

City of Olympia, Washington
2023 Preliminary Operating Budget



The City Council wishes to acknowledge the many individuals who contributed time and expertise to the preparation and publication of the 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 35A.33.

City of Olympia's 2023 Preliminary Operating Budget

Prepared by the City of Olympia Finance Department

P.O. Box 1967, Olympia, WA 98507-1967

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

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Information & Resources

City Council

Cheryl Selby, *Mayor*
Clark Gilman, *Mayor Pro Tem*
Jim Cooper
Yến Huỳnh
Dani Madrone
Lisa Parshley
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City Council Finance Committee

Lisa Parshley, *Chair*
Jim Cooper
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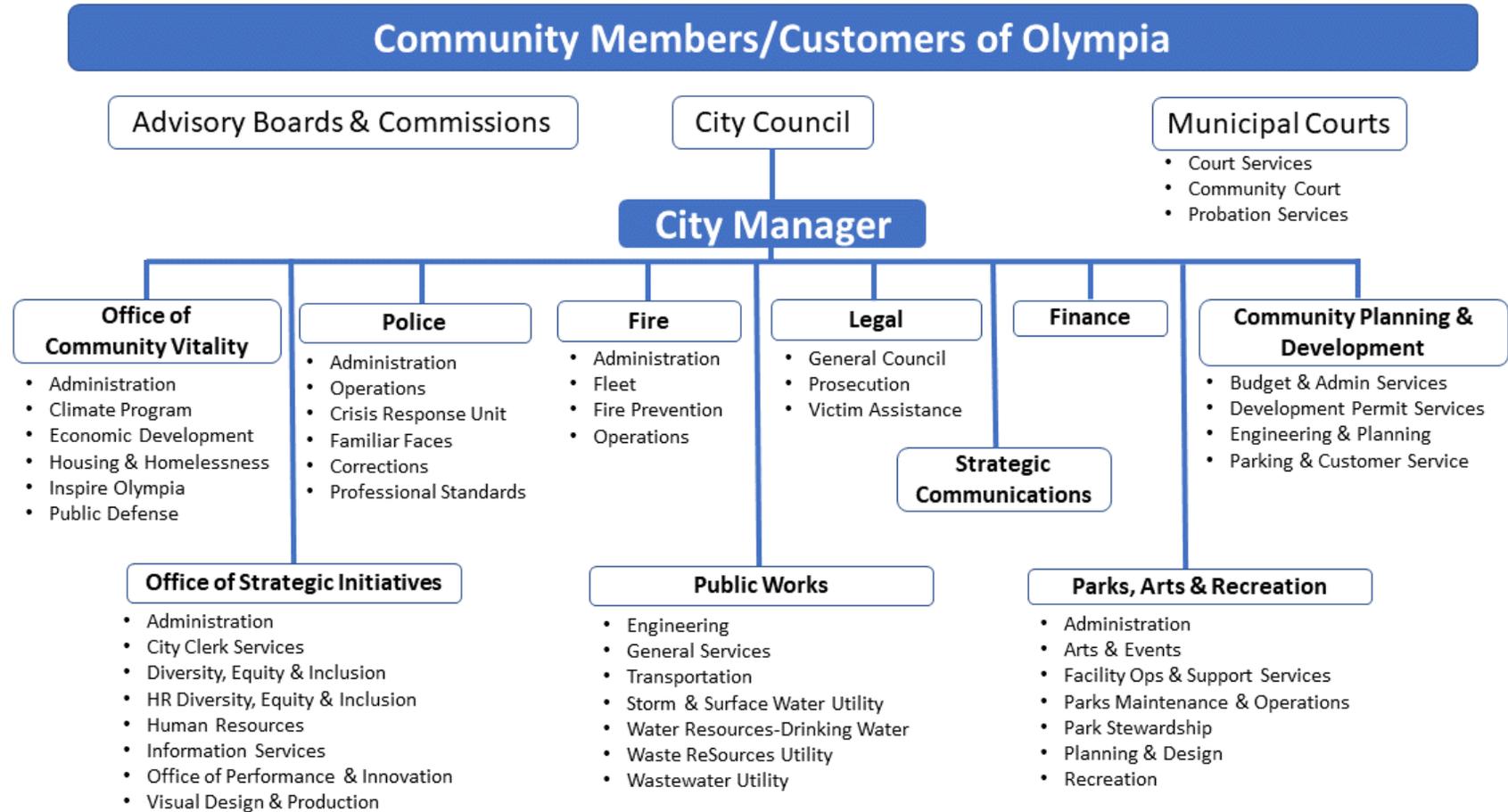
Information Resources

- Preliminary Capital Facilities Plan and 2023-2028 Financial Plan: olympiawa.gov/budget
- LOTT Clean Water Alliance: lottcleanwater.org
- Olympia Comprehensive Plan: olympiawa.gov/compplan
- Olympia Bicycle Master Plan: olympiawa.gov/transportation
- Parks, Arts and Recreation Plan: olympiawa.gov/parksplan
- Regional Climate Mitigation Plan: olympiawa.gov/plans
- Transportation Master Plan: olympiawa.gov/tmp
- Wastewater Management Plan: olympiawa.gov/plans
- Water System Plan: olympiawa.gov/plans

Executive Leadership Team

Jay Burney, *City Manager*
Rich Hoey, *Interim Assistant City Manager*
Debbie Sullivan, *Assistant City Manager*
Rich Allen, *Police Chief*
Mark Barber, *City Attorney*
Aaron BeMiller, *Finance Director*
Leonard Bauer, *Community Planning & Development Director*
Susan Grisham, *Assistant to the City Manager*
Mark Russell, *Interim Public Works Director*
Linnaea Jablonski, *Human Resources Director*
Todd Carson, *Interim Fire Chief*
Maryam Olson, *Program and Planning Supervisor, Municipal Court*
Kellie Purce-Braseth, *Strategic Communications Director*
Mike Reid, *Economic Development Director*
Paul Simmons, *Parks, Arts & Recreation Director*

City Organizational Chart



Olympia at a Glance

Population Projection (2021):
55,010

Average Price of a Home (2020):
\$390,000

Median Household Income (2015 - 2019 Average):
\$80,738

Percent of Renters (2015 - 2019 Average):
53%

Public Works	As of 12/31/2021
Miles of Drinking Water Pipe	320
Miles of Sewer Pipe	227
Miles of Streets	218
Miles of Bike Lanes	41
Solid Waste Going to Landfill	3.04 lbs/capita/day
Tons of Yard & Food Waste Composted	6393
Tons Collected for Recycle	4639

Community Planning & Development	As of 12/31/2021
Number of Neighborhood Associations	36
Average Number of New Housing Units Constructed Annually	307

Fire	As of 12/31/2021
Number of Firefighters	89
Calls for Service	13481
Number of Responding Units	8
Number of Fire Stations	4
Utstein CPR Survival Rate	56 %

Parks	As of 12/31/2021
Acres of Parks	1466.16
Parks	55
Miles of Trails	23.5
Shoreline Miles	4.49
City-Owned Athletic Fields	12
Playgrounds	12

Police	As of 12/31/2021
Calls for Service	49,012
Arrests made	3,135.00
Commissioned Officers	67
Community Engagement Hours	722.5
Bookings in Olympia's Municipal Jail	849

Fund Structure

Budgeting by Fund

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Consistent with generally accepted accounting principles, 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. Fiduciary funds are not included in the City Operating Budget as the funds recorded in these funds belong to other parties and therefore are not appropriated by City Council.

Governmental Funds	Proprietary Funds	Fiduciary Funds
<p>General Special Revenue Debt Service Capital Project</p>	<p>Enterprise Internal Service</p>	<p>Trust Agency</p>
<p>City Funds</p> <ul style="list-style-type: none"> • General Fund • Special Acct Control Funds • Dev Fee Revenue Fund • Parking Fund • OPEB Trust Fund • Wash Center Endow Fund • Wash Center Ops Fund • Equip & Facility Rep Fund • HUD Fund • Impact Fee Fund • Inspire Olympia • SEPA Mitigation Fund • Lodging Tax Fund • Park&Rec Sidewalk UT Tax Fund • Parking Business Imp Area Fund • Farmers Market Rep Fund • Hands on Childrens Museum Fund • Trans Benefit District Fund • Real Estate Excise Tax Fund • Olympia Metro Park District Fund • Home Fund Operating • All Debt Service Funds • Capital Improvement Fund • Home Fund Capital • Fire Equipment Reserve Fund 	<p>City Funds</p> <ul style="list-style-type: none"> • Water Utility O&M Fund • Sewer Utility O&M Fund • Solid Waste O&M Fund • Storm Water O&M Fund • Stormwater Mitigation Fund • Water Debt Service Funds • Sewer Debt Service Funds • Stormwater Debt Service Fund • Water Cap Imp Fund • Sewer Cap Imp Fund • Stormwater Cap Imp Fund • Waste ReSources Cap Imp Fund • Equip Rental Fund • Facilities Internal Service Fund • Cap Rep Equip Rental Fund • Unemployment Comp Fund • Insurance Trust Fund • Workers Comp Fund 	<p>City Funds</p> <ul style="list-style-type: none"> • Firemens' Pension • Municipal Courts Trust Fund • Law Enf Records Mgmt Syst Fund

Governmental Funds

Governmental Funds are generally used to account for tax-supported activities. There are four different types of governmental funds: the general fund, special revenue funds, debt service funds, and capital project funds.

General

The General Fund is the City's primary operating fund. It accounts for all financial resources except those required to be accounted for in other funds and is generally considered to represent the ordinary operations of the City. It derives the majority of its revenues from property, sales, utility, and business and occupation taxes, as well as state shared revenues.

In addition to the regular General Fund, the City has established sub-funds to account for: The Washington Center for the Performing Arts, Development Fee revenue, Parking operations, Equipment Replacement Reserve for repairs and major maintenance, Municipal Arts, Other Post-Employment Benefits (OPEB), and the Special Accounts Control fund.

Special Revenue

Special Revenue funds account for proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. The use and limitations of each Special Revenue Fund are specified by City ordinance or federal and state statutes. Other restricted resources are accounted for in debt service and capital project funds.

Debt Service

Debt Services funds are used to account for the accumulation of resources for, and payment of, annual debt service (principle and interest) for general obligation bonds and other governmental debt. These funds are also used to account for the accumulation of resources for, and payments of, special assessment debt service for special assessment levies when the City is obligated in some manner for the payment.

Payments for general obligation bonds are backed by the full faith and credit of the City. The primary source of revenue to support debt service funds is property tax. Enterprise debt service payments are not included in this fund group but are included within the enterprise funds.

Capital Project

Capital Project funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary and trust funds. Capital project funds are not included in the City's operating budget but are budgeted as part of the [Capital Facilities Plan \(CFP\)](#).

Proprietary Funds

Proprietary funds are used to account for the City's ongoing activities that are similar to those often found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: Enterprise funds and Internal services funds.

Enterprise Funds

Enterprise funds are funds in which the services provided to the public are financed and operated similar to those of a private business. The funds are self-supporting through user fees which are established, and periodically revised, to ensure revenues are adequate to meet all necessary expenses; capital projects, debt service and ongoing operations. Revenues in Enterprise Funds are restricted to support activities in the fund within which they were earned.

The City of Olympia has four enterprise funds, all utilities:

1. Drinking Water
2. Wastewater
3. Stormwater
4. Waste ReSources

Internal Service Funds

Internal Service funds are used to account for activities that provide goods or services to other funds or departments on a cost reimbursement basis.

The City has five Internal Service Funds:

1. Equipment Rental (Fleet operations),
2. Capital Replacement Equipment Rental (Fleet capital),
3. Unemployment Compensation,
4. Risk Management, and
5. Workers' Compensation.

The **Equipment Rental and Capital Replacement Equipment Funds** provide repair and maintenance and equipment replacement (primarily vehicles) to the various departments. Charges for equipment cover operations, maintenance, and estimated 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 the City's self-insurance program (liability and property), 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 maintain the City's self-insurance program to pay for workers' compensation benefits.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee or agency capacity for others and cannot be used to support the City's own programs. There are four types of fiduciary funds: agency, pension, private-purpose, and investment trust funds. Fiduciary funds are not budgeted or presented in the operating budget. The City has three Fiduciary Funds:

1. Firemen's Pension
2. Municipal Courts Trust
3. Law Enforcement Records Management System

Basis of Accounting and Budgeting

Basis of Accounting

The City's [Annual Comprehensive Financial Report \(ACFR\)](#) presents the financial position and results of operations for the City's various funds and component units. It is prepared using "generally accepted accounting principles" (GAAP).

- Under GAAP, the modified accrual basis of accounting is used for the governmental funds, General Fund, General Fund sub-funds, debt service funds, special revenue funds, and capital project funds. Under the modified accrual basis of accounting, revenues are recognized and recorded when they are measured 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 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. 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.

- Under GAAP, the accrual basis of accounting is used for proprietary fund types (enterprise and internal service funds) and fiduciary funds. Under the accrual basis of accounting, revenues are recognized when earned, and their expenses are recognized when they are incurred.

Basis of Budgeting

Similar to the Accounting Basis, the City of Olympia budgets using the modified accrual basis for the Governmental Fund types (i.e., the General Fund, General Fund subfunds), General Obligation Debt Service Funds, and Capital Funds. Budgets for the Internal Service and Enterprise funds are prepared using a full accrual basis.

The City's budget preparation conforms to GAAP by using a modified accrual basis for preparing the operating budgets for the Governmental Funds and using a full accrual basis for Proprietary Funds. Fiduciary funds are not budgeted. The basis of budget, however, differs from the basis of accounting as follows:

- The City's ACFR includes the Olympia Transportation Improvement District and the Olympia Metropolitan Park District as blended component entities. The Operating and Capital Improvement Project ordinance does not include estimated revenues and appropriations for the operation of these two authorities.

Financial Management Policies

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 community members 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.

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.

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.

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 percent 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 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.

Accounting and Financial Reporting

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

- 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 Washington State's 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 for governmental funds and on an accrual basis for proprietary and fiduciary funds.
 - New procedures will be developed whenever they can contribute to the quality of timely information flows.

- Financial Reporting:
 - BARS, Governmental Accounting Standards Board (GASB), and Government Finance Officers Association (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 Finance Department.
 - Policy and procedure manuals will be maintained with current information.

Investments

The policy on investments applies to the investment of all City funds, excluding pension funds. The investment program is intended to provide safety, 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.

Long Term Financial Strategy

The Long Term Financial Strategy is an approach to sustaining high quality services, setting priorities and making them happen. The purpose of the Long-term Financial Strategy is to look forward five to six years and provide guidance to the annual budget process. The following are the City’s Key Financial Principles.

Make Trade-Offs

Do not initiate major new services without either:

- Ensuring that revenue to pay for the service can be sustained over time, or
- Making trade-offs of existing services.

Do It Well

If the City cannot deliver a service well, the service will not be provided at all.

Focus Programs on Olympia Residents and Businesses

However, do not exclude others from participating in these programs as well.

Preserve Physical Infrastructure

Give priority to maintaining existing infrastructure.

Use Unexpected One-Time Revenues for One-Time Costs or Reserves

One-time revenues or revenues above projections will be used strategically to fund prioritized capital projects. The City will also consider additional costs such as increased operations and maintenance.

Invest in Employees

The City will invest in employees and provide resources to maximize their productivity.

Pursue Innovative Approaches to Service Delivery

Continue to implement operational efficiencies and cost saving measures in achieving community values. Pursue partnerships and cost sharing strategies with others.

Contract In/Contract Out

Consider alternative service delivery to maximize efficiency and effectiveness.

Maintain Capacity to Respond to Emerging Community Needs

Pursue Entrepreneurial Initiatives

Address Unfunded Liabilities

Selectively Recover Costs

On a selective basis, have those who use a service pay the full cost.

Recognize the Connection Between the Operating Budget and the Capital Budget

Executive Summary - Summary of Budget Changes

We continue to feel the effects of the global COVID-19 pandemic. The traditional workplace has changed, and the City has changed with it. Many City employees continue their work in an efficient and effective manner while working from home offices while others are back in the office. The concerns of revenue generation during the pandemic have faded a bit only to be replaced with questions regarding inflation and the possibility of an economic slowdown as a result. This Executive Summary provides highlights of the City's 2023 Preliminary Operating Budget.

2023 Operating Update

Current year estimates forecast revenues to exceed budget by roughly \$2.0 million in the General Fund, significantly attributed to retail sales and use tax, business and occupation tax, and utility tax collections. Using August numbers, General Fund expenses are forecasted to come in slightly below the 2022 adopted expenditure budget and significantly below the 2022 budget as amended. The combination of these two positive variances changed the General Fund picture from a budgeted deficit to ending the year in a positive position. However, we continue to monitor the economy closely for changes that will impact revenues and expenses. The Olympia area has experienced double-digit inflation over the past year and the potential economic impacts resulting from this level of inflation is difficult to forecast. The Olympia area also saw historic increases in the assessed value of property in 2022 increasing nearly 32 percent from the previous year.

The 2023 Operating Budget was built using assumptions based on the best information the City had at the time. However, building revenue assumptions and estimating the impacts of inflation, supply of goods, and future economic impacts resulting from the COVID-19 pandemic was especially difficult as available information on the economy seemed to change daily. For 2023, with the uncertainty surrounding the economy the City took what we believe to be the appropriate course of action and budgeted our revenues using a realistic, albeit conservative, forecast. Along with this conservative approach to revenue, the budget built in expenses to fit within those revenue estimates.

As with most government entities, the City is experiencing a budget sustainability challenge. This is a result of expense drivers increasing each year at a pace that exceeds growth in resources. In Washington State, increases in property tax revenue are limited to 1 percent or the change in the Consumer Price Index, whichever is lower. Property tax is the City's second highest tax revenue source representing roughly 17 percent of General Fund expenses in 2023. The 1 percent limitation on revenue growth means that every year, with expense drivers increasing roughly 4 percent, property tax as a percentage of total General Fund expense, continues to decline. The City's largest tax revenue is sales and use tax collections and represents roughly 31 percent of General Fund expense in 2023. While sales and use tax revenue have been increasing over the past few years, it is a much less stable revenue source and is affected by economic conditions. The City will be closely watching all of our revenue sources for potential changes resulting from a possible economic slowdown.

The 2023 budget includes two significant changes to the budget structure in 2023. Our Community Planning and Development (CP&D) department had been split between the Development Fee Fund, where development activity was accounted, and the General Fund for all other activities. In 2023, the entire activities for CP&D will be accounted for in the Development Fee Fund. The General Fund now includes a transfer of \$2.5 million to that fund to pay for non-development activity. This will provide a more transparent accounting for CP&D activities as well as allow management to better monitor their budget. The second change is the creation of a Facilities Internal Service Fund. This change was made for many of the same reasons as the CP&D change. The creation of a Facilities Fund allows for better transparency of costs as well as allowing management independence from General Fund resources and provides an annual revenue which if not spent, falls into fund balance, and can be reappropriated for necessary uses in the future.

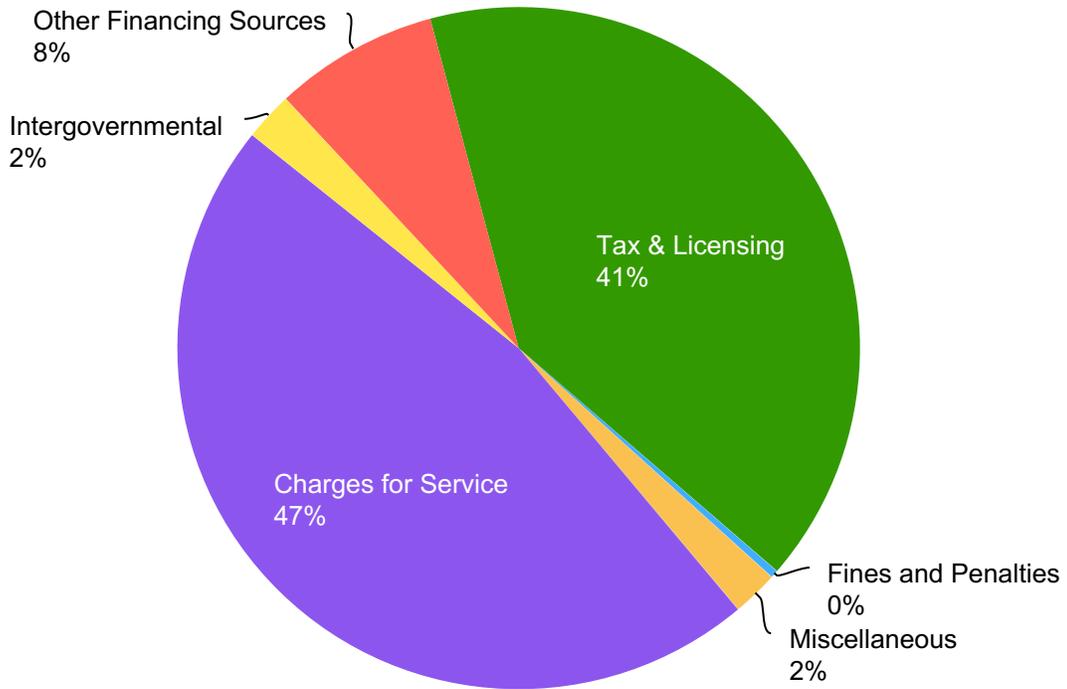
Community needs and expectations continue to evolve for local governments and the preliminary budget adds resources to begin to address two significant needs, houselessness and climate change. The budget includes two new positions in each of these programs as well as contracted services funded by the General Fund. Addressing the impacts of houselessness and climate change on the Olympia community is a priority of the City Council. The City of Olympia and neighboring City of Tumwater have been working jointly on the possibility of creating a Regional Fire Authority (RFA). If the decision is made to put the creation of an RFA to the voters and if affirmed through the vote, the cities' Fire Departments would merge into a separate legal RFA entity. The budget effect of this change would be in 2024. The 2023 budget includes funding the Fire Department for the full year. In response to the double-digit inflation the area has seen over the past year, the preliminary budget includes a 5 percent wage increase for all City employees. This is below the change in the Consumer Price Index, which the City uses to calculate an annual Cost of Living Adjustment (COLA) and provides an additional 1 percent above most labor contracts.

The preliminary budget continues to fund on-going operations with adjustments for salary, benefits, and known contractual increases. The Council budget process begins in October and will run into December when Council adopts their budget. The Council holds at least two public hearings on the budget and runs a concurrent Capital Facilities Plan and Olympia Metropolitan Parks District budget process alongside the operating budget process.

Overview of Revenues and Expenditures

Where Money Comes From

Total Operating Revenue - \$179,342,319



Tax, Licensing and Permit Revenue	
Property	\$19,822,794
Sales	29,509,000
Business & Occupation	20,221,700
Licenses and Permits	4,150,290
Other Taxes	335,000
TOTAL	\$74,038,784

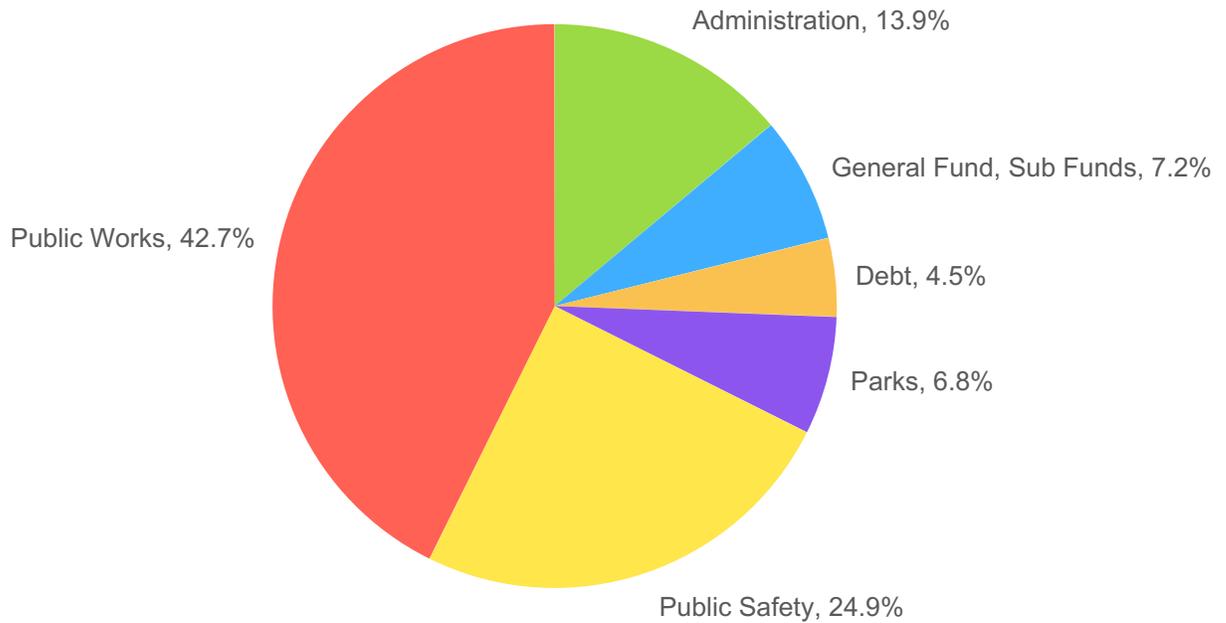
Other Revenue Sources	
Intergovernmental	\$3,020,761
Fines & Penalties	643,725
Miscellaneous	4,131,778
Other Financing Sources	11,870,986
TOTAL	\$19,667,250

Charges for Service Revenue	
Security (Persons & Property)	\$6,285,856
Wastewater	24,550,850
Drinking Water	14,921,207
Waste ReSources	14,194,566
General Government	12,093,694
Storm and Surface Water	7,022,000
Other	3,248,095
Equipment Rental	3,320,017
TOTAL	\$85,636,285

TOTAL OPERATING REVENUES	\$179,342,319
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Where Money Goes

Total Operating Expenditures - \$184,994,841



Where the Money Goes

	2023	% of Total
Administration *	\$25,732,697	13.9 %
General Fund, Sub Funds	13,342,293	7.2 %
Debt	8,329,222	4.5 %
Parks	12,527,523	6.8 %
Public Safety	46,110,458	24.9 %
Public Works	78,952,648	42.7 %
Total	\$184,994,841	100.0 %

Administration * includes the remaining General Fund departments: City Manager's Office, Community Planning and Development, Finance Department, Legal Department and Municipal Court.

Comparative Summary of Operating Budget Revenue and Expenditures - All Operating Fund

	ACTUAL 2020	ACTUAL 2021	ORIGINAL BUDGET 2022	ACTUAL 2022	BUDGET 2023	% CHANGE 2022 ORIGINAL TO 2023 BUDGET
REVENUES (BY TYPE)						
Taxes	\$53,638,888	\$63,316,575	\$67,028,001	\$51,951,419	\$69,888,494	4.3 %
Licenses & Permits	3,449,390	3,471,463	3,839,854	2,927,684	4,150,290	8.1 %
Intergovernmental	2,743,845	3,428,188	2,862,423	2,919,386	3,020,761	5.5 %
Charges for Services	70,071,979	76,548,143	80,698,507	56,582,023	85,636,285	6.1 %
Fines & Penalties	360,417	549,362	664,075	488,889	643,725	(3.1)%
Operating Transfers In	8,477,584	8,389,880	13,733,689	10,834,631	11,870,986	(13.6)%
Other Revenue	2,646,621	3,664,797	3,406,564	2,701,814	4,131,778	21.3 %
Total Revenues	\$141,388,724	\$159,368,408	\$172,233,113	\$128,405,846	\$179,342,319	4.1 %
EXPENDITURES (BY FUNCTION)						
Legislative Office	306,284	271,315	284,589	277,781	298,512	4.9 %
City Manager's Office (CMO)	1,457,197	570,210	696,339	673,227	720,581	3.5 %
Office of Community Vitality	1,590,103	2,064,563	1,922,435	1,362,710	3,010,033	56.6 %
Office of Strategic Initiatives	3,283,246	6,389,315	7,557,263	4,714,476	7,951,969	5.2 %
Strategic Communications	0	0	605,452	418,532	633,896	4.7 %
Miscellaneous	1,211,329	2,303,839	3,305,279	1,229,251	5,607,640	69.7 %
Municipal Court	1,863,598	1,998,245	2,125,292	1,402,571	2,282,058	7.4 %
Finance	2,776,799	2,863,065	3,161,992	2,051,211	3,452,129	9.2 %
Fire Department	18,616,052	18,934,032	18,812,866	13,476,878	19,964,957	6.1 %
Legal	1,452,215	1,534,156	1,682,740	1,089,249	1,775,879	5.5 %
Police Department	19,039,450	20,492,113	24,514,031	13,703,489	26,145,501	6.7 %
Parks, Arts & Rec. Department	8,325,129	9,750,880	11,633,737	7,110,161	12,527,523	7.7 %
Public Works Department						
<i>General Fund</i>	9,004,782	9,270,115	11,100,493	6,228,857	12,101,174	9.0 %
<i>Utilities</i>	51,956,161	56,555,446	58,512,725	35,383,250	63,688,846	8.8 %
<i>Equipment Rental</i>	2,204,607	2,517,073	2,672,022	1,916,505	3,012,628	12.7 %
<i>Facilities Operating</i>	0	0	0	0	2,801,023	0.0 %
Debt Service						
<i>General Obligation</i>	0	0	5,225,798	1,556,984	4,457,300	(14.7)%
<i>Revenue</i>	0	0	3,824,169	296,611	3,871,922	1.2 %
General Fund Contribution to Capital Improvement Funds	425,000	750,393	475,000	0	150,000	(68.4)%
General Fund - Sub Funds (1)	14,249,050	13,716,440	15,140,941	9,637,647	13,342,293	(11.9)%
Total Expenditures	\$137,761,002	\$149,981,200	\$173,253,163	\$102,529,390	\$187,795,864	8.4 %
Net Revenue over / (under) Expenditures	\$3,627,722	\$9,387,208	\$(1,020,050)	\$25,876,456	\$(8,453,545)	
(1) Sub-Funds appropriations are for special purposes and in general do not lapse at year end.						

A Message from Jay Burney,

Olympia City Manager

October 4, 2023

Mayor, Mayor Pro-tem, City Councilmembers and Community Members of Olympia,

It is my pleasure to present to you my Preliminary 2023 Operating Budget for your consideration. The preliminary budget totals \$185.0 million, an increase of \$11.7 million or 6.8 percent from the 2022 adopted budget. Included in that total is a General Fund allocation of \$94.5 million which represents an increase of \$682 thousand or 0.73 percent from 2022. The preliminary budget I am submitting for your consideration is balanced, is built in accordance with Council priorities, and reflects our shared commitment to providing valuable government services in a cost-effective and efficient manner. Local government services and service delivery systems are in a constant state of change and my preliminary budget takes bold steps in addressing the changing needs of residents and community businesses, particularly in our houselessness and climate programs. My proposal includes on-going General Fund resources to support two new positions in each of these programs as well as monies to support the Thurston Climate Mitigation Plan.

The City's budget approach is to develop budgets based on a realistic, albeit slightly conservative, approach to revenue forecasting to inform expenditure levels. This approach provides reasonable assurance that revenue generation will meet budget expectations to fund budgeted operational expenses. In cases where fund balance is being utilized to balance budgeted expenses, a thoughtful determination was made by comparing the current level of fund balance to the minimum level necessary based on cash flow needs and any contingency and/or policy requirements for those funds. Furthermore, the use of fund balance and other one-time monies is restricted to pay for one-time expenses such as capital, major maintenance, or stand-alone contract services and is not available to fund on-going operations. In instances where one-time monies are used to fund a pilot program, a funding strategy must be approved and in place to balance any on-going costs of the program.

As in previous years, the budget creation process was very challenging, especially for the General Fund, and required difficult choices on how to best spend our city's valuable resources. As with most government entities, the City is experiencing a budget sustainability challenge. Expense drivers increase each year at a pace that exceeds growth in resources. As a result, not all requests for additional operating resources could be funded. The preliminary budget continues to fund existing City services and programs at their current level with adjustments for necessary increases for inflation, labor cost changes and contractual requirements. New initiatives or expansion of current programs and services were based on need, the value to the Olympia community, and Council priorities.

In addition to the increases in our Houselessness and Climate programs, my proposed budget includes funding increases for Economic Development, Parks and Recreation, Fire, Utility Billing, and Engineering functions in the General Fund. Additionally, my budget includes needed resources for the Storm, Wastewater, and the Waste Resources utilities as well as Fleet. The proposed budget includes 15.75 new positions, many of which generate funding to fully or at least partially cover their costs, and which are necessary to meet the City's changing needs.

2023 Preliminary Operating Budget

As part of the 2022 Council budget process, we were very clear with City Council and the Olympia community that our use of Federal American Rescue Plan Act (ARPA) monies on some programs creates a bow wave of roughly \$2 million and that we would begin to address the bow wave in the 2023 budget process. We began to act early in 2022 to look at ways to reduce the bow wave and through the incredible teamwork that we see here every day at the City of Olympia, my proposed budget for 2023 reduces the bow wave by roughly \$1 million. More work is needed to reduce the balance of the bow wave created in 2022 but, I am confident that our City Council, City staff, and the Olympia Community will work together to find solutions to close the gap in 2023.

I appreciate the way departments put together their 2023 budget requests. Budgets were submitted in line with my directions and together we were able to create a budget that addresses areas of need as well as taking steps to move our budget closer to long-term sustainability. Budgets are always challenging to put together and this year was no exception but, the First Team mentality exhibited throughout the whole City during this process greatly aided in its creation. Honest and difficult conversations about decisions on which enhancements were being funded was met with support and understanding and a desire to help move the City forward.

The budget is the culmination of nearly a year-long collaborative effort among the City Council, City Manager, City staff and the Olympia community. I would like to extend my thanks to all the city employees for the work they do each day to make a difference for our community. The city serves a diverse population with a workforce that is committed to meeting the needs of the public.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jay Burney". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jay Burney
City Manager

City Operating Revenue

Revenue Basics

What is City Revenue?

Revenue is the income the City needs to pay for all of the services provided. The major sources of City revenues include taxes, license and permits fees, fees charged for providing services to the public, and other miscellaneous revenue such as investment income, and funds received from other governments, like grants.

Olympia's revenue structure is primarily influenced by State statutes, as well as the City's size, geography, land use and the type and level of services provided. Other factors include legal, political and economic influences, historical precedent, national economic trends, federal and state laws, intergovernmental relations, and community member and City management preferences. In addition, the City's political policies toward new growth, social welfare and business competition are reflected in its revenue structure.

The revenue the City receives, both current and projected, establishes the basis to determine what services can be provided, as well as the level of those services.

Where Does the City's Revenue Come From?

The majority of City revenue comes from two sources: 46 percent from charges for services and 39 percent from taxes. The remaining revenues comes from other governments, the issuance of licenses and permits; and other sources such as investment income, rents, and interfund transfers.

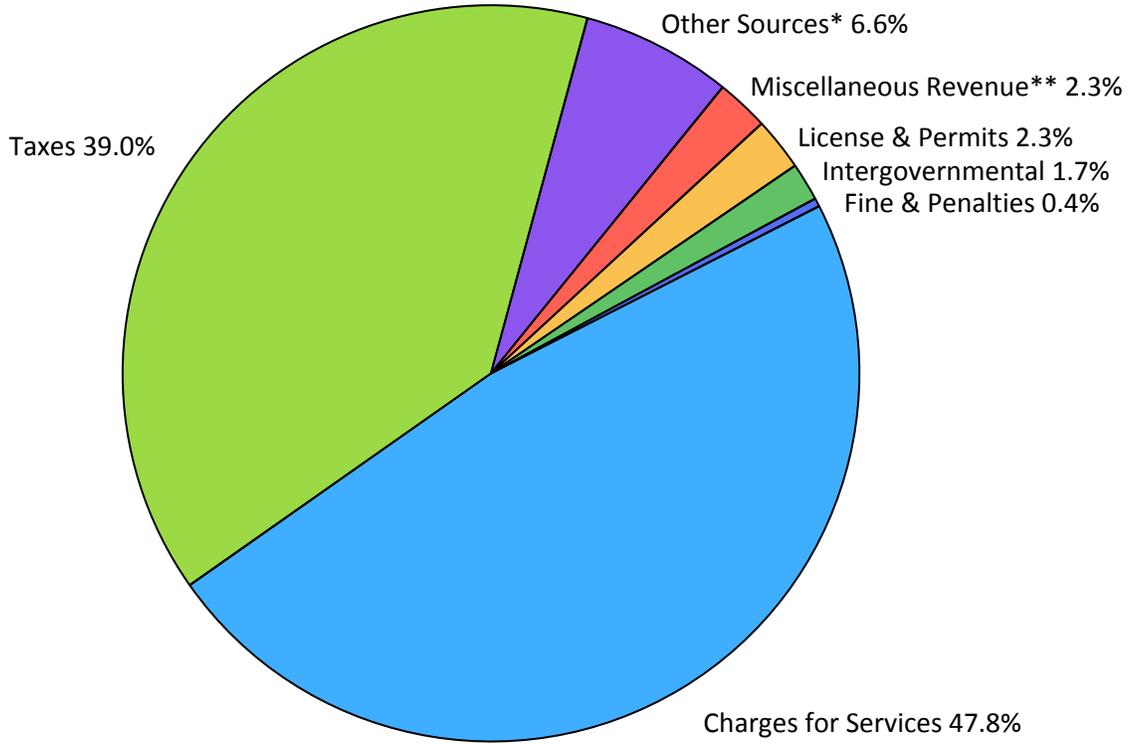
2023 Revenue

For 2023, City revenue is projected at 7 percent more than 2022. The significant factors for this increase include utility service fee increases, increased tax rate on municipal utilities, as well as increases in sales tax and property tax.

Revenue by Type

WHERE DOES THE MONEY COME FROM?

TOTAL OPERATING REVENUE - \$179,342,319



City Revenue (By Type)	2023 Budget	% of Total
Charges for Services	\$ 85,636,285	48%
Taxes	69,888,494	39%
Other Sources*	11,870,986	7%
Miscellaneous Revenue**	4,131,778	2%
License & Permits	4,150,290	2%
Intergovernmental	3,020,761	2%
Fine & Penalties	643,725	Less than 1%
Total City Revenue	\$ 179,342,319	100%

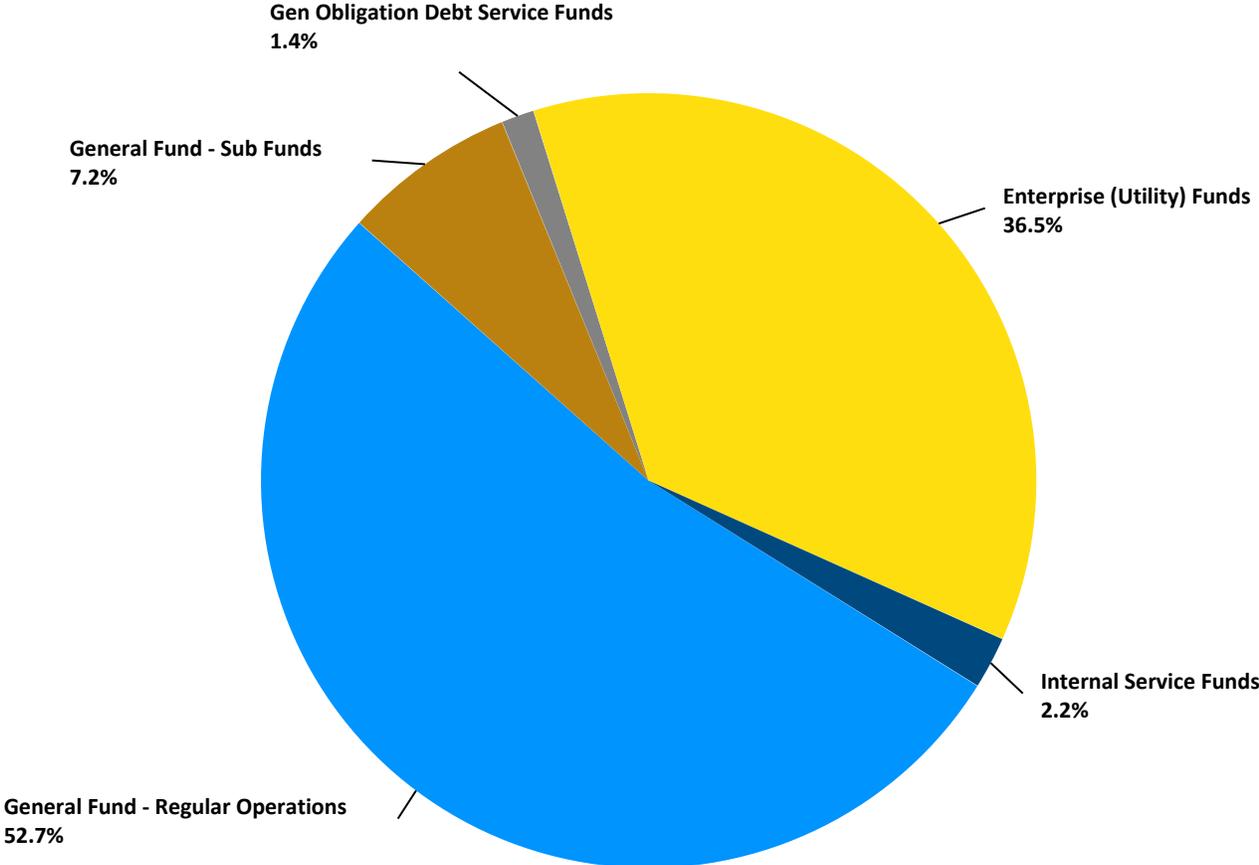
*Interfund transfers, debt proceeds, sale of capital assets
 **Interest, rents, donations

2023 Preliminary Operating Budget

Tax Revenue (By Type)	2023 Budget	% of Total
Property	\$19,822,794	28%
Sales	29,509,000	42%
Business & Occupation	20,221,700	29%
Admissions Tax	140,000	—%
Other Taxes	195,000	Less than 1%
Total Tax Revenue	\$69,888,494	100%

Service Charge Revenue (By Type)	2023 Budget	% of Total
Wastewater Utility	\$24,550,850	29%
Water Utility	14,921,207	17%
Waste ReSources Utility	14,194,566	17%
General Government	12,093,694	14%
Storm/Surface Water Utility	7,022,000	8%
Public Safety	6,285,856	7%
Equipment Rental	3,320,017	4%
Other	1,862,376	2%
Parks & Recreation	1,200,719	1%
Transportation	185,000	—%
Total Service Charge Revenue	\$85,636,285	100%

Revenue by Fund - Operating Funds



Revenue by Fund - Operating Funds

	ACTUAL	ACTUAL	BUDGET	BUDGET	% OF CHANGE
	2020	2021	2022	2023	2022 BUDGET TO 2023 BUDGET
General Fund - Regular Operations					
Property Tax	\$15,292,151	\$16,012,785	\$16,208,548	\$16,611,160	2.5%
Sales Tax	21,636,647	27,941,080	29,066,282	29,509,000	1.5%
Business Tax	5,700,993	7,249,486	7,056,895	8,000,000	13.4%
Utility Tax, Private	4,431,504	4,551,021	4,162,406	4,667,700	12.1%
Municipal	5,273,414	6,285,128	6,960,622	7,427,000	6.7%
Gambling Tax	134,244	85,543	174,070	267,000	53.4%
Leasehold Tax	184,935	191,532	187,544	195,000	4.0%
Permits	804,721	826,590	913,611	839,100	(8.2)%
Intergovernmental	2,678,776	3,362,774	2,862,423	3,020,761	5.5%
Services	15,197,230	17,194,394	17,689,536	18,515,180	4.7%
Fines and Penalties	145,876	165,659	336,673	283,725	(15.7)%
Rents and Leases	935,185	871,447	991,461	956,089	(3.6)%
Other Revenue	8,000,493	8,132,525	7,222,091	4,222,685	(41.5)%
	\$80,416,169	\$92,869,964	\$93,832,162	\$94,514,400	0.7%
General Fund - Sub Funds					
Taxes	\$985,000	\$1,000,000	\$1,000,000	\$1,000,000	—%
Permits	2,644,669	2,644,873	2,926,243	3,311,190	13%
Intergovernmental	—	—	—	—	#DIV/0!
Services	1,346,042	1,574,942	1,749,020	3,112,465	78%
Fines and Penalties	214,541	383,703	327,402	360,000	10%
Rents and Leases	639,625	813,456	1,174,700	1,182,000	1%
Other Revenue	975,547	874,154	766,018	4,021,018	425%
	\$6,805,424	\$7,291,128	\$7,943,383	\$12,986,673	63%
Gen Obligation Debt Service Funds					
Taxes	\$0	\$0	\$2,211,634	\$2,211,634	—%
Intergovernmental	—	—	—	—	#DIV/0!
Other	—	—	2,437,078	237,025	(90)%
	\$0	\$0	\$4,648,712	\$2,448,659	(47)%
Enterprise (Utility) Funds					
Services	\$51,397,570	\$55,287,372	\$58,586,679	\$60,688,623	4%
Intergovernmental	65,069	65,414	—	—	#DIV/0!
Other Revenue	573,355	1,052,142	675,141	878,628	30%
Transfers In	—	310,953	3,873,764	3,921,520	1%
	\$52,035,994	\$56,715,881	\$63,135,584	\$65,488,771	4%
Internal Service Funds					
Services	\$2,131,137	\$2,491,435	\$2,673,272	\$3,320,017	24%
Other Revenue	—	—	—	583,799	#DIV/0!
	\$2,131,137	\$2,491,435	\$2,673,272	\$3,903,816	46%
TOTAL REVENUE	\$141,388,724	\$159,368,408	\$172,233,113	\$179,342,319	4%

General Fund - Program Revenue By Type

	ACTUAL 2020	ACTUAL 2021	YTD ACTUAL 2022	ORIGINAL BUDGET 2022	BUDGET 2023	% CHANGE 2022 ORIGINAL TO 2023 BUDGET
City Manager's Office						
Charges for Services	\$557,451	\$538,372	\$425,901	\$567,863	\$173,926	(69)%
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	0	0	0	0	0	0 %
Licenses & Permits	0	0	0	0	0	0 %
Operating Transfers In	32,500	30,000	22,500	30,000	30,000	0 %
Other Revenue	0	0	0	0	0	0 %
TOTAL CITY MANAGER'S OFFICE	\$589,951	\$568,372	\$448,401	\$597,863	\$203,926	(66)%
Municipal Court						
Charges for Services	\$183,608	\$197,725	\$169,624	\$308,160	\$200,500	(35)%
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	27,464	21,520	10,776	48,000	21,520	(55)%
Licenses & Permits	0	0	0	0	0	0 %
Operating Transfers In	0	0	0	0	0	0 %
Other Revenue	0	0	0	0	0	0 %
TOTAL MUNICIPAL COURT	\$211,072	\$219,245	\$180,400	\$356,160	\$222,020	(38)%
Office of Community Vitality						
Charges for Services	\$0	\$0	\$0	\$0	\$399,425	0 %
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	164,808	497,576	186,086	139,000	65,000	(53)%
Licenses & Permits	0	0	0	0	0	0 %
Operating Transfers In	1,255,720	774,664	90,435	110,905	184,460	66 %
Other Revenue	33,057	0	0	0	0	0 %
TOTAL OFFICE OF COMMUNITY VITALITY	\$1,453,585	\$1,272,240	\$276,521	\$249,905	\$648,885	160 %

2023 Preliminary Operating Budget

	ACTUAL 2020	ACTUAL 2021	YTD ACTUAL 2022	ORIGINAL BUDGET 2022	BUDGET 2023	% CHANGE 2022 ORIGINAL TO 2023 BUDGET
Office of Strategic Initiatives						
Charges for Services	\$110,641	\$1,514,298	\$1,036,395	\$1,707,343	1,733,531	2 %
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	0	0	0	0	0	0 %
Licenses & Permits	0	875	575	500	500	0 %
Operating Transfers In	0	23,434	17,575	23,434	23,434	0 %
Other Revenue	0	720	480	720	720	0 %
TOTAL OFFICE OF STRATEGIC INITIATIVES	\$110,641	\$1,539,327	\$1,055,025	\$1,731,997	\$1,758,185	2 %
Strategic Communications						
Charges for Services	\$0	\$0	\$0	\$0	\$235,766	0 %
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	0	0	0	0	0	0 %
Licenses & Permits	0	0	0	0	0	0 %
Operating Transfers In	0	0	0	0	0	0 %
Other Revenue	0	0	0	0	0	0 %
TOTAL STRATEGIC COMMS	\$0	\$0	\$0	\$0	\$235,766	0 %
Finance Department						
Charges for Services	\$1,348,837	\$1,376,326	\$995,148	\$1,326,869	\$1,979,073	49 %
Fines and Penalties	1,039	(1,309)	118,768	138,475	138,475	0 %
Intergovernmental	0	0	0	0	0	0 %
Licenses & Permits	0	0	0	0	0	0 %
Operating Transfers In	0	0	0	0	0	0 %
Other Revenue	41,609	32,458	21,550	27,000	7,000	(74)%
TOTAL FINANCE DEPARTMENT	\$1,391,485	\$1,407,475	\$1,135,466	\$1,492,344	\$2,124,548	42 %

2023 Preliminary Operating Budget

	ACTUAL 2020	ACTUAL 2021	YTD ACTUAL 2022	ORIGINAL BUDGET 2022	BUDGET 2023	% CHANGE 2022 ORIGINAL TO 2023 BUDGET
Fire Department						
Charges for Services	\$4,160,696	\$4,763,494	\$2,999,660	\$4,158,508	\$4,603,392	11 %
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	40,426	32,528	30,603	30,738	33,463	9 %
Licenses & Permits	109,352	105,489	101,618	125,000	125,000	0 %
Operating Transfers In	0	0	0	0	0	0 %
Other Revenue	196,194	227,498	237,518	193,830	193,830	0 %
TOTAL FIRE DEPARTMENT	\$ 4,506,668	\$ 5,129,009	\$ 3,369,399	\$ 4,508,076	\$ 4,955,685	10 %
Legal Department						
Charges for Services	\$229,203	\$201,484	\$156,238	\$208,319	\$226,495	9 %
Fines and Penalties	2,250	3,656	2,337	3,500	3,650	4 %
Intergovernmental	0	0	0	0	0	0 %
Licenses & Permits	0	0	0	0	0	0 %
Operating Transfers In	0	0	0	0	0	0 %
Other Revenue	0	35	0	0	0	0 %
TOTAL LEGAL DEPARTMENT	\$ 231,453	\$ 205,175	\$ 158,575	\$ 211,819	\$ 230,145	9 %
Police Department						
Charges for Services	\$393,368	\$301,728	\$196,469	\$190,222	\$86,500	(55)%
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	328,087	363,742	26,448	156,704	156,704	0 %
Licenses & Permits	9,934	(11,052)	5,431	80,500	8,000	(90)%
Operating Transfers In	0	0	0	0	0	0 %
Other Revenue	3,775	45,757	2,236	12,198	9,198	(25)%
TOTAL POLICE DEPARTMENT	\$ 735,164	\$ 700,175	\$ 230,584	\$ 439,624	\$ 260,402	(41)%

2023 Preliminary Operating Budget

	ACTUAL 2020	ACTUAL 2021	YTD ACTUAL 2022	ORIGINAL BUDGET 2022	BUDGET 2023	% CHANGE 2022 ORIGINAL TO 2023 BUDGET
Parks, Arts and Recreation						
Charges for Services	\$873,270	\$1,268,569	\$1,873,628	\$1,621,568	\$1,644,280	1 %
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	16,151	5,975	0	20,000	20,000	0 %
Licenses & Permits	4,600	6,244	7,656	9,500	9,000	(5)%
Operating Transfers In	2,543,515	2,734,212	2,826,692	3,158,658	3,529,693	12 %
Other Revenue	141,942	251,346	213,973	355,100	318,600	(10)%
TOTAL PARKS, ARTS & RECREATION	\$ 3,579,478	\$ 4,266,346	\$ 4,921,949	\$ 5,164,826	\$ 5,521,573	7 %
Public Works						
Charges for Services	\$5,772,756	\$5,200,340	\$3,488,836	\$5,688,720	\$5,714,692	0 %
Fines and Penalties	0	0	0	0	0	0 %
Intergovernmental	901,436	1,174,011	943,729	869,480	869,480	0 %
Licenses & Permits	0	0	0	0	0	0 %
Operating Transfers In	258,949	367,479	103,370	177,829	131,500	(26)%
Other Revenue	0	200	0	0	0	0 %
TOTAL PUBLIC WORKS	\$ 6,933,141	\$ 6,742,030	\$ 4,535,935	\$ 6,736,029	\$ 6,715,672	0 %
Non-Departmental						
Charges for Services	\$1,291,390	\$1,401,775	\$1,105,831	\$1,453,780	\$1,517,600	4 %
Fines and Penalties	142,587	163,312	95,147	194,698	141,600	(27)%
Intergovernmental	1,200,404	1,267,422	1,624,208	1,248,501	1,854,594	49 %
Licenses & Permits	679,185	723,884	550,637	694,361	696,600	0 %
Operating Transfers In	0	0	0	0	0	0 %
Other Revenue	700,340	1,124,385	423,856	750,211	750,339	0 %
TOTAL NON- DEPARTMENTAL	\$ 4,013,906	\$ 4,680,778	\$ 3,799,679	\$ 4,341,551	\$ 4,960,733	14 %
TOTAL GENERAL FUND PROGRAM REVENUE	\$23,756,544	\$26,730,172	\$20,111,934	\$25,830,194	\$27,837,540	8 %

Property Taxes

Property Tax Basics

Property Taxes are the second largest tax source for the City, and make up over 11% of the City's total operating revenue. For 2023, property taxes are estimated to generate \$20.1 million in Operating revenue.

In Washington, RCW 84.52 authorizes cities and other local governments to levy property taxes on properties within their taxing boundaries. The law is based on a budget-based system of property taxation. There are three main components to the property tax:

1. Levy amount (Levy)
2. Assessed Value (AV); and
3. Levy rate

Throughout the year, the Thurston County Assessor determines the assessed value (AV) of taxable existing properties and new construction within City boundaries. As part of the budget process, Olympia City Council establishes the amount of property tax revenue needed to fund next year's budget (Levy). The Levy amount is the total amount to be collected from Olympia's taxpayers. By November 30 each year, the amount of taxes to be levied by all taxing districts are certified by the Assessor. The Assessor then calculates the Levy Rate necessary to raise the Levy revenue by dividing the total Levy amount by the AV of taxable properties in the City. By law, this number is expressed in terms of a dollar rate per \$1,000 of valuation. For example, a rate of \$0.00025 is expressed as \$0.25 per \$1,000 of assessed value.

The County Treasurer acts as the agent to bill and collect property taxes levied in the county for all taxing authorities. Taxes levied in November become due on January 1 and are billed in two equal installments due on April 30 and October 31.

The Assessor establishes AVs at 100 percent to the fair market value, then adjusts those AVs each year based on market value changes. A physical verification of each property is made at least once every six years, and the estimated AV is then adjusted to reflect the physical verification.

Washington cities are authorized 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. The \$3.60 limit may be reduced for any of the following reasons:

- The Washington State Constitution limits the total regular property taxes to 1% 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 6 percent per year, before adjustments for new construction and annexations.
- The City may levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.

- After 2001, growth of the regular property tax levy, before new construction and annexations, is currently limited to the lower of 1 percent or the implicit price deflator (IPD). If the IPD is less than 1 percent, the City may declare a substantial need with a super majority of the Council and levy one percent. The 1 percent limit may be exceeded with voter approval. As the IPD was less than 1 percent in 2020, City Council passed a substantial need resolution to allow for the 1 percent increase over the previous year.

Library Districts are authorized to levy up to \$.50 per \$1,000 of assessed valuation. The City of Olympia is within the Timberland Regional Library District. 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 2020, the Library levy rate was \$0.323 per \$1,000 AV to be collected in 2021.

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.

How Does Property Tax Revenue Compare to Sales Tax Revenue?

While Sales Tax is the largest tax revenue source to the City, Property Tax revenue has grown at a quicker pace than Sales Tax. In 2010, the City collected \$2 in sales tax for every \$1 in property taxes. In 2023, it is projected, the City will collect about \$1.45 in sales tax for every \$1 in property taxes.

Property & Sales Tax Comparison for the General Fund Taxes Displayed in Millions

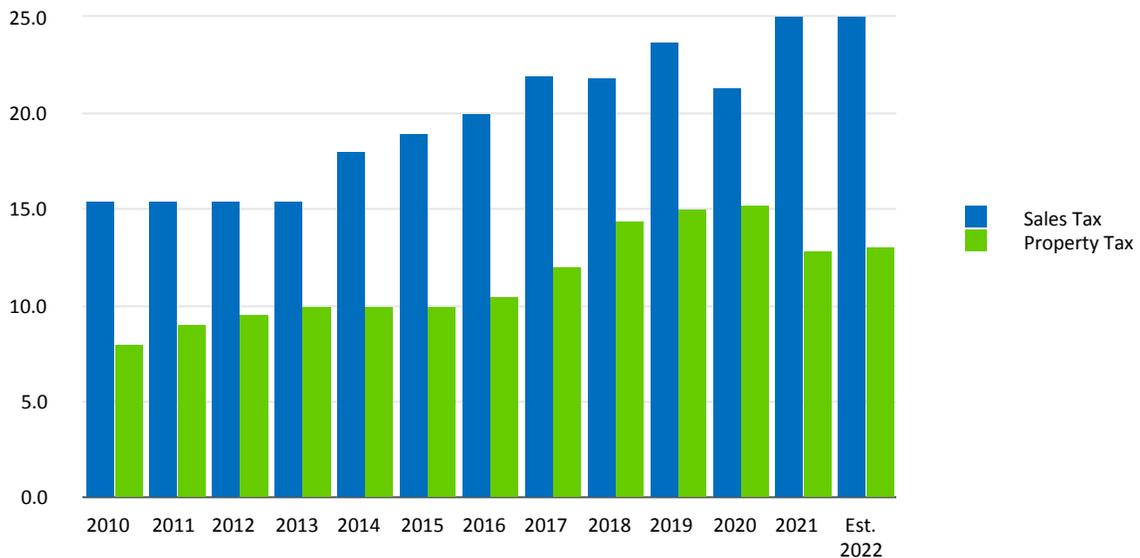
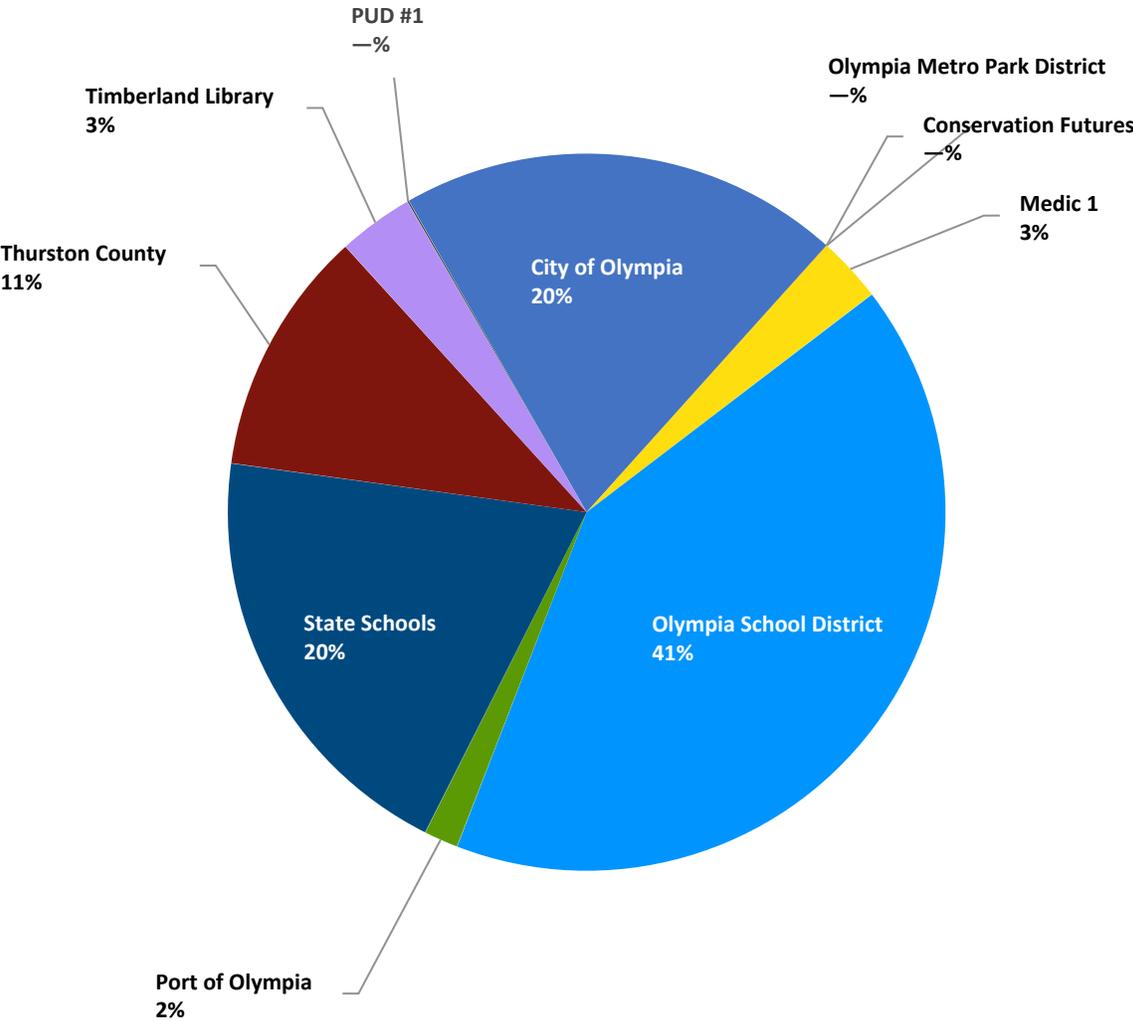


Chart Footnotes:

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

In 2018, Olympia community members voted to raise property taxes for Public Safety initiatives with an initial levy of \$2.8 million. In 2021, the City’s estimates the Public Safety component of Property Tax revenue will be \$3.136 million.

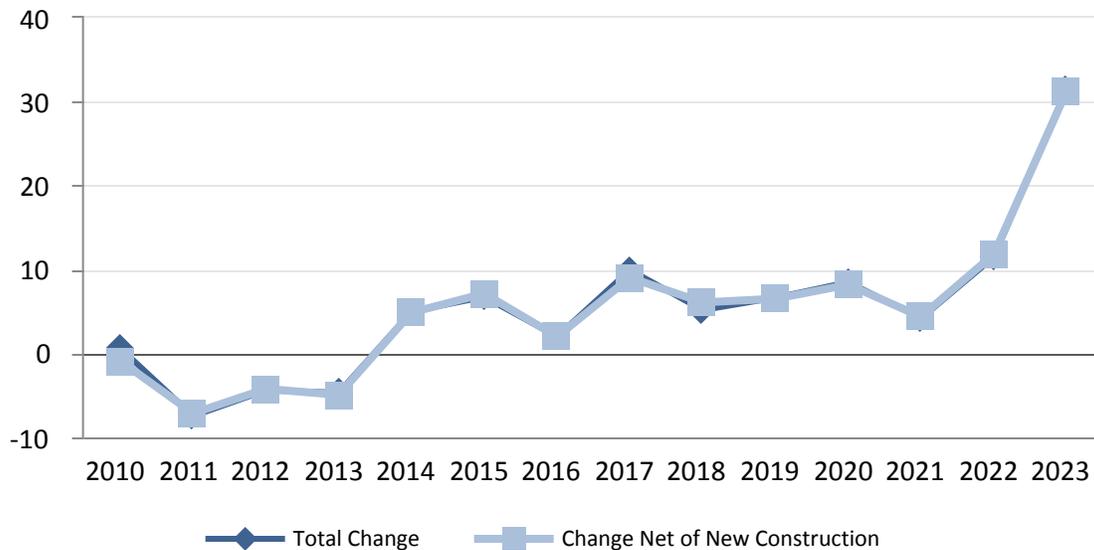
Where Property Tax Dollars Go



Assessed Property Tax Value

Assessment Year- Collection Year	Total Tax Collection	Total Assessed Value (includes New Construction)	New Construction	Total Change	Changes, Net of New Construction
2022 - 2023	20,110,794	11,822,825,673	124,100,416	31.49 %	31.24 %
2021 - 2022	21,086,069	8,991,702,610	77,826,189	11.49 %	11.82 %
2020 - 2021	20,579,763	8,065,316,266	93,805,752	4.19 %	4.38 %
2019 - 2020	19,966,939	7,741,063,697	104,345,957	8.50 %	8.20 %
2018 - 2019	19,249,123	7,134,825,096	76,843,810	6.64 %	6.52 %
2017 - 2018	17,315,156	6,690,364,182	64,546,920	5.17 %	6.08 %
2016 - 2017	14,420,080	6,361,555,378	115,732,498	9.96 %	9.04 %
2015 - 2016	13,933,700	5,785,389,448	57,461,280	2.01 %	2.00 %
2014 - 2015	13,598,436	5,671,256,103	55,820,209	6.74 %	7.14 %
2013 - 2014	13,115,489	5,313,341,232	72,174,035	5.00 %	4.88 %
2012 - 2013	12,947,164	5,060,434,532	63,045,263	(4.66)%	(4.93)%
2011 - 2012	12,597,003	5,308,051,162	51,343,632	(4.40)%	(4.22)%
2010 - 2011	12,275,205	5,552,078,378	63,972,556	(7.46)%	(7.13)%
2009 - 2010	11,581,683	5,999,359,843	89,651,803	0.61 %	(0.89)%

Property Taxes - Changes in Assessed Value (2010 - 2022)



Property Tax Use

Regular property taxes support the debt service of general non-voted bonds and the Firemen’s Pension Funds. The General Property Tax Levy is allocated as follows:

Regular Property Tax Levy Allocation	
General Fund support	\$16,208,548
City Hall Bonds	\$2,211,634
ERP Funding	\$333,537
Firemen’s Pension	\$288,000
LEOFF 1 Retiree Medical (non-budgeted)	\$1,000,000

In addition to the general levy, the 2022 budget includes \$1,044,350 in property taxes collected from the 2009 voter-approved bonds for the construction of a fire station, fire training center and purchase vehicles.

Example of Property Tax Paid on Median-Priced Home in Olympia - To be updated in Final Budget Document

Property Tax Paid - City of Olympia Tax	2021	2022	Change
Median Home Value	\$ 390,000	\$ 470,000	20.5%
Olympia Levy Rate			
Regular Levy	\$ 2.43	\$ 2.21	(9.1)%
Voter Approved Fire Bonds	\$ 0.13	\$ 0.12	(7.7)%
Total Levy Rate	\$ 2.56	\$ 2.33	(9.0)%
Olympia Property Tax			
Regular Levy	\$ 948	\$ 1,039	9.6%
Voter Approved Fire Bonds	\$ 51	\$ 56	11.2%
Total Olympia Property Tax	\$ 998	\$ 1,095	9.7%

Olympia Metropolitan Park District Rate			
Median Home Value	\$ 390,000	\$ 470,000	20.5%
Regular Levy	\$ 0.5422	\$ 0.5450	0.5%
Total OMPD Property Tax Paid	\$ 211	\$ 256	21.1%

Sales Tax - RCW

Sales Tax (RCW 82.14 and OMC 3.48) The City imposes a sales tax of 1.3 percent. In early 2018, City voters approved an additional 0.1 percent in sales tax for the City's Home Fund. The new sales tax is projected to generate \$2.7 million in annual revenue and will be used for capital and operational costs associated with homelessness. Of the remaining 1.2 percent, 1 percent is for general use, 0.1 percent is used for Public Safety, and a countywide 0.1 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 8.9 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 1 percent. Amounts shown in this document are exclusive of the County portion.

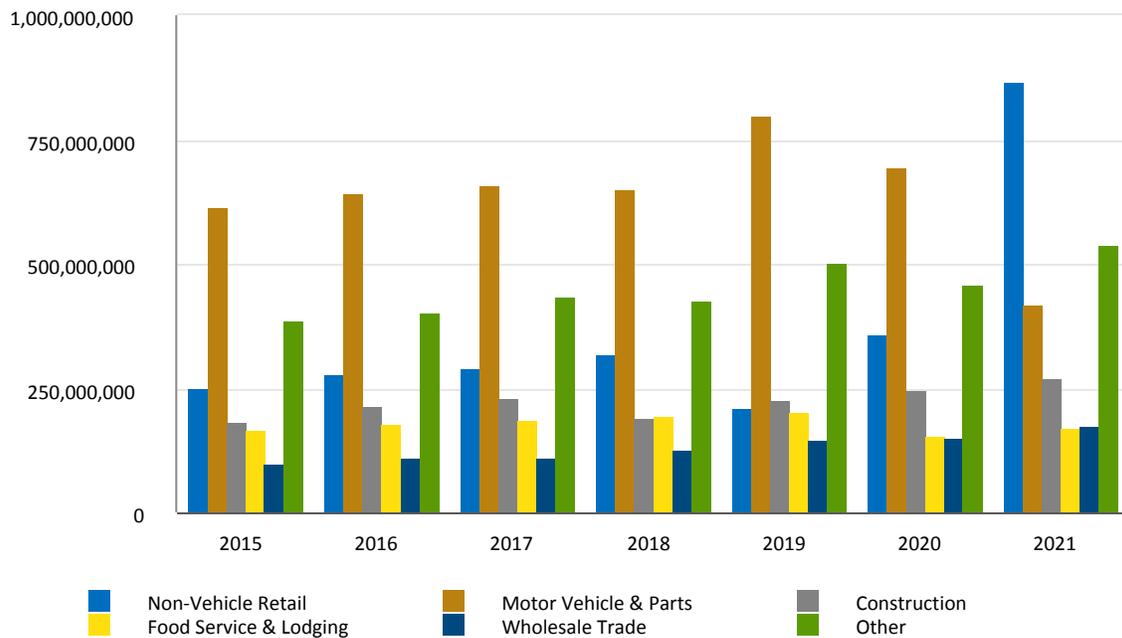
Where Does the 9.4 % Sales Tax Go?

Distribution of the 9.4% for Jurisdiction	
Jurisdiction	% Share
State	6.50%
Correction Facilities / Chemical Dependency	0.10%
911 Dispatch	0.20%
Jail Facilities	0.10%
Intercity Transit	1.20%
City Of Olympia	
General Use	1.00%
Criminal Justice	0.10%
Public Safety	0.10%
Home Fund	0.10%
Total	9.40%

Historical Sales Tax Collection

Sales Tax Collections (2010 - 2023)						
Year	Regular Sales Tax Collections	% Change from Previous Year	Criminal Justice Sales Tax	Public Safety Sales Tax	Home Fund Sales Tax - Operating	House Bill 1406
Est. 2023	25,900,000	1.1%	1,370,000	2,200,000	1,088,550	356,089
Est. 2022	25,616,332	4.6%	1,241,409	2,170,984	946,556	397,745
2021	24,486,429	18.1%	1,298,178.85	2,088,728.75	1,003,757.23	364,293.7
2020	20,734,394	(1.0)%	1,147,163.53	1,784,843.01	852,344.61	288,139
2019	20,946,194	9.2%	1,068,138	1,793,966	854,875	9,448
2018	19,186,478	0.5%	993,400	1,652,292	407,187	N/A
2017	19,169,709	4.4%	922,096	1,632,762	N/A	N/A
2016	18,361,859	7.2%	863,528	1,587,583	N/A	N/A
2015	17,135,538	5.3%	794,758	1,352,476	N/A	N/A
2014	16,270,126	4.9%	723,265	1,462,794	N/A	N/A
2013	15,513,518	5.1%	583,664	837,848	N/A	N/A
2012	14,766,803	(1.4)%	652,767	N/A	N/A	N/A
2011	14,981,567	(1.0)%	650,194	N/A	N/A	N/A
2010	15,126,628	5.3%	644,267	N/A	N/A	N/A

Where Does Sales Tax Come From?



Business and Occupation RCW 35.102, 35.21.710, OMC 5.04

Business & Occupation taxes are imposed and collected directly by the City upon all business activity, above a certain threshold, except utilities, that occur within the City limits. Extracting, manufacturing, wholesaling, retailing, public road construction and printing/publishing are taxed at 1/10 of 1 percent. All other activities are taxed at 2/10 of 1 percent of gross revenues.

The 2023 budget estimates Business & Occupation Tax to generate \$8.0 million or a 13.6 percent increase over 2022 budgeted revenue..

Business & Occupation Tax Collections		
Year	Collections	% Change from Previous Year
Est. 2023	\$8,000,000	13.6%
Est. 2022	\$7,043,386	(2.2)%
2021	\$7,201,211	26.3%
2020	\$5,700,993	(14.5)%
2019	\$6,671,160	1.9%
2018	\$6,547,226	4.2%
2017	\$6,280,663	6.4%
2016	\$5,902,924	6.7%
2015	\$5,533,477	15.7%
2014	\$4,784,237	5.7%
2013	\$4,528,289	4.9%
*2012	\$4,317,451	1.3%
2011	\$4,262,397	N/A
2010	\$3,889,234	*

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 nonprofit organizations organized for the betterment of the arts and school events are exempt from admissions tax.

The 2023 budget estimates Admissions Tax to generate \$140,000 or a 102.3 percent increase over the 2022 budgeted tax revenue. The 2022 projection and the 2023 projection are both less than half the taxes received in 2019. This is a direct reflection of the impacts of the pandemic on the arts and entertainment industry.

Admissions Tax Collections	
Year	Collections
Est. 2023	\$140,000
Est. 2022	\$69,216
2021	\$85,543
2020	\$134,244
2019	\$272,749
2018	\$277,801
2017	\$227,526
2016	\$202,195
2015	\$194,111
2014	\$179,841
2013	\$185,637
2012	\$174,510
2011	\$180,930
2010	\$ 191,100

Utility Taxes and Franchise Fees

RCW 35.23.440, 35.21.870, 80.32.010, 82.16 and OMC 5.15, 5.84

Utility tax is a tax imposed on the gross income of various utility services. External utilities, such as telecommunication, natural gas, and electric are taxed at a rate of 9 percent. State statute limits the maximum tax on these utilities, without voter approval, at 6 percent. In 2004, City voters approved a 3 percent increase in the tax to be used for Parks and Pathways purposes; the combined tax is now 9 percent.

2023 utility taxes are based on current trends. Telephone usage has been decreasing due to changes in the communications industry and personal preferences. Since 2010, the telecommunication tax has been decreasing year over year from 1 percent - 10 percent.

Included in the chart below is a 5 percent franchise fee imposed upon telecable 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 6 percent utility tax was applied to Cable TV to support major maintenance in the Capital Facilities Plan.

Interfund Utility Tax is a tax assessed on gross revenue of the City's Drinking Water, Wastewater, Storm and Surface Water (including LOTT) and Waste ReSources utilities generated from customers.

Allocation of Utility Tax (Electric, Gas, Telecommunications)		
Type of Utility	%	2023 Estimated Collections
Electric, Gas & Telecommunications:		
Base Tax (6%)		
General use	4.50%	\$4,191,000
Park & bike lane maintenance	0.50%	466,000
Capital/Facilities and general use	1.00%	932,000
Total Base Tax	6.00%	\$5,589,000
Voter approved 3%		
Parks	2.00%	1,580,898
Sidewalk, recreation use	1.00%	790,449
Total Voter approved	3.00%	\$2,371,347
Cable TV: 6%		
Capital Facilities	6.00%	\$902,880
Total	15.00%	\$8,863,227

2023 Preliminary Operating Budget

Utility Taxes & Franchise Fees (General Use Portion Utility Tax - 4.5%)					
Year	Electric	Gas	Telephone	Telecable	Telecable Franchise
Est. 2023	\$2,595,000	\$716,000	\$880,000	\$450,000	\$0
Est. 2022	\$2,236,365	\$630,156	\$870,058	\$448,734	2,500
2021	2,446,854.6	478,183.81	961,228.23	452,979.22	0
2020	2,236,365.1	619,873.45	1,123,127.27	441,447	—
2019	2,284,392	590,480.22	1,142,061.68	452,979	5,000
2018	2324406	593765	1258036	469075	5,000
2017	2,388,291	666,849	1,395,763	505,770	5,000
2016	2,330,019	579,960	1,490,795	493,262	5000
2015	2,138,363	624,906	1,476,183	477,938	—
2014	2,277,674	679,740	1,484,345	462,324	5000
2013	2,234,737	664,579	1,555,878	446,375	0
2012	2,244,115	748,852	1,621,542	** 371,294	—
2011	2,264,341	* 773,078	1,714,237	440,285	5000
2010	2,155,268	690,942	1,882,495	413,967	—

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

Interfund Utility Taxes					
Year	Drinking Water Utility	Wastewater Utility	Stormwater Utility	Waste ReSources Utility	Total
Est. 2023	\$1,770,000	\$3,100,000	\$807,000	\$1,750,000	\$7,427,000
Est. 2022	\$1,676,157	\$2,857,392	\$739,685	\$1,687,388	\$6,960,622
2021	1,582,001.85	2,543,547.14	675,854.56	1,483,723.74	6,285,127
2020	1,514,543.71	2,197,388.61	646,479.9	1,480,541.42	5,838,954
2019	1,329,533.52	2,007,573.03	577,176.54	1,272,296.65	5,186,580
2018	1,392,600	1,981,627	541,146	1,230,606	5,145,979
2017	1,298,050	1,961,718	563,540	1,176,620	4,999,928
2016	884,286	1,852,242	492,188	1,071,248	4,299,964
2015	1,411,635	1,797,236	444,633	984,932	4,638,436
2014	1,265,660	1,695,640	456,469	915,620	4,333,389
2013	1,145,401	1,455,204	438,970	868,167	3,907,742
2012	1,110,498	1,419,166	417,865	869,749	3,817,278
2011	1,039,878	1,464,100	436,489	866,141	3,806,608
2010	929,738	984,812	349,675	757,870	3,022,095
* 2014 Water rate lowered from 12% to 10%. 2014 includes some revenue from 2013 taxed at 12%.					

Gambling Taxes RCW 9.46

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

Gambling Taxes Collections	
Year	Collections
Est. 2023	\$127,000
Est. 2022	104,854
2021	155,063
2020	122,345
2019	142,755
2018	128,271
2017	134,511
2016	122,684
2015	182,184
2014	117,966
2013	139,513
2012	129,732
2011	132,644
2010	220,000

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

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

Leasehold excise tax is imposed at 4 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 \$195,000 to be collected in 2023 from this tax.

Business Licenses (RCW 19.02, 35.23.440 and OMC 5.02)

All businesses engaging in business in the City of Olympia, unless exempted by State law, are required to obtain a City business license. The City's business license process is managed by the State of Washington Business Licensing Service, which offers businesses a one-stop process to register for the state license as well as licenses in multiple cities throughout the state at the same time. Currently, the City's business license is \$30 annually and is pro-rated to coincide with the State business license expiration. Effective January 1, 2019, City of Olympia businesses not exceeding the newly adopted annual threshold of \$2,000, are required to register for a business license, however the \$30 business license fee is not be charged. The 2023 estimate for Business Licensing fees is \$839,100.

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

These fees are imposed generally on construction or building activities and include building permit fees, fire and sprinkler permit fees, and fees to review building plans. Development Fee Revenue Fund building permits, development fees and zoning and subdivision fees are recorded in the Development Fee Revenue Fund. This fund reimburses the Community Planning and Development Department for the costs of managing development.

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.

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 conveyance, storm drainage and surface water, and solid waste management. Each of these services are provided at a charge to the customer. The City bills customers bimonthly.

In addition the local non-profit corporation of LOTT (cities of Lacey, Olympia, Tumwater and Thurston County) formed by the four-government partnership, provides wastewater management services to the urban area of north Thurston County. This includes wastewater treatment and production of Class A Reclaimed Water.

Drinking Water

2022 Drinking Water Rates (monthly) - Update to 2023 for Final Budget, Rate Setting in Process								
	Tier 1		Tier 2		Tier 3		Tier 4	
	Water used/ccf	Charge per ccf						
Single Family & Duplex	0-400	\$2.04	401-900	\$3.42	901-1,400	\$5.46	1,401+	\$7.18
Multi-Family & Non-Residential	Nov - June	\$2.86	July-Oct	\$4.27				
Irrigation	Nov - June	\$2.86	July-Oct	\$8.43				

ccf = 100 cubic feet (about 750 gallons)
 These rates are in addition to Ready-to-Serve charges which range from \$14.08 (3/4" meter) to \$705.60 (12" meter).

Wastewater

The City’s Wastewater utility safely conveys wastewater (sewer) from our homes and businesses to the LOTT Clean Water Alliance’s (LOTT) Budd Inlet Treatment Plant in downtown Olympia. The wastewater charges are comprised of fees for City and LOTT services. Utility customers pay a City wastewater collection fee. Similar to the cities of Lacey and Tumwater, Olympia also collects LOTT’s wastewater treatment fee.

In 2022, the LOTT rate is \$43.49 monthly per Equivalent Residential Unit (ERU) and, depending on water usage, between \$14.53 and \$23.48 for the City collection system. 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 700 cubic feet for City collections and 900 cubic feet for LOTT of sewage measured at the source of either water consumption or sewage discharge.

Stormwater

2022 rates for single-family and duplex parcels are \$15.58 and \$31.16 per month respectively. In 2021, after working with a consultant and conducting public outreach, City staff restructured the rates for non-residential storm and surface water accounts. The rates were adopted by City Council, effective January 1, 2022. The new rate structure is based on actual on-site stormwater infrastructure with discounts for higher levels of treatment and flow control. Additionally, the Equivalent Residential Unit (ERU) changed from 2,528 feet of impervious surface to 2,882 square feet. This increase in impervious surface reflects today’s median amount of impervious surface found on single-family parcels across Olympia. The City also eliminated the non-residential flat administrative stormwater fee, the residential maintenance agreement discount and construction phase charges in 2022. The non-residential rates are based on the following revised categories:

Category	Rate (per billing unit)
Category I: For parcels that fully utilize Low Impact	\$7.79
Category II: For parcels with any stormwater	\$11.69
Category III: For parcels with no stormwater	\$15.58
Undeveloped parcels	No charge

Waste ReSources (Solid Waste)

Current rates for basic 65-gallon service for single family households that participate in the recycling program is \$27.03 per month. Collection of garbage and recyclables occurs on alternating weeks.

2023 Preliminary Operating Budget

Utility Rate Changes - Update to 2023 for Final				
Utility Type	2019	2020	2021	2022
Drinking Water	0.0%	6.3%	0.0%	2.0%
Waste Water				
City Collection System	0.0%	0.2%	0.0%	9.1%
LOTT	3.0%	3.0%	3.0%	3.0%
Storm & Surface Water	5.1%	3.5%	7.5%	(0.38)%
Waste ReSources				
Drop Box	5.5%	6.6%	0.0%	1.0%
Residential	5.5%	2.3%	0.0%	1.0%
Commercial	0.0%	2.3%	0.0%	1.0%
Organics	0.0%	2.3%	0.0%	1.0%

Residential Utility Bill (typical bi-monthly, single family residential bill)				
Drinking Water	\$56.20	\$60.32	\$60.32	\$61.54
Waste Water				
City Collection System	\$42.94	\$43.04	\$43.04	\$46.96
LOTT	\$79.60	\$82.00	\$84.46	\$87.00
Storm & Surface Water	\$28.10	\$29.10	\$31.28	\$31.16
Waste ReSources	\$51.80	\$53.52	\$53.52	\$54.06
Total	\$258.64	\$267.99	\$272.62	\$280.72
% increase	2.5%	3.6%	1.73%	2.97%
\$ increase	\$6.38	\$9.35	\$4.64	\$8.10

City Council (Legislative Office) - City Managers' Office

Description/Services Provided

The City Council is committed to implementing the Comprehensive Plan adopted in 2014. The Comprehensive Plan is organized around six focus areas; Public Health & Safety, Community Livability, Downtown, Economy, Environment, and Neighborhoods.

Intergovernmental relations with the Port of Olympia, Thurston County, the adjacent cities of Lacey and Tumwater and local tribes will also continue to be a priority for Council.

Significant Proposed Budget Changes

There are no significant budget changes proposed.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$211,541	\$224,469	\$231,715	\$7,246
Supplies	8,752	10,550	10,550	0
Services	42,972	39,237	39,237	0
Interfund Payments	8,050	10,333	17,010	6,677
Total Expenditures	\$271,315	\$284,589	\$298,512	\$13,923

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Council Member	5.00	5.00	5.00	0.00
Mayor	1.00	1.00	1.00	0.00
Mayor Pro-Tem	1.00	1.00	1.00	0.00
Total	7.00	7.00	7.00	0.00

Administration - City Managers' Office

Description/Services Provided

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.

The City Manager's Office leads the City organization by implementing City Council policies, exercising fiscal prudence, providing legal support, coordinating work of various departments, facilitating responsible communication to community members through community relations and maintaining a positive image of City government.

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.

Significant Proposed Budget Changes

There are no significant budget changes proposed.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$ 538,372	\$ 567,863	\$ 173,926	(393,937)
Transfer	30,000	30,000	30,000	0
Total Revenues	\$568,372	\$597,863	\$203,926	\$(393,937)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$391,247	\$498,998	\$534,949	\$35,951
Supplies	5,961	7,650	7,650	0
Services	143,804	156,834	156,834	0
Interfund Payments	29,198	32,857	21,148	(11,709)
Total Expenditures	\$570,210	\$696,339	\$720,581	\$24,242

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Assistant to the City Manager	0.00	1.00	1.00	0.00
City Manager	1.00	1.00	1.00	0.00
Executive Assistant	1.00	0.00	0.00	0.00
Executive Services Assistant	0.00	1.00	1.00	0.00
Total	2.00	3.00	3.00	0.00

Administration - Office of Community Vitality

Description/Services Provided

The Office of Community Vitality Administration houses the Assistant City Manager who oversees the Climate, Economic Development, Public Defense, and Housing and Homelessness programs. This office also oversees the City's Arts Culture & Heritage (ArCH) program and the Community Planning and Development Department.

Significant Proposed Budget Changes

Budget changes are due to salary increase (COLA) and increased interfund payments.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$0	\$0	\$59,190	\$59,190
Total Revenues	\$0	\$0	\$59,190	\$59,190

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$222,113	\$243,779	\$252,217	\$8,438
Services	1,400	0	0	0
Interfund Payments	0	818	9,825	9,007
Total Expenditures	\$223,513	\$244,597	\$262,042	\$17,445

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Assistant City Manager	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00

Climate Program - Office of Community Vitality

Description/Services Provided

The Climate Program is responsible for leading and coordinating implementation of the Thurston Climate Mitigation Plan and integrating considerations of climate mitigation, adaptation and resilience across all City programs, plans and policies. The Climate Program also provides staff resources, outreach and support to climate action across all City departments.

Significant Proposed Budget Changes

- The 2023 budget includes a proposed Buildings and Energy Program Manager. This position will develop energy programs focused on building decarbonization and energy efficiency for Olympia businesses and residents.
- There is also a new Program Specialist position to support the implementation of new and ongoing climate program initiatives, including greenhouse gas monitoring and reporting, community outreach and education, coordination of municipal operations, climate actions, and climate policy research and analysis.
- An increase in professional services costs reflects Olympia's annual contribution for regional coordination of the Thurston Climate Mitigation Plan as well as funding for local projects and initiatives.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$0	\$0	\$93,155	93,155
Total Revenues	\$0	\$0	\$93,155	\$93,155

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$120,206	\$135,846	\$419,840	\$283,994
Supplies	1,151	1,700	10,700	9,000
Services	29,874	92,494	208,170	115,676
Interfund Payments	840	818	9,066	8,248
Total Expenditures	\$152,071	\$230,858	\$647,776	\$416,918

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Climate Program Manager	1.00	1.00	1.00	0.00
Building and Energy Program Manager	0.00	0.00	1.00	1.00
Program Specialist	0.00	0.00	1.00	1.00
Total	1.00	1.00	3.00	2.00

Economic Development - Office of Community Vitality

Description/Services Provided

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 (LOB) focuses on strengthening small businesses and retaining and expanding major employers by developing strong relationships with key community business stakeholders and economic development partners. The department also works with internal and external partners to advance initiatives that support the economic well-being of our community, including workforce training, affordable housing development and downtown vibrancy.

Significant Proposed Budget Changes

- A significant volume of work related to COVID recovery budgeted in 2021/22 will carry over into 2023. This includes Journey to Jobs, the Thurston Workforce Training Center and several Downtown Recovery projects. The department is also leading a major long-range planning effort called *Olympia Strong: A Roadmap for Economic Resiliency*. The outcome will be goals, policies and actions that inform the department's workplan. It is safe to assume that the workload for this department will continue to be significant in the future, and dedicated administrative support is needed to optimize the efficiency and effectiveness of this department.
- The department has submitted an enhancement request for use of \$90,960 from the Economic Development Reserves account for two initiatives that will forward community and economic development goals in 2023. This includes funding for:
 - Expansion of the Westside library branch at Capital Mall - enabling the Library to lease a larger space that supports more programs as desired by both the Library and Mall (\$15,960), and
 - RFP to create a night market at the Artesian Commons (\$75,000.)

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$0	\$0	\$247,080	\$247,080
Transfer	0	0	0	0
Total Revenues	\$428,076	\$0	\$247,080	\$247,080

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$311,881	\$521,706	\$561,904	\$40,198
Supplies	1,221	820	820	0
Services	784,146	117,850	208,810	90,960
Interfund Payments	8,086	15,949	23,740	7,791
Total Expenditures	\$1,105,334	\$656,325	\$795,274	\$138,949

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Economic Development Director	1.00	1.00	1.00	0.00
Supervisor II	1.00	1.00	0.00	-1.00
Program & Planning Supervisor	0.00	0.00	1.00	1.00
Program Specialist	0.00	0.00	0.25	0.25
Program Assistant	0.25	0.25	0.00	-0.25
Downtown Ambassador	2.00	2.00	2.00	0.00
Total	4.25	4.25	4.25	0.00

Public Defense - Office of Community Vitality

Description/Services Provided

Public Defense provides indigent defense services to defendants charged with a gross misdemeanor or misdemeanor crime in the City of Olympia.

Significant Proposed Budget Changes

There are no significant proposed budget changes. The 2023 budget continues Public Defense services and programs. The Public Defense Line of Business is partially funded by grant funding from the Washington State Office of Public Defense (OPD) to cover a portion of increased compensation for Public Defender contracts, compensation for the Public Defense Social Services Worker, experts, and investigators. The current OPD grant award runs through 12/31/23.

- General Professional Services-Investigator/Expert Services requests often fluctuate.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$69,500	\$139,000	\$65,000	(74,000)
Total Revenues	\$69,500	\$139,000	\$65,000	\$(74,000)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$164,682	\$173,082	\$184,087	\$11,005
Services	389,218	420,548	436,684	16,136
Interfund Payments	4,798	6,207	10,296	4,089
Total Expenditures	\$558,698	\$600,577	\$631,807	\$31,230

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Public Defense Coordinator	1.00	1.00	1.00	0.00
Social Svcs Wrk - Project Funded	0.40	0.40	0.40	0.00
Total	1.40	1.40	1.40	0.00

Inspire Olympia - Office of Community Vitality

Description/Services Provided

The Inspire Olympia program will increase access to arts, culture, heritage, and science experiences in Olympia by reducing barriers to access and expanding offerings through our local cultural non-profit organizations, with special emphasis on underserved youth. The program will serve city residents and students in the Olympia School District using dedicated funding from a one-tenth of one percent sales tax, approved by voters in April 2022.

Significant Proposed Budget Changes

Inspire Olympia is a new city program in 2023.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Taxes	\$0	\$0	\$3,073,975	\$3,073,975
Total Revenues	\$0	\$0	\$3,073,975	\$3,073,975

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$0	\$0	\$508,349	\$508,349
Supplies	0	0	7,000	7,000
Services	0	0	2,743,750	2,743,750
Interfund Payments	0	0	1,000	1,000
Total Expenditures	\$0	\$0	\$3,260,099	\$3,260,099

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Cultural Access Program Manager	0.00	0.00	1.00	1.00
Cultural Access Program Specialist	0.00	0.00	1.00	1.00
Total	0.00	0.00	2.00	2.00

Administration - Office of Strategic Initiatives

Description/Services Provided

The purpose of the Office of Strategic Initiatives is to provide support to all City departments and to tackle some of the community's unique challenges – the ones that do not fit neatly into a single department. The Office of Strategic Initiatives (OSI) offers basic internal services and looks for ways to empower departments Citywide to operate at their highest potential. The teams within OSI include Human Resources, Information Services, the Office of Performance and Innovation, Visual Design and Production, City Clerk Services, and the Diversity, Equity, and Inclusion Program.

Besides overseeing the Office of Strategic Initiatives, the Assistant City Manager also serves as the staff liaison to the City Council's Community Livability and Public Safety Committee, coordinates the work of the Police Auditor on behalf of the City Council, and serves as the City's Risk Manager.

Risk Management coordinates claims and manages the city's liabilities. The focus of Risk Management is to ensure City-owned facilities and vehicles, as well as City employees, are insured and that programs have adequate liability and property coverage. Risk Management focuses on keeping accidents down and insurance premiums low. The program involves claims management, loss control, loss prevention training, and regular interactions with the Washington Cities Insurance Authority (WCIA), a municipal risk pool providing its members with self-insurance services.

Significant Proposed Budget Changes

The Administration Budget includes two full-time employees. The primary expenditure, beyond salary and benefits, is for contract services for the City Council's Police Auditor and for stipends for volunteers who serve on Council appointed Boards, Committees, and Commissions.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$144,277	\$182,800	\$152,288	(30,512)
Total Revenues	\$144,277	\$182,800	\$152,288	\$(30,512)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$138,010	\$350,896	\$368,134	\$17,238
Supplies	33,300	6,400	5,300	(1,100)
Services	180,805	319,393	168,303	(151,090)
Interfund Payments	13,772	19,807	15,339	(4,468)
Total Expenditures	\$365,887	\$696,496	\$557,076	\$(139,420)

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Assistant City Manager	1.00	1.00	1.00	0.00
Senior Program Specialist	1.00	1.00	1.00	0.00
Program Assistant	1.00	0.00	0.00	0.00
Total	3.00	2.00	2.00	0.00

City Clerk Services - Office of Strategic Initiatives

Description/Services Provided

City Clerk Services provides a broad range of services including:

- Managing and coordinating public records requests.
- Assisting staff with contracts and procurement.
- Providing records management consultation and training.
- Maintaining the City's Domestic Partnerships Registration program.
- Partnering with Information Services and Legal on a variety of issues including Contracts, Privacy, Transparency, Information Security, and eDiscovery.

Significant Proposed Budget Changes

- Rising staff salaries are driving minor budgetary increases in 2023 for City Clerk Services.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Licenses & Permits	\$875	\$500	\$500	0
Charges for Service	125,037	122,251	131,344	9,093
Total Revenues	\$125,912	\$122,751	\$131,844	\$9,093

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$419,243	\$505,571	\$497,482	\$(8,089)
Supplies	277	800	800	0
Services	40,662	44,450	44,450	0
Interfund Payments	10,794	14,187	21,321	7,134
Total Expenditures	\$470,976	\$565,008	\$564,053	\$(955)

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
City Clerk	1.00	1.00	1.00	0.00
Procurement & Contract Program Administrator	0.00	1.00	1.00	0.00
Contract & Procurement Specialist	1.00	0.00	0.00	0.00
Information Specialist	2.00	2.00	2.00	0.00
Total	4.00	4.00	4.00	0.00

Diversity, Equity & Inclusion - Office of Strategic Initiatives

Description/Services Provided

The Diversity, Equity & Inclusion Program was established in 2022 and is staffed by a DEI Program Manager and Program Assistant. The DEI Program Manager guides, advises, and supports the City's eleven-member appointed Social Justice & Equity Advisory Commission and partners with City Departments and community stakeholders to facilitate communication and foster collaboration around equity initiatives, action plans, and social justice goals and priorities.

Significant Proposed Budget Changes

- The DEI Program has two full-time employees. Salary and benefits are the primary budget increase, along with funding to support implementing the Social Justice and Equity Commission work plan.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$0	\$0	\$83,917	83,917
Total Revenues	\$0	\$0	\$83,917	\$83,917

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$0	\$313,066	\$265,816	\$(47,250)
Services	0	0	77,000	77,000
Interfund Payments	0	0	10,349	10,349
Total Expenditures	\$0	\$313,066	\$353,165	\$40,099

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Diversity Equity Inclusion Manager	0.00	1.00	1.00	0.00
Program Assistant	0.00	1.00	1.00	0.00
Total	0.00	2.00	2.00	0.00

Human Resources - Office of Strategic Initiatives

Description/Services Provided

Human Resources (HR) provides guidance and support designed to increase the effectiveness of the organization, while fostering a healthy, safe, and inclusive environment through approachable and compassionate customer service.

HR manages the employee benefit programs and the employee wellness program. These programs cover all the benefits (healthcare, dental, vision, life insurance, etc.) that the City provides to employees and provides different wellness activities for City employees throughout the year.

HR is also responsible for labor negotiations and employee relations, recruitment and retention, workers compensation, and civil service.

Significant Proposed Budget Changes

- As of right now we do not have any significant budget changes.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$264,386	\$395,962	\$349,943	(46,019)
Transfer	0	0	0	0
Total Revenues	\$264,386	\$395,962	\$349,943	\$(46,019)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$727,901	\$770,450	\$850,963	\$80,513
Supplies	3,010	3,200	3,200	0
Services	29,886	81,800	81,800	0
Interfund Payments	20,152	30,616	40,153	9,537
Total Expenditures	\$780,949	\$886,066	\$976,116	\$90,050

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Human Resource Director	1.00	1.00	1.00	0.00
Human Resources Analyst, Senior	4.00	3.00	2.00	-1.00
Human Resources Analyst	2.00	2.00	2.00	0.00
Office Specialist I	0.25	0.25	0.50	0.25
Total	7.25	6.25	5.50	-0.75

Human Resources DEI - Office of Strategic Initiatives

Description/Services Provided

The Human Resources (HR) Diversity Equity and Inclusion (DEI) Program provides guidance and support to create a citywide culture where people feel like and know they belong.

The Human Resources director oversees this program which is staffed with a full-time Diversity, Equity, and Inclusion Coordinator. Their responsibility is to create, develop, implement, and conduct training and programs for City employees, including: equity in hiring, recruitment and accessibility DEI trainings. Some other duties include reviewing HR data sets, organizational development, and leadership training. They continuously research the most current DEI best practices and policies to provide ongoing guidance to internal staff.

This position works with all entities in the City to ensure that the principles of diversity, equity, and inclusion are woven into the fabric of the organization.

Significant Proposed Budget Changes

- Transferred \$77,000 to the DEI Program Manager to support the Social Justice and Equity Commission.
- No other significant changes.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$241,182	\$153,021	\$174,732	\$21,711
Services	77,751	119,551	42,551	(77,000)
Interfund Payments	0	1,637	1,252	(385)
Total Expenditures	\$318,933	\$274,209	\$218,535	\$(55,674)

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Human Resources Analyst, Senior	1.00	1.00	1.00	0.00
Human Resources Analyst	1.00	1.00	0.00	-1.00
Total	2.00	2.00	1.00	-1.00

Information Services - Office of Strategic Initiatives

Description/Services Provided

The Information Services line of business is a strategic partner providing a full spectrum of innovative technology solutions to enable the City to better carry out its mission and serve its community members. Our vision is to provide simple, secure access anywhere, anytime on any device.

Significant Proposed Budget Changes

- The 2023 budget continues Information Services' existing programs and services. Increased labor and benefit costs represent the largest change to the budget. Technology service contracts and subscriptions costs have decreased due to the elimination of multiple legacy solutions. These savings help to offset inflationary increases to other technology contracts as well as the increase to labor and benefits.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$969,000	\$1,006,330	\$798,693	(207,637)
Other	720	720	720	0
Total Revenues	\$969,720	\$1,007,050	\$799,413	\$(207,637)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$2,859,563	\$3,105,702	\$3,379,077	\$273,375
Supplies	26,328	16,200	16,200	0
Services	877,040	981,319	892,564	(88,755)
Interfund Payments	73,998	94,332	138,538	44,206
Total Expenditures	\$3,836,929	\$4,197,553	\$4,426,379	\$228,826

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Chief Information Officer	0.00	1.00	0.00	-1.00
Computer Systems Technician	3.00	3.00	3.00	0.00
Digital Solutions Technician	0.00	0.00	0.00	0.00
Digital Solutions Manager	0.00	1.00	1.00	0.00
Enterprise Data Architect	1.00	1.00	1.00	0.00
GIS Coordinator	1.00	1.00	1.00	0.00
GIS Analyst	0.00	0.00	1.00	1.00
GIS Bus Manager - Project	0.00	0.00	1.00	1.00
Infrastructure Manager	0.00	1.00	1.00	0.00
IT Asset Management Specialist	1.00	1.00	1.00	0.00
IT Support Specialist	1.00	1.00	1.00	0.00
Line of Business Director	1.00	0.00	0.00	0.00
Network Analyst	5.00	5.00	5.00	0.00
Service Desk Administrator	1.00	1.00	1.00	0.00
Supervisor IV	2.00	0.00	0.00	0.00
Sys. & Appl. Specialist	5.00	5.00	3.00	-2.00
Enterprise Applications administrator	0.00	0.00	0.00	0.00
Information Technology Director	0.00	0.00	1.00	1.00
Total	21.00	21.00	21.00	0.00

Office of Performance and Innovation - Office of Strategic Initiatives

Description/Services Provided

The Office of Performance and Innovation (OPI) is part of Strategic Initiatives in the City Manager's Office. OPI provides consultation and project management in community engagement and strategic planning, process improvement, and using data to learn and improve.

OPI partners with staff at all levels in the organization to support complex, high-profile, and cross-departmental projects. Since launching in 2018, OPI has partnered with individual staff members, teams, and departments to provide technical expertise, tools, and coaching that builds staff capacity, better leverages existing resources, and supports organizational excellence to help the City achieve our community's vision.

Significant Proposed Budget Changes

- Budget changes are due to increases in staffing costs.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$11,598	\$0	\$97,847	97,847
Total Revenues	\$11,598	\$0	\$97,847	\$97,847

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$0	\$267,955	\$281,246	\$13,291
Supplies	3,279	0	0	0
Services	94,503	5,382	5,382	0
Interfund Payments	822	2,191	12,656	10,465
Total Expenditures	\$98,604	\$275,528	\$299,284	\$23,756

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Performance Mgmt Specialist	1.00	1.00	1.00	0.00
Strategic Planning & Performance Manager	1.00	1.00	1.00	0.00
Total	2.00	2.00	2.00	0.00

Visual Design & Production - Office of Strategic Initiatives

Description/Services Provided

The Visual Design and Production (VDP) Team collaborates and coordinates with all City departments to develop, design, and deliver communication materials/collateral that support City initiatives. This team is comprised of three full-time FTEs who provide professional writing, graphic design, photography, and videography services.

The team is led by the Visual Design and Production Manager/Senior Writer who oversees a Brand Manager/Senior Designer and Graphic Designer. VDP is also responsible for ensuring the quality and professionalism of the City's communications and brand alignment/stewardship across all departments.

Significant Proposed Budget Changes

There are no significant changes to the 2023 budget.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$0	\$0	\$119,499	119,499
Total Revenues	\$0	\$0	\$119,499	\$119,499

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$483,930	\$343,862	\$381,717	\$37,855
Supplies	4,334	0	0	0
Services	28,773	4,000	157,980	153,980
Interfund Payments	0	1,475	17,664	16,189
Total Expenditures	\$517,037	\$349,337	\$557,361	\$208,024

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Graphic Designer	0.00	1.00	1.00	0.00
Visual Design & Production Manager	0.00	1.00	1.00	0.00
Senior Designer and Brand Manager	0.00	1.00	0.00	-1.00
Program Specialist	3.00	0.00	0.00	0.00
Strategic Communication Director	1.00	0.00	0.00	0.00
Total	4.00	3.00	2.00	-1.00

Strategic Communications - City Managers' Office

Description/Services Provided

The Strategic Communications Department (StratComm) is charged with leading the City of Olympia's external and internal communications. This enables the city's strategic communications leadership to both lead communication strategy and deliver content and advisory services for the organization.

In this work, Strategic Communications focuses on eight main areas, with the goal of the City supporting and managing its own narrative at the center.

- **Narrative building:** this work entails activities such as making use of our virtual town hall model to do more engaging with and listening to the community on important issues and creating a blog.
- **Media Relations:** this includes proactive media handling, reactive media handling, press relationship management, content creation, and media monitoring and analysis.
- **Website:** Strategic Communications manages and maintains the City's new, well received City website. StratComm staff develop and maintain website guidelines and train and support content editors.
- **Digital Engagement:** Strategic Communications manages and operates the City's online public engagement platform, Engage Olympia.
- **Crisis Communication:** StratComm leads citywide crisis communications and retains a crisis communication consulting firm to increase capacity to respond and seek advice and consultation during times of crisis at the City.
- **Social Media:** StratComm develops and amplifies the City's voice across a number of social media platforms and supports identified staff in select departments around department-level social media presence.
- **Public Engagement:** StratComm is a leader on engaging our community on City direction and policy. Public engagement opportunities help to shape and support the City's narrative and tell our story.
- **Employee Communications:** StratComm is building and will maintain the City's new employee communication program and the creation and implementation of an internal communication plan that aligns with our external communication efforts.

Significant Proposed Budget Changes

- An enhancement request to support the creation of a Citywide Wayfinding Master Plan
- Reclassification of the Program Specialist position to a Webmaster/Digital Engagement Specialist (unsure where that class will land in terms of budget)

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$0	\$0	\$235,766	235,766
Total Revenues	\$0	\$0	\$235,766	\$235,766

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$0	\$546,785	\$557,387	\$10,602
Services	0	54,250	54,250	0
Interfund Payments	0	4,417	22,259	17,842
Total Expenditures	\$0	\$605,452	\$633,896	\$28,444

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Deputy Public Information Officer	0.00	1.00	1.00	0.00
Program Specialist	0.00	1.00	1.00	0.00
Social Media/Content Strategist	0.00	1.00	1.00	0.00
Strategic Communication Director	0.00	1.00	1.00	0.00
Total	0.00	4.00	4.00	0.00

Community Planning & Development

Description/Services Provided

The Community Planning and Development (CPD) 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 and inspections, code enforcement, parking services, historic preservation, urban forestry, neighborhood programs, City Hall customer service and Citywide 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.

Significant Proposed Budget Changes

- Major budget changes are due to cost increases in salaries and benefits, as well as in transfers to other departments that provide program support through the City's indirect cost model.
- In 2023, all CPD costs and revenues will be accrued in the Development Fee Revenue (DFR) Fund. Transfers will be made from General Fund to the DFR Fund to reimburse it for non-eligible costs or other expenses as guided by City policy.
- A permanent Office Specialist position is being added in the Administration Division to carry out new responsibilities made necessary by public meetings being held in a 'hybrid' format combining in-person and virtual attendance.
- Additional funding for Professional Services in the Planning Division will fund a proposed annexation of the City's southeast urban growth area, and comprehensive plan update.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Licenses & Permits	\$2,346,387	\$2,630,837	\$3,012,034	\$381,197
Grants	0	350,000	0	(350,000)
Charges for Service	1,542,788	1,963,504	2,353,997	390,493
Fines & Penalties	383,703	327,402	360,000	32,598
Other	842,699	1,204,700	1,222,000	17,300
Total Revenues	\$4,272,878	\$5,271,743	\$5,726,031	\$454,288

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$6,669,738	\$6,892,272	\$7,720,791	\$828,519
Supplies	183,758	66,355	74,000	7,645
Services	1,235,098	1,657,185	1,046,752	(610,433)
Intergovernmental	400,843	400,843	372,741	(28,102)
Interfund Payments	1,583,122	1,609,238	2,948,361	1,339,123
Total Expenditures	\$10,072,559	\$10,625,893	\$12,162,645	\$1,536,752

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Administration	8.00	7.00	8.75	1.75
Customer Service	9.50	8.50	8.50	0.00
Planning	13.50	13.75	13.75	0.00
Permitting	12.00	12.00	12.00	0.00
Strategic Projects	1.00	1.50	1.50	0.00
Parking	9.00	9.00	10.00	1.00
Total	53.00	51.75	54.50	2.75

Parking and Customer Service - Community Planning & Development

Description/Services Provided

The Customer Service line of business consists of four Program Assistants at the two public service counters and three Permit Specialists. One of the primary functions of the Customer Service line of business is to provide excellent service when responding to internal and external customer inquiries made in-person, by telephone, or by email. The Customer Service Center (CSC) is responsible for all permit applications via the SmartGov Portal, UP Safety Portal, and cash transactions/deposits at the CSC for Utilities, Parking, Land Use and Permits, and various City business. This line of business is essentially the “face of the City.” Goals and objectives for the Customer Service LOB is to continue embodying Community Planning and Development’s three keys to success: excellent customer service, technical competency, and respectful communication.

The Parking Services program's primary purpose is to uphold and enforce parking regulations, code, policies, and maintain infrastructure, including parking meters and parking lots in Downtown. Parking Services also responds to and enforces complaints and violations of abandoned vehicles and RVs. Goals and objectives for Parking Services is to increase parking compliance, education, and continue to be self-funding.

Significant Proposed Budget Changes

- Wages and benefits are the primary cost components of these lines of business.
- Revenue: Parking meter collection, parking citation collection, all parking permits (9hr, residential, meter hood, leased lots), boot and tow.
- Expenses: Wages and benefits, parking management software hosting, parking equipment repairs and maintenance, smart meter communication hosting and upgrades, Downtown Ambassador Program support, PW Transportation support, Courts support, Clean Team support, CSC support, and Citywide overhead.
- Parking revenue has been significantly impacted by COVID-19 and the advent of teleworking and closures of businesses in the downtown core and surrounding downtown areas. The increased number of ABVL, unhoused and RV complaints/demolition, has pulled staff from regular enforcement duties to manage cases and respond to complaints and assist with clean-up. Parking Services launched a new parking software, Barnacle upgrade, upgraded 180 smart meters and added 10 Kiosks.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,672,969	\$1,731,067	\$1,968,966	\$237,899
Supplies	74,429	19,500	13,900	(5,600)
Services	278,671	328,850	177,750	(151,100)
Intergovernmental	142,829	142,829	126,500	(16,329)
Interfund Payments	523,775	535,694	682,606	146,912
Total Expenditures	\$2,692,673	\$2,757,940	\$2,969,722	\$211,782

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Lead Worker	2.00	1.00	1.00	0.00
Permit Specialist	2.00	2.00	2.00	0.00
Program & Planning Supervisor	0.50	0.50	0.50	0.00
Program Assistant	4.00	4.00	4.00	0.00
Supervisor II	1.00	1.00	1.00	0.00
Field Crew Leader-AFSCME	1.00	1.00	1.00	0.00
Parking Svcs Field Rep II-AFSC	2.00	2.00	2.00	0.00
Parking Svcs Field Rep-AFSCME	4.00	4.00	5.00	1.00
Program & Planning Supervisor	0.50	0.50	0.50	0.00
Senior Program Specialist	0.50	0.50	0.50	0.00
Supervisor II	1.00	1.00	1.00	0.00
Total	18.50	17.50	18.50	1.00

Planning & Engineering - Community Planning & Development

Description/Services Provided

Planning and Engineering is responsible for comprehensive long-range planning, current planning/land use review, engineering plan review, environmental planning, urban forestry, historic preservation, and neighborhoods programs.

Significant Proposed Budget Changes

- Planning and Engineering submitted a request for a budget enhancement for 2023 in the amount of \$50,000 to contract for consultant services to process a city-initiated annexation of the SE Urban Growth Area. If the City Council approves of moving forward with this annexation, a consultant would lead community outreach and communication efforts.
- Planning and Engineering submitted a request for a budget enhancement for 2023 in the amount of \$50,000 to contract for consultant services to develop methodology and to prepare a housing displacement analysis to meet the new requirements for housing under the Growth Management Act (see RCW 36.70A.070(2)(e)). This displacement work in 2023 will inform the Housing Element work in 2024 so the City can complete the Comprehensive Plan Periodic Update on time. This work must be included in the City's Housing Element of the Comprehensive Plan, which must be updated by June 2025.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,713,997	\$1,794,536	\$1,886,585	\$92,049
Supplies	9,920	7,670	7,370	(300)
Services	238,021	559,336	304,236	(255,100)
Interfund Payments	46,343	57,309	85,902	28,593
Total Expenditures	\$2,008,281	\$2,418,851	\$2,284,093	\$(134,758)

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Assistant Planner	0.00	1.00	1.00	0.00
Associate Line of Business Director	1.00	1.00	0.00	-1.00
Associate Planner	4.50	3.75	3.75	0.00
Business Operations Specialist	1.00	1.00	1.00	0.00
Deputy CP&D Director	0.00	0.00	1.00	1.00
GIS Coordinator	1.00	0.00	0.00	0.00
Engineering Plans Examiner	2.00	2.00	1.00	-1.00
Senior Engineering Plans Examiner	0.00	0.00	1.00	1.00
Principal Planner	1.00	2.00	2.00	0.00
Program & Planning Supervisor	0.00	0.00	0.00	0.00
Program Specialist	0.00	1.00	1.00	0.00
Senior Planner	3.00	2.00	2.00	0.00
Total	13.50	13.75	13.75	0.00

Development Permit Services - Community Planning & Development

Description/Services Provided

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. Code Enforcement works in partnership with citizens to promote and maintain a safe and desirable living and working environment. We help maintain and improve the quality of our community by enforcing laws and codes targeted to solve specific problems within the community.

Significant Proposed Budget Changes

- 2023 will bring a new cycle of updates to the International Building Codes. These new ICC 2021 permits will be coming online July 1st, 2023. This will increase training needs for inspectors and plan reviewers in 2023. It will also necessitate additional purchase of ICC code books as well as digital building code materials. Code Enforcement will need additional training to assist in the most effective enforcement trends evolving in this ever changing environment.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,404,285	\$1,475,287	\$1,581,400	\$106,113
Supplies	21,850	14,605	29,200	14,595
Services	278,057	260,777	207,098	(53,679)
Interfund Payments	475,136	473,902	1,483,699	1,009,797
Total Expenditures	\$2,179,328	\$2,224,571	\$3,301,397	\$1,076,826

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Building Inspector - AFSCME	2.00	2.00	2.00	0.00
Building Inspector II - AFSCME	1.00	1.00	1.00	0.00
Building Official	1.00	1.00	1.00	0.00
Building Plans Examiner-AFSCME	3.00	3.00	2.00	-1.00
Code Enforce Officer-AFSCME	2.00	2.00	2.00	0.00
Electrical Plan Examner-AFSCME	1.00	1.00	1.00	0.00
Lead Code Enforce Offr-AFSCME	1.00	1.00	1.00	0.00
Supervisor III	1.00	1.00	1.00	0.00
Senior Plans Examiner - AFSCME	0.00	0.00	1.00	1.00
Total	12.00	12.00	12.00	0.00

Budget & Administrative Services - Community Planning & Development

Description/Services Provided

The Administrative Services line of business is responsible for the leadership and business practices for the Department. Administrative Services supports staff of 57 FTEs for Community Planning and Development and 18 FTEs from Office of Community Vitality. This division also provides Community Development Block Grant (CDBG) financial and program support, Citywide Mail Services and is responsible for records management, archival, technology and public disclosure requests. Strategic direction, performance management and financial management are the primary focus of this Division.

Significant Proposed Budget Changes

1. OSII to assist with online public meetings ends December 2022; Enhancement Request has been submitted to hire permanent OSII.
2. Reclass of Program Assistant to Program Specialist
3. Cost of living adjustments
4. Rate increase in postage

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Taxes	\$0	\$0	\$0	\$0
Licenses & Permits	1,150	1,250	1,000	(250)
Charges for Service	327,781	408,184	731,906	323,722
Total Revenues	\$328,931	\$409,434	\$732,906	\$323,472

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$897,397	\$816,613	\$1,078,813	\$262,200
Supplies	7,750	8,200	13,450	5,250
Services	167,388	184,672	190,168	5,496
Intergovernmental	115,185	115,185	119,741	4,556
Interfund Payments	34,621	34,913	46,675	11,762
Total Expenditures	\$1,222,341	\$1,159,583	\$1,448,847	\$289,264

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
CP&D Director	1.00	1.00	1.00	0.00
Office Specialist I	0.25	0.25	0.25	0.00
Office Specialist II	0.50	0.50	0.50	0.00
Program and Planning Supervisor	0.00	1.00	1.00	0.00
Program Assistant	4.25	3.00	1.50	-1.50
Program Specialist	1.00	1.25	1.25	0.00
Supervisor III	1.00	0.00	0.00	0.00
Program Assistant - AFSCME	0.00	0.00	0.50	0.50
Program Specialist - AFSCME	0.00	0.00	1.00	1.00
Total	8.00	7.00	7.00	0.00

Finance

Description/Services Provided

The Finance Department has the lead responsibility for all City financial activities. Services are categorized in the following focus areas:

1. **General Accounting** – manage financial reporting and processes related to cash, debt, general ledger, investment and project and grant accounting.
2. **Payables and Fleet Business Administration** – manage processes to pay City vendors and employees and associated tax-related obligations; manage the business administration component of city-wide fleet program.
3. **Billing & Collections** – manage processes related to billing City customers and receipt of associated payments and receivables; manage processes related to sales tax, business licenses, and business and occupation taxes.
4. **Budget** – manage processes related to development, production, amending, and management of the City’s Operating and Capital Facilities Plan budgets.
5. **Financial Planning** – provide financial advice and analysis to support City departments and management in considering new or changing operations and projects.

Significant Proposed Budget Changes

- Additional FTE in Utility Billing to maintain service levels for increasing number of customers.
- Increase in credit card fee expenses.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	1,376,326	1,326,869	1,979,073	652,204
Fines and Penalties	-1,309	138,475	138,475	0
Transfer	32,458	27,000	7,000	(20,000)
Total Revenues	\$1,407,475	\$1,492,344	\$2,124,548	\$632,204

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$2,200,703	\$2,485,735	\$2,694,310	\$208,575
Supplies	31,750	41,430	48,430	7,000
Services	574,474	559,675	592,040	32,365
Interfund Payments	56,138	75,152	117,349	42,197
Total Expenditures	\$2,863,065	\$3,161,992	\$3,452,129	\$290,137

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Billing and Collections	5.41	5.41	5.41	0.00
Accounting and Budget	14.84	16.84	16.84	0.00
Total	20.25	22.25	22.25	0.00

Legal Services - General Counsel Division

Description/Services Provided

The General Counsel 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 liability exposure. The General Counsel Division initiates or defends litigation when necessary and provides management of outside legal services provided under contractual agreements with the City. The General Counsel Division also evaluates and advises on proposed legislation, public disclosure issues and public records act requests, the Open Public Meetings Act, and the Fair Campaign Practices Act, among others.

Significant Proposed Budget Changes

- There are no significant changes to the budget for the General Counsel Division. Budget resources for the Division are allocated almost exclusively to staff costs, along with a smaller amount for outside legal services which require specialized expertise, outside legal counsel or independent review.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$201,484	\$208,319	\$226,495	\$18,176
Fines and Penalties	3,656	3,500	3,650	150
Transfer	35	0	0	0
Total Revenues	\$205,175	\$211,819	\$230,145	\$18,326

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$772,768	\$796,402	\$835,153	\$38,751
Supplies	3,719	5,000	5,000	0
Services	51,146	37,977	37,977	0
Interfund Payments	37,088	41,568	60,598	19,030
Total Expenditures	\$864,721	\$880,947	\$938,728	\$57,781

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
City Attorney	1.00	1.00	1.00	0.00
Deputy City Attorney	2.00	2.00	2.00	0.00
Paralegal I	1.00	1.00	1.00	0.00
Paralegal II	1.00	1.00	1.00	0.00
Total	5.00	5.00	5.00	0.00

Legal Services - Prosecution Division

Description/Services Provided

The Prosecution Division prosecutes persons accused of committing misdemeanor or gross misdemeanors, to assure the guilty are held accountable, the public is protected from criminal conduct, and justice is appropriately served. The Prosecution 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. The Prosecution Division also provides training on legal issues to the Olympia Police Department. It works collaboratively with other municipal entities to ensure an individual's rights are protected. Prosecutors, the Victim Assistance Coordinator, and Prosecution staff also spend significant time assisting domestic violence and crime victims to ensure they fully understand the legal process, their rights are protected within the justice system, and their voices are heard throughout the prosecution process.

Significant Proposed Budget Changes

Budget resources for the Prosecution Division are allocated almost exclusively to staff costs.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$201,484	\$208,319	\$226,495	\$18,176
Fines and Penalties	3,656	3,500	3,650	150
Total Revenues	\$205,175	\$211,819	\$230,145	\$18,326

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$535,851	\$672,840	\$700,778	\$27,938
Supplies	3,927	1,500	1,500	0
Services	28,370	15,850	15,850	0
Interfund Payments	0	4,545	6,792	2,247
Total Expenditures	\$568,148	\$694,735	\$724,920	\$30,185

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Chief Prosecutor	1.00	1.00	1.00	0.00
Assistant Prosecutor I	1.00	1.00	1.00	0.00
Assistant Prosecutor II	1.00	1.00	1.00	0.00
Paralegal I	1.00	1.00	1.00	0.00
Program Assistant	1.00	1.00	1.00	0.00
Total	5.00	5.00	5.00	0.00

Legal Services - Prosecution Division – Victim Assistance

Description/Services Provided

The Victim Assistance Program provides information and support to victims of crime encountered by the Olympia Police Department and referred or prosecuted by the City of Olympia Prosecutor's Office with the intent to hold offenders accountable, provide safety planning, and ensure victim's rights.

Significant Proposed Budget Changes

- Budget resources for the Victim Assistance Program are allocated almost exclusively to staff costs.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Taxes	\$0	\$0	\$0	\$0
Charges for Service	\$201,484	\$208,319	\$226,495	\$18,176
Fines and Penalties	3,656	3,500	3,650	150
Total Revenues	\$205,175	\$211,819	\$230,145	\$18,326

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$98,887	\$102,111	\$107,258	\$5,147
Supplies	540	1,600	1,600	0
Services	1,860	2,529	2,529	0
Interfund Payments	0	818	844	26
Total Expenditures	\$101,287	\$107,058	\$112,231	\$5,173

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Victim Assist. Coord.	1.00	1.00	1.00	0.00
Total	1.00	1.00	1.00	0.00

Court Services

Description/Services Provided

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. The Olympia Municipal Court is a high volume court, which hears cases involving misdemeanors, gross misdemeanors, traffic infractions, parking violations and City code violations. Our Court is the initial contact with the legal system for many individuals.

Court Services is primarily responsible for the day-to-day operations of court and parking citation processing. This includes data entry, docketing and calendaring, case management/adjudication, receipting payments, fine distribution and compliance monitoring. 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 Courts' Probation Department continues to be a leader in the use of jail alternatives such as work crew, day jail, 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.

Significant Proposed Budget Changes

- Due to the reorganization of parking services, more responsibilities have been shifted to the CP&D staff. The Court's funding received through CP&D for parking services is reduced to \$30,000 per year, down from \$92,160. The staff dedicated as the parking clerk has also reduced her hours from 40 hours to 32 hours per week.
- Security services will be increasing rates for 2023 from \$28.00/hour to \$33.33/hour - this will impact the security budget by \$12,110/annually.
- The Court has contracted with The Administrative Office Of the Courts for a Language Assistance Plan in which the State will reimburse the Court for the use of certified interpreters at a rate of 50 percent of the paid invoice. This will cut the spending for interpreters for 2023 by 1/2.
- It is anticipated that the Court will receive \$25,000 for partial reimbursement of the Municipal Court Judge's salary for 2023 from the State through the Trial Court Improvement Fund.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$21,520	\$48,000	\$21,520	(26,480)
Charges for Service	46,080	92,160	30,000	(62,160)
Total Revenues	\$67,600	\$140,160	\$51,520	\$(88,640)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,044,663	\$1,105,619	\$1,168,376	\$62,757
Supplies	21,533	8,800	8,800	0
Services	127,241	105,707	123,788	18,081
Interfund Payments	24,946	33,756	51,961	18,205
Total Expenditures	\$1,218,383	\$1,253,882	\$1,352,925	\$99,043

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Municipal Court Judge	1.00	1.00	1.00	0.00
Oly Municipal Court Director	1.00	1.00	1.00	0.00
Program Assistant	0.00	4.00	4.00	0.00
Program Specialist	0.00	1.00	1.00	0.00
Court Operations Supervisor	1.00	1.00	1.00	0.00
Office Specialist II	1.00	0.00	0.00	0.00
Office Specialist III	4.00	0.00	0.00	0.00
Total	8.00	8.00	8.00	0.00

Probation/Day Reporting

Description/Services Provided

Probation Services offers effective community supervision for misdemeanor offenders including pretrial and post disposition supervision, intensive supervision as well as active and bench supervision 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. 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 incarcerations and allowing better management of jail costs to the City of Olympia.

Significant Proposed Budget Changes

- Salary savings in 2022 was due in part to attrition. Two probation staff retired in 2022, leaving a .5 FTE Program Specialist position and one reorganization FTE Probation Officer II position vacant for a portion of 2022 and possibly into 2023. Department reorganization is being considered to enhance client services for both Probation and Community Court programs.
- Probation discontinued its partnership with the Parking & Business Improvement Area Advisory Board (PBIA) to water downtown flower baskets, mainly due to an ongoing work crew participation shortage. The department appreciates the partnership with PBIA over the years and will continue to be available for other short-term projects when needed.
- Revenue collection for all probation and jail alternative programs will be down in 2022. Probation fees cannot be imposed on any client that is determined to be indigent. Additionally, fee collection for jail alternatives programming is reduced as well. Most of our work crew participants are referred from the Community Court program. Fees are not imposed in that program which will affect our revenue. The DUI Alternative Program will be suspended for the remainder of 2022 due to on-going COVID-19 concerns. The program should return in 2023.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$151,645	\$216,000	\$170,500	(45,500)
Total Revenues	\$151,645	\$216,000	\$170,500	\$(45,500)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$613,103	\$661,825	\$689,636	\$27,811
Supplies	4,755	10,625	10,625	0
Services	44,926	65,921	65,921	0
Interfund Payments	29,024	31,901	40,878	8,977
Total Expenditures	\$691,808	\$770,272	\$807,060	\$36,788

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Jail Alternatives Officer	0.50	1.00	1.00	0.00
Program Manager	1.00	1.00	1.00	0.00
Program Assistant	0.00	0.50	0.50	0.00
Senior Program Specialist - RPN	0.25	0.25	0.25	0.00
Probation Officer II	2.00	2.00	2.00	0.00
Probation Work Crew Leader	1.00	1.00	1.00	0.00
Office Specialist III	1.00	0.00	0.00	0.00
Total	5.75	5.75	5.75	0.00

Community Court

Description/Services Provided

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. Working together with community partners specializing in housing, education, employment, chemical dependency, health care, licensing, mental health, transportation, lesbian, gay, bisexual, transgender and queer (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. Olympia's Community Court gives selected low level offenders the opportunity to have their cases either amended to an infraction, dismissed by entry of plea and a deferred sentence, or dismissed by entry into a stipulated order of continuance. If all conditions are met, the participant successfully graduates.

Significant Proposed Budget Changes

There are no significant changes to this budget for 2023. The cost of security will increase slightly due to wage increases as well as uncontrolled increases in utilities and upkeep of the provider building. With the help of grant funding, the court has been able to enhance the Community Court operations without the need to increase the annual budget. However, grant funding will likely be depleted as of mid 2023 as our grant funding provided by Department of Justice Bureau of Justice Assistance will be coming to an end.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$50,634	\$58,058	\$75,658	\$17,600
Supplies	348	1,670	1,670	0
Services	31,702	39,970	41,070	1,100
Interfund Payments	5,370	1,440	3,675	2,235
Total Expenditures	\$88,054	\$101,138	\$122,073	\$20,935

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Case Manager	0.75	0.75	0.75	0.00
Total	0.75	0.75	0.75	0.00

Arts and Events - Parks, Arts, & Recreation Department

Description/Services Provided

Olympia Arts and Events facilitates Arts Walk, Percival Plinth Project, Traffic Box Wraps, the Art Crossings Project, Poet Laureate Program and other arts programming each year, acquires and maintains the City's collection of public art, is engaged in the City's Arts, Cultures and Heritage (ARCH) planning team and serves as staff to the Olympia Arts Commission. The program also manages the planning and facility design process for the Olympia Armory, acquired by the City in 2022.

Significant Proposed Budget Changes

- The 2023 budget proposes a staff and facility budget to maintain and support the Armory Creative Campus. A Lead Maintenance Worker was brought on in 2022, to be complemented by an Armory Program and Facility Manager. In 2023, the Arts Program Specialist Position will return to .75FTE, bringing the total Arts Program staff compliment to 3.75FTE.
- 2023 will see Phase 1 Architectural Planning and Design for the Armory, with temporary building use by Avanti High School (going through major building rehabilitation), the City Clean Team, and community group rentals, among other, supported by the additional staff and facility funding proposed in this budget.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$16,903	\$35,000	\$37,120	2,120
Transfer	0	0	0	
Other	8,500	8,000	11,000	3,000
Total Revenues	\$16,903	\$35,000	\$37,120	\$2,120

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$227,640	\$261,546	\$523,434	\$261,888
Supplies	1,952	1,170	15,670	14,500
Services	29,683	29,168	115,478	86,310
Interfund Payments	5,615	16,513	17,151	638
Total Expenditures	\$264,890	\$308,397	\$671,733	\$363,336

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Program Manager	1.00	1.00	2.00	1.00
Program Specialist	0.75	1.00	1.00	0.00
Lead Worker - AFSCME	0.00	0.00	1.00	1.00
Total	1.75	2.00	4.00	2.00

Administration - Parks, Arts, & Recreation Department

Description/Services Provided

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

Significant Proposed Budget Changes

- The 2022 Parks, Arts and Recreation Plan 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.
- Equity, Inclusion and Belonging is a high priority for the department as outlined in the recently adopted Parks, Arts and Recreation plan. In 2022 Parks, Arts and Recreation hired an Equity, Inclusion and Belonging Specialist to support community cultural events and facilitate opportunities for staff development around DEI. The 2023 budget includes increases to support DEI work.
- In general, our success in terms of park land acquisition and facility development has outpaced our investment in park maintenance, creating a need to re-evaluate our priorities and resource allocations moving forward. As land acquisition and development continue, it is likely that future budgets will require a gradual shift from capital funding toward operations to ensure adequate maintenance resources.
- New Citywide initiatives such as Climate Change and Urban Agriculture have also driven changes to the 2023 budget with investment in EV vehicles and work on an Agripark Feasibility Study.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$1	\$40	\$40	0
Total Revenues	\$1	\$40	\$40	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$562,662	\$897,195	\$769,360	\$(127,835)
Supplies	6,758	7,900	7,900	0
Services	187,494	295,400	345,143	49,743
Intergovernmental	10	104,730	58,230	(46,500)
Interfund Payments	272,452	310,811	497,074	186,263
Total Expenditures	\$1,029,376	\$1,616,036	\$1,677,707	\$61,671

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Director of Parks Plan & Maint	1.00	1.00	1.00	0.00
Director of Rec Art & Facility	1.00	1.00	1.00	0.00
Parks Arts & Rec Director	1.00	1.00	1.00	0.00
Senior Program Specialist	0.00	1.00	1.00	0.00
Lead Worker - AFSCME	0.00	1.00	0.00	-1.00
Total	3.00	5.00	4.00	-1.00

Facility Operations and Support Services - Parks, Arts, & Recreation Department

Description/Services Provided

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 at Percival Landing, 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.

Significant Proposed Budget Changes

- Facility use is directly impacted by the ongoing pandemic. In some cases, such as athletic fields and park shelters, use has returned to pre-pandemic levels as state guidelines are relaxed around outdoor activity. The opposite is true for facilities like The Olympia Center and Harbor House, which have suffered significant reductions in access by the community depending on current restrictions. Restrictions limited access through the first quarter of 2022, and despite “normal” access now being allowed facility users have been slow to return for meeting space. It is starting to become apparent that “in-person” meetings will take years to recover as so many groups have found the convenience of virtual meetings saves money and time. The result is revenue reduction projections for both The Olympia Center and Harbor House for 2023.
- Remaining budget impacts are limited to predictable increases for commodities, services and labor/benefits.
- There is a need at The Olympia Center to make sure staffing levels are adequate both in maintenance and customer service. The combination of new norms with use of sick leave related to the pandemic, as well as state statutes that provide for additional absences are creating a shortage of available staff that for years operated lean as it was. A half time position to be filled with an additional employee not adding hours to existing staff, is critical to reducing pressure on existing front line staff and supervisors on the maintenance side of the house. For customer service, adding .5 FTE could be beneficial either added to existing staff or an additional employee.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Licenses & Permits	\$6,244	\$9,500	\$9,000	(500)
Charges for Service	35,977	69,850	69,850	0
Other	105,848	220,100	180,100	(40,000)
Total Revenues	\$148,069	\$299,450	\$258,950	\$(40,500)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$862,564	\$1,034,241	\$1,246,403	\$212,162
Supplies	34,868	63,255	54,855	(8,400)
Services	410,022	504,322	513,668	9,346
Intergovernmental	1,317	4,200	4,200	0
Interfund Payments	7,238	0	0	0
Total Expenditures	\$1,316,009	\$1,606,018	\$1,819,126	\$213,108

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Maintenance Worker I OLYCR-AFS	4.00	4.00	4.80	0.80
Maintenance Worker II-AFSCME	1.00	1.00	1.00	0.00
Public Service Representative	3.15	3.15	3.65	0.50
Program Manager	0.50	0.00	0.50	0.50
Supervisor I (exempt)	0.35	0.35	0.35	0.00
Supervisor II	1.00	1.00	1.00	0.00
Program Specialist	0.55	0.55	0.55	0.00
Total	10.55	10.05	11.85	1.80

Parks Maintenance and Operations - Parks, Arts, & Recreation Department

Description/Services Provided

The Parks Maintenance Program is responsible for keeping 55 parks, totaling 1,466 acres, safe, clean and enjoyable. Maintenance responsibilities include park restrooms, picnic shelters, playground equipment, three ballfield complexes, Heritage Park Fountain, the Woodruff Park Sprayground, park trails, neighborhood parks, Percival Landing, undeveloped park sites, street trees, and school field facilities.

Significant Proposed Budget Changes

- The major components of the Park Maintenance budget are staffing, utilities, operating supplies, fleet and tools.
- With wages and benefits being the main cost driver, the other cost drivers leading to increases in 2023 is inflation and rate increases. Custodial supplies, asset management software, and increases in fleet and utility rates have specifically impacted the operating budget.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$1,965	\$0	\$0	0
Charges for Service	45,525	30,200	30,200	0
Other	115,972	119,100	119,600	500
Total Revenues	\$47,490	\$30,200	\$30,200	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$2,817,415	\$3,421,496	\$3,518,932	\$97,436
Supplies	345,864	304,320	311,363	7,043
Services	543,307	528,462	539,490	11,028
Intergovernmental	14,891	19,500	19,500	0
Capital Outlay	71,495	24,500	24,500	0
Interfund Payments	401,104	443,216	524,752	81,536
Total Expenditures	\$4,194,076	\$4,741,494	\$4,938,537	\$197,043

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Electrician-AFSCME	1.00	1.00	1.00	0.00
Field Crew Leader-AFSCME	1.00	1.00	1.00	0.00
Lead Worker - AFSCME	3.00	4.00	4.00	0.00
Maintenance Worker I - AFSCME	5.00	5.00	5.00	0.00
Maintenance Worker II-AFSCME	11.00	11.00	11.00	0.00
Parks Operations & Maint Mgr	1.00	1.00	1.00	0.00
Program Assistant	1.00	1.00	1.00	0.00
Supervisor III	1.00	1.00	1.00	0.00
Total	24.00	25.00	25.00	0.00

Park Stewardship - Parks, Arts, & Recreation Department

Description/Services Provided

Park Stewardship includes the Volunteer, Park Ranger and Environmental Education programs. Staff in Stewardship work together to accomplish the goals of ensuring safe, clean, accessible parks for all, managing natural resources through stewardship and creating meaningful experiences for park users. Through this program, the department provides daily connections to nature, cultivate partnerships with a wide variety of organizations and maintain safety in parks.

Significant Proposed Budget Changes

- Increases in 2023 are due to mandatory or non-discretionary costs related to staffing and fleet rate increases.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$606,879	\$658,876	\$699,205	\$40,329
Supplies	5,763	8,466	8,466	0
Services	6,625	14,600	14,600	0
Interfund Payments	80,442	84,016	92,748	8,732
Total Expenditures	\$699,709	\$765,958	\$815,019	\$49,061

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Park Ranger II - AFSCME	3.00	3.00	3.00	0.00
Program Assistant - AFSCME	1.00	1.00	1.00	0.00
Program Specialist - AFSCME	1.00	1.00	1.00	0.00
Supervisor III	1.00	1.00	1.00	0.00
Total	6.00	6.00	6.00	0.00

Planning and Design - Parks, Arts, & Recreation Department

Description/Services Provided

The Planning and Design Division is responsible for long range facility planning, land acquisition, park design and development, condition assessment and major infrastructure rehabilitation. The Division leads and prepares the Olympia Parks, Arts and Recreation Plan, and participates in other long-range planning efforts conducted by other departments. The Division also provides policy guidance and direction on issues related to parks, often through consultation with the Parks and Recreation Advisory Committee (PRAC).

In addition, the Planning and Design Division is responsible for the Department's Capital Budget which is the funding source for turning plans into construction projects. The Division oversees the revenues and expenses of capital funding and the financial accounting for land acquisition and park construction projects. Once capital funds are secured, staff in this Division work with the community to design and build parks and park amenities.

Significant Proposed Budget Changes

- Inflationary increases for staffing and design software rates have impacted the 2023 budget.
- The Professional Services budget is highly variable from year to year depending on needed feasibility studies or planning projects.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	298,009	398,809	416,401	17,592
Total Revenues	\$298,009	\$398,809	\$416,401	\$17,592

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$600,361	\$803,246	\$809,739	\$6,493
Supplies	3,212	2,100	2,100	0
Services	123,083	124,430	19,925	(104,505)
Intergovernmental	2,030	2,030	2,030	0
Interfund Payments	10,563	9,517	10,373	856
Total Expenditures	\$739,249	\$941,323	\$844,167	\$(97,156)

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Associate Planner	0.75	0.75	0.75	0.00
Finance & Policy Coordinator	1.00	1.00	1.00	0.00
Program & Planning Supervisor	1.00	1.00	0.00	-1.00
Engineering & Planning Supervisor	0.00	0.00	1.00	1.00
Project Engineer II	1.00	2.00	2.00	0.00
Senior Engineer	1.00	1.00	0.75	-0.25
Total	4.75	5.75	5.50	-0.25

Recreation - Parks, Arts, & Recreation Department

Description/Services Provided

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 an expanding list of teen/preteen activities.

Significant Proposed Budget Changes

- Labor costs for supervision and service delivery comprise the greatest percentage of the Recreation budget with over 70 percent of expenses dedicated to salaries, wages and benefits.
- Recreation services are returning to pre-pandemic levels faster than facility use. This reflects both a high demand for youth activities both to provide opportunities for learning and mentorship, but also the strong need for supervision of children while parents are working or taking care of other family obligations.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$4,010	\$20,000	\$20,000	0
Charges for Service	872,154	1,087,669	1,090,669	3,000
Other	22,417	9,900	19,900	10,000
Total Revenues	\$876,164	\$1,107,669	\$1,110,669	\$3,000

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,183,588	\$1,248,486	\$1,275,591	\$27,105
Supplies	31,303	40,930	40,930	0
Services	265,790	376,369	400,535	24,166
Intergovernmental	14,941	32,850	32,850	0
Interfund Payments	11,949	15,876	19,044	3,168
Total Expenditures	\$1,507,571	\$1,714,511	\$1,768,950	\$54,439

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Lead Recreation Specialist	0.15	0.42	1.00	0.58
Program Manager	1.50	2.00	1.50	-0.50
Program Specialist	3.20	3.20	3.20	0.00
Recreation Specialist	2.52	2.26	2.60	0.34
Supervisor I (exempt)	0.65	0.65	0.65	0.00
Total	8.02	8.53	8.95	0.42

Engineering - Public Works

Description/Services Provided

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 Division 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, 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.

Significant Proposed Budget Changes

- Increase in salaries and benefits due to required payroll adjustments.
- Increase in interfund payments from fleet rates, insurance, and computers.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$3,869,991	\$4,493,852	\$4,429,395	(64,457)
Total Revenues	\$3,869,991	\$4,493,852	\$4,429,395	\$(64,457)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$2,799,990	\$3,298,692	\$3,543,335	\$244,643
Supplies	8,694	23,758	23,758	0
Services	238,409	176,821	188,265	11,444
Intergovernmental	4,380	3,047	3,047	0
Interfund Payments	174,391	206,098	289,225	83,127
Total Expenditures	\$3,225,864	\$3,708,416	\$4,047,630	\$339,214

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Design & Constr Contract Spec	0.00	0.00	0.00	0.00
Program Specialist	0.00	0.00	0.00	0.00
City Engineer	1.00	1.00	0.00	-1.00
Assistant City Engineer	0.00	0.00	2.00	2.00
City Surveyor	1.00	1.00	1.00	0.00
Construction Inspector - AFSCME	4.00	4.00	4.00	0.00
Senior Engineer	0.00	0.00	1.00	1.00
Eng & Planning Supervisor	1.00	1.00	0.00	-1.00
Engineering Program Manager	1.00	1.00	0.00	-1.00
Engineering Project Coord	1.00	1.00	1.00	0.00
Engineering Project Manager	2.00	2.00	2.00	0.00
Engineering Technician II	2.00	2.00	2.00	0.00
Lead Construction Inspector - AFSCME	1.00	1.00	1.00	0.00
Mapping Coordinator	1.00	1.00	1.00	0.00
Procurement & Contract Manager	0.00	1.00	1.00	0.00
Project Engineer I	2.00	2.00	1.00	-1.00
Project Engineer II	4.00	4.00	4.00	0.00
Senior Engineer	1.00	1.00	1.00	0.00
Surveying Coordinator	1.00	1.00	1.00	0.00
Total	23.00	24.00	23.00	-1.00

General Services - Public Works

Description/Services Provided

The Public Works General Services budget includes the following programs: Clean Team, Contract Administration and Project Support, Facilities Maintenance, Fleet Operations, Public Works Dispatch, and the Safety Program. This budget also includes Public Works Administration.

- The Clean Team helps ensure our Downtown community is a vibrant and attractive urban destination. They also help enhance our community's quality of life, as well as public health and safety. The team achieves this through partnerships with other Downtown services and our community, and by delivering world class customer service.
- Contract Administration and Project Support provides leadership, policy development, oversight, and management of purchasing and contracting processes to ensure fairness, equity, and transparency, as well as compliance with local, state, and federal regulations. This group is also responsible for public records requests.
- Facilities Maintenance is responsible for maintaining 16 City-owned buildings, totaling over 420,000 square feet. This work includes electrical, plumbing, HVAC, building security and fire alarm systems, general maintenance, space planning, custodial, and other miscellaneous tasks. We also manage the work for contracted landscaping, elevator repairs, pest control, and janitorial services.
- Fleet Operations provides reliable, safe, well-maintained, and environmentally friendly vehicles and equipment to all City departments, except for Fire. Highly qualified staff 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 and parts.
- Public Works Dispatch is responsible for dispatching services that enable the public to have their questions and concerns addressed promptly.
- The Safety Program ensures a safe and healthy workplace for employees by promoting a culture of safety through education and technical assistance. This program also leads the Public Works Department's efforts in Emergency Preparedness and the Building Emergency Response Team (BERT). The Safety Program provides services for all City employees, except for Fire and Police.

Significant Proposed Budget Changes

With the help of the Finance Department, the Facilities Maintenance budget will no longer be part of the General Fund. In 2023, it will become an enterprise fund (506). This will allow unexpended funds to be carried over from one fiscal year to the next. By doing this, we will be able to complete some larger, more costly repair/maintenance projects to City facilities.

2023 Preliminary Operating Budget

With revenue shortfalls in Parking Services, the Clean Team will lose \$46,500 that Community Planning and Development historically contributes to this program's annual budget. A new funding source will need to be identified to make up for the shortfall.

With the increase in workload, as well as two of the three current Master Mechanics being close to retirement, General Services is requesting funding for an additional Master Mechanic position in the amount of \$132,335. This would increase staffing levels to two Master Mechanics and one Senior Master Mechanic for Fleet Operations. This additional FTE is part of the Fleet Operations' succession planning.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$3,869,991	\$4,493,852	\$4,429,395	(64,457)
Transfer	0	0	0	0
Total Revenues	\$3,869,991	\$4,493,852	\$4,429,395	\$(64,457)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,751,751	\$1,876,187	\$3,379,361	\$1,503,174
Supplies	1,044,745	1,141,818	1,309,354	167,536
Services	106,472	156,046	1,045,410	889,364
Intergovernmental	4	50	50	0
Interfund Payments	813,129	837,872	1,663,609	825,737
Total Expenditures	\$3,716,101	\$4,011,973	\$7,397,784	\$3,385,811

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Finance & Policy Coordinator	1.00	1.00	1.00	0.00
Line of Business Director	1.00	1.00	1.00	0.00
Program Assistant - AFSCME	1.00	1.00	1.00	0.00
Public Works Director	1.00	1.00	1.00	0.00
Safety Officer	1.00	1.00	1.00	0.00
Design & Constr Contract Spec	3.00	3.00	0.00	-3.00
Program Specialist	1.00	1.00	0.00	-1.00
Electrician-AFSCME	1.00	1.00	1.00	0.00
Facilities Maint Wkr I-AFSCME	2.00	2.00	2.00	0.00
Facilities Systems Tech-AFSCME	1.00	1.00	1.00	0.00
HVAC Technician - AFSCME	1.00	1.00	1.00	0.00
Lead Worker - AFSCME	1.00	1.00	1.00	0.00
Maintenance Worker II-AFSCME	2.00	2.00	2.00	0.00
Operations Supervisor - IUOE	1.00	1.00	1.00	0.00

2023 Preliminary Operating Budget

Inventory Control Specialist II	1.00	1.00	0.00	-1.00
Master Mechanic - AFSCME	3.00	3.00	3.00	0.00
Operations Sup - IUOE	1.00	1.00	1.00	0.00
Senior Master Mechanic-AFSCME	1.00	1.00	1.00	0.00
Clean Team Worker - AFSCME	4.50	6.50	6.50	0.00
Operations Supervisor - IUOE	1.00	1.00	1.00	0.00
Fleet Specialist -Project	0.00	0.00	0.50	0.50
Total	29.50	31.50	27.00	-4.50

Transportation - Public Works

Description/Services Provided

There are four programs in Transportation – Traffic Operations, Street Operations, Engineering, and Planning. Together they build and maintain a multi-modal street network that support people walking, biking, driving or riding the bus.

Significant Proposed Budget Changes

- Increase in salaries and benefits due to required payroll adjustments.
- Increase in interfund payments from insurance and computers.
- Increase in interfund payments from fleet rates, especially due to new snow equipment and dump trucks.
- Increase in materials for paint striping.
- Increase in labor for paint striping due to increase in contract with County.
- Increase in labor for right-of-way landscape maintenance.
- Increase in labor and disposal fees for Transportation’s share of citywide street sweeping.
- Increase in power costs from PSE, assumed 2 percent.
- Increase in project revenue by \$50,000 for Transportation staff.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$1,174,011	\$869,480	\$869,480	0
Charges for Service	646,563	514,695	564,695	50,000
Total Revenues	\$1,820,574	\$1,384,175	\$1,434,175	\$50,000

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$2,798,004	\$3,617,347	\$3,827,943	\$210,596
Supplies	334,911	503,609	515,609	12,000
Services	625,658	659,199	679,059	19,860
Intergovernmental	400,482	408,512	417,349	8,837
Interfund Payments	877,185	996,753	1,159,451	162,698
Total Expenditures	\$5,036,240	\$6,185,420	\$6,599,411	\$413,991

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Associate Planner	1.00	1.00	1.00	0.00

2023 Preliminary Operating Budget

Project Engineer I	1.00	1.00	0.00	-1.00
Project Engineer II	1.00	1.00	2.00	1.00
Program Specialist	1.00	1.00	1.00	0.00
Program Assistant - AFSCME	1.00	1.00	1.00	0.00
Transportation Data Coord	1.00	1.00	1.00	0.00
Transportation Director	0.00	0.00	1.00	1.00
Deputy Public Works Director	1.00	1.00	0.00	-1.00
Senior Planner	0.00	0.00	1.00	1.00
Program & Planning Supervisor	1.00	1.00	0.00	-1.00
Eng & Planning Supervisor	0.00	0.00	0.00	0.00
Transportation Engin Supervisor	1.00	1.00	0.00	-1.00
Lead Worker - AFSCME	1.00	1.00	1.00	0.00
Sign Technician-AFSCME	3.00	3.00	3.00	0.00
Data Control Specialist-AFSCME	0.50	0.50	0.50	0.00
Maintenance Worker II-AFSCME	8.00	8.00	8.00	0.00
Field Crew Leader-AFSCME	1.00	1.00	1.00	0.00
Operations Supervisor - IUOE	1.00	1.00	1.00	0.00
Data Control Specialist-AFSCME	0.50	0.50	0.50	0.00
Lead Worker - AFSCME	1.00	1.00	1.00	0.00
Traffic Signal Technician	2.00	2.00	2.00	0.00
Senior Traffic Signal Technicn	1.00	1.00	1.00	0.00
Operations Supervisor - IUOE	1.00	1.00	1.00	0.00
Total	29.00	29.00	28.00	-1.00

Water Resources: Drinking Water Utility - Public Works

Description/Services Provided

The Drinking Water Utility provides the public with safe and sustainable drinking water and reclaimed water. It ensures a sufficient drinking and firefighting water supply and system capacity for our growing community. The utility serves as a steward of Olympia's precious water resources.

Program areas include operations and maintenance, water quality monitoring, cross-connection control, groundwater protection, water conservation, water treatment, water source and other capital facility development, and reclaimed water. A 6-year Water System Plan, adopted by the Olympia City Council and approved by the State Department of Health, guides the activities of the Drinking Water Utility. An updated Water System Plan will be completed by the end of 2022.

Significant Proposed Budget Changes

Drinking Water utility programs and core services will remain largely unchanged in 2023. The 2023 budget includes increased expenses related to salaries and benefits due to cost-of-living adjustments and inflation. Other inflationary increases related to fuel, electricity, chlorine, and other materials and supply costs are also reflected in the proposed budget. Property and liability insurance costs, as well as other overhead costs are up significantly.

Following a recent financial review by City's financial consultant, FCS Group, Drinking Water Utility revenues were reduced to reflect recent trends and effects from the pandemic. In order to maintain adequate cash flow projections, capital funding was also temporarily reduced for 2023.

There are two staffing requests in the proposed budget. The first is to add operational staffing (two FTEs plus seasonal labor) and equipment to more cost effectively perform small diameter water line replacement work in-house. This additional staffing and equipment would be paid for through transfers from the capital fund to the operating fund and are cost neutral. The other request is to add 0.25 FTE as part of a reclassification creating a new Drinking Water Utility Director position.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$14,622,250	\$15,738,530	\$14,921,207	-817,323
Other	724,909	290,470	346,000	55,530
Total Revenues	\$15,347,159	\$16,029,000	\$15,267,207	\$-761,793

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$3,772,857	\$3,944,114	\$4,265,194	\$321,080
Supplies	949,738	1,096,081	1,121,954	25,873
Services	1,005,752	1,303,101	1,248,368	(54,733)

2023 Preliminary Operating Budget

Intergovernmental	4,440,836	7,121,633	6,495,207	(626,426)
Debt Service	1,748,280	0	0	0
Interfund Payments	2,385,135	2,460,854	3,182,906	722,052
Total Expenditures	\$14,302,598	\$15,925,783	\$16,313,629	\$387,846

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Inventory Control Specialist II	0.75	0.75	1.00	0.25
Lead Worker - AFSCME	2.00	2.00	2.00	0.00
Maintenance Technician-AFSCME	2.00	2.00	2.00	0.00
Maintenance Worker I - AFSCME	1.50	1.50	1.50	0.00
Maintenance Worker II-AFSCME	10.00	10.00	11.00	1.00
AMR Meter Technician-AFSCME	0.00	0.00	2.00	2.00
Operations Sup- Drk Wtr- IUOE	1.50	1.50	2.50	1.00
Remote Systems Technician	1.25	1.25	1.25	0.00
Cross Connt Ctrl Spelt- AFSCME	1.00	1.00	1.00	0.00
Operations Sup-Wtr Purvey-IUOE	1.00	1.00	1.00	0.00
Program Specialist	1.00	1.00	0.00	-1.00
Inventory Control Specialist II	0.00	0.00	1.00	1.00
Senior Program Specialist	1.00	1.00	1.00	0.00
Water Monitoring Assistant	1.00	1.00	1.00	0.00
Water Quality Specialist	1.00	1.00	1.00	0.00
Eng & Planning Supervisor	0.34	0.34	0.34	0.00
GIS Analyst	0.25	0.00	0.00	0.00
GIS Specialist	0.00	0.25	0.25	0.00
Line of Business Director	0.52	0.52	0.52	0.00
Program Assistant - AFSCME	1.04	1.04	1.00	-0.04
Program Manager	0.75	0.75	0.00	-0.75
Project Engineer I	1.00	1.00	2.00	1.00
Project Engineer II	1.00	1.00	1.00	0.00
Total	29.90	29.90	34.36	4.46

Water Resources: Storm and Surface Water Utility - Public Works

Description/Services Provided

The Storm and Surface Water Utility's mission is to provide services that minimize flooding, improve water quality and protect or enhance aquatic habitat.

In its 30-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. Utility activities include operation and maintenance of pipe, pond and treatment facility infrastructure; long-term planning, infrastructure analysis, capital facility development, and technical assistance and restoration activities to protect and improve water quality and aquatic habitats. The 2018 Storm and Surface Water Plan guides the activities of the Storm and Surface Water utility.

Staff has shifted to implementing the new Plan, with an increased focus 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 underway. 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.

Significant Proposed Budget Changes

- Storm and Surface Water utility programs and core services will remain essentially unchanged in 2023.
- Staffing levels remain essentially the same as 2022. The 2023 budget includes modest increased expenses related to salaries, and other inflationary and overhead costs.
- Depreciation funding will continue to be an increasing need and challenge for the utility. Depreciation funding is proposed to be increased by \$35,568 (9 percent) in 2023.
- Indirect costs (City Administration, Public Works Administration, Information Services, Utility Billing, rent and fleet) have increased \$378,400 (27.2 percent).
- Street sweeping waste transportation and disposal costs have increased \$82,900 (225 percent).

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	65,414	0	0	0
Charges for Service	6,346,332	6,403,832	7,022,000	618,168
Other	3,010	12,500	12,500	0
Total Revenues	\$6,414,756	\$6,416,332	\$7,034,500	\$618,168

2023 Preliminary Operating Budget

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$2,575,850	\$2,743,178	\$3,066,077	\$322,899
Supplies	160,490	209,897	270,911	61,014
Services	381,369	474,510	475,722	1,212
Intergovernmental	1,761,263	1,484,613	1,589,547	104,934
Interfund Payments	1,427,231	1,565,668	1,934,387	368,719
Total Expenditures	\$6,306,203	\$6,477,866	\$7,336,644	\$858,778

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Data Control Specialist-AFSCME	0.38	0.38	0.00	-0.38
Inventory Control Specialist II	0.00	0.00	0.50	0.50
Lead Worker - AFSCME	1.00	1.00	1.00	0.00
Maintenance Worker I - AFSCME	1.00	1.00	1.00	0.00
Maintenance Worker II-AFSCME	6.50	6.50	5.50	-1.00
Operations Supervisor - IUOE	0.50	0.50	0.50	0.00
Associate Planner	2.00	2.00	2.00	0.00
Eng & Planning Supervisor	0.33	0.33	0.00	-0.33
GIS Analyst	0.50	0.00	0.00	0.00
GIS Specialist	0.00	0.50	0.50	0.00
Line of Business Director	0.24	0.24	0.50	0.26
Operations Supervisor Vegetation Mgmt. IUOE	1.00	1.00	1.00	0.00
Program & Planning Supervisor	1.00	1.00	1.00	0.00
Program Assistant	0.48	0.48	0.00	-0.48
Program Specialist	2.00	2.00	0.00	-2.00
Project Engineer I	0.50	0.50	1.50	1.00
Project Engineer II	1.00	1.00	1.00	0.00
Senior Program Specialist	3.00	3.00	5.00	2.00
Total	21.43	21.43	21.00	-0.43

Wastewater Utility - Public Works

Description/Services Provided

The Wastewater Utility's mission is to collect and convey wastewater to treatment facilities in a manner that protects the health of both the public and our environment.

All wastewater collected by the utility is conveyed downtown to LOTT Clean Water Alliance's (LOTT) Budd Inlet treatment facility. The City contracts with LOTT for this service. Olympia Wastewater utility activities include operation and maintenance of pipe and pumping infrastructure, long-term planning, infrastructure analysis, capital facility development, odor control, technical assistance and on-site sewage system (septic system) conversions to public sewer. The activities of the Wastewater utility are guided by the 2020-2025 Wastewater Management Plan which was adopted by the City Council in October 2020.

Significant Proposed Budget Changes

- Wastewater utility programs and core services will remain essentially unchanged in 2023. Staffing levels remain essentially the same as 2022.
- The 2023 budget includes modest increased expenses related to salaries, benefits, and other inflationary and overhead costs.
- Depreciation funding is proposed to be increased by \$66,717 (9 percent) in 2023.
- Indirect costs (City Administration, Public Works Administration, Information Services, Utility Billing, rent and fleet) have increased \$413,100 (36.7 percent).

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	20,915,714	23,088,651	24,550,850	1,462,199
Other	-12,072	28,500	28,500	0
Total Revenues	\$20,903,642	\$23,117,151	\$24,579,350	\$1,462,199

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,680,695	\$1,807,310	\$2,111,149	\$303,839
Supplies	219,673	307,703	370,580	62,877
Services	371,617	502,355	534,829	32,474
Intergovernmental	19,359,501	18,525,465	19,951,140	1,425,675
Debt Service	99,514	0	0	0
Interfund Payments	1,246,361	1,285,881	1,705,156	419,275
Total Expenditures	\$22,977,361	\$22,428,714	\$24,672,854	\$2,244,140

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Data Control Specialist - AFSCME	0.38	0.38	0.00	-0.38
Inventory Control Specialist II	0.25	0.25	0.50	0.25
Lead Worker - AFSCME	1.00	1.00	1.00	0.00
Maintenance Technician-AFSCME	2.00	2.00	2.00	0.00
Maintenance Worker I - AFSCME	1.50	1.50	1.50	0.00
Maintenance Worker II-AFSCME	5.50	4.50	4.50	0.00
Maintenance Worker III-AFSCME	0.00	1.00	2.00	1.00
Operations Sup - Drk Wtr - IUOE	0.50	0.50	0.00	-0.50
Operations Supervisor - IUOE	0.50	0.50	0.50	0.00
Remote Systems Technician	0.75	0.75	0.75	0.00
Eng & Planning Supervisor	0.33	0.33	0.00	-0.33
GIS Analyst	0.25	0.00	0.00	0.00
GIS Specialist	0.00	0.25	0.25	0.00
Line of Business Director	0.24	0.24	0.50	0.26
Program Assistant - AFSCME	0.48	0.48	0.50	0.02
Project Engineer I	0.50	0.50	0.50	0.00
Project Engineer II	1.00	1.00	1.00	0.00
Total	15.18	15.18	15.50	0.32

Waste ReSources Utility - Public Works

Description/Services Provided

Waste ReSources accomplishes their mission by providing municipally operated solid waste collection, disposal and diversion services including education and outreach to residents, businesses and visitors.

The Utility has two main programs: the Collections Program and the Waste Prevention and Reduction Programs.

Significant Proposed Budget Changes

- Overall Fund Out of balance 4.85 percent
- Expense is up 12.7 percent or \$1,738,035
- Revenue is up 7 percent or \$922,173 (Revenue is not pacing with Expense)
- Rate options will be shared at the Budget Review Committee Meeting

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$13,403,076	\$13,355,666	\$14,194,566	838,900
Other	336,295	343,671	491,628	147,957
Total Revenues	\$13,739,371	\$13,699,337	\$14,686,194	\$986,857

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$3,039,449	\$3,354,275	\$3,552,243	\$197,968
Supplies	290,575	474,321	474,321	0
Services	4,631,812	4,712,109	5,031,177	319,068
Intergovernmental	2,355,627	2,442,587	2,718,535	275,948
Capital Outlay	86,193	80,000	80,000	0
Interfund Payments	2,565,628	2,617,070	3,509,443	892,373
Total Expenditures	\$12,969,284	\$13,680,362	\$15,365,719	\$1,685,357

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Associate Line of Business Director	1.00	1.00	1.00	0.00
Billing Specialist	1.00	1.00	1.00	0.00
Lead Worker - AFSCME	2.00	2.00	2.00	0.00
Maintenance Worker I - AFSCME	2.00	2.00	2.00	0.00
Maintenance Worker II-AFSCME	1.00	1.00	1.00	0.00
Operations Supervisor - IUOE	1.00	1.00	1.00	0.00
Program Assistant - AFSCME	1.00	1.00	1.00	0.00
Refuse Collector-AFSCME	17.00	17.00	17.00	0.00
Senior Program Specialist	2.00	2.00	2.00	0.00
Senior Planner	1.00	1.00	1.00	0.00
Dispatch Service Coordinator	0.00	0.00	1.00	1.00
Total	29.00	29.00	30.00	1.00

Housing and Homelessness - Office of Community Vitality

Description/Services Provided

Below is the total operating budget for Homeless Response, Housing, and Low Income Support programs. The capital Housing program is included in the Capital Facilities Plan document. Program descriptions and proposed budget changes are included in the following subsections.

Revenues	2021	2022	2023	Change
Taxes	\$1,647,664	\$1,618,843	\$1,726,639	\$107,796
Grants	1,400,977	395,684	2,859,684	2,464,000
Other	152,989	80,000	80,000	0
Total Revenues	\$3,201,630	\$2,094,527	\$4,666,323	\$2,571,796

Program Cost Summary	2021	2022	2023	Change
Personnel Services	\$593,929	\$871,585	\$1,259,090	\$387,505
Supplies	20,551	3,491	13,091	9,600
Services	2,447,948	1,681,174	4,030,701	2,349,527
Intergovernmental	63,562	0	0	0
Interfund Payments	4,560	3,204	38,839	35,635
Total Expenditures	\$3,130,550	\$2,559,454	\$5,341,721	\$2,782,267

Program Staffing	2021	2022	2023	Change
Line of Business Director of Housing and Homelessness Programs	0.00	0.00	1.00	1.00
Home Fund Program Manager	0.00	1.00	1.00	0.00
Homeless Response Coordinator	1.00	1.00	1.00	0.00
Program Aide	0.00	1.00	0.00	-1.00
Program Aide - Project	0.00	1.00	2.00	1.00
Program Specialist	0.00	1.50	3.50	2.00
Program Assistant	0.00	0.50	0.00	-0.50
Senior Program Specialist	0.00	1.00	0.00	-1.00
Total	1.00	7.00	8.50	1.50

Homeless Response Services - Office of Community Vitality

Description/Services Provided

Homeless Response comprises staff who work in the community on immediate homeless response efforts and oversee the city's implementation of the One Community: Healthy, Safe & Housed Plan. Program areas include the Scattered Site Team, Faith Partnerships, managing city-hosted emergency shelters, the Department of Commerce's rights-of-way project, Tiny Home Village's and the city's participation in the national Point in Time Homeless Census.

Homeless response staff also receive and respond to multiple community concerns each day related to unsheltered homelessness and make contact with people who are homeless downtown, in neighborhoods and in encampments. They help coordinate other city departments and work to support and grow the success of nonprofit and faith based social services and work with police and others to ensure safety and compliance with laws.

The Homeless Response Coordinator leads this work and is the city's primary contact on homeless services that are coordinated through Thurston County's Homeless Crisis Response Plan.

Significant Proposed Budget Changes

- In June 2022, Olympia City Council approved an Interlocal Agreement with the Washington State Department of Commerce to establish a tiny home village on the Franz-Anderson site purchased jointly with the Thurston County in early 2022. Commerce is paying for site development, right-of-way improvements, along with three years of site operations and administrative costs totally \$6.2 million.
- In July 2022, Olympia City Council approved an Interlocal Agreement with the Washington State Department of Transportation to address state-owned rights-of-way encampments along I-5. The agreement covers costs associated with cleans, homeless response team outreach, and supplies totaling \$340,000 until December 2023.
- Starting in September 2022, the downtown Mitigation Site will be operating under a new name at a new location. Quince Street village will expand services and capacity supporting up to 100 residents. The yearly operating cost at \$1.2 million will be covered by one time ARPA funding from the City and the County along with Home Fund operating funds.
- The Scattered Site program, which included portable toilets and garbage costs at several encampments throughout the city, had been funded by Thurston County's COVID response funding. That grant has been expended and those costs are now the responsibility of the city and average \$20,000 per month.

- The Homeless Response team consists of four team members: Homeless Response Coordinator, Homeless Response Specialist, and two Homeless Response Outreach members. The Coordinator is currently funded with CDBG CV funds which will be expended by the end of 2022 and then funded by the general fund. The Specialist is a permanent, general funded position as well. The two Outreach positions, however, are temporary and set to expire at the end of 2022. The administrative funds provided by the Department of Commerce will be used to extend these positions for an additional year.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$325,351	\$649,121	\$1,056,126	\$407,005
Supplies	17,164	2,791	12,391	9,600
Services	2,192,298	833,200	3,340,312	2,507,112
Intergovernmental	63,562	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Interfund Payments	2,532	2,018	36,606	34,588
Total Expenditures	\$2,600,907	\$1,487,130	\$4,445,435	\$2,958,305

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Home Fund Program Manager			1.00	1.00
Homeless Response Coordinator			0.00	0.00
Program Aide			0.00	0.00
Program Aide - Project			2.00	2.00
Program Specialist			0.50	0.50
Total	0.00	0.00	3.50	3.50

Housing - Office of Community Vitality

Description/Services Provided

The Housing Program is responsible for affordable housing development, cross-jurisdictional strategy, temporary housing siting and support, and affordable housing technical assistance. Major programs include the Home Fund, the Multifamily Tax Exemption, Impact Fee Abatement Program, and Affordable and Supportive Housing grants (1406). This team also manages contracts related to affordable housing and shelter services like Quince Street Village, Hope Village, Plum Street Village, safe storage, Rosie's Place and the future Franz-Anderson Tiny Home Village.

Significant Proposed Budget Changes

- The Home Fund Levy was passed by Olympia voters in 2018 based on authority granted by the state in RCW 82.14.530. Most (65 percent) of that revenue is dedicated to construction of affordable housing, behavioral health facilities, and housing-related services.
- In 2022, the Home Fund Sales Tax is projected to generate \$2.1 million; 65 percent dedicated to construction of affordable housing and shelter (Home Fund Capital Fund – details in the Capital Facilities Plan). The remaining 35 percent supports operations of homeless and housing programs (Home Fund Operating Fund).
- The Family Support Center permanent support housing project, newly named The Landing, closed in July 2022. The project will begin construction in late summer and is set for full occupancy in December 2023. The City has \$5.4 million invested in the project including Home Funds, CDBG, and Connecting Housing to Infrastructure Program (CHIP) pass through funds awarded by the Department of Commerce.
- The Home Fund Operating Fund supports operations of housing-related services. Operational funds support efforts like the Plum Street Village tiny house shelters.
- In 2019, the Washington State Legislature passed House Bill 1406 creating the Affordable and Supportive Housing Sales Tax. It is a revenue sharing program allowing cities and counties to access a portion of State sales tax to make local investments in affordable housing. No new taxes are being assessed. For Olympia, the new revenue was expected to provide approximately \$330,000 per year over the next 20 years for affordable housing.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$0	\$57,917	\$38,417	\$(19,500)
Supplies	0	0	0	0
Services	0	513,674	356,089	(157,585)
Intergovernmental	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Interfund Payments	0	0	32	32
Total Expenditures	\$0	\$571,591	\$394,538	\$(177,053)

Low Income Support Services - Office of Community Vitality

Description/Services Provided

Olympia's Community Development Block Grant Program (CDBG) funds social services, economic development and affordable housing for efforts benefiting low and moderate-income households in Olympia. Historically CDBG has focused primarily on downtown Olympia because it is the lowest income census area in the City according to the American Community Survey (Tract 101, Block 1). The CDBG program is also focusing on affordable housing preservation and funding a critical home repair program to offer health and safety repair grants to low-income residents.

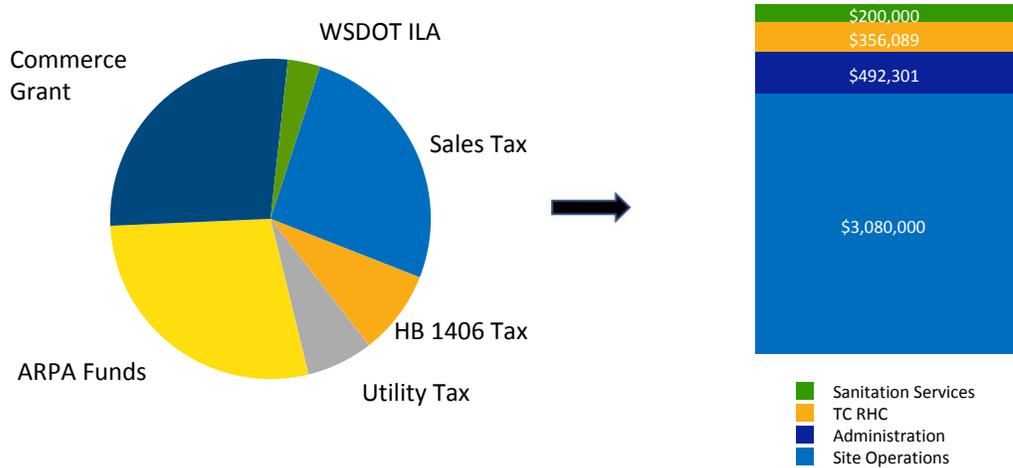
Significant Proposed Budget Changes

- Olympia receives a direct CDBG entitlement from the U.S. Department of Housing and Urban Development (HUD) that Council has generally dedicated to affordable housing and economic development.
- In years past, the CDBG allocation has been around \$390,000 increasing minimally throughout the years. In 2022, the CDBG award was decreased by \$30,000, impacting the administrative cap and dollar amount each recipient was set to receive.
- In 2020 and 2021 HUD provided additional COVID relief funds to Olympia.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$611,146	\$395,684	\$395,684	\$0
Transfer	42,881	80,000	80,000	0
Total Revenues	\$654,027	\$475,684	\$475,684	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$268,578	\$164,547	\$164,547	\$0
Supplies	3,387	700	700	0
Services	255,650	334,300	334,300	0
Interfund Payments	2,028	1,186	2,201	1,015
Total Expenditures	\$529,643	\$500,733	\$501,748	\$1,015

Home Fund - Office of Community Vitality



Home Fund Operations Resources	2023 Budget
Sales Tax - Home Fund Operations	\$1,088,550
Sales Tax - HB 1406	356,089
Municipal Utility Tax	282,000
ARPA Funds	1,178,000
Dept of Commerce Grant	1,150,000
WSDOT Interlocal Agreement	136,000
Total	\$4,190,639

Use of Home Fund Sales Tax Allocated to Operations	2023 Budget
Site Operations	\$3,080,000
Administration	492,301
TC RHC	356,089
Sanitation Services	200,000
Total	\$4,128,390

Note: Home Fund Operating budget is included here for presentation purposes only. The budget is considered a "special fund" and therefore is not included in the combined totals for CP&D or the overall Operating Budget.

Home Fund 1/10 of 1 Percent Sales Tax Resource

As permitted by RCW.82.14.530, in 2017, Olympia voters approved a measure to impose an additional sales tax of 0.1 percent. The proceeds are committed for the Olympia Home Fund to construct affordable and supportive house and housing-related purposes, including mental and behavioral health-related facilities, and costs for operations, maintenance delivery, and evaluation of mental health programs and services, or housing-related services. In 2023, the sales tax is projected to generate \$3.1 million; 65 percent of Home Fund dollars are dedicated to construction of affordable housing and shelter (Home Fund Capital Fund). The remaining 35 percent supports operations of homeless and housing programs (Home Fund Operating Fund).

Municipal Utility Tax

Starting in 2019, the Olympia City Council imposed an additional utility tax on the City's municipal utilities; Drinking Water, Wastewater, Storm & Surface Water, and Waste Resources. For 2023, this tax is projected to generate \$282,000.

Home Fund Sales Tax – House Bill 1406

In 2019, the Washington State Legislature passed House Bill 1406; a sales tax revenue sharing program allowing cities and counties to access a portion of State sales tax to make local investments in affordable housing. No new taxes are being assessed on Washington residents. For Olympia, the new tax generates \$329,491 per year over the next 20 years. These funds are transferred to the Thurston County Regional Housing Council by an interlocal agreement.

Administration - Fire

Description/Services Provided

The Administration Program of the Olympia Fire Department (OFD) provides all the administrative and support functions for the Department. This Program is responsible for coordination and management of the budget, project management, records management, public records requests and billing services for Medic One and the Mark Noble Regional Fire Training Center (MNRFTC).

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 Medic One, State Fire Projection Contract, Fire Fleet, Fire Prevention, and the rental of the MNRFTC. Revenues billed total over \$6,000,000.
- **Business Administration Systems:** Provides personnel, records, public records requests and technology management services to Department members, the community and other City Departments.
- **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 members and the community.

Significant Proposed Budget Changes

- The 2023 budget reflects an increase in the cost of labor and benefits, as well as increases to utility charges and repair services for the fire station facilities.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$625,664	\$653,429	\$685,891	\$32,462
Supplies	37,421	37,262	37,262	0
Services	296,223	181,499	190,008	8,509
Intergovernmental	11,099	11,400	11,400	0
Interfund Payments	25,411	48,920	42,370	(6,550)
Total Expenditures	\$995,818	\$932,510	\$966,931	\$34,421

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Administrative Secretary	2.00	2.00	2.00	0.00
Fire Chief	0.00	0.00	1.00	1.00
Fire Captain	0.50	0.50	0.00	-0.50
Business Operations Specialist	1.00	1.00	1.00	0.00
Supervisor III	1.00	1.00	1.00	0.00
Total	4.50	4.50	5.00	0.50

Fleet - Fire

Description/Services Provided

The Olympia Fire Department Fleet Program maintains apparatus and vehicles for OFD, Thurston County Medic One, Tumwater Fire Department, Lacey Fire District 3 and six other Thurston and Mason County Fire Districts. The Fleet Program excels in providing maintenance and safe operations for the Department's and County's emergency response apparatus, equipment, staff cars, medic units and major mechanical operating equipment.

- The Fleet 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, and 365 days per year.

Significant Proposed Budget Changes

- The 2023 budget reflects an increase in the cost of labor and benefits, as well as increases to the fleet management software contract and utility charges for the leased Vehicle Repair Facility (VRF) building.
- The 2023 budget includes a Master Mechanic position that was previously unfunded.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$1,058,182	\$926,623	\$1,191,500	\$264,877
Total Revenues	\$1,058,182	\$926,623	\$1,191,500	\$264,877

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$809,946	\$897,543	\$1,048,095	\$150,552
Supplies	498,610	405,759	483,800	78,041
Services	129,820	130,033	147,584	17,551
Intergovernmental	9,340	8,500	10,000	1,500
Capital Outlay	10,724	0	79,311	79,311
Interfund Payments	31,206	41,998	35,195	(6,803)
Total Expenditures	\$1,489,646	\$1,483,833	\$1,803,985	\$320,152

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Inventory Control Specialist II	1.00	1.00	1.00	0.00
Master Mechanic - Fire Dept	4.00	4.00	5.00	1.00
Operations Supervisor - Fire	1.00	1.00	1.00	0.00
Total	6.00	6.00	7.00	1.00

Fire Prevention - Fire

Description/Services Provided

The Olympia Fire Department's Fire Prevention Division supports the Department's mission by leading community risk reduction through prevention, fire education and fire inspections.

- The Fire Prevention Division collaborates 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 Division conducts fire safety training through fire extinguisher training and evacuation planning for specific occupancy (assemblies, high rises, etc.). The Division also provides fire education classes for primary and secondary schools within the City of Olympia.

Significant Proposed Budget Changes

- The 2023 budget reflects an increase in the cost of labor and benefits.

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Licenses & Permits	\$105,489	\$125,000	\$125,000	\$0
Charges for Service	423,379	426,112	433,367	7,255
Total Revenues	\$528,868	\$551,112	\$558,367	\$7,255

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$853,747	\$914,802	\$915,021	\$219
Supplies	4,040	29,160	29,160	0
Services	26,665	43,456	43,456	0
Intergovernmental	10,000	10,000	10,000	0
Interfund Payments	30,394	38,436	47,246	8,810
Total Expenditures	\$924,846	\$1,035,854	\$1,044,883	\$9,029

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Assistant Fire Chief	1.00	1.00	1.00	0.00
Fire Captain	1.00	1.00	1.00	0.00
Fire Prevention Officer	3.00	3.00	3.00	0.00
Total	5.00	5.00	5.00	0.00

Operations - Fire

Description/Services Provided

The Fire Department's Mission is to respond rapidly, with highly trained professionals to mitigate emergencies for our community. We are dedicated to reducing risk through prevention, fire and medical education and disaster preparedness.

Fire and Emergency Medical Services (EMS) Operations strive to provide the highest level of protection and patient care for the community. Emergency response includes fire suppression, EMS, hazardous materials and technical rescue services.

- The Operations Division is responsible for all community interactions of the uniformed Fire Department members with the public in both emergency and non-emergency situations.
- The Training Program fulfills the important function of ensuring our members receive the training required to perform their duties safely and effectively.

Significant Proposed Budget Changes

- The 2023 budget reflects an increase in the cost of labor and benefits, as well as utility charges and repair service at the Mark Noble Regional Fire Training Center.
- An additional Firefighter Paramedic position has been added for 2023 with 80 percent of the position's cost being reimbursed by Thurston County Medic One.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$32,528	\$30,738	\$33,463	\$2,725
Charges for Service	3,281,933	2,805,773	2,978,525	172,752
Transfer	227,498	193,830	193,830	0
Total Revenues	\$3,541,959	\$3,030,341	\$3,205,818	\$175,477

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$14,377,262	\$14,206,239	\$14,736,666	\$530,427
Supplies	349,687	241,635	253,853	12,218
Services	316,254	356,886	372,827	15,941
Intergovernmental	3,000	3,000	3,000	0
Interfund Payments	502,519	577,909	807,812	229,903
Total Expenditures	\$15,548,722	\$15,385,669	\$16,174,158	\$788,489

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Assistant Fire Chief	1.00	1.00	1.00	0.00
Battalion Chief	3.00	3.00	3.00	0.00
Deputy Fire Chief	1.00	1.00	1.00	0.00
Fire Lieutenant	21.00	21.00	21.00	0.00
Firefighter	37.00	37.00	37.00	0.00
Fire Captain-Medical Serv Offr	1.00	1.00	1.00	0.00
Fire Paramedic Lieutenant	3.00	3.00	3.00	0.00
Firefighter Paramedic	14.00	15.00	16.00	1.00
Senior Program Specialist	1.00	1.00	1.00	0.00
Battalion Chief-Day Shift	1.00	1.00	1.00	0.00
Business Operations Specialist	0.50	0.50	1.00	0.50
Fire Lieutenant-Day Shift	1.00	1.00	1.00	0.00
Total	84.50	85.50	87.00	1.50

Additional Firefighter Paramedic due to contract negotiations with Medic One.

Administration - Police

Description/Services Provided

The Administrative Services provides department leadership in creating a workplace that promotes productivity, accountability and transparency. Core services include command staff, customer service, evidence management, firearm transfers, records, budget and finance, policy coordination, fleet management, and information technology.

Significant Proposed Budget Changes

- The major components of the Administrative Services budget are staffing, utilities, contracts, operating supplies, and training.
- Four new positions that will support the body-worn camera and in-car video programs were added in 2022. Three Program Assistants were hired, and a Sergeant was promoted to an additional Lieutenant position in 2022.
- A Lead Worker position and a Program Assistant position were converted to Police Records Supervisor positions in 2022.
- The Supervisor IV position was reclassified to a new classification of Police Administrative Manager.
- The Budget and Policy Analyst position was eliminated. Half of the Supervisor IV position salary had been paid for by the Thurston County LERMS (Law Enforcement RMS) Consortium. In 2023, the LERMS IT Manger position will be filled by an employee of one of the other LERMS agencies, so that reimbursement/revenue of salary and benefits will stop. Money previously allocated for the Budget and Policy Analyst position is being reallocated to the Police Administrative Manager position to cover the loss of LERMS contributions and to provide adequate compensation for the new classification.
- In 2022, OPD contracted with Axon Enterprises to provide the department with body-worn cameras in 2022 and in-car video in 2023.
- Salary increases are still being negotiated with the labor unions.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Licenses & Permits	\$(11,052)	\$80,500	\$8,000	\$(72,500)
Charges for Service	23,071	110,022	6,300	(103,722)
Transfer	31,444	5,198	5,198	0
Total Revenues	\$43,463	\$195,720	\$19,498	\$(176,222)

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,895,373	\$2,579,882	\$2,661,079	\$81,197
Supplies	138,724	63,260	63,260	0
Services	265,275	438,913	630,502	191,589
Intergovernmental	168,844	177,802	177,802	0
Interfund Payments	88,204	130,645	235,831	105,186
Total Expenditures	\$2,556,420	\$3,390,502	\$3,768,474	\$377,972

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Administrative Secretary	1.00	1.00	1.00	0.00
Deputy Police Chief	0.00	1.00	2.00	1.00
Police Chief	1.00	1.00	1.00	0.00
Finance & Policy Coordinator	0.00	0.00	1.00	1.00
Police Admin Manager	0.00	0.00	1.00	1.00
Police Lieutenant	0.00	1.00	0.00	-1.00
Police Support Administrator	1.00	1.00	0.00	-1.00
Program & Planning Supervisor	0.00	1.00	0.00	-1.00
Evidence Custodian (Teamster)	1.00	1.00	1.00	0.00
Lead Worker - Teamsters	1.00	1.00	0.00	-1.00
Program Assistant - Teamsters	5.00	8.00	6.00	-2.00
Program Specialist - Teamster	0.00	1.00	1.00	0.00
Secretary (Teamster)	0.00	0.00	1.00	1.00
Police Records Supervisor-TMST	0.00	0.00	2.00	2.00
Supervisor IV	1.00	1.00	0.00	-1.00
Computer Sup. Spec.(Teamster)	1.00	1.00	2.00	1.00
Total	12.00	19.00	19.00	0.00

Operations - Police

Description/Services Provided

The Operations Line of Business structure consists of the Community Policing, Patrol, Detectives, Hiring and Training, and specialty units such as Walking Patrol, Neighborhood Program, K9, and the Traffic section.

Significant Proposed Budget Changes

- The major components of the Operations budget are staffing, training, operating supplies, and tools.
- The School Resource Officer (SRO) program was discontinued in 2022. The officers previously assigned as SROs are now working as part of Patrol staffing.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$11,005	\$156,704	\$156,704	\$0
Charges for Service	275,309	77,000	77,000	0
Transfer	14,313	4,000	4,000	0
Total Revenues	\$300,627	\$237,704	\$237,704	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$10,507,743	\$11,794,975	\$12,047,981	\$253,006
Supplies	352,254	210,411	210,411	0
Services	171,099	229,256	229,256	0
Intergovernmental	66,000	132,000	0	(132,000)
Interfund Payments	1,035,020	1,465,107	1,586,252	121,145
Total Expenditures	\$12,132,116	\$13,831,749	\$14,073,900	\$242,151

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Police Cadet	0.50	0.50	0.50	0.00
Commissioned Officers	74.00	74.00	0.00	-74.00
Police Officer	0.00	0.00	49.00	49.00
Police Sergeant	0.00	0.00	9.00	9.00
Police Lieutenant	0.00	0.00	5.00	5.00
Secretary (Teamster)	2.00	2.00	1.00	-1.00
Program Assistant - Teamsters	2.00	2.00	1.00	-1.00
Senior Prgrm Splst (Teamster)	1.00	1.00	1.00	0.00
Total	79.50	79.50	66.50	-13.00

Crisis Response Unit - Police

Description/Services Provided

The Crisis Response Unit (CRU) is one of three "community responder" programs in the country, alongside Eugene, OR, and Denver, CO. Olympia's CRU is paid by the 2017 public safety levy and has been responding to calls for service in Olympia since April 1, 2019. It is made up of 10 civilian first responders that reply to calls for service within City limits. Employees work in pairs, seven days per week, 365 days per year.

Significant Proposed Budget Changes

- The CRU program was expanded from 6 employees to 10 employees in 2022.
- No proposed changes for 2023.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Grants	\$352,737	\$0	\$0	\$0
Total Revenues	\$352,737	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$583,179	\$1,445,073	\$1,433,566	\$(11,507)
Supplies	39,618	21,728	21,728	0
Services	270,242	286,831	286,831	0
Interfund Payments	12,594	20,640	68,396	47,756
Total Expenditures	\$905,633	\$1,774,272	\$1,810,521	\$36,249

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Program Manager	1.00	1.00	1.00	0.00
Crisis Response Lead Worker	0.00	2.00	2.00	0.00
Crisis Response Specialist	0.00	9.00	9.00	0.00
Program Assistant - Teamster	0.00	1.00	0.00	-1.00
Program Specialist - Teamster	0.00	1.00	1.00	0.00
Total	1.00	14.00	13.00	-1.00

Familiar Faces - Police

Description/Services Provided

In 2018 OPD and Catholic Community Services (CCS) of Olympia collaborated on Washington Association of Sheriff and Police Chiefs Mental Health Field Response grant proposal for the Familiar Faces (FF) program. Launching in November 2018, the FF program was awarded the Association of Cities Municipal Excellence Award and demonstrated success in the lives of Olympia's most vulnerable. The OPD and CCS expanded this successful program in 2020 by adding five additional peer navigators, one mental health professional and a program manager to the team. Clients are referred to FF primarily by OPD officers and CRU team members.

By engaging a smaller number of individuals with intensive, intentional, coordinated wrap-around care, OPD and CCS have made noticeable impacts on the lives of community members and have helped create a downtown and city environment that is safe, healthy and vibrant for all who live, visit and work in Olympia. Peer navigators share their lived experience with individuals to create supportive relationships based on trust and respect in an effort to increase empowerment and hope, improve personal success, provide opportunity for integration into the community, build linkages to needed community resources and begin to establish natural community support.

Significant Proposed Budget Changes

- Two of the Outreach Specialists are employed by the City, while the others are funded through a grant partnership with Catholic Community Services.
- No proposed changes for 2023.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$92,995	\$186,998	\$209,274	\$22,276
Supplies	1,238	60,000	60,000	0
Services	1,015	40,000	40,000	0
Interfund Payments	833	0	6,032	6,032
Total Expenditures	\$96,081	\$286,998	\$315,306	\$28,308

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Outreach Specialist	0.00	2.00	2.00	0.00
Total	0.00	2.00	2.00	0.00

Corrections - Police

Description/Services Provided

The City of Olympia Jail, under the general supervision of the deputy chief of operations and corrections lieutenant, oversee a full-service, 28-bed facility. The facility employees two sergeants, 10 corrections officers, one secretary and one program assistant who oversees all the municipal court warrants. Corrections officers are directly responsible for the care, custody, and safety of incarcerated adult offenders being charged with a misdemeanor crime, and those with a sentence up to a year. Their duties include booking and classification, movement of offenders between jail and courts, transportation to and from alternate holding facilities, supervision of laundry, meal preparation, monitoring visitations, accounting of offender property and funds, and tracking time served.

Significant Proposed Budget Changes

- Contractual increase for Yakima County 5 Percent
- Contractual increase for Lewis County 5 percent

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Charges for Service	\$3,348	\$3,200	\$3,200	0
Other	0	3,000	0	(3,000)
Total Revenues	\$3,348	\$6,200	\$3,200	\$-3,000

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$1,877,771	\$2,071,830	\$2,171,889	\$100,059
Supplies	118,925	94,280	94,280	0
Services	284,202	306,941	306,941	0
Intergovernmental	52,697	291,200	305,760	14,560
Interfund Payments	41,000	48,120	72,400	24,280
Total Expenditures	\$2,374,595	\$2,812,371	\$2,951,270	\$138,899

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Corrections Lieutenant	1.00	1.00	1.00	0.00
Corrections Officer (Teamster)	10.00	9.00	9.00	0.00
Jail Sergeant (Teamster)	2.00	3.00	3.00	0.00
Program Assistant - Teamsters	1.00	1.00	1.00	0.00
Secretary (Teamster)	1.00	1.00	1.00	0.00
Total	15.00	15.00	15.00	0.00

Professional Standards - Police

Description/Services Provided

The Professional Standards Unit is comprised of one Lieutenant who reports directly to the Chief of Police. The Lieutenant is tasked with investigating complaints of alleged misconduct, as well as monitoring our members' use of force incidents. The Lieutenant works directly with the police auditor, who is employed by the City Council.

Significant Proposed Budget Changes

- New FTE Lieutenant authorized in 2022.
- No proposed change in 2023.

2023 Preliminary Operating Budget

Revenues	2021 Actual	2022 Budget	2023 Budget	Change
Total Revenues	\$0	\$0	\$0	\$0

Program Cost Summary	2021 Actual	2022 Budget	2023 Budget	Change
Personnel Services	\$2,047,680	\$2,119,488	\$2,913,299	\$793,811
Supplies	77,860	53,450	53,450	0
Services	255,273	187,721	187,721	0
Intergovernmental	2,175	0	0	0
Interfund Payments	44,280	57,480	71,560	14,080
Total Expenditures	\$2,427,268	\$2,418,139	\$3,226,030	\$807,891

Program Staffing	2021 Actual	2022 Budget	2023 Budget	Change
Crime Analyst (Teamsters)	1.00	1.00	1.00	0.00
Commissioned Officers	9.00	10.00	0.00	-10.00
Police Lieutenant	0.00	0.00	2.00	2.00
Police Sergeant	0.00	0.00	3.00	3.00
Police Officer	0.00	0.00	7.00	7.00
Program Assistant - Teamsters	1.00	1.00	1.00	0.00
Secretary (Teamster)	1.00	1.00	1.00	0.00
Total	12.00	13.00	15.00	2.00

In 2023, Commissioned Officers have been identified by rank of the position.

Non-Departmental

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 and are now categorized as General Fund Sub-Funds. For financial reporting purposes, these funds are 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 projects in nature and their appropriations do not lapse at year end.

	2023 BUDGET		
	EXPENSES	REVENUES	FUND EQUITY USE/(GAIN)
Special Accounts Control Fund -- See Below for Detail	\$ 1,468,784	\$ 1,323,201	\$ 145,583
Development Fee Revenue Fund	8,313,908	8,126,447	187,461
Parking Fund	1,994,395	2,073,000	(78,605)
Post Employment Benefits, LEOFF 1 Retirees	1,020,000	1,020,000	0
Washington Center for Performing Arts - Endowment Fund	5,000	5,000	0
Washington Center for Performing Arts - Operating Fund	378,606	378,365	241
Municipal Arts Fund	161,600	60,660	100,940
Equipment and Facilities Replacement Fund	3,012,628	3,320,017	(307,389)
Total General Fund - Sub Funds	\$ 16,354,921	\$ 16,306,690	\$ 48,231

Special Accounts Control Fund -- Detail			
Economic Recovery Account	\$ 90,960	\$ 0	\$ 90,960
Shared Leave	0	0	0
Public Education and Government/Access Television	328,008	343,310	(15,302)
Health and Wellness Program	50,000	43,200	6,800
Wellness - IAFF	5,500	8,500	(3,000)
Derelict Vessels	15,000	15,000	0
Technology Plan Implementation and PC and PI Network Equipment	825,000	754,352	70,648
Building Demolition and Nuisance Abatement	7,316	0	7,316
Tree Account	45,000	45,000	0
Historic Preservation	0	0	0
Housing and Community Development	50,000	50,000	0
HUD and Rental Rehab	30,000	30,000	0
Seizure and Forfeiture	0	0	0
Recreation Scholarship	22,000	12,000	10,000
Arts Program	0	0	0
Aerial Mapping	0	21,839	(21,839)
Total Special Account Control Fund	\$ 1,468,784	\$ 1,323,201	\$ 145,583

Special Accounts Fund - Sub-Fund

Special Accounts Control Fund is used to account for special accounts the City has deemed necessary to be segregated from other department non-operating or operating funds. The funds are described in the table above.

Development Fee Revenue Fund - Sub-Fund

The Development Fee Revenue Fund is used to account for fees collected from various building-type permits, zoning and subdivision fees, inspection and plan check fees, fire and sprinkler permits and fees to review building plans. Fees collected in the Development Fee Revenue Fund are used to reimburse the General Fund for expenditures of the Community Planning & Development Department for managing development services. RCW 19.27 and OMC 4.04, 4.36 and 4.38

DEVELOPMENT RELATED FEES				
YEAR	BUILDING PERMITS*	FIRE PERMITS	DEVELOPMENT FEES*	ZONING & SUBDIVISIONS*
Est. 2023	3,011,034	125,000	1,282,859	289,232
Est. 2022	2,627,087	125,000	1,208,190	297,130
2021	2,349,937	104,974	803,018	196,835
2020	2,384,475	110,340	916,689	180,611
2019	2,625,803	91,229	1,158,976	224,929
2018	2,199,775	112,994	949,721	224,929
2017	2,379,338	138,417	954,172	192,658
2016	2,462,411	147,728	305,000	319,637
2015	2,542,172	127,641	498,214	236,198
2014	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	75,479	339,483	275,598
2010	2,571,411	8,828	473,178	192,784

*See Appendix for more information relating to building permits.

Parking Fund - Sub-Fund

The Parking Fund is used to account for fees collected from various parking revenue such as street parking, permits and fines. Parking funds are used for the operations and management of the City's Parking Program.

Post Employee Benefits - LEOFF 1 Retiree Fund - Sub-Fund

The Post Employee Benefit Fund is used to account for funds used to pay benefits of the City Retirees of the Law Enforcement Officers' and Firefighters' Retirement System Plan 1 (LEOFF 1) as well as costs related to the actuarial analysis and administration of the fund.

Washington Center for the Performing Arts Funds - Sub-Funds

The City has two funds established for City-owned Washington Center for the Performing Arts (Center):

1. An endowment fund and
2. An operating fund.

The Endowment fund accounts for proceeds from the sale of various real estate parcels owned by the City. The real estate proceeds, and associated investment interest, are used for maintenance, operations, repair of the Center. The operating fund accounts for funds from the lodging tax fund and donations for the purpose of supporting the operations and manager of the Center.

Municipal Arts Fund - Sub-Fund

The Municipal Arts Fund accounts for funds used for the purpose of selecting, acquiring and installing art works in public places. The program is funded by the City's designation of one dollar per person and one percent of major City construction projects be set aside for public art.

Special Funds

Special purpose funds are shown below. Funds accumulated can only be used for designated purposes. While appropriations lapse at the end of the year; unspent funds remain in that fund for future appropriation.

2023 Budget			
SPECIAL FUNDS	EXPENSES	REVENUE	FUND EQUITY Use/(Gain)
HUD Funds	\$460,197	\$695,684	\$(235,487)
Lodging Tax Fund	496,653	992,000	(495,347)
Parking Business Improvement Area Fund ¹	150,000	97,700	52,300
Farmers Market Repair & Replacement Fund	0	0	0
Hands on Childrens Museum Fund	913,741	0	913,741
Transportation Benefit District	2,001,985	2,001,985	0
Olympia Metropolitan Parks District	5,216,934	5,495,838	(278,904)
Home Fund	4,128,390	4,190,639	(62,249)
Fire Equipment Reserve Fund	0	0	0
Capital Replacement Equipment Rental	5,279,933	2,695,957	2,583,976
Unemployment Compensation Fund	85,054	112,500	(27,446)
Insurance Trust Fund	3,775,779	3,776,311	(532)
Workers Compensation Fund	1,669,495	1,447,875	221,620
Total Special Funds	\$24,178,161	\$21,506,489	\$2,671,672

HUD Fund

The HUD Fund accounts for funds received from the US Department of Housing and Urban Development and the loan repayments and interest associated with the City's program that supports: 1) economic development; 2) housing rehabilitation; 3) land acquisition; 4) public facility and improvements; 4) public services.

Lodging Tax Fund

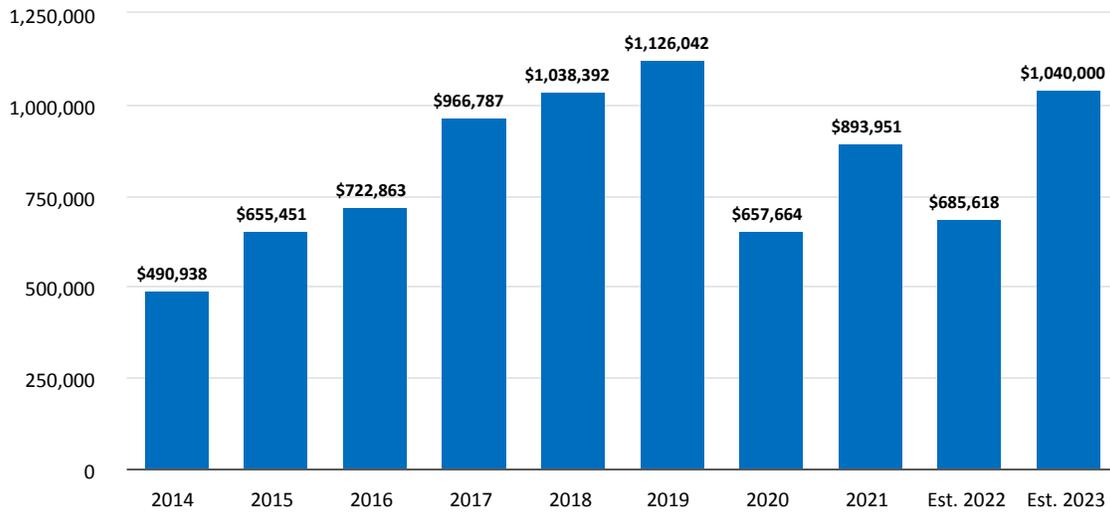
The Lodging Tax is an excise or sales tax authorized by State law in RCW 67.28 for Public Stadium, Convention, Arts, and Tourism facilities. In the City of Olympia, the total tax on lodging is 10.4 percent. Only a portion of the 10.4 percent comes to the City of Olympia. Olympia's share is equal to a 4 percent tax with 2 percent 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

The Lodging Tax recipient awards have not been determined for 2023 at the time of publishing.

Projected Recipients of Lodging Tax Funding*	2022 Budget	2023 Budget
Arbutus Folk School	\$10,000	\$0
Capital Lakefair	\$25,000	\$0
Gateway Rotary Club	\$5,000	\$0
Dixieland Jazz Society	\$0	\$0
Hands on Children's Museum	\$73,991	\$0
Harbor Days	\$64,000	\$0
Harlequin Productions	\$50,000	\$0
Lake Run Organization	\$5,000	\$0
Olympia Downtown Association	\$57,500	\$0
Olympia Film Society	\$40,000	\$0
Olympia/Thurston, Visitor and Convention Bureau	\$100,000	\$0
Olympia & Beyond Sports Commission	\$15,000	\$0
Olympia Parks, Arts and Recreation	\$20,000	\$0
Olympia Symphony Orchestra	\$25,000	\$0
Olympic Flight Museum	\$20,000	\$0
PARC Foundation	\$0	\$0
South Sound Reading Foundation	\$8,500	\$0
South Sound Block Party	\$45,000	\$0
Senior Games	\$20,000	\$0
Washington Center Support	\$0	\$0
Washington State University Master Gardener Foundation	\$2,500	\$0
Wolf Haven	\$0	\$0
Total	\$586,491	\$0

Lodging Tax Collections*



*The difference between what is collected in Lodging Taxes and what is allocated to programs, remains in the Lodging Tax account balance.

Parking & Business Improvement Area Fund

The Parking & Business Improvement Area (PBIA) is a business improvement district in downtown Olympia with oversight by the PBIA Advisory Board. The PBIA Board is not an independent business association, instead it is a City of Olympia advisory committee with board members elected annually by the PBIA ratepayers. The purpose of the Advisory Board is to develop an annual recommendation for the City Council about how to invest PBIA funds collected from the Association members and to serve as a communication link between downtown businesses (ratepayers) and the City of Olympia government.

The mission of the PBIA is to assist in creating a vibrant, dynamic business environment and enhancing the reality and perception of downtown by visitors, residents and business owners. PBIA's activities fit within the six program areas:

- Clean and Safe
- Beautiful Streetscapes
- Downtown Marketing
- Parking
- Small Business Support and Resources
- Communications

Parking and Business Improvement Area (P.B.I.A.)	2022 Budget	2023 Budget
Administration	\$2,000	\$2,000
Clean and Safe	\$46,200	\$46,200
Streetscape Beautification	\$33,900	\$38,900
Marketing	\$13,000	\$58,000
Contingency	\$4,350	\$4,900
Total Parking and Business Improvement Area	\$99,450	\$150,000

Farmers Market Fund

The Farmers Market Fund is used to account for major repairs and maintenance of the City-owned Farmers Market facility. Lease payments from the Market are used to help fund these repairs.

Hands on Children's Museum Fund

The Hands on Children's Museum (HOCM) Fund is used to account for funds received from the Capital Area Regional Public Facilities District. Funds are used for purposes related to the City-owned HOCM; debt services, capital and certain operational costs.

Fire Equipment Reserve Fund

The Fire Equipment Reserve Fund is used for the purchase of emergency response equipment by the Fire Department including certain vehicles and equipment and major repairs and improvements.

Capital Replacement Equipment Rental Fund

The Capital Replacement Equipment Rental Fund is used to account for funds reserved for the replacement or major repairs to the City's future rolling vehicles and equipment, other than fire response vehicles and equipment.

Home Fund

The Home Fund is used to account for funds received from a voter-approved sales tax, tax on municipal utilities, and property taxes received from the State over the next 20 years. Funds are used for the City's response to homelessness, i.e. operations, delivery and evaluation of mental and behavioral health treatment. Additional information about the Home Fund is located in the City Manager's section under the Office of Community Vitality. Additional information on the Housing Capital budget is included in the 2023 Capital Facilities Plan.

Olympia Metropolitan Parks Fund

The Olympia Metropolitan Parks District Fund is used to account for the property tax funds received from the Olympia Metropolitan Parks District (OMPD), a separate taxing authority. For accounting purposes, OMPD is a blended component unit. Property taxes received by the OMPD are used to provide capital acquisition and development of City parks and their operations.

Transportation Improvement District Fund

The Transportation Benefit District (TBD) Fund is used to account for the funds received from the Transportation Improvement District, a separate taxing authority. For accounting purposes, TBD is a blended component unit. Fund collected via a \$20 per vehicle registration fee are used to support the preservation, maintenance, capacity, safety and operation of the City streets. In 2019, Washington voters approved Initiative I-976 to reduce vehicle licenses fees to \$30, thereby eliminating the TBD \$20 registration fee. The Initiative was challenged by several cities in the state as unconstitutional and is currently tied up in litigation.

Unemployment Compensation Fund

The Unemployment Compensation Fund is used to account for funding the City's unemployment compensation. The City is on a reimbursable plan with the State of Washington. The State determines and pays the benefits, then is reimbursed by the City. The fund is supported by interest earnings and charges to City departments.

Insurance Trust Fund

The Insurance Trust Fund is to pay for purchases of insurance related to the risk management plan, pay claims against the City or damage to City property that falls under major insurance policy deductibles or that are self-insured and for studies related to risk management and loss prevention.

Workers Compensation Fund

The Workers Compensation Fund is to pay for worker's compensation claims, for obligations due to Washington State for workers compensation, for premiums for insurance or surety bonds, and to pay third party administer costs necessary to manage the program.