Olympia

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REPORT FOR FISCAL YEAR 2018
City's compliance with funding levels set forth in the Interlocal Agreement between the OMPD Board and Olympia City Council

July 10, 2019

Olympia Metropolitan Park District (OMPD) Board
PO Box 1967
Olympia, WA 98507

Dear OMPD Board Members:

At our May 8, 2019 meeting, the OMPD Advisory Committee received an oral presentation and written report titled "City of Olympia Report to the Olympia Metropolitan Park District Advisory Committee Regarding Section 4.1.1, (i) through (iv) for Fiscal Year 2018" (attached). The report was prepared and presented by Nanci Lien, Fiscal Services Director for the City and Debbie Sullivan, Administrative Services Director.

Based on the report, the presentation, and follow-up questions with Ms. Lien, the City was compliant with sections Section 4.1.1, (i) through (iv) for Fiscal Year 2018.

At the conclusion of the City's 2018 Audit conducted by the Washington State Auditor's Office, the City will report any changes to the Advisory Committee. The City expects this audit to be complete by the end of August. The Committee reserves the right to amend this report as necessary should additional information become available.

Thank you for taking the time to consider our report. Please feel free to contact me at rhorn@ci.olympia.wa.us if you have questions or comments.

Sincerely,

Roger Horn, Chair
OMPD Advisory Committee

Enclosure: City of Olympia Fiscal Year 2018 Compliance Findings Report
CC: Olympia City Council

MAYOR: CHERYL SELBY **MAYOR PRO TEM:** NATHANIEL JONES **CITY MANAGER:** STEVEN R. HALL
COUNCILMEMBERS: JESSICA BATEMAN, JIM COOPER, CLARK GILMAN, LISA PARSHLEY, RENATA ROLLINS

City of Olympia Report to the Olympia Metropolitan Park District Advisory Committee Regarding Section 4.1.1, (i) through (iv) For Fiscal Year 2018 Presented May 8, 2019

Section 4.1.3 of the 2016 Interlocal Agreement between the City of Olympia (City) and the Olympia Metropolitan Parks District (OMPD) requires the OMPD Advisory Committee (Committee) to provide an annual report to the City Council (Olympia) and the OMPD Board regarding the City's compliance with the funding levels in (i) and (iv) of Section 4.1.1 of the Interlocal Agreement. In 2018, Amendment No. 1 to the Interlocal Agreement expanded the scope of the report to include funding levels in (i) through (iv) of Section 4.1.1.

This document is a report to the Committee by the City regarding Section 4.1.1, (i) through (iv) of the Interlocal Agreement. These items are included under the COMPLIANCE FINDINGS section of this report.

<u>COMPLIANCE FINDINGS</u>

SECTION 4.1.1 (i):
Section 4.1.1 (i) requires the City to allocate 11% of certain budgeted General Fund tax revenues to support the Olympia Parks, Arts and Recreation Department (OPARD). These revenues are the general use portion of: Sales Tax, B&O Tax, Property Tax, Private Utility Tax, and Public Utility Tax.

For the 2018 budget, the City allocated $5,176,192 to OPARD. This was based on early revenue projections available when the first draft of the budget was developed. Revenue projections used for the final budget document indicate the City should have budgeted $5,188,351, which is $12,159 more than what was budgeted (see Addendum 1). In June 2018, Ordinance 7140 amended the City's 2018 budget to appropriate the remaining $12,159.

For 2018, the City was in compliance with this section.

SECTION 4.1.1 (ii):
Section 4.1.1 (ii) indicates the City commit to use 2% of the Voted Utility Tax (VUT) revenue to acquire new park land and to maintain and develop those acquired park properties, with a priority on acquisition to the extent practicable.

The City imposes a voter-approved utility tax (VUT) of 2% for park purposes.

The City's 2018 capital budget allocated all projected VUT in the amount of $1,950,000 for park land acquisition. The budget included $1,805,000 for new acquisition, $120,000 for debt service on the 2016 park bond anticipation note (BAN), and $25,000 for capital sidewalk projects adjacent to parks. The BAN note was issued for acquiring park land.

The City was in compliance with this section.

SECTION 4.1.1 (iii)
The City imposes a non-voted utility tax of 6%. Section, 4.1.1 (iii), requires the City to commit one-half of the 1% NVUT to acquire new park land and to maintain and develop those acquired park properties.

The City's 2018 capital budget allocated the entire one-half of the 1% NVUT ($500,000) to park land acquisition.

The City was in compliance with this section.

SECTION 4.1.1 (iv):
The City imposes a non-voted utility tax of 6%. 1/6th of that tax is referred to in the Interlocal Agreement as the 1% Non-Voted Utility Tax (NVUT). Section, 4.1.1, sub-section (iii), requires the City to commit one-half of the 1% NVUT to acquire new park land and to maintain and develop those acquired park properties and Section 4.1.1 (iv) states that the City intends to allocate the remaining one-half of the NVUT for the same purposes as in sub-section (iii). If the City does not allocate this one-half of the NVUT to acquire new park land and to maintain and develop those acquired park properties, then the City would allocate up to $500,000 of year end fund balance, to the extent it exists for such purposes.

The 2018 City Budget allocated the remaining one-half of the NVUT as for the purposes described above.

For 2018, the City was in compliance for this section.

ADDENDUM 1

Olympia General Fund Appropriation for Parks Revenues Relevant
For Parks 11% of Revenues

Original Budget of Eligible Taxes		
Sales Tax	$	19,443,900
B&O Tax		6,558,000
Property Tax		11,078,306
Private Utility Tax		5,025,790
Public Utility Tax		5,060,830
	$	47,166,826
11% of total to support Parks, Arts & Recreation	$	5,188,351
Amount Originally Budgeted		5,176,192
Variance Amount	$	(12,159)