total
Construction	\$32,000	\$2,592,000	\$2,624,000
Design and Engineering	\$8,000	\$1,252,000	\$1,260,000
Total	\$40,000	\$3,844,000	\$3,884,000

Funding Sources:	2018	2019-2023	Total
General Facility Charges	\$20,000	\$3,744,000	\$3,764,000
Rates	\$20,000	\$100,000	\$120,000
Total	\$40,000	\$3,844,000	\$3,884,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Drinking Water Projects

Water Storage Systems (Program #9610)

Location

Various locations Citywide. See Project List.

Description

The overall goal of this project is to develop and maintain a water reservoir system that provides adequate water storage and “chlorine contact time” in compliance with Federal and State safe drinking water standards. It would also ensure that storage reservoirs are sized sufficiently to have reserve water for firefighting. Specific project types include reservoirs, water lines, seismic upgrades, water quality and treatment, water system structures, and equipment.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018	Elliot Reservoir – Seismic Retrofit Construction—This project will complete recommended seismic retrofits to the Elliot Reservoir. Improvements will include interior column wrapping, dowels to tie roof slab to perimeter walls, and perimeter retaining wall.	\$ 1,240,000
2018	Fir Street #1 and #2 Reservoirs Construction – Seismic Retrofit—This project will complete recommended seismic retrofits to Fir Street Reservoirs. Improvements will include the addition of perimeter walls with reinforcing cables and the addition of collars on the interior columns.	\$ 1,427,000
2018	Hoffman Court Reservoir Coating Replacement Design—This project will design and provide an updated cost estimate for the Hoffman Court Reservoir Coating Construction project planned for 2019.	\$ 142,000
2019	Hoffman Court Reservoir Coating Replacement Construction—This project will recoat the inside and outside of the Hoffman Reservoir in order to prolong service life by preventing rust and corrosion.	\$ 566,000
2019-2023	Storage Reservoir Coatings (Interior/Exterior)—This project provides for the recoating of existing steel storage reservoirs on the inside and outside to prolong their life by preventing rust and corrosion.	\$ 850,000

Justification (Need/Demand)

The Safe Drinking Water Act (SDWA) of 1974 signaled the beginning of a new age in public water supply. The detection of organic contaminants in drinking water throughout the United States spurred the passage of the SDWA.

One of the federally-mandated standards of the SDWA is adequate “chlorine contact time.” When added to drinking water, chlorine is a disinfecting agent. The chlorine needs time, however, to react with the water to provide adequate disinfection. Water reservoirs provide the safest and most effective method to ensure that chlorine levels and contact times are adequate to meet disinfection levels. Reservoirs also provide water storage to allow for proper domestic and firefighting flows.

The 2015-2020 Water System Plan calls for additional storage in the southeast area of the City to meet State drinking water requirements. This new reservoir in the 417 Zone will provide adequate storage for at least the next 25 years.

Updated evaluations of the Fir Street and Elliot reservoirs completed in 2011 call for seismic upgrades to improve the structural integrity of the reservoirs.



Drinking Water Projects

Water Storage Systems (Program #9610) (continued)

Capital Costs:	2018	2019-2023	Total
Construction	\$2,667,000	\$1,246,000	\$3,913,000
Design and Engineering	\$142,000	\$170,000	\$312,000
Total	\$2,809,000	\$1,416,000	\$4,225,000

Funding Sources:	2018	2019-2023	Total
Rates	\$2,809,000	\$1,416,000	\$4,225,000
Total	\$2,809,000	\$1,416,000	\$4,225,000

Annual Operations and Maintenance

Estimated Costs	\$50,000. In addition, Log Cabin Reservoir requires \$3,300 annually.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South, West





Drinking Water Projects

Water System Planning (Program #9606)

Location

N/A (Planning activities)

Links to Other Projects or Facilities

N/A

Description

Various types of planning efforts are needed on an on-going basis to ensure that the Utility is able to meet future growth needs, maintain regulatory compliance, and invest money wisely in infrastructure. Planning efforts under this program are targeted towards the comprehensive Water System Plan, updated every six years per State requirements. The 2015 Water System Plan was adopted in 2015. Work on the 2015-2020 Water System Plan began in 2013. Other smaller-scale planning efforts to evaluate project alternatives may also be conducted under this program. This program is partially funded by GFCs.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2020	Update of six-year Water System Plan. This project is partially funded by GFCs.	\$ 338,000

Justification (Need/Demand)

Under State drinking water requirements, the City must complete a comprehensive Water System Plan update every six years. The Water System Plan outlines capital improvements, program efforts, and financial strategies that are necessary to ensure that the Water Utility can meet growth demands, be in regulatory compliance and maintain existing facilities over a 20-year horizon. For the first time, the 2015-2020 Water System Plan also included a 50-year planning horizon for water demand and water supply.

Capital Costs:	2018	2019-2023	Total
Predesign and Planning	\$-	\$338,000	\$338,000
Total	\$-	\$338,000	\$338,000

Funding Sources:	2018	2019-2023	Total
General Facility Charges (GFC)	\$-	\$169,000	\$169,000
Rates	\$-	\$169,000	\$169,000
Total	\$-	\$338,000	\$338,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	None



Wastewater Projects

Asphalt Overlay Adjustments—Sewer (Program #9021)

Location

Citywide as determined by the Transportation Program’s six-year Transportation Improvement Program (TIP)

Links to Other Projects or Facilities

Street Repair and Reconstruction Projects—Transportation Section
 Asphalt Overlay Adjustments—Drinking Water and Storm and Surface Water Sections

Description

The work of the City’s annual overlay and street reconstruction projects includes replacing and adjusting wastewater utility castings within streets. These wastewater funds are passed-through to transportation street repair and reconstruction projects for incidental wastewater upgrades.

Justification (Need/Demand)

Asphalt overlay and street reconstruction projects often require the adjustment/replacement of wastewater system structures (e.g., manhole frames and lids) as part of the paving process. The goal of this work is to replace damaged castings and to ensure that all castings are adjusted to the new pavement level.

Capital Costs:	2018	2019-2023	Total
Construction	\$12,000	\$60,000	\$72,000
Total	\$12,000	\$60,000	\$72,000

Funding Sources:	2018	2019-2023	Total
Rates	\$12,000	\$60,000	\$72,000
Total	\$12,000	\$60,000	\$72,000

Annual Operations and Maintenance

Estimated Costs	Minimal
Estimated Revenues	None
Anticipated Savings Due to Project	Efficient upgrades to existing infrastructure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Wastewater Projects

Infrastructure Pre-design and Planning—Sewer (Program #9903)

Location

City sewer service area

Description

These funds support pre-design conceptual evaluation of wastewater projects and potential alternatives in order to refine complex projects prior to launching full permitting and design. Additionally, the funds are used to expediently respond to emergencies and other unanticipated needs.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018-2023	Pre-design and planning—Develops project scopes and cost estimates. Responds to emergencies.	\$ 252,000

Justification (Need/Demand)

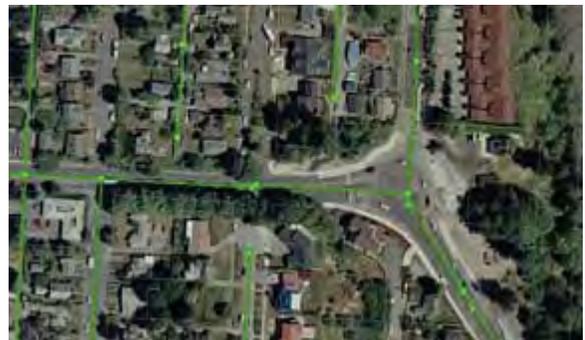
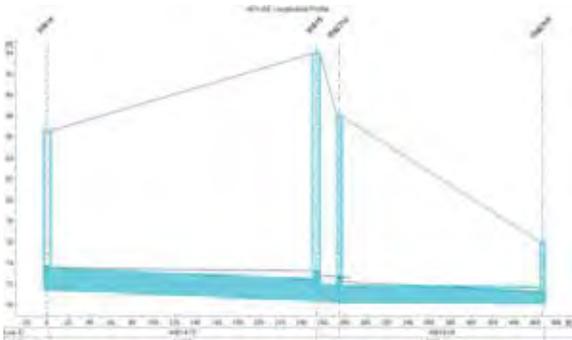
The City’s Wastewater Management Plan and six-year Capital Facilities Plan identify projects from a planning- level perspective based on detected deficiencies in specific portions of the system. They also include planning- level cost estimates completed at the time the Plan was developed. These estimates may not include enough detail in the scope to accurately assess project costs. This program evaluates complex projects prior to full initiation of design and permitting. It ensures accurate scope of work, cost estimates and a full evaluation of project alternatives. Other uses for this information include timely staff response to unanticipated public or environmental risks while long-term funding is secured.

Capital Costs:	2018	2019-2023	Total
Pre-design and Planning	\$42,000	\$210,000	\$252,000
Total	\$42,000	\$210,000	\$252,000

Funding Sources:	2018	2019-2023	Total
Rates	\$42,000	\$210,000	\$252,000
Total	\$42,000	\$210,000	\$252,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Project specific savings
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Wastewater Projects

Lift Stations—Sewer (Program #9806)

Location

Various locations Citywide

Description

Aging pumps and associated systems in our lift stations need to be upgraded or reconstructed in order to provide dependable service while meeting increasing wastewater flows. Projects include providing needed increased pumping capacity, providing backup power generators and upgrading facilities to current Department of Ecology sewage pump station design criteria.

Project List

YEAR	PROJECT DESCRIPTION (Quadrant:Map Coordinate)	COST ESTIMATE	
2018	Water Street Lift Station Generator Construction—Install an on-site emergency generator for the lift station.	\$	400,000
2018–2023	Onsite Generator Replacement Program—This project funds future replacement of emergency generators that serve wastewater lift stations.	\$	516,000
2019	Miller and Central Lift Station Upgrade Construction (N:B6)—Upgrade the existing lift station for existing and future flows. This project is partially funded by GFCs.	\$	677,000
2019	Old Port II Lift Station Upgrade Design—Design of upgrades to the existing lift station to enhance system reliability for current and future flows. This project is partially funded by GFCs.	\$	143,000
2020	Old Port II Lift Station Upgrade Construction (W:B4)—Upgrade the existing lift station for existing and future flows. This project is partially funded by GFCs.	\$	567,000
2021	Roosevelt and Yew Lift Station Upgrade Design—Design of upgrades to the existing lift station to enhance system reliability for current and future flows. This project is partially funded by GFCs.	\$	143,000
2022	Roosevelt and Yew Lift Station Upgrade Construction (N:C6)—Upgrade the existing lift station for existing and future flows. This project is partially funded by GFCs.	\$	567,000
2023	Jasper Lift Station Upgrade Design—Design of upgrades to the existing lift station to enhance system reliability for current and future flows. This project is partially funded by GFCs.	\$	143,000

Justification (Need/Demand)

Pumps are an integral element of our sewer infrastructure. Lift stations pose critical risks for spills and associated public and environmental health impacts. Unlike gravity sewer pipes, pump stations are complex mechanical and electrical systems susceptible to chronic or acute failure. The lift stations must operate well in order to prevent sewer overflows.

Capital Costs:	2018	2019-2023	Total
Construction	\$468,800	\$2,155,000	\$2,623,800
Design and Engineering	\$17,200	\$515,000	\$532,200
Total	\$486,000	\$2,670,000	\$3,156,000

Funding Sources:	2018	2019-2023	Total
General Facility Charges (GFCs)	\$-	\$1,510,750	\$1,510,750
Rates	\$486,000	\$1,159,250	\$1,645,250
Total	\$486,000	\$2,670,000	\$3,156,000

Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	Several projects support future growth
Anticipated Savings Due to Project	Projects decrease likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Wastewater Projects

Onsite Sewage System Conversions—Sewer (Program #9813)

Location

Various locations Citywide

Links to Other Projects or Facilities

N/A

Description

Supporting the conversion of existing onsite sewage systems to municipal sewer services is a City priority. Efforts to pursue conversions rely on both mandatory regulations and financial incentives. This program provides funding for both minor sewer extensions typically along a short section of street and coordinated neighborhood sewer extensions covering larger areas.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018-2023	Annual Sewer Extensions—As part of the onsite sewer conversion program, this project funds minor extensions of the public pipe systems for new conversions. This project is funded by GFCs.	\$ 1,020,000
2018-2023	Neighborhood Sewer Program—Similar to Annual Sewer Extensions, but focused on larger neighborhood-scale projects. This project is funded by GFCs.	\$ 1,134,000

Justification (Need/Demand)

In increasingly densely developed urban settings, onsite septic systems pose long-term threats to public and environmental health. City goals and policies provide various resources, including CFP funding, for the conversion to municipal sewer.

Capital Costs:	2018	2019-2023	Total
Construction	\$287,200	\$1,436,000	\$1,723,200
Design and Engineering	\$71,800	\$359,000	\$430,800
Total	\$359,000	\$1,795,000	\$2,154,000

Funding Sources:	2018	2019-2023	Total
General Facility Charges (GFCs)	\$359,000	\$1,510,750	\$1,510,750
Total	\$359,000	\$1,795,000	\$2,154,000

Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	Supports new wastewater customer through conversion program
Anticipated Savings Due to Project	Facilitates gradual expansion of sewer system
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Wastewater Projects

Replacements and Repairs—Sewer (Program #9703)

Location

City sewer service area

Links to Other Projects or Facilities

N/A

Description

Provide funds for scheduled repairs, as well as unexpected repairs, replacements and rehabilitation of existing pipe systems and manholes. When possible, trenchless technologies are used to minimize disruptions and costs. Projects include work to abandon several high-maintenance STEP systems and provide gravity service through newly-installed gravity systems.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018	Southeast Area STEP Conversions—This project may fund efforts to convert customers from STEP systems to gravity sewer service in the southeast.	\$ 250,000
2018-2021	Manhole Repair and Replacement—Address structural deficiencies, leaks, and/or corrosion needs.	\$ 226,000
2018-2023	Allocation of Prioritized Repairs—Citywide—Funds major pipe repairs and replacements.	\$ 2,400,000
2018-2023	Side Sewer Repairs—This project will repair City-owned sewer laterals in the right of way.	\$ 150,000
2018-2023	Spot Repairs—Repairs and replaces small sections of sewer pipe.	\$ 678,000
2018	Downtown toilet	\$ 365,000

Justification (Need/Demand)

This program provides improvements to the sewer pipe system to assure adequate service and prevent catastrophic system failure and sewage release. An annual list of priority projects is developed based on the results of televising inspections of the sewer lines and implementation of the condition rating program. Planned repairs include major prioritized work, minor spot repairs, manhole repairs, and manhole lining to address corrosion in manholes associated with STEP system effluent gases. Reducing maintenance needs is also a priority.

Capital Costs:	2018	2019-2023	Total
Construction	\$1,074,550	\$2,162,400	\$3,236,950
Design and Engineering	\$291,450	\$540,600	\$832,050
Total	\$1,366,000	\$2,703,000	\$4,069,000

Funding Sources:	2018	2019-2023	Total
Rates	\$1,001,000	\$2,703,000	\$3,704,000
Total	\$1,366,000	\$2,703,000	\$4,069,000

Annual Operations and Maintenance

Estimated Costs	Decreases maintenance and emergency response costs
Estimated Revenues	None
Anticipated Savings Due to Project	Decreases likelihood of system failure, sewage release and emergency repair
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Wastewater Projects

Sewer System Planning—Sewer (Program #9808)

Location

Within the City's Urban Growth Area

Description

Planning and evaluation efforts necessary to address long-term infrastructure and program needs. At this point in time, projects are limited to ongoing televising and condition rating evaluations.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018-2023	Sewer System Televising and Condition Rating Program—The ongoing work effort provides pipe condition monitoring support to planning and operations staff. Repair and replacement projects stem from the condition rating program.	\$ 150,000
2018-2023	Sewer Force Main Condition Assessment Program—This project provides ongoing funding for collection of force main condition assessment data to support planning of future force main rehabilitation and/or replacement projects.	\$ 192,000

Justification (Need/Demand)

Funds are contributed annually for investigation of pipe structural conditions and overall troubleshooting. This work supports repairs of existing infrastructure.

Capital Costs:	2018	2019-2023	Total
Construction	\$51,300	\$256,500	\$307,800
Design and Engineering	\$5,700	\$28,500	\$34,200
Total	\$57,000	\$285,000	\$342,000

Funding Sources:	2018	2019-2023	Total
Rates	\$57,000	\$285,000	\$342,000
Total	\$57,000	\$285,000	\$342,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Proactive investigation of potential infrastructure problems
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Storm and Surface Water Projects

Aquatic Habitat Improvements (Program #9024)

Location

Various locations Citywide

Links to Other Projects or Facilities

Water Quality Improvements—Storm and Surface Water Section

Open Space Expansion—Parks, Arts and Recreation Section

Description

Implement habitat restoration strategies that protect and enhance aquatic and associated terrestrial habitat in Olympia. This work involves removing invasive species and planting native trees and shrubs to enhance riparian buffers along local streams across the City. Collaboration with Olympia Parks, neighborhoods, private landowners and local community organizations allows the Utility to target properties containing aquatic resources and adjacent forested buffer areas across the landscape. This project hires a Washington Conservation Corps (WCC) crew each year to implement restoration and enhancement projects on high priority properties and funds acquisition, easements, and/or incentives to protect important aquatic habitats citywide.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018-2023	Habitat Improvement – This project will protect and enhance aquatic and associated terrestrial habitat by implementing stewardship strategies as identified and prioritized in the Habitat and Stewardship Strategy developed by the Storm and Surface Water Utility.	\$1,596,000

Justification (Need/Demand)

The quality of aquatic habitat within Olympia continues to be challenged as land is developed for urban uses. The Storm and Surface Water Utility has a responsibility to help manage and enhance our aquatic habitats. The Planning Commission and Utility Advisory Committee have recently encouraged the Utility to increase emphasis on, and funding for, aquatic habitat land acquisition and stewardship.

Capital Costs:	2018	2019-2023	Total
Construction	\$100,000	\$500,000	\$600,000
Planning	\$166,000	\$830,000	\$996,000
Total	\$266,000	\$1,330,000	\$1,596,000

Funding Sources:	2018	2019-2023	Total
Rates	\$266,000	\$1,330,000	\$1,596,000
Total	\$266,000	\$1,330,000	\$1,596,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Not Determined
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Storm and Surface Water Projects

Flood Mitigation and Collection—Stormwater (Program #9028)

Location

Various locations Citywide

Description

Stormwater pipe systems collect and convey runoff to appropriate locations in order to prevent or mitigate flooding. Some projects identified in the program anticipate or correct flooding; others provide for the timely replacement of old, problematic pipe systems.

The replacement of aging and deteriorating pipe systems is an increasingly important financial responsibility of the Utility. Problematic pipes are identified through ongoing Citywide pipe televising and condition rating programs. Several pipes have been identified that are currently failing or are expected to fail within five years. Some of the problems involve long sections of pipes; others involve only isolated spot repairs. These pipes are prioritized and repaired.

Project List

Project list and prioritization are subject to change. Priority is based on a condition rating system.

YEAR	PROJECT DESCRIPTION (Quadrant:Map Coordinate)	COST ESTIMATE
2018-2023	City-Owned Stormwater Pond Rehabilitation—These projects rehabilitate City-owned stormwater facilities including removing sediments, amending soils, establishing attractive low maintenance landscaping and modifying the structures within the facility as needed. Rehabilitation involves more work than is typically performed during routine maintenance, and is intended to enhance the function of the facility. This project will provide for the rehabilitation of one facility per year, on average.	\$300,000
2018-2023	Condition Rating of Existing Conveyance—Television inspection and condition rating is provided for existing stormwater conveyance systems. Condition rating outcomes are used to determine replacement and repair schedules. There are approximately 172 miles of storm sewer owned and operated by the Storm and Surface Water Utility.	\$870,000
2018-2023	Conveyance Spot Repairs (Pipe Replacement)—This project provides for relatively minor spot repairs to the stormwater conveyance system at locations prioritized by the condition-rating database. Repairs to the worst portions of the storm sewer system are typically accomplished within two years of problem identification.	\$480,000
2018-2023	Downtown Flood Mitigation (DT:C5)—Olympia’s downtown is currently vulnerable to tidal flooding. In the years to come, the problem could be exacerbated by sea level rise. The project will install tide gates on key stormwater out falls to Budd Inlet thereby preventing tides from flowing up the pipes and discharging to low lying downtown streets.	\$780,000
2018	Ascension and 4th Avenue Pond Construction (W:C4)—This project will construct a stormwater facility on City-owned land between 4th and Ascension Avenues. It will provide flow control and water quality treatment to flows generated from existing developed areas that discharge to the downstream stormwater conveyance system.	\$290,000
2019	Cooper Point and Black Lake Conveyance Construction (W:C3)—This project will construct the conveyance improvements to the stormwater system between Yauger Park and State Route 101. Specific construction goals will be identified in prior year analysis and design. This project is partially funded by General Facility Charges (GFCs). This project is subject to loan funding.	\$4,700,000
2021	Ken Lake Flood Conveyance Design (W:D3)—This project will design a stormwater conveyance system which will reduce historical overland flooding associated with the Gruen Swale and Stonewall Swale tributary to Ken Lake. This project is partially funded by GFCs.	\$169,000
2022	Ken Lake Flood Conveyance Construction (W:D3)—This project will construct the stormwater conveyance system identified and designed in the prior year design phase. This project is partially funded by GFCs.	\$505,000
2021-2023	Wiggins Road Conveyance Modifications (TBD)—In coordination with the Transportation line of business, this project will reconstruct the stormwater conveyance system along Wiggins Road south of Morse-Merryman Road. This project will improve safety and conveyance capacity. .	\$750,000



Storm and Surface Water Projects

Flood Mitigation and Collection—Stormwater (Program #9028) (continued)

Justification (Need/Demand)

The stormwater infrastructure needs repairs and upgrade to prevent flooding and update aging components. This program replaces parts of the existing system based on televising and a condition pipe rating system. Flooding problems have been reduced in recent years through capital development. However, some regional and localized problems still exist.

Capital Costs:	2018	2019-2023	Total
Construction	\$586,960	\$7,144,480	\$7,731,440
Design and Engineering	\$146,740	\$611,120	\$757,860
Total	\$733,700	\$7,755,600	\$8,489,300

Funding Sources:	2018	2019-2023	Total
General Facility Charges	\$-	\$2,687,000	\$2,687,000
Rates	\$733,700	\$5,068,600	\$5,802,300
Total	\$733,700	\$7,755,600	\$8,489,300

Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	None
Anticipated Savings Due to Project	Decreases likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Storm and Surface Water Projects

Infrastructure Predesign and Planning - Stormwater (Program #9903)

Location

City stormwater service area

Description

This program provides funds for specific pre-design and planning efforts associated with the stormwater system construction, including emergency projects. Additional funding is provided under the program for pervious pavement contingency/repair work. Funding for pre-design is not needed at the present time, but could be requested in future CFPs.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2018-2023	Infrastructure Predesign and Planning—This project provides the means for the Storm and Surface Water utility to contract with consultants for professional services such as soils and geotechnical investigations, hydraulic modeling and computer simulations of the storm network, and project feasibility analyses for capital projects.	\$300,000
2018-2023	Pervious Pavement Contingency Fund—This project provides a means for the City to manage one of its key innovative technologies, pervious pavement in sidewalks. In the long run, the technology is seen as an effective means for managing stormwater runoff. However, in the short-term, some level of problems or failures can be expected. The contingency fund is jointly funded by the General Fund and Stormwater as pervious pavement projects are built. The fund builds over time and is used to repair or mitigate the impacts of a potential failure of pervious pavement projects.	\$ 150,000
2018	Sea Level Rise Response Plan—This project will develop a formal community plan that prioritizes investments for best responding to sea level rise, while protecting downtown economic, social and environmental values. The plan will identify funding needs and sources, implementation schedules and responsibilities.	\$100,000

Justification (Need/Demand)

New technologies for stormwater management are needed. This program supports applied research in the area of pervious pavement. The work is supported by City policy decisions.

Other potential projects in this program evaluate future projects prior to their appropriation in the annual Capital Facilities Plan to ensure accurate scope of work, cost estimates, and a full evaluation of project alternatives. Initial work on emergencies and other unanticipated needs can be funded at a limited level under this program.

Capital Costs:	2018	2019-2023	Total
Pre-design and Planning	\$175,000	\$375,000	\$550,000
Total	\$175,000	\$375,000	\$550,000

Funding Sources:	2018	2019-2023	Total
Rates	\$175,000	\$375,000	\$550,000
Total	\$175,000	\$375,000	\$550,000

Annual Operations and Maintenance

None



Storm and Surface Water Projects

Water Quality Improvements (Program #9027)

Location

Various locations Citywide—see Project List.

Description

Continue to improve water quality in Olympia’s creeks, wetlands, lakes, and marine environments through projects that treat contaminated stormwater runoff. Projects are identified and prioritized based on Citywide needs. Water quality projects are subject to grant and/or loan funding.

Project List

YEAR	PROJECT DESCRIPTION (Quadrant:Map Coordinate)	COST ESTIMATE
2018	Union Avenue Water Quality Retrofit—This project would construct a stormwater treatment facility for currently untreated runoff from portions of Union Avenue and Jefferson Street. This project will remove sediment and debris from runoff prior to discharge to Moxlie Creek.	\$600,000*
2019	Brawne Avenue Basin Water Quality Retrofit—This project would design and construct a stormwater treatment facility for currently untreated runoff discharged to Budd Inlet from portions of the Northwest neighborhood.	\$800,000*
2020	Capitol Way Water Quality Retrofit (DT:C5)—The project would construct a water quality treatment facility to treat runoff from an area roughly bounded by Capitol Way, Adams Street, 7th Avenue, and Union Avenue. The drainage basin is tributary to Capitol Lake and comprises approximately 20 fully developed acres.	\$640,000*
2023	Evergreen Park Drive Treatment Facility (W:D4)—This project would create a stormwater treatment facility for currently untreated runoff from Evergreen Park Drive. The project will evaluate different treatment technologies and locations for the project. It shall also evaluate providing water quality treatment for water that currently discharges directly to Capital Lake or to Percival Cove.	\$550,000*
2021	Martin Way at Mary Elder Water Quality Retrofit (E:C7)—The project would construct water quality facilities providing treatment of stormwater runoff on Martin Way from Mary Elder Road to Sleater Kinney Road. Martin Way is an arterial roadway located in a High Density Corridor zone. Polluted street runoff from over eight acres of street right-of-way currently flows untreated to Woodard Creek just west of Mary Elder Road.	\$550,000*
2022	Plum Street Water Quality Retrofit (DT:D5)—The project would construct water quality facilities providing treatment of stormwater runoff from Plum Street and areas east to Quince Street, zoned Downtown Business, Professional Office, High Density Commercial Service, and Residential Mixed Use. The Plum Street arterial and adjacent areas are tributary to Moxlie Creek and comprise approximately 42 acres of untreated high use area.	\$ 800,000*
* These projects, if qualified, will be 75% funded with available stormwater grants and loans.		

Justification (Need/Demand)

Managing water quality problems associated with stormwater runoff is a primary responsibility of the Storm and Surface Water Utility. Increasingly stringent Federal and State requirements (e.g., National Pollutant Discharge Elimination System) necessitate increased efforts to manage water quality.

Storm and Surface Water Projects

Water Quality Improvements (Program #9027) (continued)

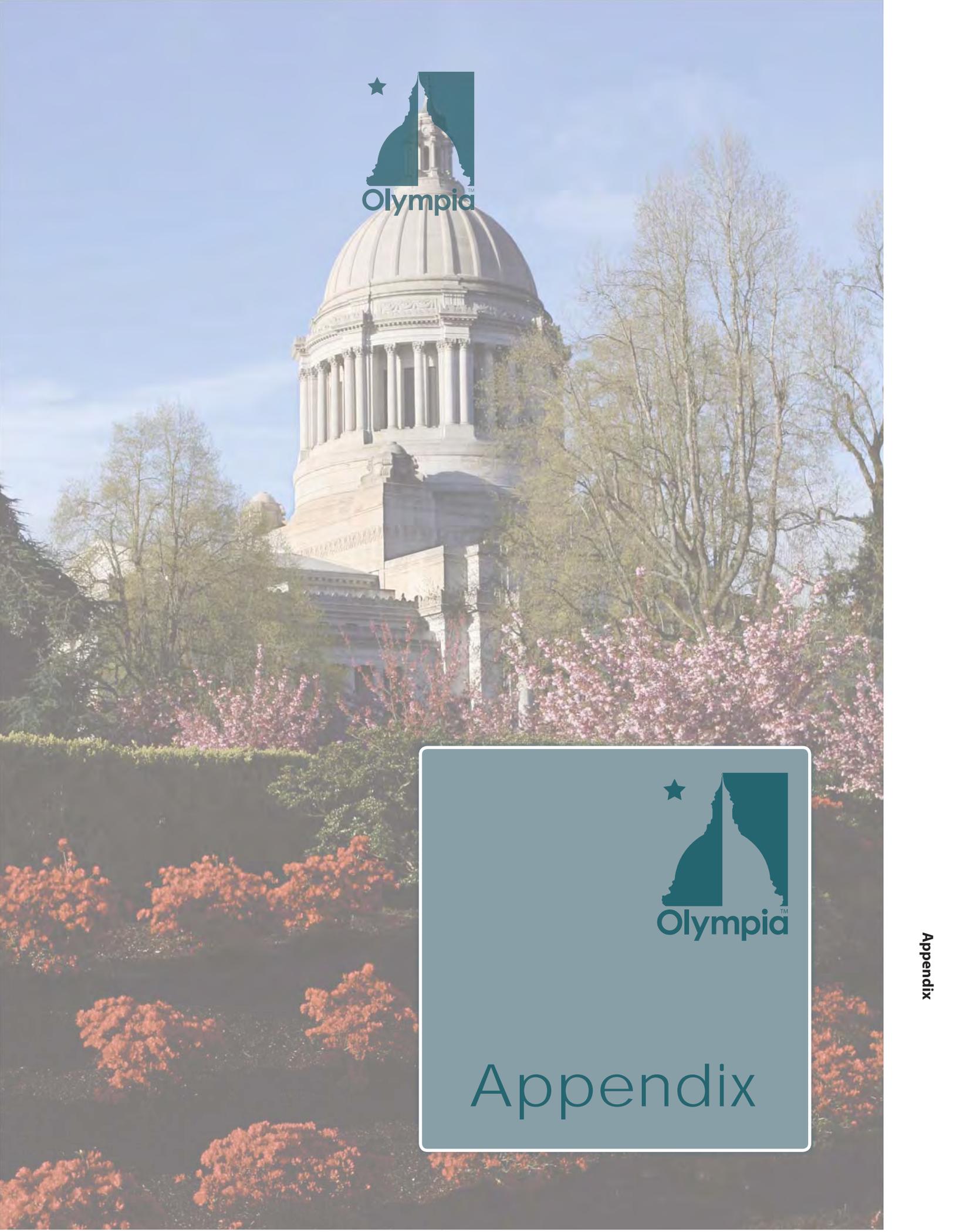
Capital Costs:	2018	2019-2023	Total
Construction	\$450,000	\$2,280,000	\$2,730,000
Design and Engineering	\$150,000	\$760,000	\$910,000
Total	\$600,000	\$3,040,000	\$3,640,000

Funding Sources:	2018	2019-2023	Total
Rates	\$150,000	\$760,000	\$910,000
Storm Water Utility Grant	\$450,000	\$2,280,000	\$2,730,000
Total	\$600,000	\$3,040,000	\$3,640,000

Annual Operations and Maintenance

Estimated Costs	<p>Martin Way Treatment Facility \$1,200 annually</p> <p>Union Avenue Treatment Facility \$1,000 annually</p> <p>The following costs will depend on the selected treatment technology</p> <p>Brawne Avenue Treatment Facility \$1,000 to \$7,000 annually</p> <p>Capitol Way Treatment Facility \$1,200 to \$8,000 annually</p> <p>Plum Street Treatment Facility \$2,800 to \$6,400 annually</p>
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide





Appendix





Community Profile

History of Olympia, Washington

Located on the southernmost point of Puget Sound, the peninsula known as Olympia was “Cheetwoot” (the black bear place) to the Coastal Salish tribe who occupied the site for many generations before the American settlement was established.

The end of what we now know as Budd Inlet was a favorite shellfish gathering site for many Coastal Salish tribes, including the Nisqually, Duwamish, and Squaxin. Evidence exists that potlatches, the Northwest tribal custom in which tribal leaders shared their wealth with neighboring tribal groups, were held both east and west of the Inlet near Olympia.

The falls of the Deschutes River at Tumwater called “Stehtsamish” by the Nisqually Indians may have been occupied as a permanent village site for shellfish and salmon harvesting for 500 years or more before the coming of white settlers. (From *Lacey, Olympia, and Tumwater, A Pictorial History* by Shanna B. Stevenson, published by The Donning Company/Publishers, 1985)

History of European Settlement

Peter Puget and a crew from the British Vancouver Expedition visited the site in 1792. The U.S. Exploring Expedition under Lt. Charles Wilkes came to the site in 1841 and named the waterfront bay Budd Inlet, after Midshipman Thomas A. Budd, a member of that expedition.

The first American settlers were Levi Lathrop Smith and Edmund Sylvester who claimed the town site in 1846. The town was officially platted in 1850 by Sylvester. The Maine native laid out a town in a New England style with a town square, tree lined streets, land for schools, a Masonic Hall, and Capital grounds.

The name of Olympia was selected by Isaac N. Ebey, a local resident, and reflected the view of the majestic Olympic mountains on a clear day.

Drawn to the small peninsula as the first access to Puget Sound from the Columbia River on the Cowlitz Trail, American settlers numbered 996 in the area by 1853. Olympia welcomed the first Custom House on Puget Sound in 1851, and by 1852 was the county seat for the newly organized Thurston County.

Soon after the first Americans settled Olympia in the mid-1840s, Chinese immigrants arrived in the City. Olympia’s first Chinatown was on 4th Avenue between Columbia and Main (Capitol Way) where several buildings housed a hand laundry, stores, and lodging for residents.

In 1854, Daniel Bigelow, an attorney, and his wife, Ann Elizabeth White Bigelow built their home in Olympia overlooking Budd Inlet (900 Glass Street). Today it is a Museum, and remains one of the oldest frame buildings in the State of Washington.

Olympia’s first fire fighting unit, Barnes’ Hook and Ladder Brigade, was organized in the early 1850s. Columbia Number 1, the first fire engine company to be established in Washington Territory, was formed in Olympia in 1865.

Olympia residents elected the town’s first Mayor in 1873—William Winlock Miller.

In 1890, one year after statehood, Olympia City Marshal, George Savidge, was the first in City history to be officially referred to as Chief of Police. In the years from 1889-1892, the Olympia Police Department was comprised of the chief, a captain, and six patrolmen.



Olympia as the State Capital

When Washington Territory was formed in 1853, Olympia was named the provisional territorial capital by Isaac Stevens, Washington's first territorial governor. In 1855, the designation was confirmed by the territorial legislature. Olympia's incorporation as a town occurred on January 28, 1859.

In the mid-1850s, Olympia developed around the waterfront and quickly became a hub of maritime commerce. Federal officers and those seeking the opportunities of the capital flocked to the City which, at one time, boasted the largest population of any town on Puget Sound.

In 1856, the territorial legislature appointed a board of commissioners to oversee construction of a new bridge connecting downtown Olympia with the westside. Lack of funds held up the project until 1868 when Thurston County loaned the City of Olympia \$1,500. The first westside bridge was built the following year.

An especially difficult blow fell when Olympia was bypassed by mainline railroads in the 1870s. City residents had to build their own line to connect with the Northern Pacific mainline at Tenino—15 miles to the south.

Olympia's title of capital was often contested during the early years, but townspeople fought challenges by Vancouver, Steilacoom, Seattle, Port Townsend and Tacoma for location of the territorial seat of and later, State government.

In early 1889, Olympia resident and jeweler, Charles Talcott, was commissioned to create a State seal in time for the convening of the first State legislature in November of the same year. The simple round design with a copy of the Gilbert Stuart portrait of George Washington in the center and the words "The Seal of the State of Washington, 1889" is still the official seal of Washington State.

Washington was given statehood designation on November 11, 1889, as the forty-second state to enter the Union.

When Washington became a state in 1889 with Olympia as the capital, the City grew and prospered adding amenities such as an opera house, City water system, street car line, street lamps, and a new hotel to accommodate visiting legislators. State government has been housed in a series of buildings in Olympia, including the former county courthouse in downtown.

Twentieth Century Growth

Changes were made to the topography of the City in 1911-12, when almost 22 blocks were added to the downtown area in a gigantic dredging and filling effort to create a deep water harbor and fill the sloughs to the north and east of the City.

In 1919, the City awarded a contract to Union Bridge Company to build a more reliable concrete bridge connecting downtown Olympia with the westside. The amount of the contract was \$132,750.

With increased growth in State government and the economic stimulus of World War I, the City began to grow in population and development. Olympia became a center of lumber processing. Downtown buildings were constructed and residential areas south and west of the City developed. By the time of the completion of the grand domed legislative building in 1927, the City had become a fitting setting for such an imposing structure.

A devastating earthquake in 1949 damaged or destroyed many historic downtown buildings which were quickly rebuilt. Today, downtown Olympia is a charming mix of historic, mid-century, and contemporary architecture.

State government grew rapidly in Olympia after World War II, but many State offices were moving to other parts of the State. A Washington State Supreme Court decision in 1954 mandated that Olympia was the seat of government and that State office headquarters must locate here.

The 1950s ushered in construction of a new freeway through Olympia and her neighboring communities of Tumwater and Lacey. Interstate 5, which runs from the southern tip of California to the Washington State/Canadian border, is a vital transportation link for Olympia and the Puget Sound region.

Long time residents still mention the "Columbus Day" storm which hit the northwest on October 12, 1962, with seventy-eight mile per hour winds. Two people were killed in the Olympia area and extensive damage was caused to buildings and trees.

In the 1960s, the time of smokestacks and plywood mills drew mostly to an end along Olympia's waterfront when the Simpson, Georgia Pacific, and St. Regis mills closed, victims of changing markets.

A new era began at the close of the 1960s when The Evergreen State College was authorized by the State legislature on Cooper Point Road at the site of historic Athens University, just west of the Olympia City limits. The institution has changed and enlivened the Capital City's cultural and social climate.

In recent years, Olympia, with its neighbors of Lacey and Tumwater, have witnessed phenomenal growth. The small, muddy, bustling village of the 1850s is only a memory, but the tenacious spirit of Olympians over more than a century echoes through the vibrant City.



Twenty-First Century Vision

Olympia-Yashiro Friendship Bridge

On May 16, 2004 the Olympia community dedicated a new bridge and gateway corridor spanning the same location as the old 4th Avenue Bridge. The Olympia City Council named the new bridge the Olympia-Yashiro Friendship Bridge in honor of Olympia's Sister City, Yashiro, Japan (now reincorporated as Kato City, Japan). The bridge is much more than a transportation corridor. With public art incorporated in the structure, dramatic accent lighting, and spacious pedestrian walkways and overlooks, the new bridge symbolizes Olympia as a community and expresses the City's relationship to the surrounding natural environment.

Olympia Transportation Benefit District

In 2009 the City created the first Transportation Benefit District (TBD) in Washington state. A TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvements within the City.

New City Hall

On March 26, 2011 the City of Olympia opened the door to its new City Hall. The building combined employees and services from five departments previously housed in eight different buildings. The move greatly improved the ease in which citizens can access their City government and efficiency among various departments.

Olympia Metropolitan Park District

In 2015 the voters approved the establishment of a Metropolitan Parks District to increase dedicated funding for the City's parks and programs. The City began collecting revenue from the Olympia Metropolitan Park District (OMPD) in 2017.

Public Safety Initiative

In November 2017 voters approved a levy lid lift to increase property taxes above the statutory limit to support a public safety initiative. The levy will add \$0.45 per \$1,000 assessed value and generate approximately \$2.8 million per year.



Beautiful Site

Olympia sits on a low flat at the southern end of Puget Sound on the shores of Budd Inlet's two bays, between Seattle and the Olympic Mountains to the north, Mt. Rainier to the northeast, and Mt. Saint Helens to the south. The City is further divided by Capitol Lake.

The City and the surrounding area experience fair-weather summers and the grey, wet overcast winters of the Pacific Northwest. Tempered by the Japanese trade current, the mild northwest climate favors lushly forested landscapes replete with ferns and mosses. Rainfall tends to be spread out over a large number of days. With about 52 clear days out of the year, Thurston County residents live under some form of cloud cover 86 percent of the year, with more than a trace of rain falling on almost half of the days of the year.

Area: 20.1 square miles

Average Temperatures: January, high of 46 ° F and low of 34 ° F; July, high of 77° F and low of 51 ° F; annual average, 50.55° F

Average Annual Precipitation: 50 inches

Government

Olympia was named the capital city of Washington Territory on November 28, 1853 and was incorporated as a town on January 28, 1859.

The governing body elected in 1859 was a five-member Board of Trustees, and the office of mayor was not created until November 11, 1873. At that time, a mayor and six-member Council (from three wards) were elected for one-year terms.

On November 16, 1925, the City government body was changed to a three-member elected commission composed of the mayor, commissioner of finance, and commissioner of public works. The commission began as three-year terms, but increased to four years in 1950.

On May 18, 1982, the voters of Olympia approved the Council-Manager form of government. A new, seven-member Council was elected on November 2, 1982 and assumed office on November 18, 1982. The first meeting of the newly elected City Council was November 23, 1982. The mayor was selected by the Councilmembers for a two-year term in January of each even numbered year.

In 1991, the voters approved the selection of the Mayor through election by the citizens, rather than through appointment by the Council. The Mayor is elected to serve a four-year term.

Olympia is a Council/Manager City as authorized by Washington State law, RCW 35A.13. The Council/Manager form of government is different than the Mayor-Council form in Seattle, the Commission form at Thurston County, or the Town form in many East Coast communities.

According to the International City-County Management Association, under the Council/Manager form, power is concentrated in the elected council, which hires a professional administrator to implement its policies. The Mayor and Council as a collegial body are responsible for setting policy, approving the

budget, and determining the tax rate. The manager serves as the Council's chief advisor. The Council provides legislative direction, while the manager is responsible for day-to-day administrative operations of the City, based on the Council's decisions.

In Olympia, the City Council makes policy and serves as the legislative group responsible for approving City ordinances and establishing City policy. Councilmembers are part-time employees, although Olympia's Councilmembers estimate that, on average, they devote from 25-40 hours per week to Council business. Many Councilmembers hold full-time jobs in addition to their duties on the City Council.

Olympia's City Council positions are nonpartisan, are elected for four-year terms, and represent the community at-large rather than designated districts. The seven positions are staggered, with positions ending for three members at one time and four members the next.

The Mayor presides at all meetings of the Council and is recognized as the head of the City for ceremonial purposes and by the Governor for purposes of military law. The Council selects another member to serve a two-year term as Mayor Pro Tem. State law requires that Councilmembers reside within the City limits and be registered voters, 18 years of age or over.



Population

The age of the population in Thurston County as a whole is getting older. Census figures show that the median age of the county’s population was 38.5 years in 2010, up from 36.5 years in 2000 and 33.6 years in 1990. Some interesting distinctions in median age, however, do exist between different areas of the county. For example, Yelm has the youngest population of Thurston County cities. Its median age (29.0 years) was lower than the county’s median age (38.5), and the proportion of its population under age 18 (36 percent) was higher than the county average (27 percent).

Individuals aged 65 and over are a growing segment of the population in Thurston County, and migration plays a key role in this population growth. Amenities that an older population finds attractive, such as advanced health care and retirement facilities, draw many retirement-aged people to Thurston County. In 2010, persons age 65 and older constituted 13% of the total County population. This percentage of residents age 65 and older is expected to climb to roughly 17% by 2020 and should reach 20% by 2030. The first of the “baby boomers” turned 65 in 2011.

Population forecasts for Olympia project growth of 19% by 2025 (population 60,750) and 34% by 2035 (population 68,410).

Population

Year	Olympia	Thurston County	Olympia % Increase
2017	52,160	276,900	1.1
2016	51,600	272,690	1.1
2015	51,020	267,410	2.7
2014	49,670	264,000	2.5
2013	48,480	260,100	2.1
2012	47,500	256,800	1.5
2011	46,780	254,100	0.6
2010	46,478	252,264	0.8
2009	46,109	249,336	1.3
2008	45,538	244,853	1.0

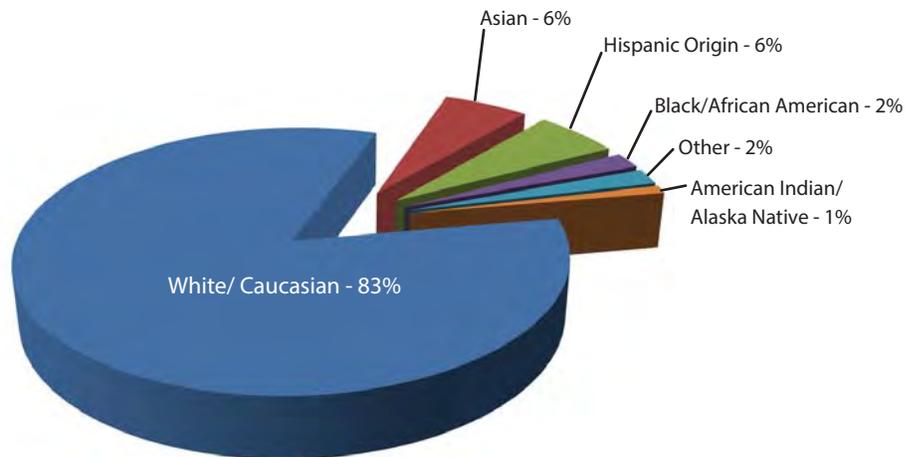
Source: State of Washington, Office of Financial Management

Households by Family Type

	1970	%	1980	%	1990	%	2000	%	2010	%
Average Household Size, Olympia	2.54		2.32		2.22		2.21		2.18	
Thurston County - Total Households	25,186		46,375		62,150		81,625		100,650	
Married-Couple Families	18,045	72%	28,383	61%	35,433	57%	43,352	53%	50,237	50%
One Parent Families	2,097	8%	4,992	11%	7,903	13%	11,599	14%	15,924	16%
One-Person Families and Non-Family Households	5,044	20%	13,000	28%	18,814	30%	26,674	33%	34,489	34%

Source: TRPC’s *The Profile - Population & Demographics* (2010 US Census)

Population by race in Olympia



Source: TRPC’s *The Profile - Race & Ethnicity* (2010 US Census)

Urban Cost of Living Index

The Olympia-Lacey-Tumwater area cost of living generally hovers around the national average of approximately 265 cities that participate in the C2ER (The Council for Community and Economic Research) survey. In the fourth quarter of 2017, the area was 4% higher than the national average. Source: TRPC Cost of Living Data

Employment:

Annual Average Thurston County	2016	2017
Civilian Labor Force	131,530	137,080
Employed Persons	124,061	130,183
Unemployed Persons	7,469	6,897

Source: WA State Employment Security Dept., Labor Market and Performance Analysis, Labor Area Summaries

*Preliminary December 2017

Unemployment Rates:

	2014	2015	2016	2017 Est.
Olympia	6.1%	5.7%	5.1%	4.4%
Thurston County	6.7%	5.9%	5.5%	5.0%
Washington State	6.2%	5.7%	5.3%	4.9%
United States	6.2%	5.3%	4.6%	4.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Economic Indicators

Median Household Income, Thurston County (In current dollars) (Source: US Census Bureau: American Fact Finder, Jul 2017)

2014	2015	2016
\$ 62,286	\$ 61,677	\$ 62,854

Poverty Rate, Thurston County (Five Year Averages) (Source: US Census Bureau: American Fact Finder, Jul 2017)

2010-2014	2011-2015	2012-2016
11.9%	12.4%	8.1%

Home Ownership, Olympia

	2010
Own Home	63.2%
Rent/Other	36.8%

Housing Average Sales Price (Source: The Profile via Northwest Multiple Listing Service, Dec 2017)

	Olympia	Thurston County
2014	\$274,338	\$247,828
2015	\$283,218	\$260,469
2016	\$310,116	\$283,272

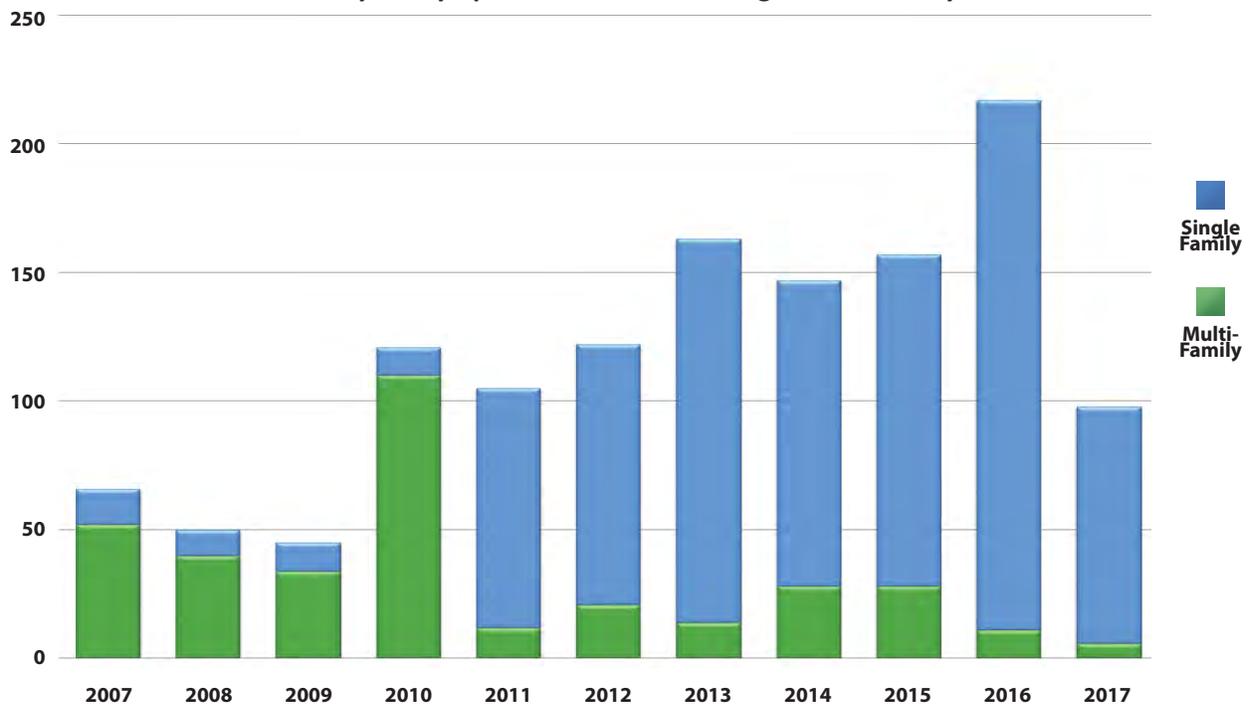
Apartment Rental Rates, Thurston County (Source: The Profile, Oct 2016)

	2016	2017
Average 1 Bedroom Apartment Rental	\$ 836	\$ 909
Average 2 Bedroom Apartment Rental	\$ 911	\$ 983

Building Permits Issued, Olympia (Source: City of Olympia, CP&D)

	2016	2017
Single Family	206	92
Multi Family	11	6
Commercial	27	50

City of Olympia - Residential Building Permit Activity





Education

Thurston County has a variety of educational opportunities available to the students and adults of the community. These include both private and public primary, secondary, and higher education institutions.

Eight school districts provide primary and secondary education to most of Thurston County's students. These school districts offer a wide variety of services and opportunities for students, including the Head Start Program for preschoolers, advanced placement services for high school students, and numerous community-based learning experiences for all grade levels.

South Puget Sound Community College (SPSCC) is the largest institution of higher education in Thurston County. SPSCC currently serves more than 7,000 students, including degree-seeking students, high school students, veterans, international students, and underemployed workers. The college offers day and evening classes, continuing education courses, basic education, job skills training, and personal enrichment courses. In 2016, SPSCC was listed as one of the nation's 150 best community colleges by the Aspen Institute College Excellence Program.

The Evergreen State College is a public college of liberal arts and sciences with a national reputation for innovation in teaching and learning. Founded in 1967, Evergreen opened its doors in 1971 and now enrolls around 4,300 students. While most of Evergreen's students are enrolled at the Olympia campus in full-time undergraduate programs, the College also provides an evening and weekend studies program and three graduate programs (Environmental Studies, Public Administration, and Teaching). Evergreen has 60+ fields of study to explore and 88% of graduates are employed or pursuing graduate/professional studies within one year of graduation.

Saint Martin's University is a four-year coeducational, comprehensive university with a strong liberal arts foundation. It is one of 14 Benedictine colleges and universities in the U.S. and Canada and the only one west of the Rockies. It offers 27 undergraduate programs in the liberal arts and professions, seven graduate programs, and numerous pre-professional and certification programs. Established in 1895 by the Roman Catholic Benedictine Order, Saint Martin's is located on a 300-acre campus in Lacey. More than 1,600 students attend the University's main campus, about 370 students are enrolled in courses at extension campuses at Joint Base Lewis-McChord, and at Centralia Community College, and Tacoma Community College.

Thurston County College Enrollment 2006-2016

Enrollment		South Puget Sound Community College	St. Martin's University	The Evergreen State College
Fall 2006	Head Count	6,974	1,256	4,416
	FTE	3,964	1,035	4,294
Fall 2007	Head Count	7,458	1,270	4,586
	FTE	4,015	1,093	4,483
Fall 2008	Head Count	8,361	1,228	4,696
	FTE	4,404	1,063	4,616
Fall 2009	Head Count	7,133	1,272	4,891
	FTE	4,672	1,073	4,835
Fall 2010	Head Count	7,110	1,335	4,833
	FTE	4,857	1,122	4,779
Fall 2011	Head Count	6,558	1,392	4,794
	FTE	4,309	1,161	4,811
Fall 2012	Head Count	6,308	1,416	4,509
	FTE	N/A	1,163	4,794
Fall 2013	Head Count	6,154	1,443	4,170
	FTE	4,200	1,181	4,794
Fall 2014	Head Count	6,152	1,437	3,989
	FTE	4,162	1,124	3,985
Fall 2015	Head Count	6,075	1,380	3,985
	FTE	4,148	1,081	4,021
Fall 2016	Head Count	6,081	1,355	4,089
	FTE	4,232	1,114	4,094

Source: TRPC's *The Profile - Education - Higher Education Enrollment*, Nov 2016.

Note: Includes only those persons enrolled at campuses located in Thurston County. Head count includes both full- and part-time persons. FTE is full-time equivalent.

Educational Attainment 2012-2016

	Olympia	Thurston County	Washington State	U.S.
High School Graduate or Higher	93.5%	93.6%	90.6%	87%
Bachelor's Degree or Higher	44.2%	33.3%	33.6%	33.4%

Source: U.S. Census Bureau, Quick Facts

Racial and Ethnic Distribution of Thurston County Public School Students 2016-2017

	Olympia		Thurston County	
	Total	%	Total	%
American Indian	60	0.6	580	1.36
Asian	728	7.1	2040	4.8
Black / African American	236	2.3	1,191	2.8
Hispanic	1105	10.8	6,344	14.9
Pacific Islander	23	0.2	484	1.1
Two or More Races	1,036	10.2	4,689	10.9
White	7,003	68.7	27,336	64.1

Source: WA State Superintendent of Public Instruction, May 2017

Business and Industry

The City's early development was based on its port facilities and lumber-based industries, and later oyster farming and dairying. During the mid-twentieth century, the decline of the timber industry resulted in the loss of many of the local associated milling and secondary operations. During the 1970s, Olympia expanded as a center of offices and homes for State employees, military personnel, and their respective families.

In the late 1960s and early 1970s, the State legislature approved and financed construction of the Evergreen State College. The four-year public institution became an economic and cultural fixture in Thurston County with faculty, staff, and students contributing to the local housing and retail sectors. On a smaller scale, South Puget Sound Community College and Saint Martin's University in nearby Lacey also drove the housing demand. In the late 1980s, the Olympia waterfront and downtown were revitalized, and an effort began to draw new businesses to the area.

Manufacturing continued to be a major economic segment in the early 2000s, though a setback was experienced with the closure of the Miller Brewing plant in June 2003. Wood and food processing segments stagnated, while plastics, industrial supplies, and machinery experienced growth.

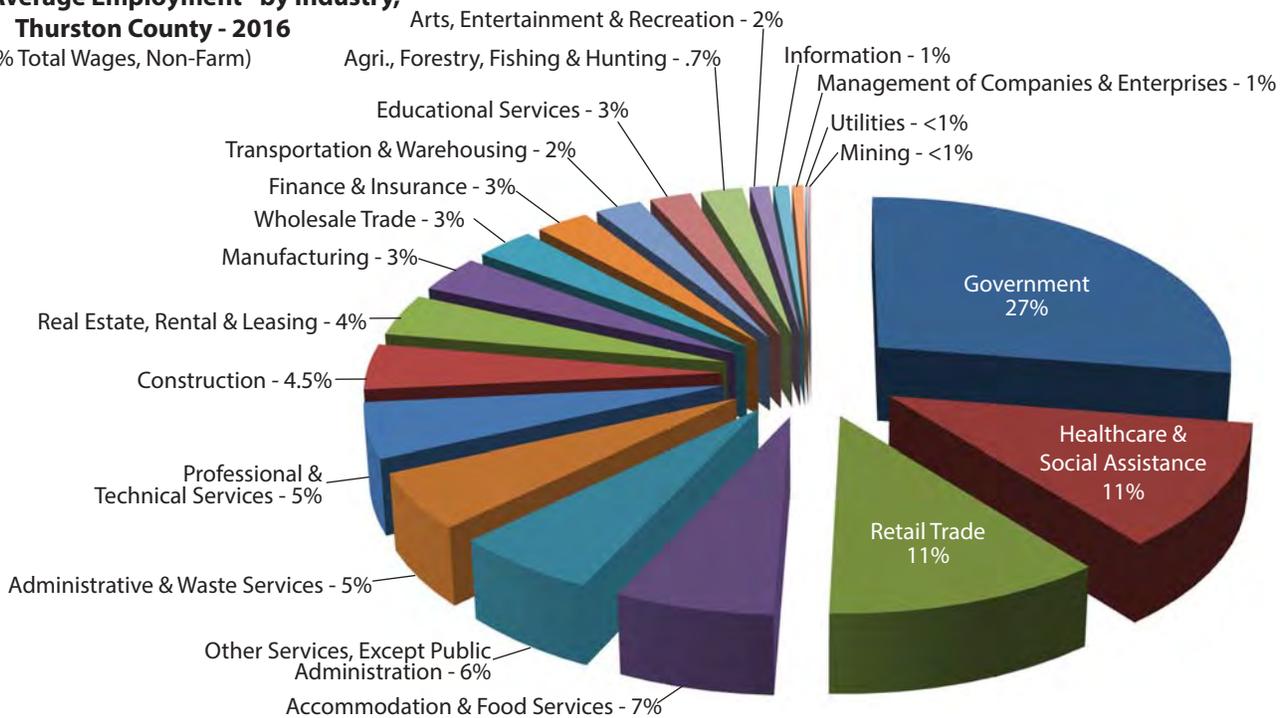
Agriculture, another industry traditional to Olympia, also wanes, although production is still higher than in nearby counties. The size of farms continues to decrease, while the number of farms is actually increasing. On the same lines as agriculture, the timber industry is dominated by smaller, family-owned operations.

As the capital of the State of Washington, Olympia relies on the State government to be a stabilizing factor for the local economy. In addition to the jobs it supports directly, state government also supports the economy by attracting tourists, as does the region's gambling industry.

The annual sessions of the State legislature in the winter and spring mark the first tourist season of the year, with summertime recreation and attractions, including tours of State buildings. Compared to other regions in the state, Olympia and Thurston County are home to a relatively small number of technology companies. To attract them, economic development officials promote the area's telecommunication infrastructure, low property prices, and educated workforce.

Average Employment* by Industry, Thurston County - 2016

(% Total Wages, Non-Farm)

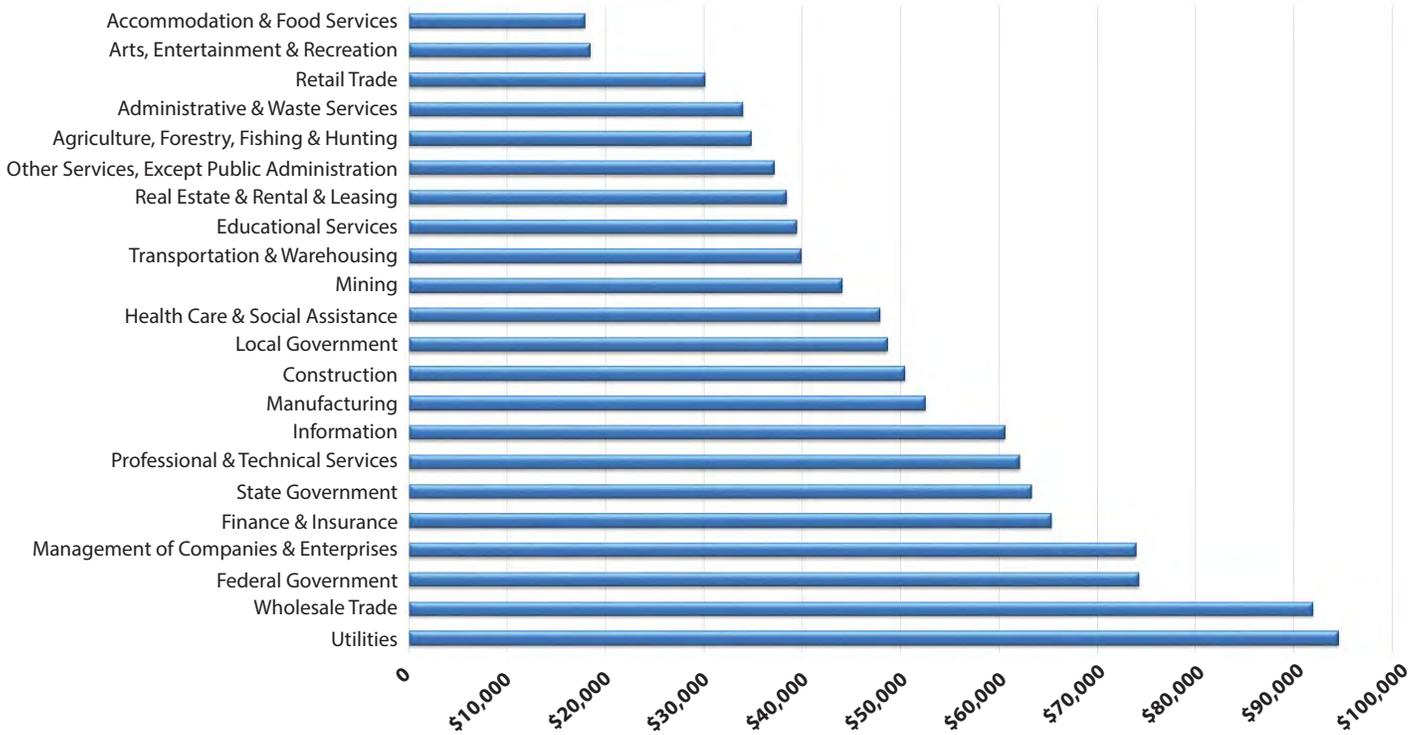


* Employment of Persons Covered by Unemployment Insurance

Source:
TRPC's
The Profile, Employment by Sector, Dec 2017



Average Yearly Wages - Thurston County - 2016 (Real dollars)



Source: TRPC's *The Profile*, Covered Employment Wages by Industry, August 2017

Top Property Taxpayers for Tax Year 2018

Rank	Taxpayer	Taxable Assessed Value
1	Capital Mall	\$128,306,900
2	Vine Street Investors	88,947,900
3	Puget Sound Energy	82,676,588
4	Capital Medical Center	55,976,300
5	Washington State Employees CU	41,861,100
6	Group Health Coop of Puget Sound	32,503,700
7	Continental Cambridge	32,162,500
8	Cafaro Northwest Partnership	26,044,300
9	Black Lake Apartments	25,958,731
10	Breit Acg Mf Woodland LLC	25,942,300
11	MGP X Properties LLC	25,813,300
12	3430 Pacific Ave Holdings LLC	25,604,700
13	DA Environs Apple Park LLC	20,097,200
14	Overlake Mgmt Co	19,534,500
15	Bellwether #215 LLC	19,077,600
16	Fern Street Partners LLC	18,777,200
17	Bowen Properties LLC	18,767,300
18	Lowe's HIW Inc	18,388,400
19	Olympia Orthopedic Properties LLC	17,856,100
20	Cooper Point Pavilion LLC	17,524,100

Using taxable values within the City of Olympia as of 02/01/2018
 Source: Thurston County

Public Transportation

Communities throughout the Thurston region have adopted comprehensive strategies to meet the mobility needs of people, goods, and services well into the future. These strategies address all aspects of the region's transportation system, including streets and roads, public transportation, rail, bicycle and pedestrian facilities, and marine and aviation facilities.

Transportation alternatives—like public transportation, bike lanes, sidewalks, and rail—provide more people with feasible options for getting from Point A to Point B. These alternatives also improve the quality of life for neighborhoods, downtown core areas, and busy corridors linking important activity centers.



Utilities

Through a combination of public and private enterprises, Olympia offers first-rate utility services. The City of Olympia maintains an aggressive capital program to improve and maintain facilities for drinking water, stormwater, and wastewater utilities. The use of reclaimed water can be used by agencies and businesses for irrigation, commercial processes, decorative fountains and ponds, pressure washing, dust control, toilet flushing, groundwater recharge and streamflow, and wetland enhancement. The City also provides a Waste ReSources utility which offers a wide range of solid waste, recycling, and organic services. Natural gas and electricity is provided for most residents by Puget Sound Energy, and local telephone service is provided by several different providers with Century Link being the major provider.

Neighborhood Recognition Program



Olympia's Neighborhood Recognition Program was started in 1989 as a way to foster ongoing communication between City government and neighborhood associations. Neighborhoods voluntarily choose to participate in the Olympia program and all neighborhoods located within the City of Olympia and its Urban Growth Area are eligible to apply.

Benefits of the program are:

- Notification of certain zoning and land use proposals
- As-needed meetings with City staff and other associations to discuss issues and learn about City programs and services
- Authorize street closure for up to two neighborhood block parties per year

Participating associations are also eligible to bi-annually apply to the City for a neighborhood matching grant of up to \$5,000 to initiate an activity to benefit the neighborhood in general. In recent years, neighborhoods have used the matching grants to landscape common areas, construct entrance signage, develop emergency response programs, maintain stormwater retention ponds, create neighborhood walking paths, and publish a neighborhood history.

Culture that Supports our Mission: Working Together to Make a Difference

The City of Olympia champions its mission in meaningful ways to ensure our City is a great place to live, work, and play. One of the most visible ways is through our Public Art program, City-owned park land, and our partnerships with private organizations. Creative uses of our resources allow us to create an environment where we fuel our citizens' minds and creativity; provide spaces to be physically active, enjoy nature, and the companionship of other community members; and promote activities and events that bring our community together through shared experiences.

Public Art

In 1990, the City of Olympia passed an ordinance setting aside one dollar per person and one percent of major City construction projects for public art. Projects range from small local artist projects in neighborhood parks to major installations and design teams. In 1998, the Olympia Arts Commission created a long-range plan for public art in Olympia. The vision for the future states:

We envision a public art program that is inspiring-thought provoking and functional, inclusive and diverse. We envision a public art program that is woven into the community and our daily lives-our neighborhoods, parks, buildings, infrastructure and public spaces. We invite all segments of our community to work with the City to sustain the current vitality of the arts and embrace new challenges.

Guided walking tours are available in the summer and our entire collection may be viewed [online](#). For citizens and visitors who prefer a self-guided approach to art appreciation, we offer [walking maps](#) marked with public art locations. Not all pieces are on display year-round.

Parks

The City of Olympia park system has grown to over 1,200 acres and includes all of the traditional amenities one would look for such as ballfields, tennis courts, playgrounds, restrooms and picnic shelters. Olympia parks also provide substantial open space and natural areas, complemented by multiple opportunities to access the Puget Sound shoreline and our historical waterfront.

Partnerships

The City of Olympia cultivates a sense of belonging and cohesiveness in the community by creating opportunities for citizens to share experiences. Citizens look forward to annual events such as the City-sponsored Arts Walk and Procession of the Species Parade. We devote resources and partner with private organizations for events such as the Capital Lakemead Festival and Parade, Dragon Boat Festival, Capital City Marathon, Pet Parade, Olympia Harbor Days, Toy Run Motorcycle Rally and more! For these particular events, the City provides event space and in-kind services.

The City also provides space for some of our City's best-loved places. We own the buildings at the Farmers Market, the Hands On Children's Museum, the Olympia Timberland Regional Library, and the Washington Center for the Performing Arts – all places our citizens can go to learn new things, appreciate the arts, and gather with friends old and new.



"Ad Astra" Artist: Sylvia Perle



Do We Make a Difference?

We believe so. There is a reason property prices are higher in Olympia than surrounding Thurston County cities and towns. Scarcity is one obvious economic factor. But also, as Olympia residents know, there is a feeling associated with living here – a palpable sense of belonging to something bigger, something important, something that is growing and changing to help direct our future in positive ways. The things we do to support our mission – Working Together to Make a Difference – make Olympia a great place to live, work, and play. Olympia is a wonderful example of Aristotle's famous quote, "The whole is greater than the sum of its parts," and the City of Olympia is proud to be a contributing part.



Acronyms

Term	Stands for
AEGIS	City's Police Information System
AFSCME	American Federation of State, County, & Municipal Employees
ASE	Automated Service Excellence
AWC	Association of Washington Cities
BARS	Budget & Accounting Reporting System
CAFR	Comprehensive Annual Financial Report
CAMP	Capital Asset Management Program
CAPCOM	Thurston County Communications
CDBG	Community Development Block Grant
CFP	Capital Facilities Plan
CIP	Capital Improvement Program
CIPP	Cured in Place Pipe
CNA	Coalition of Neighborhood Associations
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CPTED	Crime Prevention Through Environmental Design
DRC	Day Reporting Center
DRS	Department of Retirement Systems
DUI	Driving under the Influence
EDC	Economic Development Council
EDDS	Engineering and Developmental Design Standards
EHM	Electronic Home Monitoring
EMS	Emergency Medical Services
EOC	Emergency Operations Center
ERU	Equivalent Residential Unit
FDCARES	Fire Dept. Community Assistance Referrals & Education Service
FEMA	Federal Emergency Management Act
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GFC	General Facility Charge
GFOA	Government Finance Officers Association
GMA	Growth Management Act
GO	General Obligation
HUD	Housing and Urban Development
HVAC	Heating, Ventilation, and Air Conditioning
ISP	Intensive Supervisor Training
IT	Information Technology Line of Business
IUOE	International Union of Operating Engineers
LEED	Leadership in Energy and Environmental Design
LED	Light Emitting Diode
LEOFF	Law Enforcement Officers and Fire Fighters
LERMS	Law Enforcement Records Management System
LID	Local Improvement District and/ or Low Impact Developments
LOB	Line of Business

Term	Stands for
LOS	Level of Service
LOTT	Lacey-Olympia-Tumwater-Thurston County
LTFS	Long Term Financial Strategy
LTGO	Long Term General Obligation
MRT	Moral Reconation Therapy
MNRFTC	Mark Noble Regional Fire Training Center
MOU	Memorandum of Understanding
MVET	Motor Vehicle Excise Tax
NLC	National League of Cities
NPDES	National Pollutant Discharge and Elimination System
O&M	Operations & Maintenance
ODA	Olympia Downtown Association
OFD	Olympia Fire Department
OMPD	Olympia Metropolitan Park District
OPD	Olympia Police Department
OSHA	Occupational Safety and Health Administration
PBIA	Parking & Business Improvement Area
PC	Personal Computer
PFD	Public Facilities District
PPACA	Patient Protection & Affordable Care Act
PPP	Priest Point Park
PRAC	Parks and Recreation Advisory Committee
PREA	Prison Rape Elimination Act
PSE	Plans, Specs and Estimates
PWTF	Public Works Trust Fund
RCW	Revised Code of Washington
SAAS	Software as a Service
SAFER	Staffing for Adequate Fire & Emergency Response
SCBA	Self Contained Breathing Air Bottles
SEPA	State Environmental Policy Act
SRO	School Resource Officer
STEP	Septic Tank Effluent Pump
STEP	Strategic Technology Enhanced Policing
TBD	Transportation Benefit District
TCTV	Thurston Community Television Board
TRPC	Thurston Regional Planning Council
UGA	Urban Growth Area
VAC	Victims' Assistance Coordinator
VCB	Visitor and Convention Bureau
VIP	Volunteers in Parks
WAC	Washington Administrative Code
WARC	Waste and Recovery Center
WCIA	Washington Cities Insurance Authority
WISHA	Washington Industrial Safety and Health Act
WPR	Waste Prevention and Reduction
WSDOT	Washington State Department of Transportation
WTSC	Washington Traffic Safety Commission

Glossary of Terms

Accrual Basis of Accounting - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

American Federation of State, County, and Municipal Employees (AFSCME) - A bargaining unit covering Parks and Public Works maintenance employees and Parking Enforcement employees.

Agency Funds - A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds.

Allocation - To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

Appropriation - An authorization made by the legislative body of a government, which permits officials to incur obligations against, and to make expenditures of, governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriation Ordinance - An official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Assessed Value (AV) - The fair market value of both real (land and building), and personal property as determined by the Thurston County Assessor's Office for the purpose of setting property taxes.

Assets - Property owned by a government, which has monetary value.

Audit - A systematic examination of resource utilization concluded in a written report. It is a test of management's internal accounting controls and is intended to: ascertain whether financial statements fairly present financial position and results of operations; test whether transactions have been legally performed; identify areas for possible improvements in accounting practices and procedures; ascertain whether transactions have been recorded accurately and consistently; and ascertain the stewardship of officials responsible for governmental resources.

Balanced Budget - refers to a budget in which revenues are equal to expenditures. More generally, it refers to a budget that has no budget deficit, but could possibly have a budget surplus.

Baseline -The cost to repeat the current level of service. Baseline includes inflation costs. They do not reflect increased levels of service.

Bond - A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s) along with periodic interest at a specified percentage of the principal (interest rate).

Bond Anticipation Notes (BANs) - Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Budget (Operating) - A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which a government and its departments operate.

Budget 365 - City's year round budget process designed to inform and educate citizens about how to get involved in the City's budget decision making process.

Budget Calendar - The schedule of key dates or milestones which a government follows in the preparation and adoption of the budget.

Capital Budget - A plan of proposed major capital improvements, which are beyond the routine operation of the City, and the means of financing them. The capital budget is enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on a Capital Facilities Plan (CFP).

Capital Facilities Plan (CFP) - A six-year plan for capital expenditures that identifies the expected beginning and ending date for each project, the amount to be expended in each year on each project, and the method of financing those expenditures. Only expenditures and revenues proposed for the first year of a project are incorporated into the Annual Operating Budget as the Capital Budget.

Capital Improvement - A project to create, expand or modify a capital facility. The project may include design, permitting, environmental analysis, land acquisition, construction, landscaping, site improvements, initial furnishings, and equipment. The project cost must exceed \$50,000.

Capital Improvement Plan (CIP) Fund - A fund used to pay for general municipal projects (excludes utilities). The money is derived from the real estate excise tax, interest, utility tax (1%) and the year-end cash surplus.

Capital Outlays (Expenditures) - Expenditures for the acquisition of, or addition to, fixed assets not included in the Capital Facilities Plan. The useful life of these expenditures must be two years or more with a value of at least \$5,000. Examples include construction projects, land acquisition, major renovations or repairs to existing grounds or facilities, and equipment purchases.

Capital Projects - Projects which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a new building or facility, with a life expectancy of more than 10 years. It may also include major maintenance or renovation of a current asset.

Glossary of Terms (continued)

Cash Basis - The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

Collective Bargaining Agreement - A legal contract between employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, benefits, and matters affecting health and safety of employees).

Constrained Prioritization - Budget-setting process where priority setting survey is used to categorize general fund services into four quadrants. The highest priority services are assigned to Quadrant Level 1, the next important services to Level 2, etc. Only a specific number of services can be assigned to each level, thus creating a constrained prioritization process. Then it is decided whether the general fund budget for the different quadrants should be increased, maintained at the current level, or reduced.

Consumer Price Index (CPI) - A statistical description of price levels provided by the United States Department of Labor. The index is used as a measure of change in the cost of living.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost of Living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

Council Priorities - Each year the Olympia City Council develops target issues which are a set of priority topics to be addressed by the Council and staff during the upcoming year. Target issues may extend beyond the current operating budget. Also referred to as Council Emphasis Areas or Target Issues.

Debt Service - Payment of interest and repayment of principal to holders of a government's debt instruments.

Deficit - 1. The excess of an entity's liabilities over its assets (see Fund Balance). 2. The excess of expenditures or expenses over revenues during a single accounting period.

Depreciation - 1. Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence. 2. That portion of the cost of a capital asset, which is charged as an expense during a particular period.

Double Budgeting - The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

Enterprise Fund - Funds used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water and sewage utilities are common examples of government enterprises.

Equipment Rental - The Equipment Rental Fund operates as a self-sufficient motor and equipment pool. Customer departments pay for the equipment used through charges billed monthly. These charges include a form of depreciation, which is accumulated as a sinking fund for future asset replacement, a factor for maintenance of the equipment, and charges for fuel (if applicable).

Expendable Trust Fund - Fund where the money in the fund (principal) and the interest may be spent as designated by the donor.

Expenditures - Where accounts are kept on the accrual or modified basis of accounting, the cost of goods received or services rendered, whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when cash payments for the above purposes are made.

Fiduciary Funds - Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. This includes pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fiscal Year - A twelve-month period designated as the operating year by an entity. For Olympia, The fiscal year is the same as the calendar year (also called budget year).

Full Faith and Credit - A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

Fund - a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

Fund Balance - The excess of an entity's assets over its liabilities. The City's policy is to maintain a fund balance of at least 10% of the general operating revenues.

General Fund - This fund is used to pay the expenses and liabilities of the City's general services and programs for citizens that are not separately accounted for in special revenue funds.

General Obligation Bonds - When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are General Obligation (GO) Bonds. Sometimes the term is also used to refer to bonds, which are to be repaid from taxes and other general revenues.



Glossary of Terms (continued)

Government Finance Officers Association (GFOA) - Association that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Governmental Funds - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Grant - A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

Infrastructure - The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends (e.g., streets, roads, sewer, and water systems).

Insurance 1 - Medical insurance plan offered to non-represented, AFSCME, IUOE, and Teamsters employees hired prior to January 1, 2013.

Insurance 2 - Medical insurance plan offered to non-represented, AFSCME, IUOE, and Teamsters employees hired on or after January 1, 2013.

Interdepartmental Charges - A revenue similar to program revenues but paid by other units of the City of Olympia.

Interfund Services/Revenue - The term "interfund" refers to transactions between individual Funds of the City of Olympia (rather than transactions between the City and private companies,) other receiver must budget and pay for service received. The service provider will budget for the cost of providing the service and receive a revenue in the form of a payment from the service receiver. Interfund revenues can be either payment for intracity services or contributions of revenue from one City organization to another. Prime examples would be equipment rental charges, self-insurance premiums, and contributions for debt service obligations. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as "double budgeting." (The term interfund is also referred to as intracity.)

Internal Control - A plan of organization for purchasing, accounting, and other financial activities, that includes, but is not limited to:

- Employees' duties are assigned so that no single employee handles a financial action from beginning to end.
- Proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed.

- Records and procedures are arranged appropriately to facilitate effective control

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

Investment - Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

International Union of Operating Engineers (IUOE) - Union covering Public Works operating supervisors.

LEAN - A production philosophy that considers the expenditure of resources in any aspect other than the direct creation of value for the end customer to be wasteful, and thus a target for elimination.

Liability - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

LOTT Alliance - A nonprofit corporation established by an interlocal cooperation agreement by the cities of Lacey, Olympia, Tumwater, and Thurston County. The Alliance is responsible for regional sewage treatment.

Major Fund - funds would be classified as major if the following two conditions are met:

1. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total of all funds of that category or of that type; AND
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the total for all governmental and enterprise funds combined.

Modified Accrual Basis - The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred, and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

Non-expendable Trust Funds - Funds where only the interest earned on the principal may be spent as designated by the donor.

Object of Expenditure - Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditure include:

- Personnel services (salaries and wages)
- Contracted services (utilities, maintenance contracts, travel)
- Supplies and materials
- Capital outlays

Glossary of Terms (continued)

Olympia Metropolitan Parks District - A junior taxing district established by the voters in 2015 for the purpose of funding parks acquisition, maintenance, development and safety. The District may levy up to \$0.75 per \$1,000 of assessed property value.

Operating Budget - The annual appropriation to maintain the provision of City services to the public.

Operating Transfer In - Transfer (payment) from other funds, which are not related to rendering of services.

Optiview - The document management software used to image and organize the City's documents.

Permanent Fund - Permanent funds are required to be used to report resources that are legally restricted to the extent that only earnings (and not principal) may be used for purposes that support the reporting government programs.

Personnel Services - Includes total wages and benefits.

Program - A specific and distinguishable unit of work or service performed.

Program Enhancement - Programs, activities or personnel requested to improve or add to the current baseline services.

Program Revenue - These are revenues which are produced as a result of an activity of a program and are dependent upon the quantity of services provided to the public or governmental units (e.g., permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (e.g., grants, taxes or debt funds).

Proprietary Funds - Recipients of goods or services pay directly to these funds. Revenues are recorded at the time services are provided, and all expenses incurred in earning the revenues are recorded in the same period.

Real Estate Excise Tax (REET) - A tax upon the sale of all residential and commercial property within the City of Olympia a rate of 1/2 of 1% of the purchase price. This tax is restricted by state law to Transportation and Park capital projects.

Reclaimed Water - Recycled municipal wastewater that has been cleaned and treated in order to remove pollutants and contaminants so that the water can be safely reused for a variety of approved uses, such as irrigation.

Reserve - An account used to indicate that a portion of Fund Equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

Revenue - The term designates an increase to a fund's assets that:

- Does not increase a liability (e.g., proceeds from a loan)
- Does not represent a repayment of an expenditure already made
- Does not represent a cancellation of certain liabilities
- Does not represent an increase in contributed capital (e.g., taxes, grants, fines)

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund.

Service Profiles - Specific quantitative measures of work performed within an activity or program (e.g., total miles of streets cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program). Also referred to as Service Measures.

Special Revenue Funds - Funds that are dedicated for a specific purpose (e.g., roads, surface water, etc.), require an additional level of accountability, are collected in a separate account, and are not part of the General Fund.

Step Sewer Systems - Sewage treatment effluent pump systems are an alternative to the traditionally gravity flow sewage system.

Supplies and Services - All supplies and services such as office supplies, professional services, and intergovernmental services.

Tax Anticipation Notes (TANs) - Notes issued in anticipation of taxes that are retired, usually from taxes collected (typically used by school districts).

Tax Rate Limit - The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

Teamsters - Chauffeurs, Teamsters, and Helpers Union covers Police Support employees and jail corrections staff.

Transfers - Interfund activity with and among the three fund categories (governmental, proprietary, and fiduciary).

Transportation Benefit District (TBD) - is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving and funding transportation improvement with in the City.

VueWorks - The web-enabled, integrated GIS, enterprise asset management solution software the City uses.

Warrant - An order drawn by a municipal officer(s) directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current date or some future date.



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