



City of Olympia, Washington 2017 Adopted Operating Budget





2017 Adopted Operating Budget



Prepared by the City of Olympia,
Administrative Services Department
P.O. Box 1967, Olympia, Washington 98507-1967

Information and Resources

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olympiawa.gov

City Council

Cheryl Selby, Mayor

Jeannine Roe

Nathaniel Jones, Mayor Pro Tem

Jim Cooper

Clark Gilman

Julie Hankins

Jessica Bateman

Administration

Steven R. Hall, City Manager

Jay Burney, Assistant City Manager

Jane Ragland Kirkemo, Administrative Services Director

Kellie Purce-Braseth, Strategic Communications Director

Keith Stahley, Community Planning & Development Director

Larry Dibble, Fire Chief

Mark Barber, City Attorney

Ronnie Roberts, Police Chief

Paul Simmons, Parks, Arts & Recreation Director

Rich Hoey, Public Works Director

Information Resources

Transportation Mobility Strategy: olympiawa.gov/transportation

Olympia Comprehensive Plan: imagineolympia.com

Olympia Bicycle Master Plan: olympiawa.gov/transportation

Water System Plan: olympiawa.gov/drinkingwater

LOTT Clean Water Alliance: lottcleanwater.org

Acknowledgements

The City Council wishes to acknowledge the many individuals who contributed time and expertise to the preparation and publication of the 2017 Operating Budget.

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

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

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Distinguished Budget Presentation Award

The Government Finance Officers' Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award to the City of Olympia, Washington for its annual budget for the fiscal year beginning January 1, 2016.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Olympia
Washington**

For the Fiscal Year Beginning

January 1, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emmer".

Executive Director

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

Your Local Government

Meet Your City Council



Cheryl Selby-Mayor
Dec. 2019*

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

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

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



Nathaniel Jones
Mayor Pro Tem
Dec. 2019*



Clark Gilman
Nov. 2017*



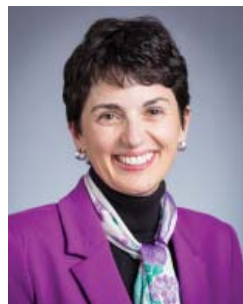
Jeannine Roe
Dec. 2017*



Jessica Bateman
Dec. 2019*



Jim Cooper
Dec. 2017*



Julie Hankins
Dec. 2017*

Citizen Advisory Boards and Commissions

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

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



* Term Ends

Guide to Reading the Budget

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

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

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

Introduction

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

Policies and Guidelines

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

Revenue

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

Department Budgets

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

Debt Administration

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

Supplementary Information

The Supplementary Information section contains Comparative Summaries of the Operating Budget by funds from 2014-2017 and full-time equivalent (FTE) information for the City's classified positions, presented in alphabetical order. Information is also provided on classification bargaining unit, pay grade, and salary.

Capital Facilities Plan Projects

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

Appendix

The Appendix contains a variety of historical and community







Introduction



Letter from the City Manager

December 15, 2016

Dear City Council, Citizens, and Employees,

I am pleased to present the 2017 Operating Budget for the City of Olympia, Washington. This Budget provides the quality of life services our citizens want, it is sustainable, resilient, and continues to move us forward. In preparing this budget I couldn't help but reflect back almost a decade ago when the recession began. We were not paralyzed by the recession – we were motivated by it. We used the opportunity to innovate, redefine, and reinvent the Olympia our citizens want and need. Implicit in all challenges is the opportunity to re-direct in ways that make us stronger. Early on the Council adopted the goal to “Engage Citizens as Partners.” This has evolved into the goal to “Inspire Strong Relationships.” We knew then that people are the most defining element of our city.

of four City Council positions, almost a \$200,000 (22%) increase in liability insurance, and a \$16,000 increase (70%) in fees for the Olympic Region Clean Air Agency (ORCAA). With the increased usage of credit cards to pay for City services, a 20% increase (\$38,500) in credit card transaction fees is also budgeted. Many of these expenditure increases have been offset by efficiencies. Beginning on page 32 the departments have listed some of the many achievements and efficiencies accomplished by the City in 2016. Through a variety of changes and innovations, we saved over two million dollars. That is efficiency and it enables us to create the future we want.

But the 2017 operating budget is much more than expenditure

Embracing change makes us think and act with a different set of tools – thinking beyond the immediate future to the future we desire

To remain sustainable the City needs to stay focused on core services. We deliver great service to this community because we remain committed to essential services. During the recession we completely rewrote the City's Comprehensive Plan, the Parks Plan, and the Shoreline Master Plan. We constructed and opened a new City Hall and the Hands On Children's Museum. We renovated Percival Landing Boardwalk and the Washington Center for the Performing Arts. All of this construction was in the downtown core. We were the first city in Washington State to create a Transportation Benefit District (TBD) and issue federally backed Build America Bonds. With citizen support we passed a levy lid lift to construct and staff a new fire station, and established the Olympia Metropolitan Park District (OMPD). The community did not create our fiscal challenge, but in partnership with citizens, we solved it. Embracing change made us think and act with a different set of tools – thinking beyond the immediate future to the future we desire. Some areas of the budget are strong, some still need help. We have much to celebrate, but also more to do.

The 2017 Operating Budget is \$142.6 million. It represents a 7.6% increase over the current budget. The general fund comprising basic municipal services excluding sub-funds is \$72.1 million, representing a 7% increase. The general fund without the influx of OMPD dollars is \$70.4 million, a 4.6% increase. Clearly the largest increase is in the Parks budget – reflecting the OMPD revenue linked to the Parks plan. On pages 22-23 you will find an outline of all Park resources (excluding grants and impact fees). The total 2017 Parks, Arts and Recreation budget is up 36%.

This budget also includes the addition of several new positions in other areas. All of the positions come with their own funding source. There is a total increase in staff of 12.3 FTEs. Correspondingly, salary and benefits account for 83% of the total 2017 expenditure increase.

Other expenditure increases are \$60,000 for the 2017 election

increases or numbers on a page. Next year you will see continued work downtown on the new state office building (215,000 sq. ft.), new residential units (136) at the Views on Fifth, and completion of the 3-2-1 Lofts. When you add what residential units have been built over the last two years to what is under construction or planned – that is an additional 650 market-rate residential units in the downtown area.

In Transportation, major resurfacing projects are focused on downtown streets driven by the Downtown Strategy. In Court/Public Defense, Olympia was one of only ten cities across the country to receive a \$200,000 Department of Justice grant to implement a Community Court. The Community Court links offenders to services designed to help them address the underlying issues fueling their criminal behavior. This includes



Letter from the City Manager



services such as drug and alcohol treatment, housing, education, job training, mental health services, and transportation. We will need to find a new funding source for Community Court if we expect it to continue in 2018.

There are other programs and services we wanted to add or expand in the general fund budget. Unfortunately we ran out of time or money. Working with the Police Ad-hoc Committee we are ready to advance a public safety strategy, based on the Comprehensive Plan vision of policing the Olympia way. Unfortunately, limited resources hold us back from our work. Fully funding our walking patrol, dedicating more resources to neighborhoods, developing a partnership for mental health outreach services are all stalled by limited funding. Staff will work with the Finance Committee this year to develop a financing strategy for public safety critical needs.

Other City priorities such as implementation of the Downtown Strategy, an expanded urban forestry program, a greater commitment to multimodal transportation, and renovation of the maintenance center are not possible without budget cuts or public support for revenue increases.

Utilities

The expectation for our utilities is to provide reliable service while also protecting our physical environment and managing the cost to rate-payers. Under state law the utilities are each separate enterprise funds with dedicated funding through rates and charges. The budget includes rate increases in each of our utilities. Staff and the Utilities Advisory Committee struggled with these increases. We walk a fine line between investing in our utilities and providing services our customers can afford. The rate increases will

ensure stable revenues to maintain and improve existing service levels. Olympia has a history of providing a full array of services grounded in quality and innovation. We recently installed a shared trash compactor in one area of downtown. This will allow us to collect only once per month in that area instead of three times per week. Also, in Waste ReSources we are continuing to expand the residential one-side road collection. So far this practice has saved 730 gallons of fuel, 275 collection hours, and 1,800 miles traveled annually. Twenty years ago, Waste ReSources served 11,200 customers with nine trucks and 13 collectors. Today we serve 14,756 customers with four trucks and four collectors. Innovation and efficiency is what has allowed us to keep our rates as low as possible and still be good stewards of the environment. The rate increases are:

Drinking Water	5.7%
LOTT	2%
Storm and Surface Water	6.3%
Wastewater	4%
Waste Resources	
Residential	0%
Commercial	0%
Organics	6.5%

Revenue Outlook

Total revenues have increased almost \$8.6 million (6.5%). The most significant increase is obviously the inclusion of the OMPD revenues. The general fund is up \$4.7 million or seven percent. Without the OMPD revenues the general fund is up \$3.1 million

Letter from the City Manager

or 4.7 percent. An improved local economy shows up early in Sales Tax and in Business & Occupation (B&O) tax receipts. For the last few years sales tax revenue increases have been driven by auto sales. While auto sales are still up, construction activity is now showing the largest increase in sales tax revenue. General sales tax is up five percent including the loss of the Toyota auto dealership (we assume they leave first quarter 2017). B&O taxes reflect an 8.8 percent (\$502,000) increase. For the last couple of years we have had a decline in private utility tax (gas, electric, and telephone). 2017 utility tax is basically flat with only a slight increase in electricity. Municipal utility taxes are budgeted to increase 4.4 percent (\$197,750) as a result of the projected rate increases. Another sign the economy is improving is development-related activity. We are budgeting for an 8.5 percent increase in revenue with all of the proposed residential and commercial activity. The budget also shows an increase in property taxes due to recent annexations and new construction.

services. We have resisted the temptation to “just restore” services with an improved economy; choosing instead to be more visionary on the path forward. Just getting Olympia back to the level it had been a decade ago does not create the future the community, Council or staff wants. I am proud of the road we have taken. There are still hard choices ahead, but this budget addresses our challenges while moving us forward.

I am eager to work with you as we build our budget and refine our vision.

Respectfully submitted,



Steven R. Hall
City Manager

Conclusion

The 2017 budget is another step toward achieving our desired future for Olympia. Our progress has been built on innovation, efficiency, collaboration, hard work, and continued focus on core



City of Olympia | *Mission, Vision, Values*



Our Mission | What We Do

*Working Together to
Make a Difference*

Our Vision | Why We Do It

*For a Vibrant, Healthy,
Beautiful Capital City*

Our Values | How We Do It

*Using Compassion,
Integrity, and Effectiveness*

City of Olympia | At a Glance

General Data

Population	51,600
Date Incorporated as a City	January 28, 1859
Active Registered Voters.....	32,957
Area of City (Square Miles).....	20.1
Acres of Land within City Limits	12,863
Miles of Streets Maintained (Lane Miles).....	524
Land Use (2016)	
Single-Family Residential.....	175 Permits
Multi-Family Residential (five or more units) Condominiums, Apartments, Mixed Use	6 Permits
New Commercial	16 Permits
Plats - Number of New Lots Created.....	0 Permits
Number of Public Hearings for Land Use Actions.....	18
Code Enforcement Cases	650
Abandoned Vehicle Calls	300
Nuisance Complaint Calls.....	175

Environment & Utilities

Miles of Municipal Sewer Pipes.....	226
Number of Square Miles the Sanitary Sewer System Spans.....	27
Number of Municipal Water Sources	9
Drinking Water Lines (Miles)	330
Water Services in Municipal Water Service Area.....	19,986
Gallons of Potable Municipal Water Produced in 2016 (as of 9/14/16).....	1.78 billion
Gallons of Reclaimed Municipal Water Delivered in 2016 (as of 9/7/16).....	7.7 million

2016 Recycled Materials

Percentage of Waste Recycled and Composted by Single-Family Residential Customers	56.5%
Amount of Yard Waste and Food Scraps Collected for Composting from Residents and Businesses.....	6,100 tons
Amount of Mixed Recyclables (Newsprint/Mixed Papers, Glass, Plastic Bottles, Aluminum, Cardboard, etc.).....	4,900 tons
Number of 3rd Grade Students Who Participated In the City's "In-School" Waste Prevention and Education Program.....	650
Aluminum Cans Collected	100 tons
Cans Per Person Collected	129.5
Newsprint Collected	1,950 tons

Source: City of Olympia waste collection data and EPA Waste Reduction Model (WARM) and Greenhouse Equivalency Calculator, Can Manufacturer's Institute, TRPC Profile of Olympia Population (rounded)

Parking

Parking Meters.....	2,268
Parking Lots.....	7
Leased Parking Spaces.....	364

City of Olympia | At a Glance

Fire Department

Fire Stations.....	4
Companies on Duty	8
Department Divisions	3
Training Center	1
On Duty Staffing.....	20
Work Week.....	49.8
Command On Duty - Battalion Chief	1
Command Vehicles	
Front Line	2
Reserve.....	1
Fire Engines	
Front Line	4
Reserve.....	4
Aerial Ladder Trucks	
Front Line	1
Reserve.....	1
Support Vehicles	
Divisional Vehicles.....	10
Fire Mechanics Vehicles.....	3
Urban Search and Rescue Units	1
Trench Trailer.....	1
Services Rendered	
Fire and Service Calls Per Year	33%
Emergency Medical Calls Per Year	67%
Total Calls Per Year.....	10,370
Fire Safety Code Inspections Per Year	3,491
Facilitates and Coordinates the Citywide Emergency Management Function	

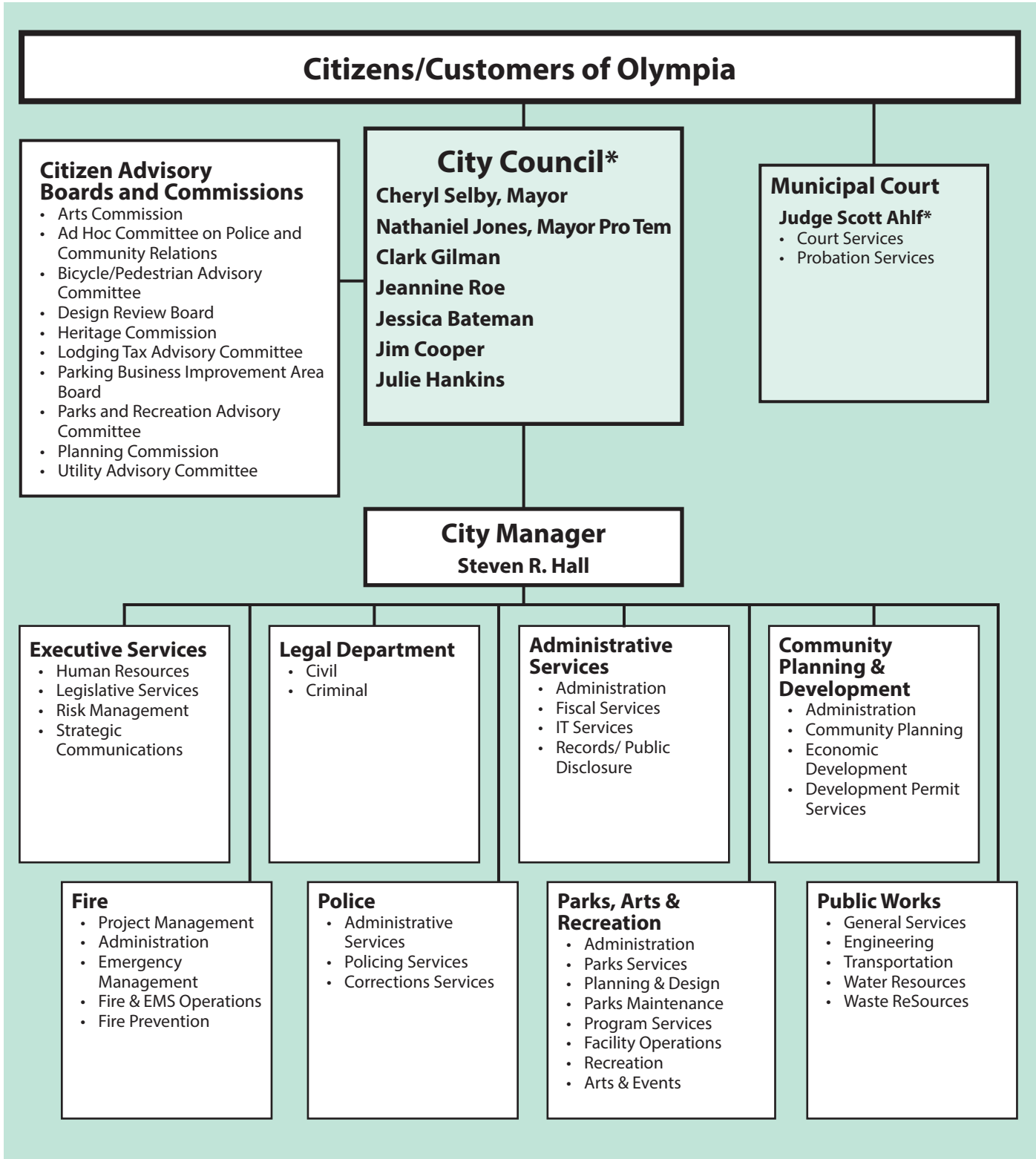
Police

Calls for Service Per Year	55,000
Average Response Time to Emergency Calls for Service	4 minutes
Volunteer Hours Donated Per Year	6,200
Police Vehicles	48
K-9 Units	2

Parks, Recreation and Neighborhood Services

Park Sites	48
Park Acreage	1,169
Playgrounds	11
Community Centers.....	1
Park Waterfront Area.....	4.4 miles
Park Trails	16 miles
Park Basketball Courts.....	9
Parks with Public Art.....	8
Parks with Tennis Courts.....	6
Skate Courts.....	2
Interactive Water Feature	1
2016 Recreation Service Hours	167,000

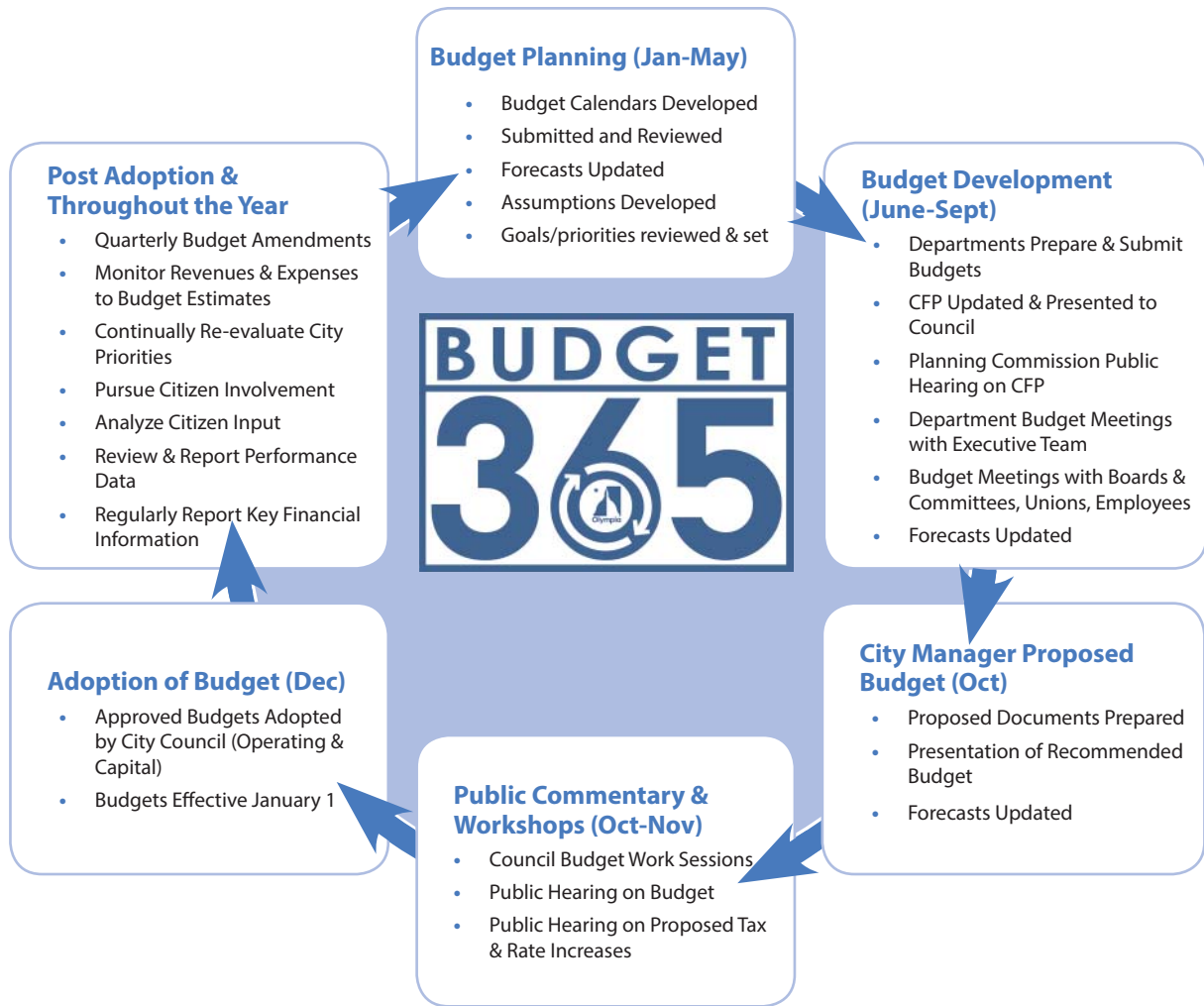
City of Olympia | Organizational Chart



*Separately Elected Officials

City of Olympia | *The Budget Process*

Development of the 2017 budget continues the implementation of **Budget 365**. Preparation of the City’s budget is more than projecting revenues and expenditures for a given year. The budget provides a financial plan for the City Council, City staff, and citizens that identifies the operating costs considered essential to the successful operation of the City. The cycle does not end with the budget document as the end product of the arduous task of balancing the budget, or with adoption of the budget. The budget cycle for the City Manager, Budget Review Team, Finance Committee, City Council, and our citizens is year-round in nature since budget development and implementation occurs throughout the year.



Budget 365 is the City’s budget process designed to inform citizens about how to get involved in our budget decision-making process. This year-round conversation will help us better understand which programs are the highest priority for our citizens and more quickly identify potential financial issues.

City of Olympia | *The Budget Process*

Budget Adoption

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

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

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

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

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

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

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

Budget Amendments

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

The Finance Committee

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

In 2016, the Finance Committee is comprised of City Councilmembers:

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

2017 Budget Calendar of Events

City Manager Presents 2017 Preliminary Operating Budget to Council	October 25 (Tuesday)
Preliminary Budget Available on the Internet	October 26
Election Day	November 1
Council Review of Operating Budget	November 7 (Monday)
Election Day	November 8 (Tuesday)
Veteran's Day Holiday	November 11 (Friday)
Public Hearing on Operating Budget and Capital Budget, Including Olympia School District Impact Fees and Ad Valorem Tax	November 15
Council Review and Discussion of Budget	November 15
First Reading Ad Valorem Tax Ordinance	November 15
Council Review of the Budget (Budget Balancing - Operating and Capital Budgets)	November 22
Final Reading and Passage of Ad Valorem Tax Ordinance	November 22
Thanksgiving (Holidays)	November 24 - 25
First Reading on Operating and Capital Budgets	December 6
Second and Final Reading and Adoption of Operating and Capital Budgets	December 13

Ordinance No. 7059

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO BUDGETS, FINANCE, AND SALARIES, AND ADOPTING THE 2017 CALENDAR YEAR BUDGET.

WHEREAS, the tax estimates and budget for the City of Olympia, Washington, for the 2017 calendar year have been prepared and filed as provided by the laws of the State of Washington; and

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

WHEREAS, the Olympia City Council held a public hearing on the preliminary budget on November 15, 2016, as required by law, and has considered the public testimony presented;

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

Section 1. 2017 Budget. The budget for the calendar year 2017 is hereby adopted in the amounts and for the purposes as shown below; and the following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the City Treasury hereinafter named.

FUND	APPROPRIATION FUND BALANCE	ESTIMATED REVENUE	APPROPRIATIONS	ADDITIONS TO FUND BALANCE
General, Regular Operations	\$113,000	\$71,955,737	\$72,068,737	\$-
General, Special Sub-Funds				
Special Accounts	333,795	861,880	1,195,675	-
Development Fee Revenue	-	3,321,530	3,321,530	-
Parking	-	1,530,700	1,395,512	135,188
Post Employment Benefits	1,599,500	1,101,000	2,700,500	-
Washington Center	5,000	349,200	354,200	-
Municipal Arts	900	53,100	54,000	-
Equip & Facilities Reserve	-	1,492,612	1,492,612	-
Total General Fund	\$ 2,052,195	\$ 80,665,759	\$ 82,582,766	\$ 135,188
4th/5th Avenue Corridor Bridge Loan	20	552,489	552,509	-
UTGO Bond Fund–2009 Fire	3,480	1,187,851	1,191,331	-
City Hall Debt Fund–2009	952	2,419,166	2,420,118	-
2010 LTGO Bond–Street Projects	4	436,009	436,013	-
L.O.C.A.L. Debt Fund–2010	-	178,283	178,281	2
2010B LTGO Bonds–HOCM	-	430,888	430,888	-
2013 LTGO Bond Fund	-	673,875	673,875	-
2016 LTGO Parks BAN	-	115,000	115,000	-
Water Utility O&M	-	13,302,290	13,297,934	4,356
Sewer Utility O&M	-	19,901,896	19,901,896	-
Solid Waste Utility	-	11,198,320	10,998,787	199,533
Storm Water Utility	-	5,313,050	5,310,757	2,293
Water/Sewer Bonds	-	2,044,982	2,023,330	21,652
Stormwater Debt Fund	-	123,359	123,359	-
Equipment Rental	-	2,322,434	2,322,434	-
TOTALS	\$2,056,651	\$140,865,651	\$142,559,278	\$363,024

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

Ordinance No. 7059

Section 3. Salaries and Compensation. The salaries and compensation for the City of Olympia employees for the calendar year 2017 shall be as set forth in the "Supplementary Information" section of the 2017 Adopted Operating Budget document, or as the same may be amended by the City Manager as part of his administration of the budget pursuant to Section 2 above.

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

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

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


Section 7. Effective Date. This Ordinance shall take effect January 1, 2017.

MAYOR 

ATTEST:

CITY CLERK 

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY 

PASSED: 12/13/2016
APPROVED: 12/13/2016
PUBLISHED: 12/15/2016

Budgeting by Fund

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

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, capital project funds.

General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds
<p>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, business and occupation taxes, and state shared revenues.</p> <p>In addition to the regular General Fund, the City has established sub-funds to account for: The Washington Center for the Performing Arts, an annual operating fund and non-operating funds for equipment and facilities, repair and major maintenance, municipal arts and special accounts control fund.</p>	<p>These funds account for proceeds of specific revenue sources that are restricted or committed for purposes other than debt service or capital projects. Other restricted resources are accounted for in debt service, trust, and capital project funds.</p>	<p>These funds are used to account for the accumulation of resources for, and payment of general obligation bond principal and interest from, governmental resources. These funds are also used to account for the accumulation of resources for, and payments of special assessment bond principle and interest from, special assessment levies when the City is obligated in some manner for the payment.</p> <p>Payment for general obligation bonds is backed by the full faith and for those whose payment the full faith and credit of the City are pledged. The primary source of revenue to these funds is from property tax. Enterprise debt service payments are not included in this fund group, but are included within the enterprise funds.</p>	<p>These funds are used to account 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 separately with construction fund ordinances which appropriate a budget for the life of the project. A recap of the Capital Facilities Plan (CFP) is included in the Capital Facilities Plan Projects section of this document. Detail of the CFP is contained in a separate document available on our website.</p>

Budgeting by Fund

PROPRIETARY FUNDS

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

Enterprise Funds

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

Internal Service Funds

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

The City utilizes four internal service funds:

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

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

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

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

The **Workers' Compensation Fund** is used to pay for workers' compensation benefits. Only the Equipment Rental Fund is budgeted on an annual basis. The other funds are Special Funds which are budgeted periodically and are shown in the Introduction section of this budget.

FIDUCIARY FUNDS

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

Trust and Agency Funds

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

Fund Types Budgeted by the City

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

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

Basis of Accounting

Basis of Accounting

Budget Basis

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

Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recorded in the accounts and reported in the financial statements. The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of Generally Accepted Accounting Principles (GAAP). The entity financial statements in the CAFR are prepared on the accrual basis

of accounting. The Fund Financial Statements containing the governmental fund types and expendable trust and agency funds use the modified accrual basis of accounting.

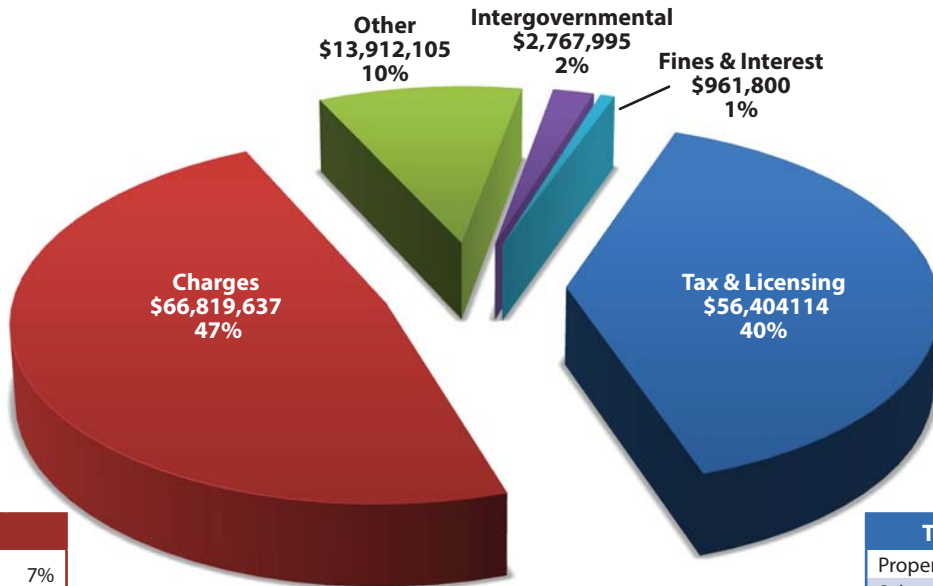
The modified accrual basis differs from the accrual basis in the following ways:

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



Where the Money Comes From - Total Operating Revenues

\$140,865,651

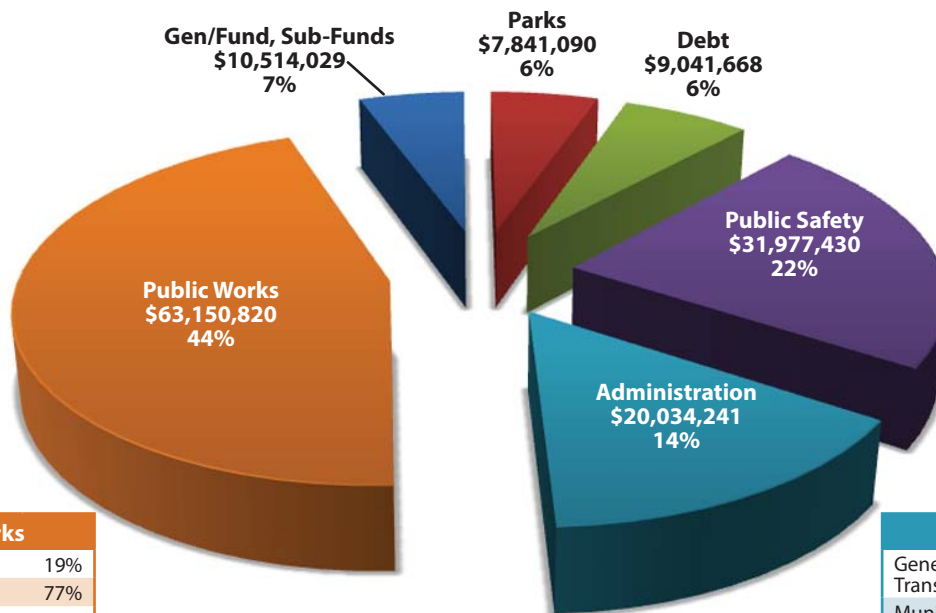


Charges	
Security (Persons & Property)	7%
General Government	13%
Drinking Water	19%
Wastewater	30%
Stormwater	8%
Waste ReSources	17%
Equipment Rental	3%
Other	3%

Tax & Licensing	
Property	27%
Sales	37%
Business	11%
Utility	17%
Other Taxes	<1%
Licenses & Permits	8%

Where the Money Goes - Total Operating Expenditures

\$142,559,278



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

Administration	
General Gov. (incl. Transfer to CIP)	25%
Municipal Court	9%
Admin. Services	36%
Community Dev.	30%

Comparative Summary of Operating Budget Revenues and Expenditures All Operating Funds

REVENUES (BY TYPE)	Actual 2014	Actual 2015	Original Budget 2016	Revised 2016	Budget 2017	% Change 2016 Original to 2017 Budget
Taxes	\$46,322,345	\$48,867,278	\$49,192,954	\$51,269,734	\$52,459,434	6.6%
Licenses & Permits	3,925,136	3,968,147	3,808,611	3,986,986	3,944,680	3.6%
Intergovernmental	3,322,959	2,898,395	2,733,385	4,301,973	2,767,995	1.3%
Charges for Services	56,774,801	60,428,400	62,619,895	63,564,208	66,819,637	6.7%
Fines & Forfeits	980,104	978,691	979,950	979,950	961,800	-1.9%
Operating Transfers In	8,205,472	8,235,651	8,332,761	8,339,745	8,562,787	2.8%
Other Revenue	2,710,997	6,126,775	4,552,979	5,391,171	5,349,318	17.5%
Total Revenues	\$122,241,814	\$131,503,337	\$132,220,535	\$137,833,767	\$140,865,651	6.5%
EXPENDITURES (BY FUNCTION)						
General Government	\$5,576,310	\$5,715,083	\$4,525,010	\$5,087,260	\$4,745,268	4.9%
Municipal Court	1,605,997	1,651,919	1,781,664	2,010,100	1,824,976	2.4%
Administrative Services	6,538,596	7,275,456	7,067,244	7,114,453	7,149,045	1.2%
Comm/Planning & Development	5,155,438	4,592,240	5,511,561	6,651,469	6,039,952	9.6%
Fire Department	14,112,726	14,636,638	15,017,886	17,079,171	16,099,085	7.2%
Police Department	14,395,500	14,955,046	15,554,018	15,916,899	15,878,345	2.1%
Parks, Arts & Rec. Department	4,960,873	5,346,731	5,764,918	5,938,203	7,841,090	36.0%
Public Works Department						
General Fund	10,686,382	11,251,262	11,846,164	12,192,380	12,215,976	3.1%
Utilities	40,715,412	42,763,811	46,070,677	46,045,997	48,612,410	5.5%
Equipment Rental	1,679,226	1,577,046	1,744,087	2,138,087	2,322,434	33.2%
Debt Service						
General Obligation	7,075,002	7,076,891	7,072,886	7,122,886	5,998,015	-15.2%
Revenue	2,507,287	2,878,630	3,033,758	3,052,043	3,043,653	0.3%
General Fund Contribution to Capital Improvement Funds	1,172,376	1,055,000	275,000	1,175,000	275,000	0.0%
General Fund - Sub Funds (1)	4,330,376	8,342,744	7,254,206	16,067,110	10,514,029	
Total Expenditures	\$120,511,501	\$129,118,497	\$132,519,079	\$147,591,058	\$142,559,278	7.6%
Net Revenue over / (under) Expenditures	\$1,730,313	\$2,384,840	(\$298,544)	(\$9,757,291)	(\$1,693,627)	

(1) Sub-Funds appropriations are for special purposes and in general do not lapse at year end.

Combining Summary of Operating Budget by Revenue Source and Budget Classification All Operating Funds - 2017 Budget with Comparative Totals for 2016 Budget

REVENUE	General Fund		Debt Service							Total Operating Funds	
	Regular Operations	Sub-Funds	G.O. BOND	Revenue Bond	Drinking Water Utility	Wastewater Utility	Stormwater Utility	Waste ReSources Utility	Equipment Rental	2017	2016
Taxes	\$47,949,759	\$1,085,000	\$3,424,675	\$-	\$-	\$-	\$-	\$-	\$-	\$52,459,434	\$49,192,954
Licenses & Permits	931,250	3,021,430	-	-	-	-	-	-	-	3,952,680	3,808,611
Intergovernmental	2,033,164	-	734,831	-	-	-	-	-	-	2,767,995	2,733,385
Charges for Services	14,267,567	983,680	-	-	12,956,590	19,886,196	5,308,150	11,095,020	2,322,434	66,819,637	62,529,695
Fines & Penalties	511,800	450,000	-	-	-	-	-	-	-	961,800	979,950
Operating Transfers In	4,594,991	1,780,800	1,834,055	2,168,341	-	-	-	-	-	10,378,187	9,984,033
Other Revenue	1,667,206	1,389,112	-	-	345,700	15,700	4,900	103,300	-	3,525,918	2,991,907
Total Revenues	\$71,955,737	\$8,710,022	\$5,993,561	\$2,168,341	\$13,302,290	\$19,901,896	\$5,313,050	\$11,198,320	\$2,322,434	\$140,865,651	\$132,220,535
EXPENDITURES											
Salaries	\$41,821,046	\$460,858	\$-	\$-	\$2,340,734	\$1,103,522	\$1,494,999	\$2,055,510	\$495,234	\$49,771,903	\$46,113,915
Personnel Benefits	14,229,164	190,174	-	-	1,043,867	448,951	522,426	1,010,332	215,945	17,660,859	17,090,738
Supplies	2,031,081	366,244	-	-	881,797	327,928	152,731	250,863	1,046,249	5,056,893	5,025,659
Other Services & Charges	7,579,411	5,347,753	-	-	1,107,059	415,159	348,569	4,199,335	100,700	19,097,986	15,302,763
Intergovernmental Services	1,315,877	-	-	-	2,056,165	15,210,140	736,186	1,332,890	500	20,651,758	19,400,759
Interfund Payments	4,027,598	1,146,103	-	-	1,989,010	1,048,246	1,121,798	2,137,357	463,806	11,933,918	10,229,128
Capital Outlays	24,500	-	-	-	-	-	-	-	-	24,500	197,500
Debt Service - Principal	-	-	2,670,751	1,467,687	525,045	96,331	-	-	-	4,759,814	5,733,004
Debt Service - Interest	-	-	3,327,264	679,002	267,655	7,933	-	-	-	4,281,854	4,373,640
Operating Transfers Out	1,040,060	3,002,897	-	-	3,086,602	1,243,686	934,048	12,500	-	9,319,793	9,051,973
Total Expenditures	\$72,068,737	\$10,514,029	\$5,998,015	\$2,146,689	\$13,297,934	\$19,901,896	\$5,310,757	\$10,998,787	\$2,322,434	\$142,559,278	\$132,519,079
Net Gain or (Use) of Fund Equity from Operations	(113,000)	(1,804,007)	(4,454)	21,652	4,356	-	2,293	199,533	-	(1,693,627)	(298,544)
Estimated Fund Equity Available for Appropriations January 1.	7,490,733	10,558,743	61,461	9,661	5,440,639	2,669,772	1,348,036	1,678,042	283,999		
Fund Equity Available Before Reserve Requirement	7,377,733	8,754,736	57,007	31,313	5,444,995	2,669,772	1,350,329	1,877,575	283,999		
Less, Reserve Requirement	(7,033,462)	not required	not required	not required	(3,325,570)	(682,868)	(531,310)	(1,119,830)	(343,620)		
Non-Spendable & Restricted Resources		(384,482)	(54,734)								
Committed		(3,493,498)	(2,273)								
Estimated Assignments	(344,271)	(2,962,765)	-								
Estimated Fund Equity Available for Appropriations After Reserve	\$-	\$1,913,991	\$-	\$31,313	\$2,119,425	\$1,986,904	\$819,019	\$757,745	\$(59,621)		
Reserve Requirement as % of Revenue	*10%	not required	not required	not required	25%	**10%	10%	10%	20%		

* General Fund regular operations. 10% of revenue less Olympia Metro Parks District reimbursement revenue.

**Wastewater 10% reserve excludes revenues paid to LOTT for sewage treatment.

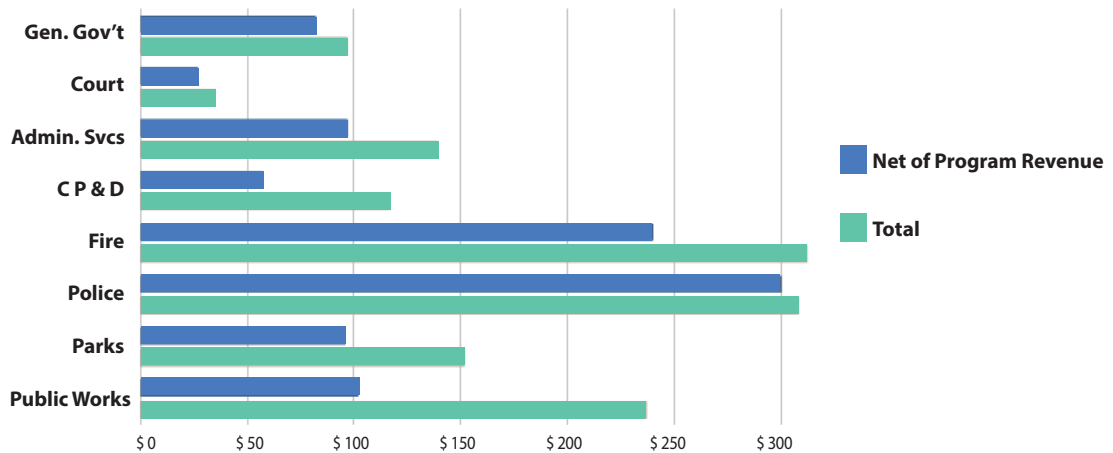
Significant use of fund equity in 2016:

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

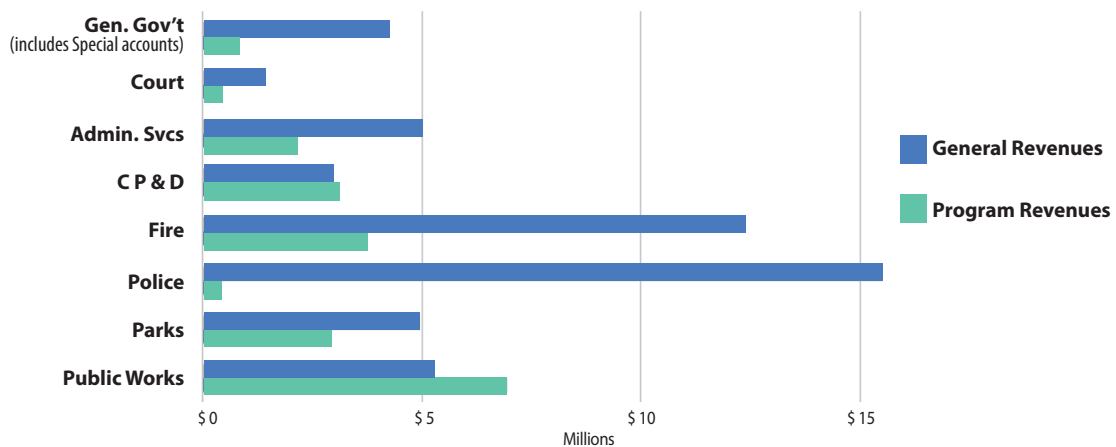
Combining Summary of Expenditures by Budget Classification General Fund by Department - 2017 Budget with Comparative Totals for 2016 Budget

EXPENDITURES	General Government	Municipal Court	Special Accounts	Admin. Services	Comm. Planning & Develop.	Fire	Police	Parks, Arts & Recreation	Public Works	Total Operating Funds 2017	Total Operating Funds 2016
Salaries	\$ 2,148,492	\$ 1,131,147	\$ 135,020	\$ 3,879,006	\$ 3,384,062	\$ 10,966,341	\$ 10,186,129	\$ 4,196,852	\$ 5,793,997	\$ 41,821,046	\$ 38,626,244
Personnel Benefits	702,436	461,568	18,800	1,418,981	1,191,729	3,502,118	2,869,832	1,671,452	2,392,248	14,229,164	13,708,055
Supplies	36,531	18,425	-	71,038	57,184	680,807	312,606	281,843	572,647	2,031,081	2,151,758
Other Services & Charges	315,192	151,070	336,690	1,493,837	904,537	536,709	905,550	1,152,549	1,783,277	7,579,411	7,072,415
Intergovernmental Services	-	3,379	360,588	145,000	101,930	7,410	634,600	44,680	18,290	1,315,877	1,241,321
Interfund Payments	76,320	59,387	60,318	141,183	396,448	405,700	969,628	467,184	1,451,430	4,027,598	3,496,291
Capital Outlays	-	-	-	-	-	-	-	24,500	-	24,500	24,500
Operating Transfers Out	-	-	829,881	-	4,062	-	-	2,030	204,087	1,040,060	1,022,881
Total Expenditures	\$3,278,971	\$1,824,976	\$1,741,297	\$7,149,045	\$6,039,952	\$16,099,085	\$15,878,345	\$7,841,090	\$12,215,976	\$72,068,737	\$67,343,465
Program Revenues	776,038	421,429	-	2,144,316	3,094,972	3,726,179	373,633	2,898,682	6,933,341	20,368,590	17,943,981
Support from General Revenues	2,502,933	1,403,547	1,741,297	5,004,729	2,944,980	12,372,906	15,504,712	4,942,408	5,282,635	51,700,147	49,399,484
Cost per Capita:											
Total	\$97	\$35 (with Gen Gov)		\$139	\$117	\$312	\$308	\$152	\$237	\$1,397	\$1,320
Support from General Revenues	\$82	\$27 (with Gen Gov)		\$97	\$57	\$240	\$300	\$96	\$102	\$1,001	\$968

Cost per Capita by Department

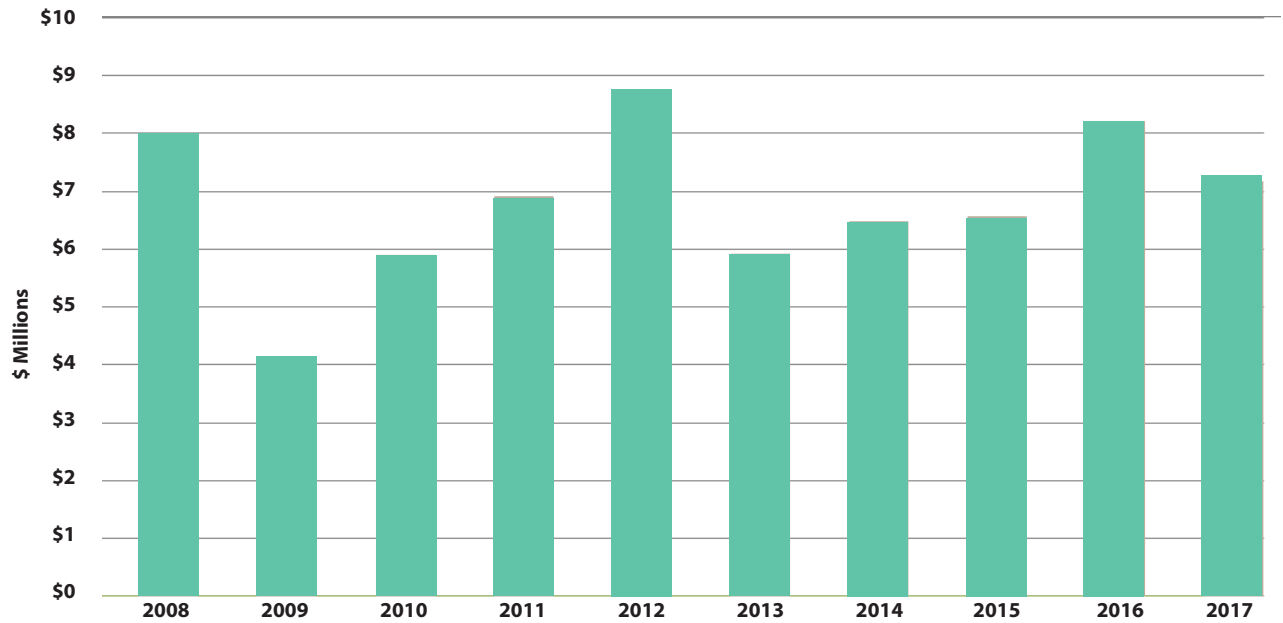


2017 Program Revenue vs. General Revenue Support

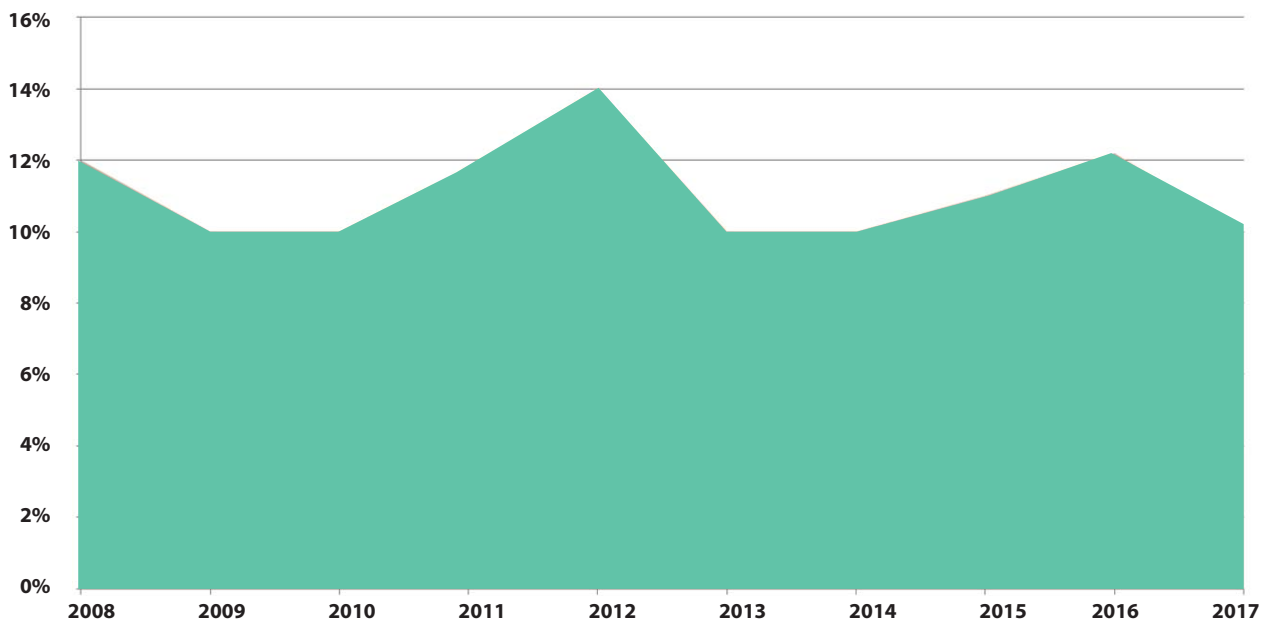


General Fund Balance as of January 1

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



General Fund Balance as a Percentage of Operating Revenues



General Fund - Sub Funds

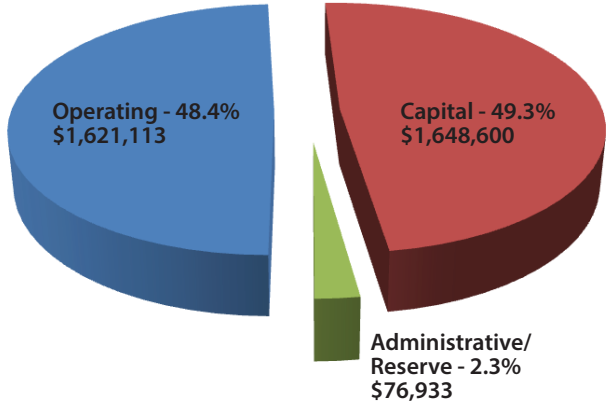
The Governmental Accounting Standards Board (GASB), Statement 54, re-defined what funds qualify as Special Revenue Funds. The four funds below were previously accounted for as Special Revenue Funds. For financial reporting purposes, these funds are now reported as part of the General Fund. The City continues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

	Budget Balance December 31, 2016	2017 Budget		Fund Equity Use/ (Gain)
		Expenses	Revenue	
Special Accounts -- See Below for Detail	\$2,395,623	\$1,195,675	\$861,880	\$333,795
Development Fee Revenue	11,861	3,321,530	3,321,530	-
Parking Fund	569,750	1,395,512	1,530,700	(135,188)
Post Employment Benefits, LEOFF 1 retirees	384,482	2,700,500	1,101,000	1,599,500
Washington Center	81	354,200	349,200	5,000
Municipal Arts Fund	377,116	54,000	53,100	900
Equipment and Facilities Replacement Fund	3,118,897	1,492,612	1,492,612	-
	\$6,857,810	\$10,514,029	\$8,710,022	\$1,804,007
Special Accounts Control Fund: Detail				
Shared Leave	\$64,950	\$-	\$-	\$-
GHB Building Rentals	132,719	-	-	-
Public Education and Government/Access Television	548,991	399,650	361,700	37,950
Health and Wellness Programs	6,542	29,450	30,000	(550)
Technology Plan Implementation and PC and PI Network Equipment	1,151,991	613,830	387,880	225,950
Building Demolition and Nuisance Abatement	100,856	23,000		23,000
Tree Account	22,209	-	-	-
Historic Preservation	2,450	-	-	-
Low Income Housing	85,113	66,320	50,000	16,320
Rental Rehabilitation	261,879	45,520	30,000	15,520
Seizure and Forfeiture	800	15,280	-	15,280
Firing Range	11,036	-	-	-
School Resource	1,824	-	-	-
Recreation Scholarship	1,802	2,300	2,300	-
Arts Program	2,461	325	-	325
Total Special Account Control Fund	\$2,395,623	\$1,195,675	\$861,880	\$333,795

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

In 2015, Olympia voters approved the formation of the Olympia Metropolitan Park District (OMPD) for the purpose of increased funding for parks acquisition, maintenance, development, and safety. As a result, a junior taxing district has been established, with the Olympia City Council serving as the OMPD Board in an ex-officio capacity. The funding from this new voted measure begins in 2017 and is anticipated to generate 3.3 million in funding to support both the operating and capital budget of the City of Olympia Parks, Arts and Recreation Department as well as provide administrative support for the district.

2017 OMPD Budget \$3,346,646



OMPD Operating Budget - \$1,621,113

The OMPD will provide the Olympia Parks, Arts and Recreation Department \$1.5 million to restore critical maintenance. It will also provide funds for additional maintenance to support a growing park system. Also the parks stewardship program will receive increased funding to create a new, dedicated Park Ranger program. The Park Ranger's primary focus is to create a positive presence in our parks, proactively enforce park rules, and support our expansive volunteer program.

In total, the OMPD will create eight new full-time positions, and provide funding for six existing positions previously funded by the Voted Utility Tax (VUT) for parks.

OMPD Capital Budget - \$1,648,600

Capital Asset Management Program (CAMP) - \$750,000

Sustaining a maintenance fund for existing parks is as important as building new facilities. It is critical that future maintenance requirements are identified and funded concurrently with new construction so that the community is assured uninterrupted access to its inventory of public recreation facilities. The Olympia Parks system collectively includes more than \$28 million of aging assets, which are inspected and managed through our Capital Asset Management Program (CAMP). These assets include amenities such as playgrounds, shelters, and restrooms throughout the park system. Currently the CAMP backlog is estimated at over four million dollars. The annual OMPD allocation towards CAMP will allow the City to rebuild the park system from the inside-out, and hopefully eliminate the backlog over the next six years.

Percival Landing - \$898,600

A high priority within the Parks Plan has been to preserve the community's access to the historic waterfront by keeping Percival Landing safe and open. Although the OMPD does not fully fund the replacement of Percival Landing, it does provide significant resources to keep it safe and open. The OMPD funding for Percival Landing includes four primary areas:

1. 2010 Phase I Replacement - Bond Debt Service (Previously funded by the VUT)
2. Annual Inspection
3. Maintenance Reserve Fund
4. Bulkhead Replacement



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

	<i>Dedicated Taxes</i>	<i>Program Revenue</i>	<i>Utility Tax</i>	<i>OMPD</i>	<i>Total</i>
Revenue*	\$4,947,275	\$1,277,569	\$2,525,000	\$3,269,713	\$12,019,557
USES:					
Operations:					
Administration & Communications	\$881,136	\$40	\$-	\$25,000	\$906,176
Facility & Support Services	909,448	158,505	-	17,366	1,085,319
Recreation	434,615	744,360	-	-	1,178,975
Arts & Events	153,834	23,800	-	58,630	236,264
Parks Maintenance	2,354,435	116,150	-	1,409,821	3,880,406
Planning & Development	208,940	234,714	-	110,296	553,950
Total Operations	\$4,942,408	\$1,277,569	\$-	\$1,621,113	\$7,841,090
<small>(Amount uses under dedicated resources \$4,867)</small>					
Debt Service					
2013 Bonds (Percival Landing)			\$-	\$240,600	\$240,600
Bond Anticipation Note (2017 interest only)			70,000	-	70,000
Total Debt Service			\$70,000	\$240,600	\$310,600
Available for Capital			\$2,455,000	\$1,408,000	\$3,863,000
<small>Allocated to 2017 Capital Improvements</small>			<small>\$2,455,000</small>	<small>\$1,408,000</small>	<small>\$3,863,000</small>

*** Explanation of Revenues:**

<i>Dedicated Taxes</i>	2017 Estimate
Property Tax	\$10,823,869
Regular Sales Tax	18,481,280
B&O Tax	5,972,000
Private & City Utility Tax	9,698,080
Total	\$44,975,229

11% of Total to support the Parks, Arts and Recreation Department **\$4,947,275**

Program Revenue

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

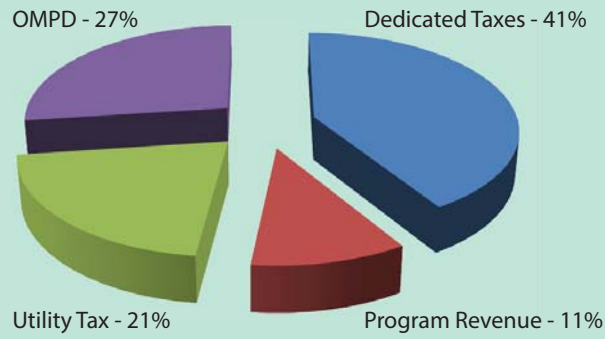
<i>Utility Tax</i>	2017 Estimate
Non-voted utility tax	\$500,000
Voter-approved utility tax	2,025,000
	\$2,525,000

OMPD

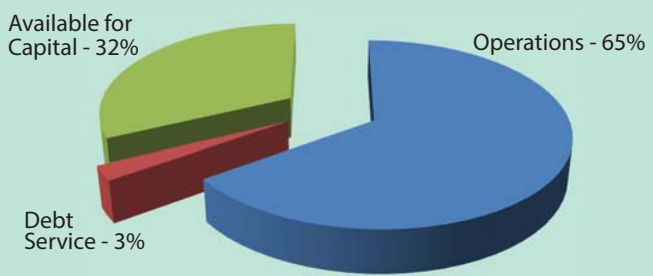
The OMPD, was voter-approved in November 2015. The District may levy up to \$0.75 per \$1,000 of assessed value. Levy rate based on 2017 revenue of **\$3,346,646** = \$0.525758. The budget assumes a 98% collection rate for 2017.

Payments to City of Olympia	\$3,269,713
OMPD Administrative Costs	\$10,000
Reserve of Uncollected Taxes	\$66,933

TOTAL PARKS REVENUES \$12,019,557



USE OF FUNDS



Special Funds - Non-Operating, P.B.I.A, Capital Purpose Funds

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

Special Funds: Non-Operating	Budget Balance		2017 Budget	
	Dec. 31, 2016	Expenses	Revenue	Fund Equity Use/ (Gain)
HUD Fund	\$ 315,497	\$ 490,892	\$ 490,892	\$ -
Fire Equipment Replacement Fund	\$ -	\$ -	\$ -	\$ -
Lodging Tax Fund -- see details separate schedule	\$ 12,598	\$ 631,100	\$ 735,000	\$ (103,900)
Park and Recreational Sidewalk Fund, operating portion	\$ 2,071,718	\$ -	\$ -	\$ -
Parking and Business Improvement Area	\$ 71,598	\$ 110,000	\$ 100,000	\$ 10,000
Farmers Market Repair and Replacement Fund	\$ 16,576	\$ -	\$ -	\$ -
Hands On Children's Museum	\$ 95,675	\$ 434,708	\$ 472,700	\$ (37,992)
Equipment Rental Replacement Reserve Fund	\$ 674,078	\$ 1,394,526	\$ 1,658,700	\$ (264,174)
Unemployment Compensation Fund	\$ 473,836	\$ 241,700	\$ 227,300	\$ 14,400
Insurance Trust (Risk Management) Fund	\$ 88,252	\$ 1,847,000	\$ 1,722,500	\$ 124,500
Workers' Compensation Fund	\$ 2,511,188	\$ 1,634,500	\$ 1,569,400	\$ 65,100
Washington Center Endowment Fund	\$ 127,120	\$ 5,100	\$ 5,100	\$ -

P.B.I.A (Parking and Business Improvement Area)	2016 Budget	2017 Budget
Administration	\$5,000	\$6,000
Clean & Safe	\$65,500	\$65,500
Ambassador Program support		
Painting		
Downtown Clean-up Events		
Clean & Safe projects		
Marketing	\$37,500	\$34,500
Advertising		
Holiday Support		
Hanging Flower Baskets		
Partnerships	\$-	\$1,000
Contingency	2,000	2,500
Unallocated		500
	\$110,000	\$110,000

Capital Purpose Funds	Budget Balance Dec. 31, 2016	2017 Additions
Capital Activity Funds:		
Capital Improvement Fund (see below for funding)	\$ 22,576,062	\$ 16,103,315
Water Capital Improvement Fund **	26,689,449	6,166,500
Sewer Capital Improvement Fund **	5,422,150	2,171,000
Storm Water Capital Improvement Fund **	7,015,313	2,302,600
	\$ 61,702,974	\$ 26,743,415
Capital Improvement Fund Funding:		
Other Funds Providing Funding to the Capital Improvement Fund:		
General Fund, sharing of gas tax		\$ 275,000
Impact Fees Fund		5,444,925
SEPA Mitigation Fees Fund		147,360
Voted Utility Tax Fund		2,905,000
Stormwater Utility		186,500
Transportation Benefit District (TBD) Fund		1,635,000
Olympia Metropolitan Parks District		1,408,000
Real Estate Excise Tax Fund		2,031,800
Grants		-
Utility Tax, non-cable		880,000
Utility Tax, cable		1,130,000
Other sources		54,180
Fund Balance		5,550
		\$ 16,103,315

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

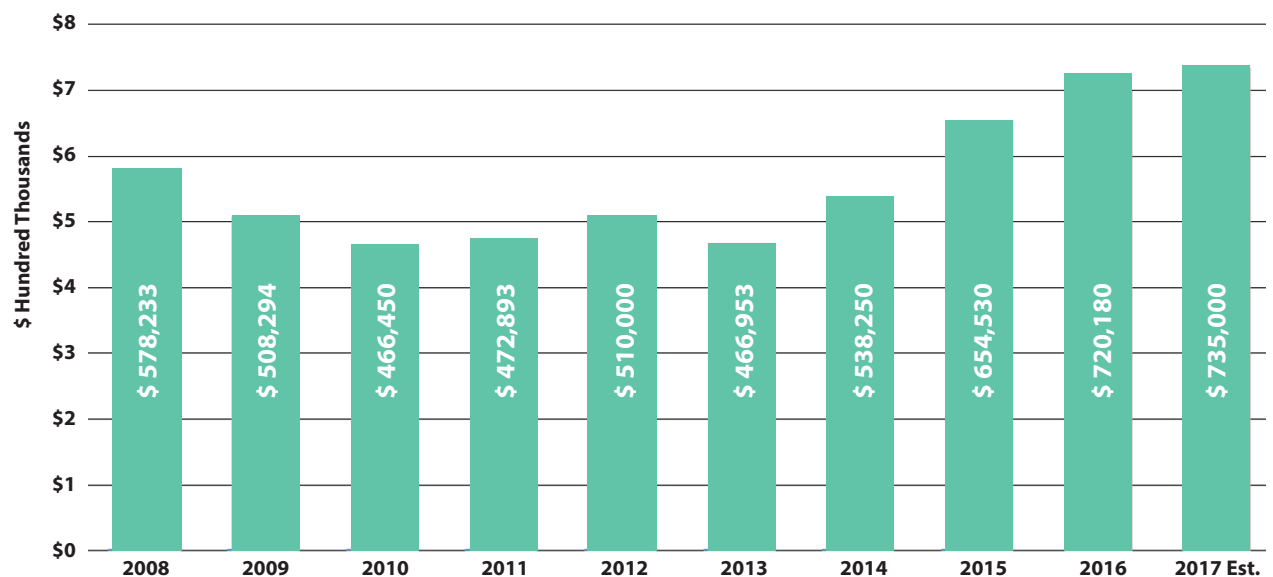
Lodging Tax Fund

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

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

Recipients of Lodging Tax Fund	2016 Actual	2017 Budget
Arbutus Folk School	\$5,000	-
Capital City Pride Festival	5,000	7,000
Capital Lakefair	5,000	-
Capital Recovery Center	5,000	-
Dixieland Jazz Society	21,000	25,000
Hands On Children’s Museum	45,000	51,500
Harbor Days	-	20,000
Olympia Downtown Association	8,535	25,000
Olympia Film Society	4,500	6,000
Olympia/Thurston, Visitor and Convention Bureau	100,000	100,000
Olympic Flight Museum	6,000	-
PARC Foundation	10,000	10,000
Parrot Heads of Puget Sound	5,000	11,500
St. Martin’s Dragon Boat Festival	5,000	6,000
Senior Games	20,000	20,000
Washington Center Support	316,163	344,100
Wolf Haven	5,000	5,000
	\$566,198	\$631,100

Lodging Tax Collections



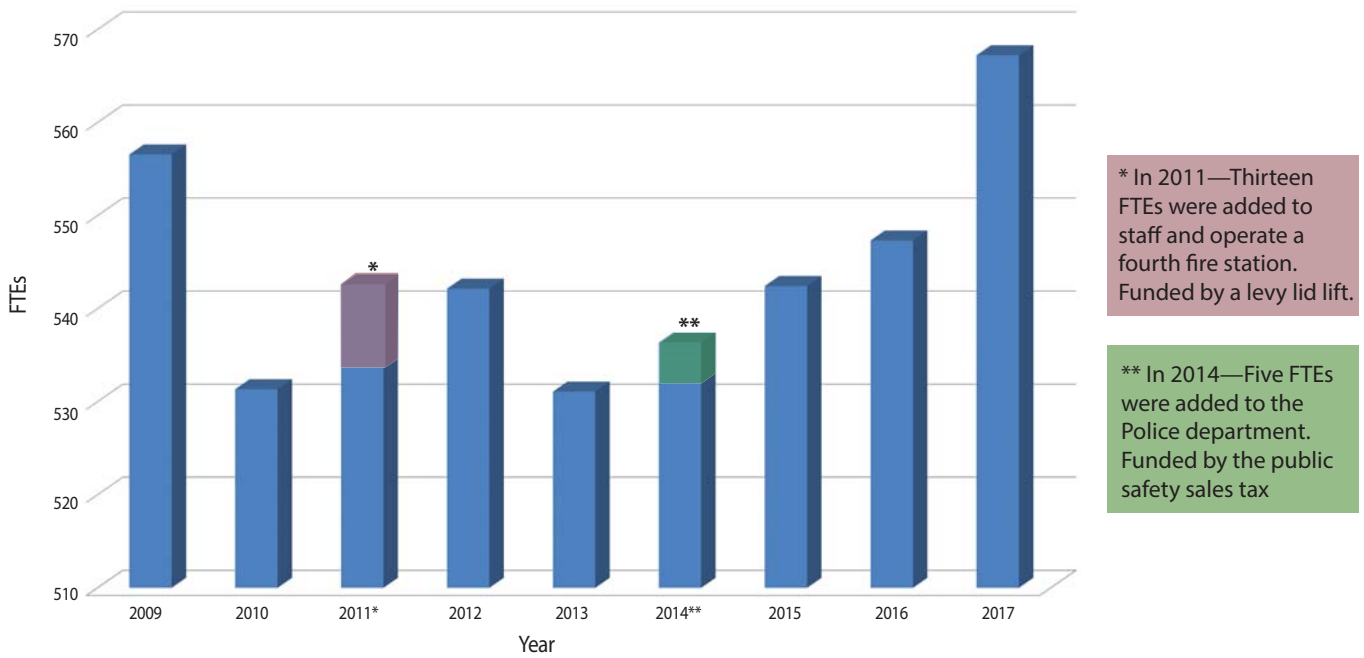
The difference between what is allocated to programs and what is collected remains in the account balance.

Staffing Summary - All Departments

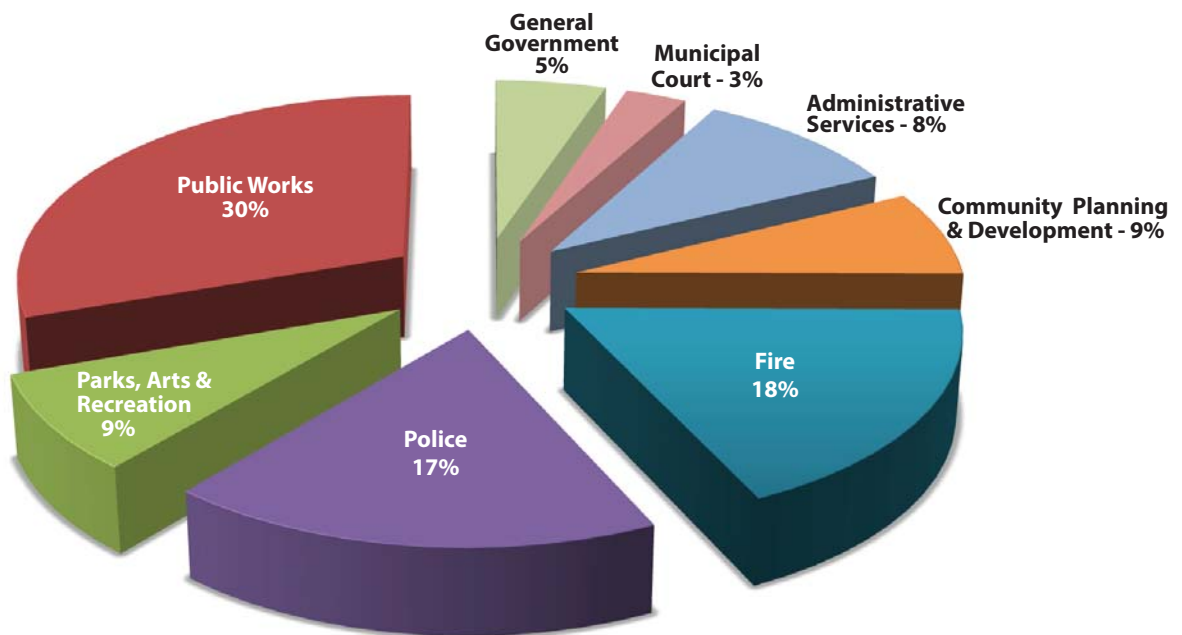
	2015	2016	2017	FTE Change
General Government				
Legislative Services	7.00	7.00	7.00	-
Executive Services	11.00	8.00	8.00	-
Human Resources	5.25	4.25	5.25	1.00
Legal Department	8.60	8.60	9.00	0.40
Total General Government	26.60	23.60	24.00	1.40
Municipal Court				
Court Services	9.00	9.00	9.00	-
Probation Services/Day Reporting Center	6.25	6.25	6.25	-
Total Municipal Court	15.25	15.25	15.25	-
Administrative Services				
Clerk Services	5.06	4.50	2.50	(2.00)
Fiscal Services	19.00	19.00	19.00	-
Information Technology Services	20.00	20.00	22.00	2.00
Records	4.00	4.00	3.00	(1.00)
Total Administrative Services	48.06	47.50	46.50	(1.00)
Community Planning and Development				
Administration/Parking Services	14.00	19.56	19.56	-
Community Planning Services	15.00	17.75	18.75	1.00
Development Permit Services	13.00	11.25	11.25	-
Economic Development	1.00	2.00	2.00	-
Total Community Planning and Development	43.00	50.56	51.56	-
Fire Department				
Administration	8.25	8.25	8.25	-
Fire/EMS Operations and Training	84.00	84.00	91.00	7.00
Fire Prevention	5.00	5.00	5.00	-
Total Fire Department	97.25	97.25	104.25	7.00
Police Department				
Police Operations	83.50	83.50	82.50	(1.00)
Police Administration	15.00	15.00	16.00	1.00
Total Police Department	98.50	98.50	98.50	-
Parks, Arts & Recreation				
Administration	3.00	3.00	3.00	-
Facility Operations	9.15	9.15	9.65	0.50
Recreation	7.62	7.62	8.27	0.90
Arts and Events	1.25	1.25	1.75	0.50
Parks Maintenance	18.25	18.25	25.50	7.25
Parks Planning & Design	3.75	3.75	4.75	1.00
Total Parks, Arts & Recreation	43.02	43.02	53.17	10.15
Public Works				
Director's Office & General Services	6.00	6.00	6.00	-
Facilities Operations	8.00	8.00	8.00	-
Fleet Operations	5.75	5.75	5.75	-
Engineering	28.00	28.00	28.00	-
Transportation	29.00	29.00	29.00	-
Water Resources	61.75	63.00	63.00	-
Waste Resources	27.00	28.00	29.00	1.00
Total Public Works	165.50	167.75	168.75	1.00
Total FTEs	542.43	547.68	567.23	19.55

Note: This table includes full-time and part-time employees. Each program section includes a detailed listing of its program staffing. In addition, the City's salary schedule is included in the Supplementary Information section.

City Employee Full Time Equivalents (FTE)



2017 Personnel Complement by Department



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





Policy and Guidelines



OlympiaTM



2017 City Priorities

Olympia is a safe, healthy and resilient community.

- Support and encourage respectful, inclusive civic engagement
- Support a quality education
- Provide transportation choices
- Support comprehensive wellness, including parks, recreations, arts and more
- Provide quality support for those in need
- Support responsive emergency services for all

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

- Support a vibrant and attractive urban destination
- Support a mix of urban housing options
- Support a variety of business enterprises
- Support our cultural institutions and historic resources

Olympia's economy provides opportunities for all residents to meet their life needs.

- Support a stable and growing economy
- Support creation of family-wage jobs
- Support quality infrastructure
- Support arts and entertainment
- Support local food production, products, and services

Olympia's environment is a treasured asset.

- Protect and enhance our water and air quality
- Support a close connection with nature
- Support preservation of quality natural areas
- Work toward a toxic-free community
- Strive to become waste free

Olympia's neighborhoods are strong, welcoming, and engaged.

- Support distinctive places and spaces
- Support safe and welcoming places to live
- Provide planning for thoughtful growth
- Provide nearby opportunities for goods, services, and gathering places

Long-Term Financial Strategy (LTFS) - Key Financial Principles

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

Long-Term Financial Strategy - Guidelines*

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

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

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

- Increase operating cost recovery
- Pursue cost sharing

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

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

What Should the Council Consider Before Increasing Taxes?

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

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

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

* Updated in 2015

Tracking for Success

The City's Performance Measurement Program

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

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

Key Result Measures - Fire/EMS Operations and Training	Target or Goal	FY 14 Actual	FY 15 Actual	FY 16 Budget
% Fire Responses in 6 Minutes*	90%	51%	48%	50%
% Medical (Basic Life Support) Responses in 6 Minutes*	90%	62%	62%	63%
% Medical (Advanced Life Support) Responses in 9 Minutes	90%	97%	97%	97%
% Full Deployment on Structure Fires within 10 Minutes	90%	15%	76%	76%

* Response times are the standard adopted by City Council and standard for the industry.

Key Result Measures

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

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

Target

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

Data and Analysis

We keep our performance data simple; historical trending. We line up our data over a number of years to determine if the results are going in the right direction. Although the charts in this budget document only reflect a three-year trend, we maintain data for

successive periods that allows us to effectively monitor and make improvements in each performance area.

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

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

Performance Measurement for Decision Making

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

Next Steps

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

City of Olympia 2016 Achievements and Efficiencies

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

The following accomplishments and efficiencies contributed to development of the City's 2017 Operating Budget:

Adopt a Sustainable Budget

- ♻️ Increased capacity of operations and maintenance staff to repair and retrofit our wastewater pipe and pump systems. This minimized the need to hire contractors and eased capital expenditures.
- ♻️ Expanded Waste's One-side Road Collection program to 42 areas and over 3,500 customers yielding a projected annual savings of 729 gallons of fuel and 1,822 fewer miles driven.
- ♻️ Established a shared garbage compactor for approximately 20 downtown businesses. Service to the compactor will be once per month. Previously, containers were collected three times per week.
- ♻️ Completed minor repairs to stormwater pipes using City staff. This reduces the need to hire contractors and eased capital expenditures.
- ♻️ Eliminated a backlog of 131 Public Works project files. Reduced the time to archive a project file by 67%. This resulted in a cost savings of 83%.
- ♻️ Received \$3,264 in rebates from new office supply contract and enjoyed a 28.25% savings from MSRP. Office supply expenses were down \$10,000 from 2015.
- ♻️ Allowed the Public Works contract administrator to approve low-risk contracts under \$150,000. This change reduced the workload for the Legal department and improved turn-around time for contract approvals.
- ♻️ Reduced electricity consumption by 8.3% and natural gas by 2.7% for a savings of \$31,000 through use of the Resource Conservation Management program.
- ♻️ Retrofitted approximately 2,500 lights to LED bulbs at City-owned buildings, saving an estimate of \$10,000 annually and significantly reducing maintenance hours.
- ♻️ Received an incentive grant of \$13,571 from Puget Sound Energy for meeting established targets.
- ♻️ Reduced water use of 8.7% per connection and 4.5% overall.
- ♻️ Reviewed and updated the City's Accident Prevention Program using staff for formatting and producing the document, saving the City over \$8,000.
- ♻️ Reduced training costs for flagger certification by approximately \$2,000 per year by partnering with WCIA to host the training event.
- ♻️ Implemented online training for supervisors, mostly eliminating the need to purchase training videos.
- ♻️ Realized nearly a 50% decrease in total injury claims and a 68% decrease in total claim costs.
- ♻️ Estimate a drop of nearly \$200,000 in 2017 for operation and maintenance of fleet vehicles. This is the result of robust preventive maintenance and lifecycle management programs.
- ♻️ Saved \$149,050 with the decline in fuel prices.
- ♻️ Eliminated a half-time position in recreation.
- ♻️ Acquired a picnic table trailer in the Parks Department, achieving significant reductions in staff time by consolidating trips.
- ♻️ Replaced landscaping in some parks for easier more efficient maintenance.
- ♻️ Reduced time to hire new officers from 5-6 months to 2-3 months through streamlined scheduling and reduction of duplicate steps.
- ♻️ Developed more cost effective and efficient blood-draw procedures with the area hospitals so that DUI blood draws take less Police officer time and cost less.
- ♻️ Opened the Westside Evidence Warehouse, allowing OPD to consolidate evidence storage locations reducing the amount of time needed to visit various sites.
- ♻️ Replaced Fleet's Management system.
- ♻️ Performed major upgrade to the City's Communications system (telephone) reducing maintenance costs.

Champion Downtown

- ★ Created Well Host and Ranger positions for the Artesian Commons Park. This has reduced nuisance administrative, maintenance, and police response to issues at the park. OPD calls are now more relevant to the services they should be expected to provide. Maintenance cleanup time is also reduced and requires less demand calls due to health or garbage issues.

Deliver Proactive Community Development

- 👥 Improved collaboration between Public Works Engineering and Community Planning and Development to improve the private development review and permit process.
- 👥 Operationalizing new software in CPD that will provide a much higher degree of transparency and self-service for public records requests.
- 👥 Updated Parks, Arts, & Recreation Plan provides a clear and consistent path for staff and the community to follow for facility acquisition, development and recreational activities resulting in less time responding to emerging community needs while maintaining flexibility for the City to consider new proposals.
- 👥 Deployed a new comprehensive suite of hosted business applications for Community Planning & Development.

City of Olympia 2016 Achievements and Efficiencies (continued)



Inspire Strong Relationships

- Utilized Twitter to communicate up-to-the-minute information on City construction projects.
- Consolidated City Hall customer service counter operations on the first and second floor, improving service to the public.
- Reduced staff time at The Olympia Center using safe and secure initiatives to troubleshoot inappropriate use in the facility. This allows for more direct service to our intended customers and a more proactive approach to maintenance.
- Used the Recreation internship program to provide valuable support to our facility programming and preparation for summer activities. These no/low cost positions provide valuable experience to students while supporting important City coordination efforts.
- Joint Use Agreement with Olympia School District not only clearly creates efficiencies in facility maintenance and use for both organizations, but creates partnerships beyond the scope of the agreement.

Public Safety

- Instituted strong EMS training documentation system to ensure 100% recertification.
- Used \$50,000 from 2015 year-end funds for needed sidewalk repair, increasing safety and reducing liability claims.
- Implemented a “push” information model for Emergency Management citizen outreach. This model makes the neighborhoods aware of training resources and provides training when requested.
- Worked with local hospitals and benefit providers to assist mentally ill citizens with treatment.

- Changed Jail booking procedures to save space for suspects of serious crimes. Reduced the number of people being brought back to the community for nuisance crimes.
- Implemented Police To Citizen (P2C) that allows citizens to report some crimes via the internet rather than requiring an officer to respond.

Awards/ Successes

- Recognized as #12 Public Fleet in North America in the 100 Best Fleets competition.
- Council approved the City’s Action Plan – the roadmap for implementing the Comprehensive Plan.
- Received the Government Finance Officer’s Award (GFOA) for Distinguished Budget Presentation. (Olympia is the only Washington city to receive the award for 32 consecutive years.)
- Received the GFOA award for Excellence in Financial Reporting.
- Scored 100 on the Human Rights Committee’s Municipal Equality Index.
- Received a Department of Justice grant to set up the City’s Community Court Program. (\$200,000)
- Received a \$1.3 million SAFER grant to respond to emergency medical calls in the downtown with the low acuity patients.
- Received a grant from Washington Finance Officers Association to provide a paid accounting internship for a St. Martin’s accounting student.

Financial Policies

Executive Summary

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

General Principles

1. Budgeting Policy

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

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

Performance monitoring of the operating budget will include:

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

Capital Budgeting Policies and Procedures:

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

2. Revenue Structure

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

Tax policy must try to avoid:

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

Structuring of taxes should attempt to:

- Provide a stable and predictable stream of revenue to fund City programs.

- Make collection of revenues simple and reliable.
- Retain/promote business (industry).

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

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

3. Debt Management

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

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

Debt instruments the City can use are:

- Short-Term Debt:
 - Short-term debt will not be issued for operating purposes nor will it be rolled over (except for Bond Anticipation Notes --BANs) from one period to another.
 - Tax Anticipation Notes (TANs) and Revenue Anticipation Notes (RANs) can be issued in amounts up to 60% of expected appropriations and must mature within the fiscal year.
 - BANs can be issued with a maximum three-year maturity and can be rolled over when interest rates make short-term debt preferable. BANs cannot be used to extend the life of a bond.
 - GANs (Grant Anticipation Notes) can be used when grant reimbursement for a project lags behind the payment schedule for large construction costs.
- Long-Term Debt:
 - Long-term debt will be used to maintain and develop municipal infrastructure when the economic life of a fixed asset exceeds five years.
- Revenue bonds will generally be used for projects which are financially self-sustaining.
- General Obligation bonds can be used to finance public works, which benefit the community and have revenues insufficient to amortize the debt.
- General Obligation pledges can be used to back self-sustaining projects financed through revenue bonds when costs can be reduced and the municipal credit rating is not put in jeopardy by this action.

Debt Issuance Policy will ensure that:

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

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

Financial Policies (Continued)

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

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

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

4. Accounting and Financial Reporting

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

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

To maintain financial control in order that:

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

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

- Accounting and Auditing:
 - Procedures will allow reporting per Budget and Accounting Reporting System (BARS) and follow Generally Accepted Accounting Principles (GAAP).

- Recording will be on a modified accrual basis for revenues and expenditures.
- New procedures will be developed whenever they can contribute to the quality of timely information flows.

- Financial Reporting:

- BARS, GASB, and GFOA reporting principles will be followed.
- Reports will be organized in pyramidal form: at the top, a streamlined Annual Report; then an overview of financial position; and results of operations categorized by fund accounts.
- These reports will be used to promote the City's good financial profile.

- Manuals:

- BARS manuals will codify procedures, be used by accounting personnel and City officials, and specify the source of data for each account. They will be maintained by the Accounting Office of Administrative Services.
- Policy and procedure manuals will be maintained with current information.

5. Investments

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

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

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

Post-Issuance Compliance Policies

Policy:

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

Scope:

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

1. Arbitrage Yield Restriction and Rebate Requirements. The City Treasurer shall maintain or cause to be maintained records of:

- a. Purchases of sales of investments made with bond proceeds (including amounts treated as "gross proceeds" of bonds under section 148 of the Code) and receipts of earnings on those investments;
- b. Expenditures made with bond proceeds (including investment earnings on bond proceeds) for the governmental purposes of the

bonds, such as for the costs of purchasing, constructing and/or renovating property and facilities;

- c. Information showing, where applicable for a particular calendar year, that the Issuer was eligible to be treated as a "small issuer" in respect of bonds issued in that calendar year because the Issuer did not reasonably expect to issue more than \$5,000,000 of tax-exempt bonds in that calendar year;
- d. Calculations that will be sufficient to demonstrate to the Internal Revenue Service ("IRS") upon an audit of a bond issue that, where applicable, the Issuer has complied with an available spending exception to the arbitrage rebate requirement in respect of that bond issue;
- e. Calculations that will be sufficient to demonstrate to the IRS upon an audit of a bond issue for which to exception to the arbitrage rebate requirement was applicable, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS; and
- f. Information and records showing that investments held in yield-restricted advance refunding or defeasance escrows for bonds, and investments made with unspent bond proceeds after the expiration of the applicable temporary period, were not invested in higher-yielding investments.

Post-Issuance Compliance Policies (continued)

2. Restrictions on Private Business Use and Private Loans. The City Treasurer shall adopt procedures that are calculated to educate and inform the principal operating officials of those departments, including utility departments, in any, of the Issuer (the “users”) for which land, buildings, facilities and equipment (“property”) are financed with proceeds of tax-exempt bonds about the restrictions on private business use that apply to that property after the bonds have been issued, and of the restriction on the use of proceeds of tax-exempt bonds to make or finance any loan to any person other than a state or local government unit.

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

- a. “Private business use” means use by any person other than a state or local government unit, including business corporations, partnerships, limited liability companies, associations, nonprofit corporations, natural persons engaged in trade or business activity, and the United States of America and any federal agency, as a result of ownership of the property or use of the property under a lease, management or service contract (except for certain “qualified” management or service contracts), output contract for the purchase of electricity or water, privately sponsored research contract (except for certain “qualified” research contracts), “naming rights” contract, “public-private partnership” arrangement, or any similar use arrangement that provides special legal entitlements for the use of the bond-finance property;
- b. Under section 141 of the Code, no more than 10% of the proceeds of any tax-exempt bond issue (including the property financed with the bonds) may be used for private business use, of which no more than 5% of the proceeds of the tax-exempt bond issue (including the property financed with the bonds) may be used for any “unrelated” private business use – that is, generally, a private business use that is not functionally related to the governments purposes of the bonds; and no more than the lesser of \$5,000,000 or 5% of the proceeds of a tax-exempt bond issue may be used to make or finance a loan to any person other than a state or local government unit;
- c. Before entering into any special use arrangement with a nongovernmental person that involves the use of bond-financed property, the user must consult with the City Treasurer, provide the City Treasurer with a description of the proposed nongovernmental use arrangement, and determine whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property;
- d. In connection with the evaluation of any proposed nongovernmental use arrangement, the City Treasurer should consult with bond counsel to the Issuer as may be necessary to obtain federal tax advice in whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property, and, if not, whether any “remedial action” permitted under section 141 of the Code may be taken by the Issuer as means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds that financed the property.

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

The records to be maintained are to include:

- a. The official Transcript of Proceedings for the original issuance of the bonds;
- b. Records showing how the bond proceeds were invested, as described in 1(a) above;
- c. Records showing how the bond proceeds were spent, as described in 1(b) above, including purchase contracts, construction contracts, progress payment requests, invoices, cancelled checks, payment of bond issuance costs, and records of “allocations” of bond proceeds to make reimbursement of project expenditures made before the bonds were actually issued;
- d. Information, records and calculations showing that, with respect to each bond issue, the Issuer was eligible for the “small issuer” exception or one of the spending exceptions to the arbitrage rebate requirement or, if not, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS, as described in 1(c), (d) and (e) above; and
- e. Records showing that special use arrangements, if any, affecting bond-financed property made by the Issuer with nongovernmental persons, if any, are consistent with applicable restrictions on private business use of property financed with proceeds of tax-exempt bonds and restrictions on the use of proceeds of tax-exempt bonds to make or finance loans to any person other than a state or local government unit, as described in 2 above.

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

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



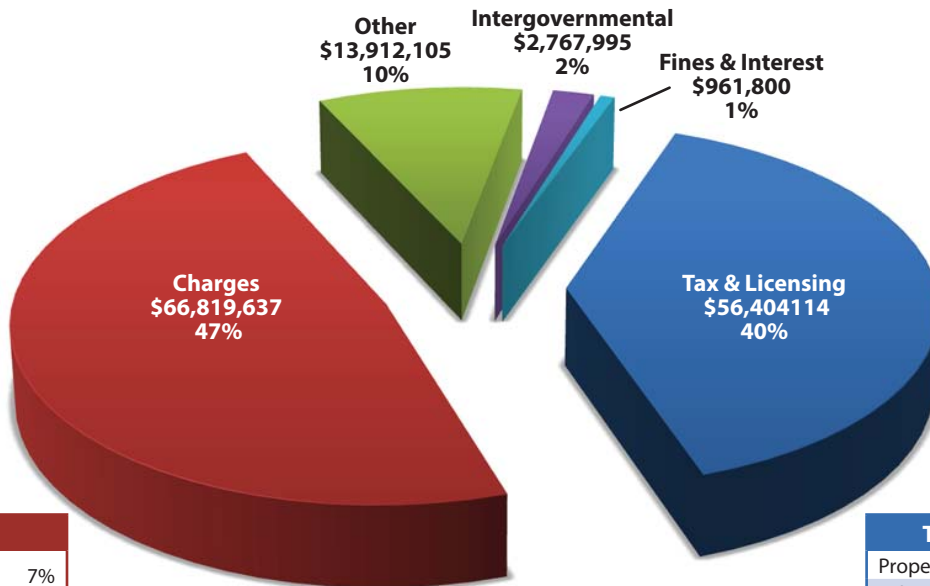
Revenue





Where the Money Comes From - Total Operating Revenues

\$140,865,651



Charges	
Security (Persons & Property)	7%
General Government	13%
Drinking Water	19%
Wastewater	30%
Stormwater	8%
Waste ReSources	17%
Equipment Rental	3%
Other	3%

Tax & Licensing	
Property	27%
Sales	37%
Business	11%
Utility	17%
Other Taxes	<1%
Licenses & Permits	8%

Revenue by Fund - Operating Funds

	ACTUAL 2014	ACTUAL 2015	BUDGET 2016	REVISED 2016	BUDGET 2017
GENERAL FUND -- Regular Operations					
Property Tax	\$9,772,947	\$10,472,144	\$10,356,623	\$10,356,623	\$10,823,869
Sales Tax	18,527,076	19,478,561	19,998,310	20,897,223	20,955,810
Business Tax	4,964,078	5,727,577	5,690,000	5,690,000	6,192,000
Utility Tax, Private	4,947,230	4,724,022	4,881,790	4,881,790	4,962,390
Utility Tax, Municipal	4,333,390	4,638,436	4,538,093	4,538,093	4,735,690
Gambling Tax	117,965	182,185	140,000	140,000	130,000
Leasehold Tax	143,838	150,800	150,000	150,000	150,000
Licenses and Permits	3,616,920	1,107,350	1,036,200	1,044,900	931,250
Intergovernmental	1,926,911	2,039,801	1,948,554	3,567,142	2,033,164
Charges for Services	13,043,808	12,667,798	13,497,709	13,955,933	14,267,567
Fines and Penalties	979,297	481,149	459,950	459,950	511,800
Rents and Leases	1,888,528	1,194,691	1,146,048	1,415,935	1,451,668
Other Revenue	621,972	3,420,210	3,383,688	3,205,153	4,810,529
	<u>\$64,883,960</u>	<u>\$66,284,724</u>	<u>\$67,226,965</u>	<u>\$70,302,742</u>	<u>\$71,955,737</u>
GENERAL FUND - Sub Funds					
Taxes	\$-	\$752,060	\$-	\$1,177,867	\$1,085,000
License and Permits	308,216	2,860,797	2,772,411	3,022,411	3,021,430
Intergovernmental	473,203	15,566	-	-	-
Charges for Services	331,843	1,124,741	984,800	984,800	983,680
Fines and Penalties	807	497,542	520,000	520,000	450,000
Rents and Leases	-	1,122,359	998,700	998,700	-
Other Revenue	2,945,663	4,936,442	1,888,447	2,097,664	3,169,912
	<u>\$4,059,732</u>	<u>\$11,309,507</u>	<u>\$7,164,358</u>	<u>\$8,801,442</u>	<u>\$8,710,022</u>
GENERAL OBLIGATION DEBT FUNDS					
Property Tax	\$3,515,821	\$3,493,553	\$3,438,138	\$3,438,138	\$3,424,675
Intergovernmental	681,556	683,026	734,831	734,831	734,831
Transfers In & Other	2,892,464	2,901,902	2,901,061	2,951,061	1,834,055
	<u>\$7,089,841</u>	<u>\$7,078,481</u>	<u>\$7,074,030</u>	<u>\$7,124,030</u>	<u>\$5,993,561</u>
UTILITY FUNDS					
Charges for Services	\$41,950,364	\$45,131,708	\$46,412,056	\$47,038,333	\$49,245,956
Grants	241,289	160,002	50,000	-	-
Other Revenue	352,078	206,963	383,000	515,398	469,600
Revenue Before Transfers	42,543,731	45,498,673	46,845,056	47,553,731	49,715,556
Intra-Utility Transfers	2,196,591	2,125,066	2,165,359	2,143,843	2,168,341
	<u>\$44,740,322</u>	<u>\$47,623,739</u>	<u>\$49,010,415</u>	<u>\$49,697,574</u>	<u>\$51,883,897</u>
EQUIPMENT RENTAL FUND					
Rents and Sales	\$1,448,786	\$1,504,154	\$1,725,330	\$1,904,475	\$2,322,434
Other Revenue	19,173	38,885	19,437	3,504	-
	<u>\$1,467,959</u>	<u>\$1,543,039</u>	<u>\$1,744,767</u>	<u>\$1,907,979</u>	<u>\$2,322,434</u>
TOTAL REVENUE	\$122,241,814	\$133,839,490	\$132,220,535	\$137,833,767	\$140,865,651

Revenue by Type - Operating Funds

	ACTUAL 2014	ACTUAL 2015	BUDGET 2016	REVISED 2016	BUDGET 2017
TAXES					
Property Tax	\$13,288,768	\$14,717,757	\$13,794,761	\$14,972,628	\$15,333,544
Sales Tax	18,527,076	19,478,561	19,998,310	20,897,223	20,955,810
Business Tax	4,964,078	5,727,588	5,690,000	5,690,000	6,192,000
Utility Tax	9,280,620	9,362,458	9,419,883	9,419,883	9,698,080
Other Taxes	261,803	332,984	290,000	290,000	280,000
	\$46,322,345	\$49,619,348	\$49,192,954	\$51,269,734	\$52,459,434
LICENSES & PERMITS					
Business	\$369,649	\$354,200	\$382,000	\$297,600	\$251,000
Franchise Fees (321.91.01)	462,324	477,938	476,200	480,000	485,000
Non-Business	3,093,163	3,136,009	2,950,411	3,209,386	3,208,680
	\$3,925,136	\$3,968,147	\$3,808,611	\$3,986,986	\$3,944,680
INTERGOVERNMENTAL REVENUE					
Grants	\$978,464	\$419,342	\$81,975	\$44,475	\$64,749
Motor Vehicle Fuel Tax	998,423	1,054,110	1,066,318	1,116,000	1,122,800
Liquor Excise Tax and Profits	523,569	577,367	665,300	679,860	676,990
Other Intergovernmental	822,503	847,574	919,792	2,461,638	903,456
	\$3,322,959	\$2,898,393	\$2,733,385	\$4,301,973	\$2,767,995
CHARGES FOR SERVICES					
General Government	\$7,239,753	\$7,264,841	\$8,083,461	\$8,108,765	\$8,664,614
Security of Persons and Prop.	4,461,038	4,728,830	4,860,703	4,964,382	4,984,723
Development and Streets	992,190	1,043,250	788,500	795,443	831,500
Parks, Arts & Recreation	682,670	755,618	749,845	752,810	770,410
Water	10,775,603	11,896,472	11,963,250	12,499,180	12,956,590
Wastewater	17,111,669	18,323,318	18,847,633	18,587,843	19,886,196
Waste ReSources	9,470,023	10,112,711	10,536,363	10,886,500	11,095,020
Storm and Surface Water	4,593,069	4,799,207	5,064,810	5,064,810	5,308,150
Equipment Rental	1,448,786	1,504,154	1,725,330	1,904,475	2,322,434
	\$56,774,801	\$60,428,401	\$62,619,895	\$63,564,208	\$66,819,637
FINES & PENALTIES					
Parking	\$482,626	\$481,343	\$520,000	\$520,000	\$450,000
Non-Parking	497,478	497,348	459,950	459,950	511,800
	\$980,104	\$978,691	\$979,950	\$979,950	\$961,800
OTHER REVENUE					
Rents by Parks, Arts & Rec	\$228,164	\$254,027	\$220,500	\$234,800	\$242,555
Parking (other than fines)	1,029,462	1,112,315	998,700	998,700	1,080,700
Operating Transfers In	8,205,472	8,235,651	8,332,761	8,339,745	8,562,787
Miscellaneous Other Revenue	1,453,371	6,344,517	3,333,779	4,157,671	4,026,063
	\$10,916,469	\$15,946,510	\$12,885,740	\$13,730,916	\$13,912,105
TOTAL REVENUE	\$122,241,814	\$133,839,490	\$132,220,535	\$137,833,767	\$140,865,651

General Fund - Program Revenue by Type

	ACTUAL 2014	ACTUAL 2015	BUDGET 2016	REVISED 2016	BUDGET 2017
GENERAL GOVERNMENT					
Other General Government	\$45,736	\$34,867	\$34,620	\$34,620	\$-
Grant, Office of Public Defense	70,250	18,225	16,800	16,800	-
Interfund and Indirect Overhead					
Executive	324,891	522,710	180,220	198,349	431,453
Human Resources*					192,012
Legal	90,549	94,665	119,645	145,408	152,573
Total General Government	\$531,426	\$670,467	\$351,285	\$395,177	\$776,038
MUNICIPAL COURT					
State, Judicial salary contribution	\$22,669	\$21,873	\$22,600	\$22,600	\$24,400
Other	5,573	-	-	200,000	-
Interfund and Indirect Overhead	-	114,810	114,821	114,821	117,029
Probation, fees	126,165	153,252	162,500	162,500	169,500
Day Reporting, fees	100,516	92,088	127,500	127,500	100,500
Transfer in:					
Day Reporting	10,000	10,000	10,000	10,000	10,000
Total Municipal Court	\$264,923	\$392,023	\$437,421	\$637,421	\$421,429
ADMINISTRATIVE SERVICES					
Utility Billing, Penalty & Interest	\$169,578	\$158,344	\$134,000	\$134,000	\$172,000
Grants	-	-	-	-	17,000
Interfund Charges:					
City Clerk	182,619	173,005	104,539	116,943	71,682
Records	56,873	61,960	96,323	114,452	118,502
Utility Billing	473,127	465,696	435,247	435,565	475,852
Accounting Services	361,887	381,521	384,575	422,745	483,969
Information Technology Services	555,303	566,833	635,381	663,200	804,591
Human Resources *	182,427	198,862	169,512	187,959	-
Other Revenue	11,622	22,359	3	20,600	720
Total Administrative Services	\$1,993,436	\$2,028,580	\$1,959,580	\$2,095,464	\$2,144,316
COMMUNITY PLANNING & DEVELOPMENT					
Zoning and Subdivision Fees	\$207,852	**			
Permits	2,689,708	**			
Plan Check and Inspection Fees	557,615	**			
Cost Reimbursement from Development Fee Revenue Fund (began in 2015)	-	2,787,211	3,037,211	2,691,447	2,463,525
Parking Revenues	1,512,088	***			
Other Revenues	63,660	129,378	80,500	158,938	355,372
Administrative Interfund Services	-	-	445,056	450,145	226,075
Interfund Development Services	50,000	50,000	50,000	50,000	50,000
Total Community Planning & Development	\$5,080,923	\$2,966,589	\$3,612,767	\$3,350,530	\$3,094,972

* In 2017 Moved to General Government from Admin. Services

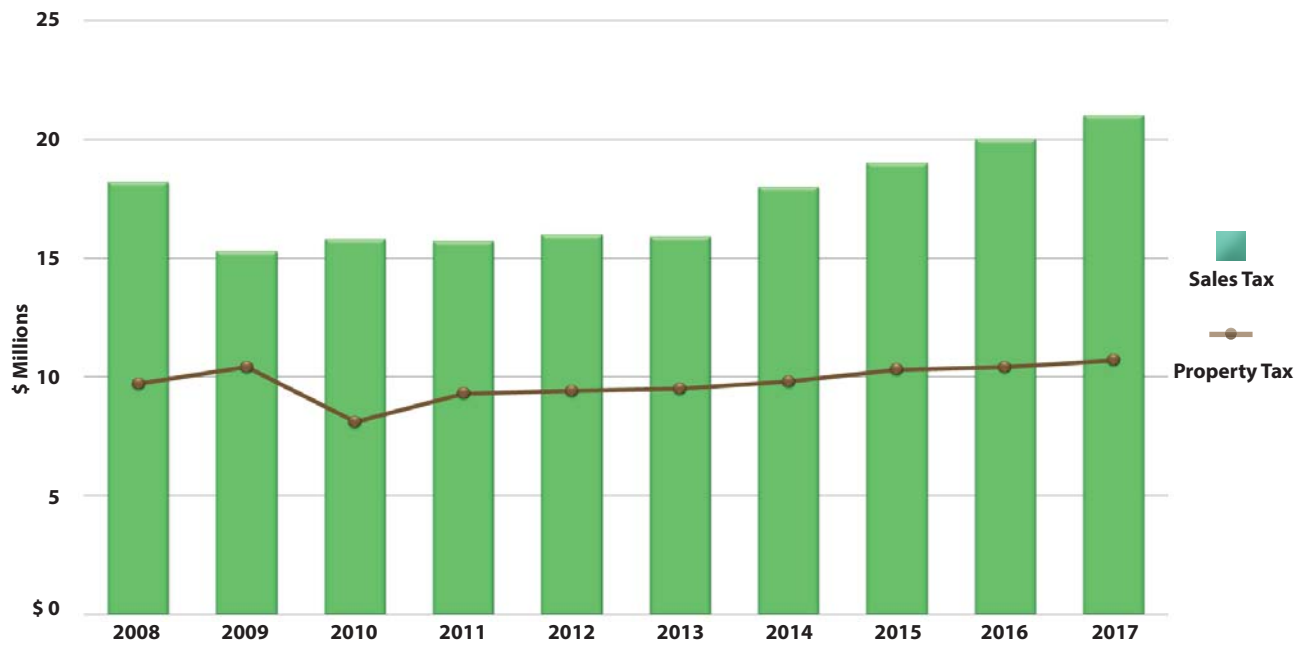
** Beginning in 2015 all development revenue was deposited into a new Development Fee Revenue Fund. That Fund reimburses 85% cost related to development administration.

*** In 2015 a separate Parking Fund was established.

General Fund - Program Revenue by Type

	ACTUAL 2014	ACTUAL 2015	BUDGET 2016	REVISED 2016	BUDGET 2017
FIRE DEPARTMENT					
Other Revenue	\$19,241	\$23,660	\$66,000	\$26,159	\$100,459
Grants	169,942	193,223	1,341	1,348,491	1,341
Fire False Alarm	32,651	29,182	15,000	30,000	44,081
Fire Permits - Building Permits	83,191	127,641	100,000	100,000	110,000
Fire Dept. Plan Check Fees	48,863	62,709	40,000	70,000	50,000
Fire Inspection Fees	345,311	276,284	310,000	310,000	310,000
Fleet Maintenance, other agencies	361,844	530,387	494,900	566,900	561,400
Fire Training, other agencies	146,473	218,920	193,830	259,830	193,830
Medic I Reimbursements	2,254,533	2,324,913	2,280,745	2,401,045	2,355,068
Total Fire Department	\$3,462,049	\$3,786,919	\$3,501,816	\$5,112,425	\$3,726,179
POLICE DEPARTMENT					
Alarm Fees and False Alarm Charges	\$37,585	\$180,841	\$95,000	\$95,000	\$100,500
Grants and Donations	24,057	24,809	16,975	35,475	27,168
Reimbursement from Records Consortium	-	65,476	67,440	67,440	67,450
School Resource, Oly. School Dist.	48,285	39,327	100,180	100,180	108,000
Other Revenue	61,810	124,439	62,648	100,077	70,515
Total Police Department	\$171,737	\$434,892	\$342,243	\$398,172	\$373,633
PARKS, ARTS & RECREATION					
Program Revenues other than OMPD					
Facilities Operations	\$149,433	\$164,958	\$149,130	\$172,230	\$158,545
Recreation Program Revenue	662,756	725,707	724,960	783,160	744,360
Arts & Community Events	23,185	22,160	23,260	23,260	23,800
Parks Program Revenue	112,217	126,013	129,777	152,377	350,864
OMPD Support	-	-	-	-	1,621,113
Total Parks, Arts & Recreation	\$947,591	\$1,038,838	\$1,027,127	\$1,131,027	\$2,898,682
PUBLIC WORKS					
M. V. Fuel Tax	\$998,423	\$1,054,110	\$1,066,318	\$1,066,318	\$1,122,800
Transfer In:					
Street Cleaning, from Stormwater Utility	121,144	131,049	109,130	109,130	110,499
Other Revenue	80,695	68,282	28,854	-	28,854
Interfund:					
Administration	645,494	610,137	653,218	653,218	705,952
Facilities	206,852	392,600	394,053	472,289	480,543
Engineering	3,868,286	3,529,326	4,070,169	4,070,169	4,070,170
Streets Section	165,196	164,844	140,000	201,354	140,000
Traffic Management	279,096	289,047	250,000	250,000	274,523
Total Public Works	\$6,365,186	\$6,239,395	\$6,711,742	\$6,822,478	\$6,933,341
TOTAL PROGRAM REVENUE GENERAL FUND	\$18,817,271	\$17,557,703	\$17,943,981	\$19,942,694	\$20,368,590

Property and Sales Tax Comparison for the General Fund



Property Tax

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

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

Property Taxes

Property Taxes (RCW 84.52)

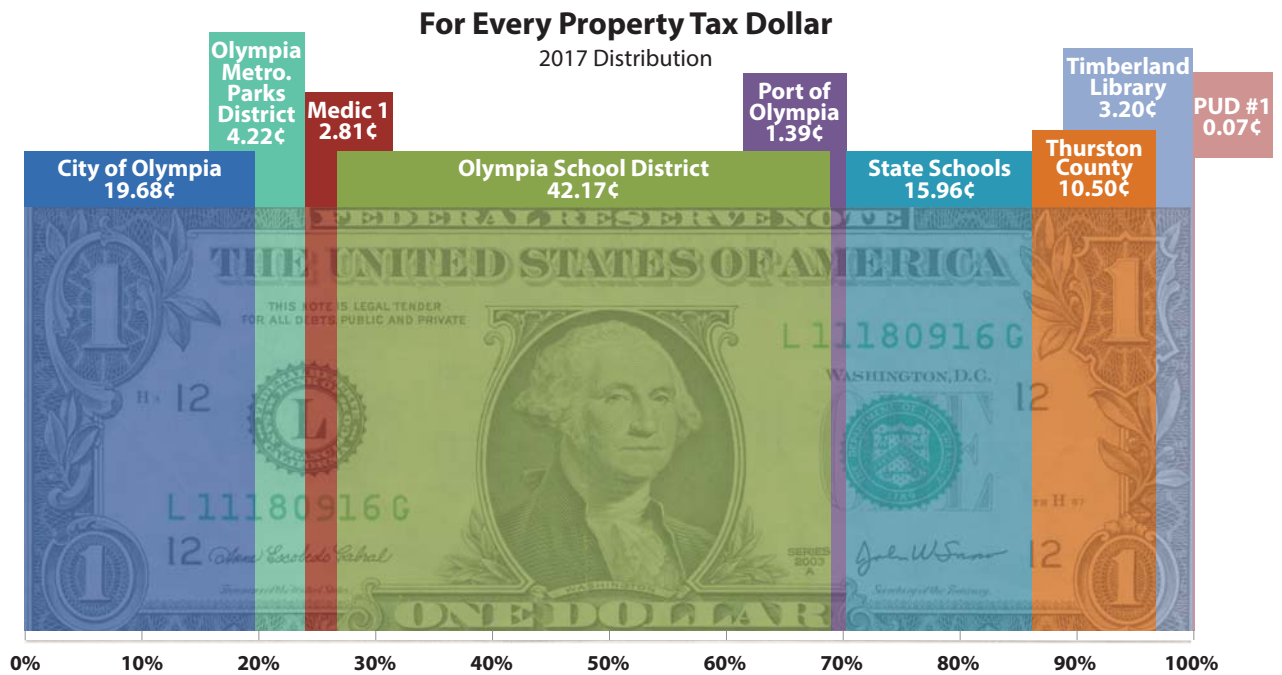
The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied in November on the property value listed as of the prior May 31, and become a lien as of January 1. Assessed values are established by the County Assessor at 100 percent of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

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

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

- A. The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation, or \$10 per \$1,000 of assessed value, of which a city may levy up to \$3.60 per \$1,000 of assessed value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.
- B. Prior to 2001, Washington State law (RCW 84.55.010) limited the growth of regular property taxes to six percent per year, before adjustments for new construction and annexations.
Growth of the regular property tax levy before new construction and annexations is currently limited to the lower of one percent or the implicit price deflator. If the implicit price deflator (IPD) is less than one percent the City may declare a substantial need with a super majority of the Council and levy one percent. The one percent limit may be exceeded with voter approval.
- C. The City may levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.
- D. Library Districts (the City of Olympia is within the Timberland Regional Library District) are entitled to \$.50 per \$1,000 of assessed valuation. The Library levy is deducted from the \$3.60 maximum available to cities. Any year in which the Library does not utilize its full \$.50 of levy, a city may assess the unused portion subject to the limitations listed above. In 2016, the Library levy was \$0.4095.
- E. Cities with a Firemen’s Pension Fund (such as the City of Olympia) may levy an additional \$.225 per \$1,000 of assessed valuation above the \$3.60 limit, less the Library levy.

Where Property Tax Dollars go



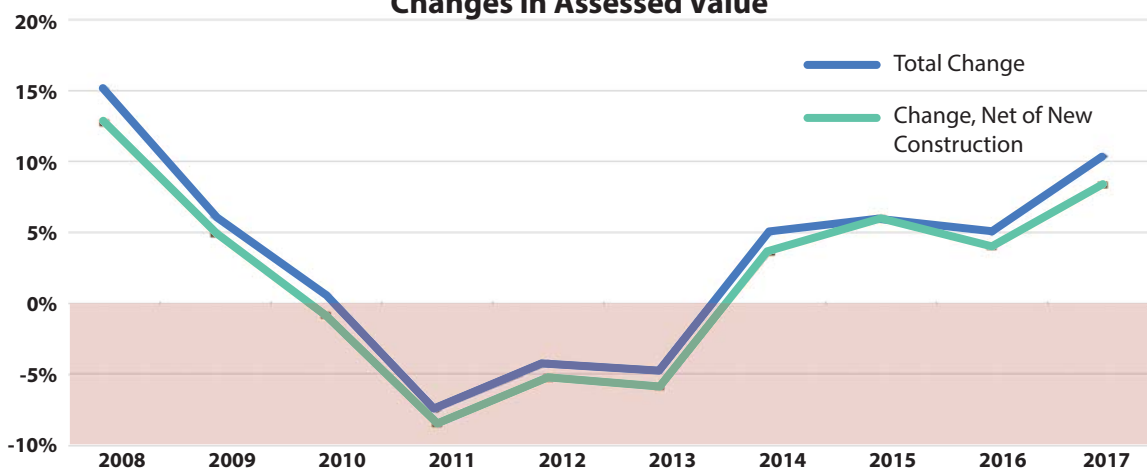
Property Tax Forecast

The statutory maximum increase of tax levy without voter approval is 1%, plus taxable value of new construction and improvements, annexations and increases in State of Washington assessed utility values. New construction is \$115.73 million.

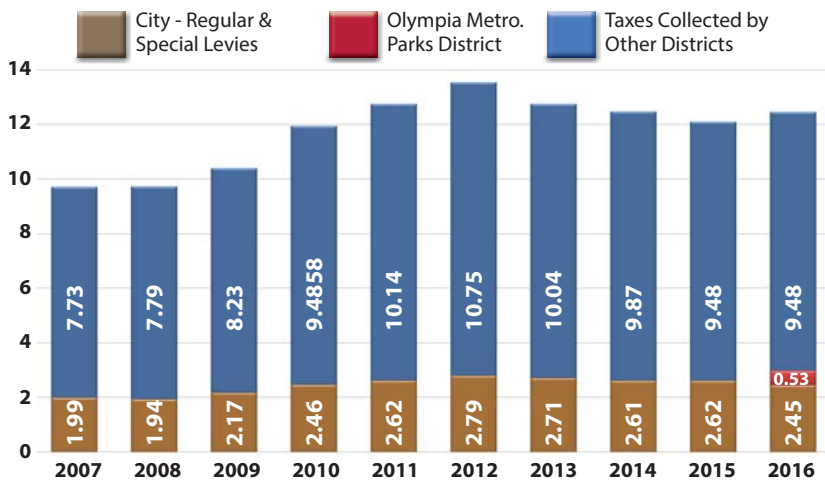
Note: There are eight taxing areas within the City of Olympia. The amount shown is for the area which applies to the majority of the City. The range for all areas for 2017 is \$12.46 to \$13.09. Most properties are levied at \$12.46.

Property Tax					
Assessment Yr./ Collection Yr.	Total Tax Collections	Total Assessed Valuation (incl. new construction)	New Construction	Total Change	Change, Net of New Construction
2016-2017 Est.	\$14,403,552	\$6,361,555,378	\$115,732,498	9.96%	7.96%
2015-2016	\$13,933,700	\$5,785,389,448	\$57,461,280	2.01%	1.00%
2014-2015	\$13,598,436	\$5,671,256,103	\$55,820,209	6.74%	5.69%
2013-2014	\$13,115,489	\$5,313,341,232	\$72,174,035	5.00%	3.57%
2012-2013	\$12,947,164	\$5,060,434,532	\$63,045,263	-4.66%	-5.85%
2011-2012	\$12,597,003	\$5,308,051,162	\$51,343,632	-4.40%	-5.32%
2010-2011	\$12,275,205	\$5,552,078,378	\$63,972,556	-7.46%	-8.52%
2009-2010	\$11,581,683	\$5,999,359,843	\$89,651,803	0.61%	-0.89%
2008-2009	\$11,402,272	\$5,963,060,847	\$65,093,985	6.06%	4.90%
2007-2008	\$11,129,481	\$5,622,286,722	\$120,520,775	15.10%	12.70%

Changes in Assessed Value



Levy Rates



Regular Levy Taxes

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

General Fund	\$ 10,832,869
4th/5th Ave Corridor & PWTF Loan	\$ 552,489
City Hall Bonds	\$ 1,738,325
LEOFF1 Retiree Medical (non-budgeted)	\$ 1,085,000
Firemens Pension	\$205,000

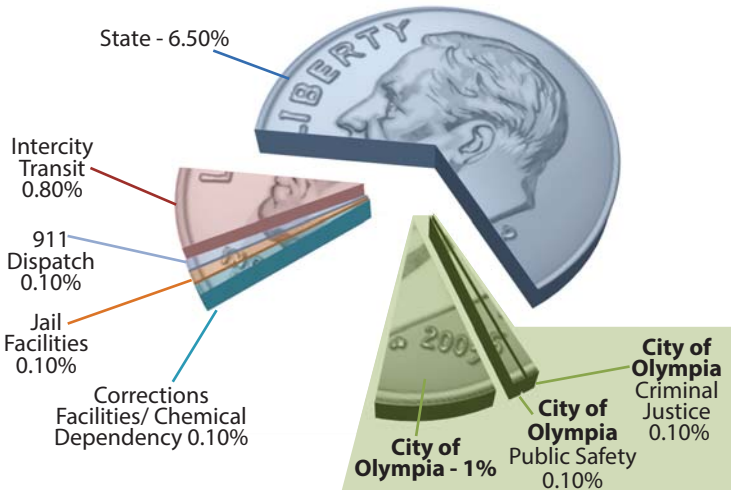
In addition to the general levy, the City has budgeted \$1,187,851 in property tax to pay for voter-approved bonds for the construction of a fire station, fire training center and purchase of vehicles. The estimated levy rate for this purpose is \$0.1880 per \$1,000 of assessed valuation.

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

	2016	2017 estimate	% Change
Home Value	\$ 350,000	\$ 377,860	8.0%
Olympia Levy:			
Regular Levy Rate	2.4084	2.2642	-6.0%
Voter Approved Fire Bonds	0.2096	0.1880	-10.3%
	2.6180	2.4522	-6.3%
Olympia Tax:			
Regular Levy Rate	\$843.00	\$856	1.5%
Voter Approved Fire Bonds	\$73.00	\$71	-2.7%
	\$ 916.00	\$ 927	1.2%
Property Tax in addition to City of Olympia			
Olympia Metropolitan Parks District (2017 will be the first year of the Levy)			
Levy Rate	-	\$ 0.5261	
Tax	-	\$199	
All other overlapping Districts			
Levy Rate	\$ 9.4818	\$ 9.4865	0.0%
Tax	\$ 3,319.00	\$ 3,585	8.0%

Sales Tax

Sales Tax Distribution Where does the 8.8% go?



Sales Tax (RCW 82.14 and OMC 3.48)

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

Counties, which also have imposed the general use sales tax, receive 15 percent of the city portion of sales tax revenues collected in cities of that county. Thurston County has also imposed a sales tax of 1 percent. Amounts shown in this document are exclusive of the County portion.

Sales Tax (Continued)

2017 Sales Tax Forecast

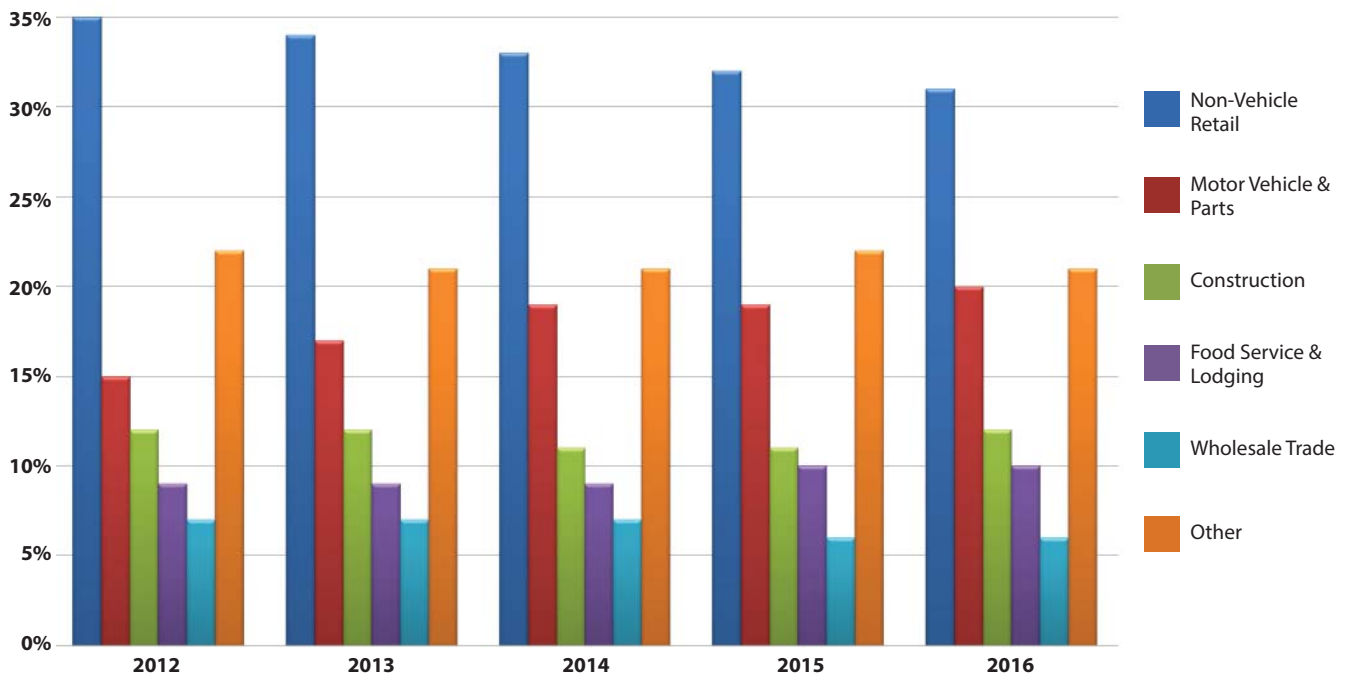
The 2017 forecast reflects an approximate 5.0 percent increase over the original 2016 budget.

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

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

Sales Tax				
Year	Regular Sales Tax Collections	% Change from Prior Year	Criminal Justice Sales Tax	Public Safety Sales Tax
Est. 2017	\$18,481,280	0.7%	\$850,130	\$1,589,400
2016	18,361,859	7.2%	863,528	1,587,583
2015	17,135,538	5.3%	945,065	1,352,476
2014	16,270,126	4.9%	723,265	1,462,794
2013	15,513,518	5.1%	583,664	837,848
2012	14,766,803	-1.4%	652,767	N/A
2011	14,981,567	-1.0%	650,194	N/A
2010	15,126,628	5.3%	644,267	N/A
2009	14,365,395	-8.1%	639,810	N/A
2008	15,636,729	-7.6%	760,240	N/A
2007	16,926,375	5.0%	749,263	N/A

Percent of Total Sales Tax



Sales Tax Collected

	2012	2013	2014	2015	2016
Non-Vehicle Retail	\$ 5,095,006	\$ 5,350,073	\$ 5,304,020	\$ 5,498,935	\$ 5,698,081
Motor Vehicle & Parts	2,260,030	2,714,690	3,126,394	3,331,407	3,586,336
Construction	1,804,190	1,794,511	1,795,495	1,817,452	2,142,926
Food Service & Lodging	1,320,231	1,422,543	1,512,667	1,679,057	1,791,770
Wholesale Trade	1,041,216	1,087,405	1,095,981	971,519	1,125,306
Other	3,246,130	3,144,296	3,435,569	3,837,168	4,028,105
Total	\$ 14,766,803	\$15,513,518	\$16,270,126	\$17,135,538	\$18,372,524

Business and Occupation Tax

Business & Occupation Tax		
Year	Collections	% Change from Prior Year
Est. 2017	\$ 5,932,000	2.8%
2016	5,773,155	4.3%
2015	5,533,466	16.6%
2014	4,745,537	9.3%
2013	4,339,842	1.4%
2012	4,281,831	-0.2%
2011	4,292,374	N/A
*2010	3,889,234	*
2009	4,157,602	-5.2%
2008	4,383,621	-0.2%

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

2017 Business and Occupation Tax Forecast

The 2017 budget is estimated at 8.8 percent over the 2016 budget and 2.8 percent over 2016. The impact of a major contributing business leaving the City is also reflected.

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

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

Admissions Tax

2017 Admissions Tax Forecast

The 2017 budget is 15.8 percent over the 2016 budget.

Admissions Tax	
Year	Collections
Est. 2017	\$220,000
2016	202,195
2015	194,111
2014	179,841
2013	185,637
2012	174,510
2011	180,930
2010	191,100
2009	182,288
2008	182,804

Admissions Tax (RCW 35.21.280 and OMC 3.32)

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

Utility Taxes & Franchise Fees

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

A tax imposed upon gross income of various utility services.

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

2016 utility taxes are based on current trends. Telephone usage has been decreasing due to changes in the communications industry and personal preferences.

Included in the chart below is a five percent franchise fee imposed upon 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 six percent utility tax was applied to Cable TV. For the 2017 Budget the revenues will support major maintenance in the CFP.

Interfund Utility Forecast

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

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

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

Utility Taxes & Franchise Fees				
Year	General Use Portion Utility Tax (4.5%)			Franchise Fee General Fund
	Electric	Gas	Telephone	Telecable
Est. 2017	\$ 2,350,000	\$ 605,000	\$ 1,500,000	\$ 485,000
2016	2,330,019	579,960	1,490,795	493,262
2015	2,138,363	624,906	1,476,183	477,938
2014	2,277,674	679,740	1,484,345	462,324
2013	2,234,737	664,579	1,555,878	446,375
2012	2,244,115	748,852	1,621,542	** 371,294
2011	2,264,341	* 773,078	1,714,237	440,285
2010	2,155,268	690,942	1,882,495	413,967
2009	2,167,220	906,265	1,868,586	372,897
2008	2,105,411	855,108	1,904,451	359,088

* Amount before refund of \$79,117 for period 4th quarter 2005 - 3rd quarter 2007

** 2012 includes prior year allocation adjustments

Interfund Utility in Lieu Tax				
Year	Drinking Water Utility	Wastewater Utility	Stormwater Utility	Waste ReSources Utility
Est. 2017	\$ 1,301,250	\$ 1,850,200	\$ 536,480	\$ 1,053,910
2016	884,286	1,852,242	492,188	1,071,248
2015	1,411,635	1,797,236	444,633	984,932
* 2014	1,265,660	1,695,640	456,469	915,620
2013	1,145,401	1,455,204	438,970	868,167
2012	1,110,498	1,419,166	417,865	869,749
2011	1,039,878	1,464,100	436,489	866,141
2010	929,738	984,812	349,675	757,870
2009	626,993	922,194	270,218	540,721
2008	559,140	885,747	267,162	532,795

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

Allocation of Telecommunication, Electric, and Gas Utility Tax		
Electric, Gas & Telecommunications:	%	2016 Collections
Base— 6%		
General Use	4.50%	\$4,400,774
Park and Bike Lane Maintenance	0.50%	489,107
Capital Facilities and General Use	1.00%	977,916
Voter-approved— 3%		
Parks	2.00%	1,965,612
Sidewalk, Recreation Use	1.00%	968,137
Cable TV— 6%:		
Capital Facilities	6.00%	1,044,434
TOTAL	15.00%	\$9,845,980



Gambling Taxes

Gambling Taxes (RCW 9.46)

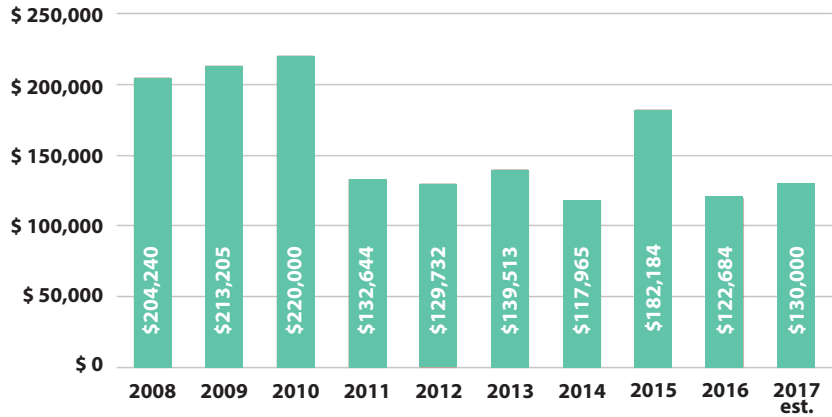
State law requires proceeds from this tax to primarily go towards law enforcement of gambling activities. There are limited exemptions and deductions from the gambling tax for churches, schools, and charitable or nonprofit organizations.

Gambling Tax Forecast

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

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

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



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

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

Leasehold excise tax is imposed at four percent of the rent paid by private parties on property owned by State or local governments and is paid by the private parties in lieu of property tax. The total State and City leasehold tax rate is 12.84 percent. The City projects \$150,000 to be collected in 2017 from this tax.

Business Licenses (RCW 19.02, 35.23.440 and OMC 5.02)

These fees are collected based upon the nature of the business. All businesses within the City, unless exempted by State law or a master license, pay an annual license fee in varying amounts, with a minimum fee of \$30. Businesses that gross less than \$20,000 per year are not required to be licensed, but may choose to register for a fee of \$1.00. The 2017 estimate for Business Licensing fees is \$250,000.

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

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

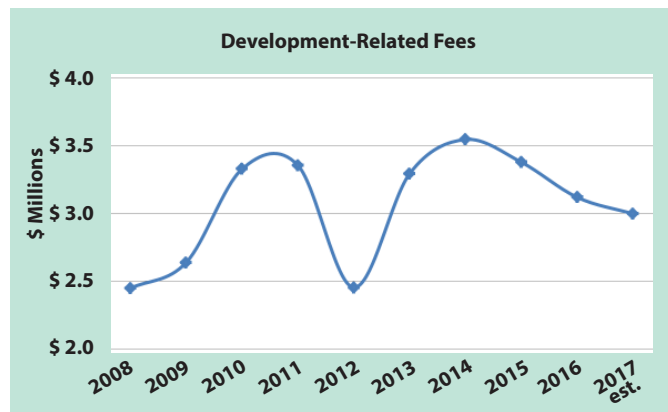
These fees are imposed generally upon construction or building activities and include building permit fees, fire and sprinkler permits, and fees to review building plans.

Grants

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

Development Related Fees				
Year	Building Permits*	Fire Permits	Development Fees	Zoning & Subdivisions
Est. 2017	\$ 2,270,000	\$ 110,000	\$ 365,800	\$ 250,000
2016	2,462,411	100,000	305,000	250,000
2015	2,542,172	100,000	498,214	236,198
2014	2,689,709	99,315	547,472	207,852
2013	2,556,924	61,572	477,611	196,542
2012	1,913,762	42,871	349,379	146,392
2011	2,663,268	75,476	339,483	275,598
2010	2,571,411	88,728	473,178	192,784
2009	1,373,500	75,860	745,832	441,166
2008	1,418,866	64,197	588,393	375,548

* See Appendix for more information relating to building permits.



State Shared Revenues

State Shared Revenues (RCW 46.68 and 82.08.170)

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

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

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

State Shared Revenue - Per Capita

	2016	2017
Motor Vehicle Fuel Tax—Maintenance Usage	\$17.10	\$16.43
State Shared Liquor Revenues	\$13.04	\$13.12
Population	51,020	51,600

State Shared Liquor Revenue (RCW 82.08)

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

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

State Shared Revenues

Year	*Motor Vehicle Fuel Tax - General Fund Use	State Shared Liquor Revenue
Est. 2017	\$ 847,800	\$ 676,990
2016	872,374	677,543
2015	779,110	577,367
2014	723,423	526,869
2013	702,051	458,799
** 2012	676,096	638,932
2011	691,815	550,780
2010	700,204	586,159
2009	738,824	521,500
2008	739,334	515,223

* \$275,000 of Fuel Tax is transferred to the Capital Improvement Fund for transportation purposes.

** 2012 included distribution from sale of state liquor stores as part of liquor profits

Intergovernmental, Police, and Fire Charges

Intergovernmental Charges

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

Police Charges (OMC 5.55 and 16.46)

The City does not allow Police Officers to perform police or security-related work at an additional job outside the City, but instead pays overtime for these services and then charges for the service (\$25,000 estimated for 2017). The City enacted an alarms and fees ordinance for false alarms. Revenues estimated from this source for 2017 are \$100,500. Total estimate police program revenue is \$373,633, including the above.

Fire Charges (OMC 16.32.045 and 56.1.2)

Reimbursements from the Medic I System are estimated at \$2,355,068 for 2017. This is estimated at 80 percent of the personnel costs of providing paramedics and full reimbursement of supplies and services.

During 2017, the City expects to collect \$310,000 from fire inspection fees.

The 2017 budget includes an estimate of \$1,114,490 paid by the State of Washington for fire protection of State buildings. In 2011 the City began providing vehicle and equipment maintenance to other Fire Departments. The projected revenue in 2017 is \$561,400. The Fire Department also provides training facilities to other Fire Departments. Revenues from this source are estimated at \$193,830 for 2017.

Utility Charges

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

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

2017 Rate Increases

Revenue rate increases included in the budget:

Drinking Water	5.7%	Waste ReSources	
Wastewater		Drop Box	3%
Local collections*	4%	Residential	0%
LOTT, sewage treatment	2%	Commercial	0%
Storm & Surface Water	6.3%	Organics	5.5%

* In 2016 the City began volumetric-based billing on sewer collection.

Drinking Water

2017 Drinking Water Rates (monthly)

	Tier 1		Tier 2		Tier 3		Tier 4	
	Water used/ccf	Charge per ccf	Water used/ccf	Charge per ccf	Water used/ccf	Charge per ccf	Water used/ccf	Charge per ccf
Single Family & Duplex	0-400	\$1.74	401-900	\$2.86	901-1,400	\$ 4.56	1,401+	\$ 6.00
Multi-Family & Non-Residential	Nov-June	\$2.39	July-Oct	\$3.57				
Irrigation	Nov-June	\$2.39	July-Oct	\$7.04				

ccf = 100 cubic feet (about 750 gallons)

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

Wastewater

The current wastewater rate is \$59.35 per month per Equivalent Residential Unit (ERU). Of this, \$37.88 is for the Regional Treatment System (LOTT) and \$21.47 is for the City Collection System. The Cities of Lacey and Tumwater contribute to the Regional System on the same basis.

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

Stormwater

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

Waste ReSources (Solid Waste)

Current rates for basic 65-gallon service for single family households that participate in the recycling program is \$23.16 per month. Collection of garbage and recyclables occurs on alternating weeks.

Utility Rate Increases

	2013	2014	2015	2016
Drinking Water	7%	7%	6%	7%
Wastewater				
Collections	-	4%	2%	5%
LOTT	3%	3%	3%	3%
Storm & Surface Water	6%	2%	3%	7%
Waste ReSources				
Residential	-	8%	6%	5%
Commercial	-	5%	4%	4%
Organics	-	6%	8%	9%

Drinking Water rate increase dependent on customer class and consumption.

Residential Utility Bill

(typical bi-monthly, single family residential bill)

	2014	2015	2016	2017
Drinking Water	\$42.42	\$44.97	\$48.25	\$51.00
Wastewater				
Collections	\$38.57	\$39.34	\$41.30	\$42.95
LOTT	\$70.02	\$72.12	\$74.28	\$75.76
Storm & Surface Water	\$22.89	\$23.58	\$25.49	\$26.74
Waste ReSources	\$41.43	\$43.90	\$46.32	\$46.32
Total	\$215.33	\$223.91	\$235.63	\$242.77
% Increase	4.8%	4%	5%	2.9%
\$ Increase	\$9.82	\$8.58	\$11.73	\$7.13

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

Interfund Charges

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

Parks, Arts and Recreation Services

Recreation and community events-related revenues are budgeted at \$768,160. The Parks Program is projecting \$350,864 in revenues for 2017. The Facilities Operation revenues for 2017 are budgeted at \$158,545.

The budget includes \$1,597,013 of support from the Olympia Metropolitan Park District.

Fines, Forfeits, and Penalties (Non Parking)

Fines, forfeits, and penalties (excludes parking fines) are estimated at \$511,800.

Parking

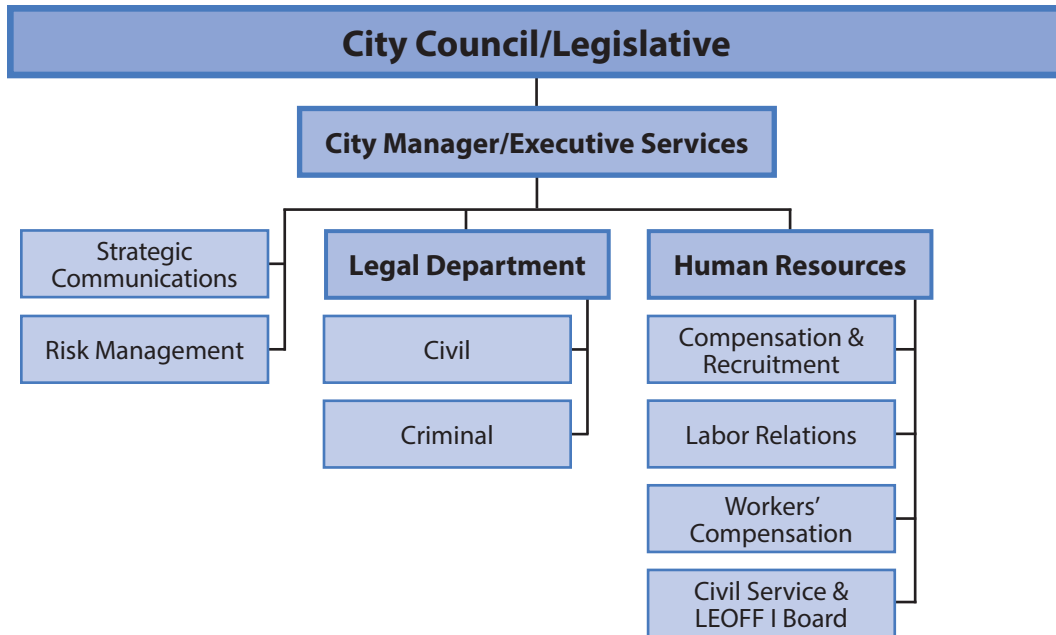
Parking revenues are estimated at \$1,530,700 for 2016. \$450,000 of this revenue is estimated to come from fines.







General Government



Mission

Working Together to Make a Difference.

Vision

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



General Government

<i>Department Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Legislative Services	\$ 190,019	\$ 191,419	\$ 190,454	\$ (965)
Executive Services	1,414,437	1,167,623	1,202,888	35,265
Human Resources	618,670	577,052	691,610	114,558
Legal Services	1,049,286	1,133,109	1,194,019	60,910
Special Accounts	4,118,533	2,307,859	1,741,297	(566,562)
The Washington Center	257,139	325,872	354,200	28,328
Total Expenditures	\$ 7,648,084	\$ 5,702,934	\$ 5,374,468	\$ (328,466)
<i>Recap of Expenditures</i>				
Personnel Services	\$ 2,891,903	\$ 2,956,694	\$ 3,004,748	\$ 48,054
Supplies & Services	4,631,080	2,614,321	2,233,082	(381,239)
Interfund Payments	125,101	131,919	136,638	4,719
Total Expenditures	\$ 7,648,084	\$ 5,702,934	\$ 5,374,468	\$ (328,466)
Program Revenues	1,117,001	841,669	1,125,238	482,302
Funding From General Revenues	\$ 6,531,083	\$ 4,861,265	\$ 4,249,230	\$ (810,768)



City Council / Legislative

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 142,421	\$ 140,908	\$ 137,908	\$ (3,000)
Supplies & Services	42,763	40,716	47,316	6,600
Interfund Payments	4,835	9,795	5,230	(4,565)
Total Expenditures	\$ 190,019	\$ 191,419	\$ 190,454	\$ (965)
Funding from General Revenues	\$ 190,019	\$ 191,419	\$ 190,454	\$ (965)

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Councilmembers	5.00	5.00	5.00
Mayor	1.00	1.00	1.00
Mayor Pro Tem	1.00	1.00	1.00
Total	7.00	7.00	7.00

Highlights of Program Budget Changes

\$5,000 Added to budget for support costs for the Human Relations Committee

Program Description

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

Trends

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

Community Safety and Health

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

Downtown

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

Economy

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

Environment

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

Neighborhoods

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

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

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

Program Budget Overview

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

Future Challenges and Opportunities

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

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

Recent Accomplishments

- Provided support for the 2016 Paddle to Nisqually
- Purchased the Trillium and Kaiser Heights park land
- Expanded Transportation Benefit District funding to better meet street repair needs
- Completed the West Bay Environmental Assessment
- Supported the opening of nearly 200 new units of Downtown housing
- Added more programming and management oversight to the Artesian Commons Park
- Launched the next phase of the Sea Level Rise Work Plan
- Trained the entire Police force in Critical Incident training and Fair and Impartial Policing

City Council / Legislative (continued)

Recent Accomplishments (continued)

- Fully implemented Parks Management Asset Management System
- Completed Phase I of Downtown Strategy
- Installed the 22nd Avenue Sidewalk project
- Launched a pilot project to evaluate 24-hour restrooms in Downtown
- Partnered with the Low Income Housing Institute (LIHI) to break ground on a new facility providing housing for homeless veterans, disabled individuals, and homeless youth
- Completed Bike Corridor Pilot Project connecting the eastside neighborhood to Downtown

Key Result Measures - Legislative Services	Target or Goal	2015 Actual	2016 Actual	2017 Budget
E-mail Responses Within 24 Hours	100%	100%	100%	100%

Service Profiles - Legislative Services	2015 Actual	2016 Actual	2017 Budget
Agenda Packets (Including Council Meetings, Study Sessions, Committee Meetings, and Other Meetings)	45	45	45
Unplanned Projects	10	10	10
City Council E-mail Responses	1,450	1,100	1,100
City Council Correspondence (Letters, Faxes)	350	350	350

Executive Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,233,942	\$ 997,148	\$ 1,037,033	\$ 39,885
Supplies & Services	149,795	138,290	138,290	-
Interfund Payments	30,700	32,185	27,565	(4,620)
Total Expenditures	\$ 1,414,437	\$ 1,167,623	\$ 1,202,888	\$ 35,265
Program Revenue	552,710	210,220	431,453	221,233
Funding from General Revenues	\$ 861,727	\$ 957,403	\$ 771,435	\$ (185,968)

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Assistant City Manager	1.00	1.00	1.00
City Manager	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00
Program Specialist	4.00	4.00	4.00
Strategic Communications Director	1.00	1.00	1.00
Total	8.00	8.00	8.00

Highlights of Program Budget Changes

The increase in program revenue is due to a new methodology of allocating indirect overhead costs to other Funds.

Program Description

The City Manager’s Office implements the policies established and prioritized by the City Council, effectively leads the organization through innovation and improvements in service delivery, communicates with our citizens, exercises fiscal responsibility, and nurtures a positive image of City government.

Executive Services consists of three functions:

- Administration
- Risk Management
- Communications and Community Relations

City Manager’s Office

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

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

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

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

2017 Major Projects

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

- Implement changes in the culture of community development
- Continued improvements at the Artesian Commons
- Continue work on the Community Renewal Area
- Continue work on a sustainable budget
- Work with Nisqually Tribe on the future of McAllister Springs
- Continue work on the neighborhood sub-area planning
- Market West Olympia commercial property (former landfill)
- Complete Downtown Strategy
- Implement the Metropolitan Parks District
- Focus on economic development
- Disposition of the West Olympia police station
- Continue building tribal relations
- Support a healthy and vibrant downtown
- Implementing the Comprehensive Plan Action Plan
- Provide ongoing open government training for Councilmembers, advisory committees, and staff

Future Challenges and Opportunities

- Meet increasing service demands of the public, particularly in the area of community policing
- Establish a meaningful performance measurement system
- Empower employees to continually seek improvements and efficiencies
- Coordinate and communicate Council priorities, CFP projects, and work plan/construction progress reports
- Continue support of the Olympia Downtown Association and the Parking and Business Improvement Area (PBIA)
- Continue work on development of mixed-use housing in the Downtown area

Executive Services (continued)

- Continue reaching our citizens through our website, Facebook, Twitter, and other social media
- Support the regional strategy to address homelessness
- Help the Council “tell the story” about policy initiatives, challenges, and accomplishments

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

Risk Management

The focus of Risk Management is to ensure that City-owned facilities and vehicles, as well as City employees, are insured and that programs have adequate liability coverage. A focus of Risk Management is to keep 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).

The City’s Claims Manager also responds to all public information requests related to the Executive Office and City Council, and coordinates all contracts for the Executive Office.

Future Challenges and Opportunities - Risk Management

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

Communications and Community Relations

The Communications and Community Relations function helps our citizens and employees connect — both in-person at City Hall and through a variety of communication and outreach efforts.

In 2015, the two customer service teams from the first and second floor of City Hall were consolidated. The teams were cross-trained to increase the ability to meet peak in-person customer demand and additional learning/skill building opportunities for staff. The team is now under the direction of the Community Planning and Development business manager. Also included in the Executive office budget is money to contract with a private security firm for day and evening work at the City Hall front desk.

Communication Services

In 2015, the City’s long-time Communications Manager retired. The position was evaluated, redesigned, and renamed. Kellie Purce Braseth joined the Executive Office as Strategic Communications Director in July. The Communication Services team provides graphic design services, website/social media content and usage assessment, Citywide brand management, communication/marketing strategies, and writing, editing, and photography services for print and web material.

Future Challenges and Opportunities - Communications

- Building a cohesive, supportive communications team with staff located on two different floors of City Hall.
- Redesigning and refining Communication Services processes from intake and beyond.
- Telling our story in a way that reaches people who do not usually follow City government.

- Keeping up with ever-changing electronic and digital communication outreach tools. Implementing and maintaining a mix of online and print communication.
- Producing and distributing an easy-to-read, comprehensive annual report of City policy actions, challenges, performance measurements, and accomplishments.
- Finish converting all City print items to the new brand and establishing the brand identity more deeply in the City
- Continue to refresh the City’s website and keep content current, useful and usable for City residents.
- Continue to develop the City’s social media communication, including increasing skill and capacity for video production

Other Communications/Community Relations Services

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

Recent Accomplishments

- Made road striping an informative, annual event with live tweeting of striping progress.
- Designed and produced new marketing materials for the City’s commercial organics program, Middle School Activity Night Program, Grow Olympia Fund, the Community Renewal Area, Action Plan, and Downtown Strategy efforts.
- Upgraded the Council Chambers audio/visual equipment to include portable microphones for Study Sessions and a free-standing podium for news conferences.
- Provided staff training and skill building on the “Bleiker” public participation model and the IAP2 public participation methods.

Executive Services (continued)

<i>Key Result Measures - Executive Services</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Responded to Email Within 24 Hours*	100%	100%	100%	100%
Claims Processed Within 1 Day*	85%	100%	90%	90%
Known Incidents Reported Within 2 Business Days**	85%	61%	85%	85%
Unknown Incidents Reported within 7 Days of Claim**	85%	97%	85%	85%
Percent of City News Releases are Posted on City Website for Convenient Public Access	100%	100%	100%	100%
Percent of City Publications are Designed with City Identity	100%	95%	100%	100%
* Target reflects a commitment by staff to respond within one business day. ** Target reflects what is reasonably expected.				

<i>Service Profiles - Executive Services</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Risk Management Training Sessions	75	75	75
Liability Claims Processed	100	100	100
Restitution Claims Processed	40	40	40
Employee At-Fault Driving Incidents	30	30	30

Human Resources

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 451,969	\$ 490,204	\$ 603,032	\$ 112,828
Supplies & Services	153,276	73,013	73,013	-
Interfund Payments	13,425	13,835	15,565	1,730
Total Expenditures	\$ 618,670	\$ 577,052	\$ 691,610	\$ 114,558
Program Revenue	198,862	169,512	192,012	22,500
Funding from General Revenues	\$ 419,808	\$ 407,540	\$ 499,598	\$ 92,058

Highlights of Program Budget Changes

\$99,011 - 1 FTE transferred from records section to Human Resources.

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Line of Business Director	1.00	1.00	1.00
Office Specialist I	0.25	0.25	0.25
Office Specialist III	1.00	-	-
Personnel Analyst	1.00	1.00	2.00*
Personnel Assistant	1.00	1.00	1.00
Records Analyst	3.00	3.00	-**
Senior Personnel Analyst	2.00	2.00	1.00*
Total	9.25	8.25	5.25

* Reclassed to Personnel Analyst

**Reorganized to Administrative Services

Program Description

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

The more traditional HR personnel functions include:

- Recruitment and selection
- Unemployment
- Employee relations (EAP, employee assistance, interpreting and applying City policies and collective bargaining agreements, and performance improvement)
- Classification and compensation
- FLSA, FMLA and ADA compliance
- Compliance with other Federal and State employment laws and regulations
- Salary surveys
- Policy development and updates
- Successfully managing these programs creates a positive, healthy and productive work environment. HR also staffs the City's Civil Service Commission and the Law Enforcement Officer and Firefighter 1 (LEOFF 1) Disability Board.

Trends

In 2017, HR continues to anticipate increased competition for skilled, experienced employees because of an improved economy. The City needs to remain competitive in salary, benefits and overall employment practices (flex schedules, employee wellness programs, telecommuting, work-life balance, etc.) in order to recruit great new employees and retain its best employees. HR continues to experience challenges in filling our more technical positions where experience is required. However, HR receives substantial interest from a wide variety of candidates for many of our entry level job openings, even as we struggle to fill some of our most technical positions.

HR provides training opportunities to new and experienced supervisors and managers. This training has become increasingly

important as we see many of our most experienced managers and supervisors transition out of the workforce. HR will continue to work with departments on succession planning to identify "homegrown" talent in our workforce to replace senior employees who leave or retire.

HR remains concerned about ensuring that both salaries and benefits remain competitive and affordable. Healthcare continues to be a challenge to maintain a quality benefit at an affordable price. HR will be continuing negotiating with police and fire unions during 2016-2017 and pay and healthcare costs will be important components of new Collective Bargaining Agreements. In 2015, the Association of Washington Cities (AWC) (the City belongs to the AWC healthcare trust) announced a change in available healthcare plans starting January 1, 2018, in an attempt to control rising healthcare costs and in anticipation of the "Cadillac" tax associated with ACA. Although the federal government has since delayed the implementation of the "Cadillac" tax, AWC elected to leave the plan changes for 2018 in place. These changes have to be negotiated with the bargaining units. In conjunction with these changes, the City continues to search for universally acceptable healthcare ideas (cost savings) for represented and non-represented employees.

An aging workforce also presents challenges for HR. Some of our most experienced employees are retiring and the challenges of replacing that experience is ongoing. Recruiting from college programs that teach not only academic but also hands-on training is a must. We are looking to other "temporary" careers such as job training programs, the military, and internships to provide us with employees that provide the experience we need. Technology is also being utilized to assist with recruiting new employees.

Timely hiring of new and diverse police officers and fire fighters through the Civil Service process continues to be a challenge. The Civil Service Commission continues to be a great partner, helping the City meet its needs in recruiting qualified candidates for these positions. In 2016, the fire department began continuous recruitment and testing for entry level firefighters through a contract with Public Safety Testing. We continue to meet and consult with the Police and Fire Departments to provide assistance in meeting the recruitment and promotional needs.

The City has made significant improvements in workplace safety as measured by the number and severity of injured worker

Human Resources (continued)

claims (workers compensation). In 2017, we anticipate that the emphasis added to safety (where worker safety or lack thereof is the proximate cause of the injury) will continue to result in less severe claims. However, because of the unique nature of workers compensation, the possibility of a large claim always exists even though HR and the City departments have worked diligently to decrease the number and severity of individual claims.

The greatest challenge for the LEOFF 1 Board remains the aging of that retired workforce; more specifically dealing with anticipated long-term care costs. HR staff continue to actively manage LEOFF 1 member claims and work with the member and family to ensure adequate care while trying to control the budget/cost.

Recent federal changes to the Fair Labor Standards Act (FLSA) will continue to be monitored by HR staff. The City currently meets the new salary definitions for the payment of overtime, so the implementation of the new "salary basis" requirements had a minimal impact on the City.

HR continues to closely monitor the Federal Family and Medical Leave Act (FMLA), the Americans with Disabilities Act (ADA), and the Age Discrimination in Employment Act (ADEA) to ensure compliance. HR (in conjunction with Payroll) has an active FMLA monitoring program which assists both the City and the employee.

Program Budget Overview

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

HR staff continues to actively monitor all workers' compensation cases filed by City employees (the City is self-insured for workers' compensation). In 2017, we hope to continue the 2016, 2015, 2014 and 2013 trend of decreasing the number of claims and the amount of money paid on claims.

In 2017, HR will continue collective bargaining negotiations with the Fire Department employees (two bargaining units) and with the Police Department employees (two bargaining units).

HR anticipates continuing to investigate complaints against City staff (e.g. by the end of 2016 HR staff anticipates having participated in approximately 12 employee investigations during the year). These investigations involve a number of employment situations of varying complexity.

Future Challenges and Opportunities

- Anticipated increases in medical insurance premiums continue to compel the City to reevaluate its benefit package to make sure it is sustainable.
- AWC's decision to drop the City's current healthcare plans means that we had to negotiate new healthcare benefits with each of the bargaining units and implement new healthcare plans for the non-represented employees.
- Workers' Compensation claims continue to challenge management staff to balance the physical nature of various jobs with the abilities of the employees and the prevention of job related injuries.
- LEOFF 1 long-term care costs continue to be a concern as retiree's age.
- Projected City revenues continue to make labor negotiations challenging.
- HR staff continues to provide training for supervisors on new and ongoing supervisory issues.
- Getting qualified candidates in the door and through the training process in the Police Department continues to present challenges for the Civil Service positions. In 2017, we will continue to look for ways to create a more efficient system for identifying and recruiting qualified candidates.
- In 2017, Civil Service will continue to use Public Service Testing (PST) to give the City an initial list of potential candidates for both police and fire. The PST system gives the departments a more predictable and available supply of candidates from which to fill vacancies at a time when many employees are approaching retirement eligibility. The Police Department continues to have a high number of retirements and officers leaving for a variety of reasons, making the police officer hiring process likely a year-round activity again in 2017.

Recent Accomplishments

- Negotiated multi-year labor agreements with four unions.
- Completed multiple disciplinary investigations.
- Bi-weekly training guides to supervisors on employment subjects.
- Continued the trend of decreased workers compensation costs.

Key Result Measures - Human Resources	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Labor Contract Negotiations Completed In-House	Varies/year	3	3	4
Settlement Agreements (Employment Issues)	Varies/year	6	6	6
HR In-House Investigations of Misconduct/Deficient Performance	Varies/year	12*	12*	10**
% Reduction in Worker Injuries	5%	30%	30%	5%

* Does not include Police or Fire

**Does not include Police

Legal Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 959,581	\$ 1,016,515	\$ 1,072,955	\$56,440
Supplies & Services	66,075	92,104	93,104	1,000
Interfund Payments	23,630	24,490	27,960	3,470
Total Expenditures	\$ 1,049,286	\$ 1,133,109	1,194,019	60,910
Program Revenue	96,412	121,145	152,573	31,428
Funding from General Revenues	\$ 952,874	\$ 1,011,964	\$ 1,041,446	\$29,482

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Civil Division			
Assistant City Attorney	0.60	0.60	-.*
City Attorney	1.00	1.00	1.00
Deputy City Attorney	1.00	1.00	2.00*
Paralegal I	1.00	1.00	1.00
Paralegal II	1.00	1.00	1.00
Criminal Division			
Assistant Prosecutor II	1.00	1.00	1.00
Chief Prosecutor	1.00	1.00	1.00
Office Specialist III	1.00	1.00	-.**
Paralegal I	-	-	1.00**
Victim Assistance Coordinator	1.00	1.00	1.00
Total	8.60	8.60	9.00
* Reclassified to Deputy City Attorney			
** Retitled to Paralegal I			

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

Legal Services - Civil Division

Program Description

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

Trends

The Civil Division must respond to projects and time lines established by others, and major projects tend to consume large amounts of Legal Department staff time. After years of relatively slow land use permitting following the Recession, the surge in new land development has placed increased demands on legal representation and support related to controversial land use decisions. In addition, the State's licensing of marijuana establishments, the merger of medical marijuana with recreational sales, the elimination of collective gardens and the City's enforcement against marijuana associated uses has placed increased demands on the Civil Division. Significant community interest in parks planning, acquisition and funding has also increased the need for legal services. Complicated environmental cleanup of high value City properties for future redevelopment and/or sale continues to place significant demand on the Legal Department for advice and counseling in this complex legal area. The number of department-submitted legal work requests has increased by more than 20% since 2014. And, the amount and complexity of citizen led voter initiatives in the last few years. The

Legal Department's experienced attorneys and staff have absorbed this increase without the need for additional resources at this time. The Civil Division encourages City staff to utilize the Department's legal services to reduce avoidable negative legal consequences. Recently, the City's Legal Department, in connection with the Olympia Police Department, named one of its attorneys a police legal advisor. As this position evolves, the police legal advisor will work to prioritize responsibilities amongst department requests to allow dedicated time assisting the police in matters related to proposed legislation, interpretations of law, statutory and case law updates, contract and policy review, and other matters unique to law enforcement's needs. Examples of general work provided by the Civil Division include:

- Numerous complex property acquisitions for Parks and Public Works projects
- Discussion regarding citizen initiatives
- Legal advice on tax ordinances
- Litigation matters
- Environmental cleanup of City-owned properties
- Land use appeals
- Large developments, development agreements and rezones
- Large capital projects
- Advice and review of public records requests and responses
- Code enforcement/public nuisance abatement actions
- Increasing and protecting Olympia's water supply
- Complex updates to the City Comprehensive Plan and development regulations
- Continued high levels of contract activity in the Parks and Public Works Departments
- Agreements with other cities, the Port, LOTT, Olympia School District, and Thurston County
- Updates and interpretation of legislation and case law

Legal Services-Civil Division (continued)

- Policy review

Program Budget Overview

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

Future Challenges and Opportunities

- The combination of increased levels of departmental activities and multiple major projects creates a strain in resources and impacts legal review times. As a result of population growth, in-fill projects, annexations and community initiatives, there has been an increased demand for City services. The City's need for quality legal resources also continues to increase over time. Reduction of the Assistant City Attorney position at a time when private development was relatively low, negatively impacted legal assistance and review times and continues to do so although development activity has dramatically increased. The Civil Division works closely with City departments to prioritize legal work requests and to ensure that legal advice and representation is provided in a timely manner. Adjustment is needed for greater availability of the Assistant City Attorney, which was addressed in 2016 with the creation of another position for a Deputy City Attorney FTE.
- The addition of a dedicated police legal advisor to the duties of the Civil Department impacts the time required to serve other departments. As police legal advisor duties continue to develop and evolve, additional resources will be required to fulfill the responsibilities necessary to serve the unique and vitally important legal needs of Olympia's Police Department as it seeks to meet the community's expectations of its police force and the requirements of constitutional policing in a modern, progressive, urban environment.
- Completion of major capital projects requires significant support from the Civil Division.
- The Civil Division serves as Legal Counsel to the Olympia Transportation Benefit District (TBD) and the Olympia Metropolitan Parks District (OMPD).

Recent Accomplishments

Provided legal assistance in City Priorities:

- Supporting City Council's Downtown Initiatives
- Downtown Alleyway/Lighting Project
- Alcohol Impact Area and review of amendments to State regulations
- Community and Economic Revitalization Committee
- Demolition and development of Isthmus properties
- LIHI project and 318 State Avenue site remediation
- Study and remediation of previous landfill property
- Downtown Plan
- Artesian Commons
- Community Renewal Area and acquisition of blighted property (Griswold Building)

Supporting City's Priority for Inspiring and Fostering Relationships and Partnerships

- McAllister Wellfield partnership project
- Water rights mitigation
- Negotiation for fire protection interlocal agreement for State office buildings, including the 1063 Capitol Way project
- Draft and negotiate numerous partnership agreements with cities and other governmental entities
- Port of Olympia interlocal agreement on stormwater pipes transfer issues

Supporting Council's Priority for a Sustainable Budget

- Encouraging employees to get good value in their acquisition and purchasing decisions

Supporting Council's priority to Deliver Proactive Community Development

- Parks property acquisitions for future recreation and open space
- Update of Comprehensive Plan and implementing development regulations
- 123 4th Avenue project
- Development of Olympia Regional Learning Academy
- 1063 Capitol Way project
- Code Enforcement/Nuisance Abatement Actions to enhance neighborhood livability
- Marijuana zoning regulations, licensing, and enforcement

Legal Services - Criminal Division

Program Description

The Criminal Division is responsible for the prosecution of misdemeanor offenders, who commit crimes within the City. The Criminal Division strives to protect the public from criminal conduct, assure the guilty are held accountable, and ensure justice is appropriately served. Prosecutors provide proactive and reactive

legal advice to police department personnel and other municipal entities relating to criminal matters. This advice ensures that an individual's rights are protected and the quality of the agency's services rendered is exceptional and effective. The Criminal Division spends significant time assisting crime victims, especially victims of domestic violence, to help them understand the legal process, ensure victim rights are protected and their voices are heard throughout the prosecution process.

Legal Services - Criminal Division (continued)

Trends

In 2016, the Criminal Division helped launch the Olympia Community Court. The Community Court process requires additional prosecutor time in court, numerous pre-court meetings, and collaboration with service providers. The prosecutor's office does not have additional staff to meet the growing demands of Community Court.

The Criminal Division implemented a diversion program for chronic offenders who are mentally ill and lack the capacity to understand the charges against them. Prosecuting these offenders for minor nonviolent crimes has proven to be ineffective and costly. In lieu of citing these offenders, the Criminal Division collaborates with the Olympia Police Department (OPD), the Jail, and community partners to focus on treatment services, housing, and participation by the offender's family. The cost of incarceration is reduced and, more importantly, the offender's criminal behavior is addressed.

The Criminal Division works with the OPD to address criminal enforcement concerns by reviewing the Municipal Code for potential changes that will increase enforceability, better align with City Council priorities, and work in conjunction with state laws. Additionally, the Criminal Division provides legal advice and training on criminal law for OPD. With approximately half of the patrol officers having less than five years of law enforcement experience, the demand for training has increased significantly.

Integral to the Criminal Division's successful operation, the Victim Assistance Coordinator (VAC) plays a critical role in preparing domestic violence cases for court hearings and trials. The VAC encourages and coordinates victim participation. This participation is crucial for successful prosecution aimed to hold domestic violence offenders accountable. The VAC also works closely with domestic violence victims to develop personal safety plans and obtain needed assistance from social service organizations. This ensures victims are instead survivors by receiving the appropriate services and protection needed for their quality of life.

Program Budget Overview

Legal Department budget resources are allocated almost exclusively to staff costs. Dedicated budget resources have not been available for outside criminal prosecution services.

Future Challenges and Opportunities

The Criminal Division suffers from being understaffed and technologically underequipped. Involvement with Community Court and police officer training, along with changes to the Jail's booking system have created additional workload for the Division. This strain means the Criminal Division is not staffed to proactively consult with all crime victims or to participate in extra activities such as community outreach.

Through its Victim Assistance Coordinator, the Criminal Division places priority on regular contact with all domestic violence victims through all stages of prosecution. However, the limited staffing makes it difficult to consult with crime victims in non-domestic violence cases. This important group includes victims of: stalking, harassment with threat of harm, assault, property

damage, theft, and vehicle prowling. Unfortunately, victims in these cases do not always receive direct information that a case has been filed. These victims are not always kept apprised of the progress of the case through the system. And these victims are not always aware of their right to receive compensation for the financial loss they may have suffered.

The recently modified Jail booking system eliminated use of citations. Historically, officers issued citations that were used as the formal charging document by the Jail to hold and book an inmate in custody. The citations were used by the Criminal Division and Court as the actual charging document. The absence of citations forced our Division to develop a new workflow that significantly increased the workload for prosecution staff and prosecutors.

Finally, interactions with Police and Jail led our Division to realize we have a seriously outdated, paper-oriented, manual data-entry system. The Criminal Division depends on multiple systems, as well as outside agencies, to retrieve data. The data must then be manually entered into Word and Excel files to manage it. The Division has no document management system and no case load management system. This situation creates unnecessary duplication of work.

Recent Accomplishments

- Helped launch Community Court in January 2016. Community Court is geared to effectively provide needed services for lower level offenders. These services reduce risk of recidivism and better protect the community.
- Modified the following ordinances to increase their enforceability and work in conjunction with state laws:
 - Indecent Exposure
 - Theft
 - Possession of Stolen Property
 - Vehicle Prowl
 - Obstructing
 - False Statement to a Public Servant
 - Minor in Possession of Alcohol
- Adopted the Consume Marijuana in Public Infraction Ordinance to allow effective enforcement action.
- Support the Olympia Police Department in its use of crime data, so as to pursue cases that have a positive impact on public safety.
- Support Council's priorities by pursuing specific types of cases and recommending probationary conditions, like exclusion orders for repeat offenders, in order to reduce downtown criminal activities.

Legal Services (continued)

Key Result Measures - Legal Services

Civil Program

	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Professional Service Agreements Reviewed Within 2 Weeks	95%	94%	93%	95%

Service Profiles - Legal Services

Civil Program

	2015 Actual	2016 Actual	2017 Budget	% Increase
Legal work requests received	363	335	385	8%

Criminal Program

Jury Trials held	19	14	15	26%
Criminal Complaints (as opposed to citation)	581	722	744	24%
Contacts with Crime Victims	6,684	6,480	6,675	3%

Current open pending criminal cases as of June 2016. 11,366

Special Accounts

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 103,990	\$ 311,919	\$ 153,820	\$ (158,099)
Supplies & Services	3,962,032	1,944,326	1,527,159	(417,167)
Interfund Payments	52,511	51,614	60,318	8,704
Total Expenditures	\$ 4,118,533	\$ 2,307,859	\$ 1,741,297	\$ (566,562)
Program Revenue	21,345	19,920	-	(19,920)
Funding from General Revenues	\$ 4,097,188	\$ 2,287,939	\$ 1,741,297	\$ (546,642)

Highlights of Program Budget Changes

Revenue:

\$(16,800) - Public Defenders grant moved to Administrative Services.

Expenditures:

\$(342,600) - Public defender, court appointed attorney contracts moved to Administrative Services to be included with public defender administration.

(\$52,899) - Decrease in labor and insurance reserve.

(\$56,174) - Decrease in Council opportunity & goals reserve. In 2015 this amount included a one-time increase to the base reserve of \$100,000.

\$15,913 - Increase in the amount the City allocates to the Olympic Regional Clean Air Agency. Total for 2017 is \$38,265 a FTE.

\$2,000 - Added for 2017 budget, Thurston County Historical Journal Support.

Program Description

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

Program Budget Overview

The Farmers Market rent, which is a pass-through to the Port of Olympia, has been reduced as the result of a new contract. Pooled vehicles are vehicles for general use and not assigned to any specific department. Human Resources is funded at 0.5% of the 2016 regular sales tax collections by contract. The 2016 Council Opportunities and Goals budget was increased by \$56,174 on a one-time basis. This represented the amount of 2015 goal budget estimated to be unexpended.

Special Accounts	2016 Actual	2017 Budget
Labor Reserves	\$ 187,919	\$ 135,020
Fees on City-Owned Parcels Other than Property Tax	8,700	9,500
Memberships, AWC & NLC	39,389	40,010
Administrative Fees and Other Miscellaneous Items	5,765	3,070
Employee Go-Pass (bus pass program)	17,000	17,000
Farmers Market Lease (pass through to Port of Olympia)	83,000	83,000
Council Opportunities & Goals	156,174	100,000
Grant Research Subscription Service	10,000	5,000
Court Appointed Attorneys	342,600	-
Pool Vehicles (not assigned to specific departments)	54,649	60,048
Thurston County Historical Journal	-	2,000
Renewable Energy Projects	8,500	-
Police, Additional Training	106,000	-
Community Youth Partnership	20,000	20,000
Harbor Patrol Support, Payment to Port of Olympia	8,000	8,000
Human Resources: General Allocation	81,350	85,680
Transfers to Other Funds:		
Debt Service Fund for Energy Improvement Project	178,281	178,281
Technology Development, Special Account	200,000	200,000
Municipal Arts Fund	50,000	51,600
Fire Equipment Reserve	125,500	125,000
Capital Improvement Fund - Fuel Tax	275,000	275,000
Olympic Air Pollution Control Authority	22,352	38,265
Animal Services (City of Lacey)	293,720	274,423
Train Depot Operations Support (Intercity Transit)	14,000	10,400
Alcoholism Programs (Thurston County)	19,960	20,000
	\$ 2,307,859	\$ 1,741,297

The Washington Center for the Performing Arts

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Operations	\$ 227,988	\$ 289,872	\$ 318,200	\$ 28,328
Maintenance & Custodial	36,000	36,000	36,000	-
Total Expenditures	\$ 263,988	\$ 325,872	\$ 354,200	\$ 28,328
Program Revenue	247,672	320,872	349,200	28,328
Use of Fund Balance	\$ 16,316	\$ 5,000	\$ 5,000	\$ -

Highlights of Program Budget Changes

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

Increase funded from:

- \$27,937 - Lodging Tax
- \$391 - Endowment Earnings

Program Description

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

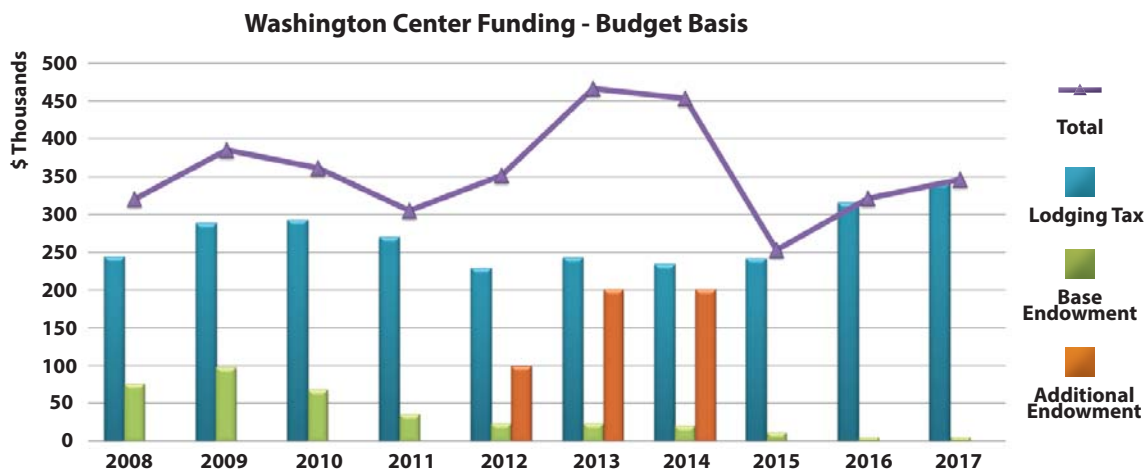
In addition to the City’s contributions, the Center generates revenue from events and usage of the center plus the “Black Box” rehearsal room. Due to the fall in both interest earnings and hotel stays, the revenue has declined in recent years.

Program Budget Overview

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

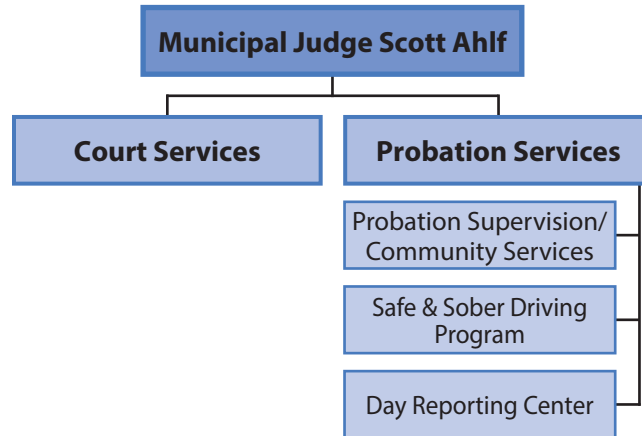
Future Challenges and Opportunities

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





Municipal Court



Mission

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



Municipal Court

Department Recap	2015 Actual	2016 Actual	2017 Budget	Variance
Court Services	\$ 985,335	\$ 1,047,283	\$ 1,082,855	\$ 35,572
Probation Services	248,452	262,294	267,892	5,598
Day Reporting Center	418,132	472,087	474,229	2,142
Total Expenditures	\$ 1,651,919	\$ 1,781,664	\$ 1,824,976	\$ 43,312
Recap of Expenditures				
Personnel Services	\$ 1,447,606	\$ 1,552,400	\$ 1,592,715	\$ 40,315
Supplies & Services	157,059	175,574	172,874	(2,700)
Interfund Payments	47,254	53,690	59,387	5,697
Total Expenditures	\$ 1,651,919	\$ 1,781,664	\$ 1,824,976	\$ 43,312
Program Revenues	392,023	437,421	421,429	(15,992)
Funding from General Revenues	\$ 1,259,896	\$ 1,344,243	\$ 1,403,547	\$ 59,304

Department Overview

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

Current Trends

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

Probation and the Options Program - The Probation Department uses the Moral Reconnection Therapy (MRT) program to target early offenders. MRT is a cognitive behavioral program that focuses on changing the thinking process of offenders to significantly raise their moral reasoning level and sense of life purpose. The program has helped many offenders to change their lives and the behaviors that brought them before the court.

The Courts' Probation Department continues to be a leader in the use of jail alternatives. We currently have two work crew supervisors running work crews seven days a week. The work crew consists of a combination of inmates serving time in the jail and offenders working on a daily basis while residing at home. Through their labor on the work crew, offenders make amends to the community for the crimes they have committed. In addition,

the Probation Department has programs such as electronic home monitoring (house arrest) and the use of alcohol sensing devices that inform the Court if someone is using alcohol in violation of a release condition, thereby posing a risk to the community. A diligent probation department, such as Olympia's, is vital in curbing the behavior of offenders.

Parking - Parking adjudications continue to add a significant number of cases to the Court's calendars and require increased staff time. The system used in parking adjudications is separate and different from the system used for all other court functions. The current parking system will be replaced in 2017 or early 2018, with a new system that will provide better customer service and easier access to financial data.

Future Trends and Challenges

Case Management System - A new Courts of Limited Jurisdiction case management system is essential for the courts in the State of Washington to function properly. The current Judicial Information System (JIS) was developed and implemented in the 1980s. The system does not use Windows-based programming and is unreliable. We are hopeful that the legislature and courts will work together so the new program will come to fruition. When the program becomes available, we will need the help and support of the City's IT Services for successful implementation.

The court will continue to face challenges from changes in the law and court rules. The legislature has made significant changes to the DUI laws and will continue to do so in the future. The court will continue to monitor these changes and will strive to be innovative in our approach to working with DUI offenders. The Olympia Municipal Court will continue to work with all of the stakeholders in the criminal justice system to find viable solutions to such challenges.

Court Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 873,898	\$ 932,150	\$ 964,725	\$ 32,575
Supplies & Services	87,997	90,303	90,300	(3)
Interfund Payments	23,440	24,830	27,830	3,000
Total Expenditures	\$ 985,335	\$1,047,283	\$1,082,855	\$ 35,572
Program Revenue	136,683	137,421	141,429	4,008
Funding from General Revenues	\$ 848,652	\$ 909,862	\$ 941,426	\$ 31,564

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Court Operations Supervisor	1.00	1.00	1.00
Municipal Court Judge	1.00	1.00	1.00
Office Specialist II	3.00	2.00*	2.00
Office Specialist III	3.00	4.00*	4.00
Program & Planning Supervisor	1.00	1.00	1.00
Total	9.00	9.00	9.00

* Reclassed

Program Description

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

Trends

Court Services continues to identify our core services and focus our resources on these services in innovative ways to accomplish our mission. In an effort to reduce expenses, while maintaining a high level of accuracy in our case processing, we continually look to gain efficiencies through technology. The court is ready to move forward with obtaining a document management system in order to move towards a paperless court. We have been scanning documents into the City’s OptiView imaging system in preparation for electronic documents. This will improve the efficiency of the court in handling forms and documents as well as greater accessibility for other court users as well as the public.

With the implementation of Community Court, Court Services has added another calendar, which runs in conjunction with the weekly arraignment calendar, to its schedule. Court staff facilitates with the Community Court benefit providers to obtain necessary information and documentation to aid in adjudicating cases.

The City of Olympia is currently in the process of reviewing for a new parking case management system. The Court relies tremendously on the parking case management system in processing parking payments as well as processing hearings; therefore we are heavily involved in this process. This will result in staff training on an entirely new system in the coming year.

The Court changed collection agencies at the beginning of 2016 from Alliance One to Dynamic Collectors. During the transition, debtors were given one month to pay off debts to the court without the accumulated collection fees and interest. This resulted in many individuals paying off their court fines and clearing the holds off their licenses.

The Court continues the use of the Warrant Return Calendar and Personal Recognizance (PR) Calendars. The Warrant Return Calendar resolves an outstanding bench warrant without the need for booking and holding a defendant in-custody pending the next judicial hearing date. The Court recently removed the mandatory fee of \$50 needed to be placed on the warrant calendar. This allows more individuals to take care of their warrants without the restriction of costs. The PR Calendar releases low-level offenders after booking, without posting bail, in order to keep jail bed space available for higher-level offenders. Both these tools are helpful to maintain a balance between holding offenders accountable and maintaining public safety, while keeping the jail population at a manageable level.

Program Budget Overview

This budget does not request any funds for capital replacement projects. Expenditures for 2017 remain similar to 2016.

It is anticipated that the Court will receive funding from the State through the Trial Court Improvement Account for partial reimbursement for the salary of the Municipal Court Judge for 2017 in the amount of \$25,000.

Olympia Municipal Court received a grant from the Center for Court Innovation in the amount of \$200,000 for a two-year period starting July 1, 2016, to fund Community Court. This will help fund the needed staff and facility costs to run Community Court.

Future Challenges and Opportunities

Technology is the key for more efficient case management and plays a significant role in doing more with less. We continue to collaborate with our key partners—Police Department, Jail, and Prosecutor’s Office—to streamline case processing and increase efficiency. However, given the current fiscal climate, developing and implementing new programs may be difficult.

In the spirit of Community Court – the court is looking to partner with other Thurston County courts to implement a County-wide relicensing program. This program will enable individuals who have suspended licenses due to owing fines in multiple jurisdictions within the County to become re-licensed.

Court Services (Continued)

Recent Accomplishments

- The launch of Community Court - to provide a different approach to the legal problems that are resistant to the traditional court solutions.
- Receiving funding of \$200,000 grant from the Center for Court Innovation to fund Community Court.
- Received funding of \$24,400 from the State's Trial Court Improvement Account for partial reimbursement of the Municipal Court Judge's salary for 2016.
- Adjudication and clean-up on hundreds of court cases due to change in collection agencies.
- Removal of \$50 warrant fee requirement for placement on warrant add-on calendar to resolve outstanding warrants.

<i>Key Result Measures - Court Services</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Warrant Return Calendar				
Bench Warrant Resolution without Booking	200	190	182	190
Personal Recognizance (PR) Calendar				
Appearance after PR Release	80%	67%	65%	70%
Service Profiles - Court Services				
Infraction Citations Filed		2,240	1,445	1,800
Criminal Citations Filed		1,585	1,054	1,200
Hearings Held		6,805	6,000	6,200
Parking Infraction Citations Filed		23,707	23,626	24,000
Parking Hearings Held		1,222	1,200	1,200

Probation Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 236,068	\$ 243,110	\$ 248,708	\$ (5,598)
Supplies & Services	6,749	12,279	12,204	(75)
Interfund Payments	5,635	6,905	6,980	75
Total Expenditures	\$ 248,452	\$ 262,294	\$ 267,892	\$ (5,598)
Program Revenue	153,252	162,500	169,500	7,000
Funding From General Revenues	\$ 95,200	\$ 99,794	\$ 98,392	\$ (1,402)

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Office Specialist III	1.00	1.00	1.00
Probation Officer I	2.00	2.00	2.00
Probation Services Supervisor	1.00	1.00	1.00
Probation Work Crew Leader	2.00	2.00	2.00
Senior Program Specialist-RPN	0.25	0.25	0.25
Total	6.25	6.25	6.25

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

Program Description

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

Trends

Given the limited space in jail and the widespread budget cuts in community resources it is clear that courts of limited jurisdiction need to begin using a different approach in dealing with misdemeanor offenders. The traditional model of jail and probation are being replaced with the problem solving court model. In January 2016 Municipal Court launched a therapeutic community court program which focuses on quality of life crimes mostly occurring in our downtown core. This enhanced program will replace our former program which started in 2012. Probation will also move forward with a driver's license reinstatement program, collaborating with the other local municipalities to work with clients to restore driving privileges.

Program Budget Overview

The 2015/2016 case load numbers have remained consistent with no increases projected for 2017. Revenues collected for 2015 totaled \$147,000, approximately \$20,000 more than our 2014 revenue totals. This amount includes standard, bench probation, and intensive supervision fees, community service fees, and Victims' Impact Panel fees. 2016 projected revenues are \$170,000.

Future Challenges and Opportunities

The criminal justice team's new therapeutic Community Court program, developed with the help of the Center for Court Innovation and modeled after the City of Spokane's Community Court, was launched the first week of January. It focuses on improving quality of life in the downtown corridor and will address issues with homelessness, mental health, chemical dependency, and health care. The program continues to be a work in progress. Local social service agency involvement is crucial for this program. Several agencies currently participating include:

- Sidewalk
- SeaMar Community Mental Health
- Pacific Mountain/Work Source
- South Puget Sound Community College

In April 2016 the community court program was awarded a \$200,000 grant. Those funds will be used to help relocate the program to a larger facility, secure chemical dependency services for clients and hire a part time case manager to provide additional support for those clients with multiple service needs. Probation Services staff participate in the risk/needs component of the program and at this time no enhancements are needed.

Recent Accomplishments

- Court launched the enhanced community court program in January 2016.
- \$200,000 grant recipient for the community court program.
- Creation of a multi-jurisdictional driver's license reinstatement program.

Key Result Measures - Probation Services	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Offenders Successfully Completing DUI Alternative Program	100%	97%	100%	100%
Number of Re-Offended	0	0	1	0
Offenders Successfully Completing Community Court	100%	N/A	N/A	N/A

Service Profiles - Probation Services	2015 Actual	2016 Actual	2017 Budget
Defendants on Active Probation	189	200	250
Defendants on Inactive Probation	497	500	600
Deferred Prosecution Supervision	132	150	150
Defendants on Warrant Status	1,286	1,200	1,200

Day Reporting Center

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 337,640	\$ 377,140	\$ 379,282	\$ 2,142
Supplies & Services	62,313	72,992	70,370	(2,622)
Interfund Payments	18,179	21,955	24,577	2,622
Total Expenditures	\$ 418,132	\$ 472,087	\$ 474,229	\$ 2,142
Program Revenue	102,088	137,500	110,500	(27,000)
Funding From General Revenues	\$ 316,044	\$ 334,587	\$ 363,729	\$ 29,142

Program Staffing	2015 Actual	2016 Actual	2017 Budget
The same staff provides services for both Probation and the Day Reporting Center.			

Highlights of Program Budget Changes

The decrease in program revenue is due to less activity.

Program Description

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

Trends

The Day Reporting Center continues its commitment to alternatives to incarceration and looks for long-term solutions to jail housing. We will continue to look for opportunities to expand our programming options, focusing on accountability and rehabilitation.

Program Budget Overview

Revenue projections for 2016 are \$105,000 (combined program fees collected from EHM, Work Crew, Day Jail, DUI Alternative fees, program fees, and contributions from the Public Works Department (\$16,000) and the PBIA (\$10,000)). A change in sentencing practices along with new legislative changes disallowing the imposition of most pre-trial supervision fees have affected day reporting revenue collection.

The current case management system utilized by the day reporting center and probation services will need to be replaced in the near future. The costs to replace the system have yet to be determined. The criminal justice team, including the court, legal, and probation services departments are working together to view the most current systems available. This collaborative effort between departments will allow information and documents to be shared electronically and streamlining even further our case management ability. The justice team is hopeful that collaboration will also defray the costs of replacing the current outdated case management systems within all three departments.

Future Challenges and Opportunities

With the enhancement of the community court program both the work crew and community service programs will be instrumental in our success. Most participants will be required to complete at least eight hours of service work either with our established work crew program or through a designated community service site. In addition, those participants who are working towards

license reinstatement will either pay fines through a payment plan or will work those fees off with the work crew. This program has already seen success for several unlicensed drivers becoming legally licensed and insured once again. The court and probation will continue to work with the other local jurisdictions to ensure continued success for our mutual clients.

Correctional options programs continue to be utilized in lieu of serving jail time. However, recent changes in the legislature have significantly reduced the ability of probation departments to impose costs to monitor high risk offenders in pre-trial status. Given limited jail space in our jurisdiction, pre-trial programs for offenders with multiple DUI convictions or high risk domestic violence offenders must be provided at little or no cost to the offender. Most costs for pre-trial alcohol sensing equipment and increased costs for urinalysis testing cannot be recouped by the department and are adversely affecting options program revenues.

Overall compliance with the Options Program has been outstanding with 88% of those participating being successful. We continue to see a large savings in incarceration costs through programming. A total of 243 clients served a total of 4,407 days in a correctional options program with a jail cost savings to the City of approximately \$220,350 (4,407 x \$50/day).

Recent Accomplishments

- Overall compliance with the Options programming was 88%.
- Driver's license reinstatement program is already seeing success.

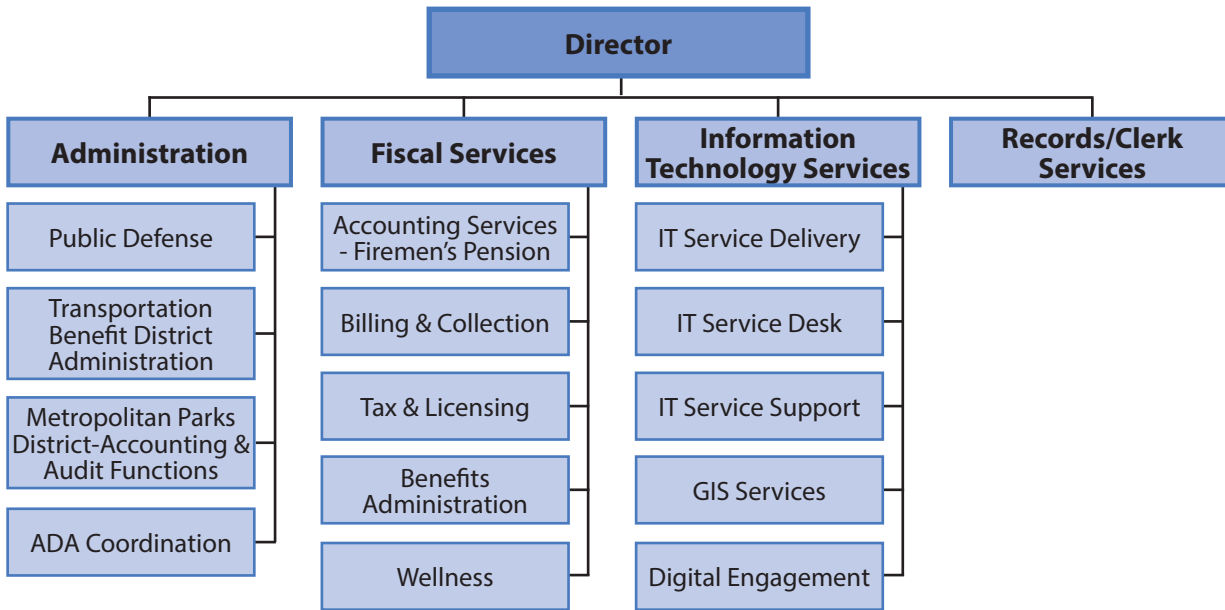
Day Reporting Center (continued)

<i>Key Result Measures - Day Reporting Center</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Defendants Successfully Completing an Options/Jail Alternative Program (Work Crew/Day Jail/EHM)	100%	88%	85%	85%

<i>Service Profiles - Day Reporting Center</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Average Intensive Supervision Program (ISP) Case Load	43	40	40
Defendants Successfully Completing ISP	37	45	45
Defendants on Work Crew	126	120	120
Defendants in Day Jail	16	20	20
Defendants on In-Custody Work Crew	20	50	50
In-Custody Work Crew Jail Beds Saved	281	500	500
Electronic Home Monitoring Jail Beds Saved	2,907	3,500	3,500



Administrative Services



Mission

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



Administrative Services Department Overview

<i>Department Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Clerk Services	\$ 787,074	\$ 695,899	\$ 557,718	\$ (138,181)
Records Management	432,618	448,796	366,894	(81,902)
Fiscal Services	2,190,246	2,228,244	2,381,420	153,176
Information Technology Services	3,165,408	3,039,972	3,409,374	369,402
Public Defense	73,440	77,281	433,639	356,358
Total Expenditures	\$ 6,648,786	\$ 6,490,192	\$ 7,149,045	\$ 658,853
Recap of Expenditures				
Personnel Services	\$ 4,795,271	\$ 5,168,985	\$ 5,297,987	\$ 129,002
Supplies and Services	1,561,347	1,195,700	1,709,875	514,175
Capital Outlay	168,127	-	-	-
Interfund Payments	124,041	125,507	141,183	15,676
Total Expenditures	\$ 6,648,786	\$ 6,490,192	\$ 7,149,045	\$ 658,853
Program Revenues	1,830,082	1,790,068	2,144,316	354,248
Supported by General Revenues	\$ 4,818,704	\$ 4,700,124	\$ 5,004,729	\$ 304,605

Department Overview

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

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

Budget Overview

Net expenditures decreased slightly. The budget reflects an increase of \$85,000 for the City Council 2017 election costs. The 2017 budget includes support costs for the public defenders.

Future Challenges and Opportunities

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

The City's current financial system is 25 years old and needs to be replaced. Some funds have been set aside for future implementation, however additional funding and staffing will be required. Also the department is preparing to move to monthly utility billing. As a part of this change the department will evaluate the process for efficiencies.

Administration (Clerk) Services, Public Defense

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 340,734	\$ 472,524	\$ 283,603	\$ (188,921)
Supplies & Services	429,828	211,120	265,425	54,305
Interfund Payments	16,512	12,255	8,690	(3,565)
Total Expenditures	\$ 787,074	\$ 695,899	\$ 557,718	\$(138,181)
Program Revenue	173,721	104,539	71,682	(32,857)
Funding from General Revenues	\$ 613,353	\$ 591,360	\$ 486,036	\$(105,324)

Highlights of Program Budget Changes

Personnel Services are down due to the transfer of two positions to the Information Technology Division to staff the new Digital Engagement Team. Program revenue, indirect overhead charges are down for the same reason. \$ 60,000-Increase in the budget for election costs. In 2017 there will be an election for three council positions.

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Associate Line of Business Director	1.00	-	-
Director	1.00	1.00	1.00
Office Specialist II	0.56	-	-
Program Assistant**	2.00	2.00	1.00*
Public Defense Coordinator	0.50	0.50	0.50
Records Analyst**	-	-	1.00**
Supervisor IV	-	1.00	-*
Total	5.06	4.50	2.50

* Reorganized to IT Services

** Reclassed From Program Assistant to Records Analyst

Public Defense

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 63,101	\$ 64,161	\$ 68,284	\$ 4,123
Supplies & Services	9,704	12,415	364,715	352,300
Interfund Payments	635	705	640	(65)
Total Expenditures	\$ 73,440	\$ 77,281	\$ 433,639	\$ 356,358
Program Revenue	-	-	17,000	17,000
Funding from General Revenues	\$ 73,440	\$ 77,281	\$ 416,639	\$ 339,358

Highlights of Program Budget Changes

\$ 342,600 - Contracted public defense services moved from special account to this program. Previously this program included only public defense administrative costs.
 \$10,200 - Increase in contracted public defense services.

Program Description

The Administration Services line of business provides a diverse range of services including City Clerk, Public Defense, and Transportation and Metropolitan Parks Benefit District treasury functions. These services assure a focus on accessible government and transparency, including year-round coordination and development of the City's Operating Budget (Budget 365), Capital Facilities Plan (CFP), and Citywide Performance Measurement. The City Clerk is the City's Public Records Officer and is the custodian of official City records including minutes, ordinances, resolutions, contracts, deeds and titles. This line of business serves as liaison to Thurston County concerning elections and voter registration, assists in the Initiative and Referendum processes, and provides the issuance of all the City's general obligation and revenue debt for the funding of capital projects. This division includes 0.50 FTE who serves as the City's Public Defense Coordinator. Along with this employee the City has six contract public defenders.

The administrative services associated with compliance with state and local laws as they apply to Local Improvement District (LID) formations, codification of the Municipal Codebook, public bidding and contracting, annexations, vacated rights-of-way, and domestic partnership registrations are also provided by this line of business,

as well as department-wide communications, administrative support functions, and all major Citywide document production.

In 2016, the division transferred the vacant Associate Line of Business directors position along with one Program Assistant to IT Services to create the digital engagement program.

Trends

- Citizens and employees continue to show an interest in being informed about the City's budget.
- Departments continue to collect and analyze data to identify and improve performance levels.
- As difficult issues are addressed by the City Council, more inquiries are being received about the Initiative and Referendum process.
- The City maintains an AA+ credit rating, which is defined as having a very strong capacity to meet its financial commitments. Maintaining a strong credit rating allows the City to sell debt at the lowest interest rate.
- We continue to use the City's website to inform and educate citizens about services in the Administrative Services Department.

Administration (Clerk) Services, Public Defense *(continued)*

- In conjunction with the court, the City received a federal grant for establishing a Community Court for indigent defense.

Program Budget Overview

Salaries/benefits decreased due to the transfer of two positions to support the development of a new IT Services program—Digital Engagement. No special elections have been budgeted in 2017. In the event a special election is needed, it will be necessary to request additional funds at that time to pay for the associated election costs. However, this budget does include funds for three City Council position elections next year. Administration Services provides day-to-day administration of the City’s independent taxing district—Olympia Transportation Benefit District (TBD). The TBD was created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the city limits. The boundaries of the TBD are identical to the city limits. The fee will increase from \$20 per vehicle to \$40 per vehicle next year. Staff anticipates additional administration will be needed initially to address questions. This division provides treasury services to all special districts-Transportation and Parks.

Future Challenges and Opportunities

- For budgeting in line with the community’s vision, the City has identified the need to develop a year-round budget process that informs and educates citizens on the City’s economic condition, budget choices, and entry points into the budget decision-making process. Better data equals better decisions.
- Enhancement of Citywide performance measurement will assist in identifying service areas that need new and/or improved strategies to meet performance levels.

Future Challenges and Opportunities *(continued)*

- Outsourcing the codification of the Municipal Codebook has resulted in discovery of invalid cross references in the City’s Code. This will take considerable staff time to correct the Codebook.
- With more use of technology for communications, the purchase and use of paper for printing and copying should decrease over time, resulting in a positive impact on the Clerk Services budget as copier paper is purchased Citywide from this budget.

Recent Accomplishments

- Clerk staff is assisting with the editing and publication of minutes for Council, Council Committees and Advisory Boards thereby increasing accuracy and availability of minutes.
- Maintained Budget 365 to help the community understand the City’s budget.
- Designed informational materials to support the Records Department’s annual records management campaign.
- Edited the RFP/RFQ City Internet pages to remove outdated information.
- Acquired public disclosure training for the Clerk Services Program Assistant to provide back-up assistance to the Records Department.

Key Result Measures - Administration Services	Target or Goal	2015 Actual	2016 Actual	2017 Budget
% Ordinances Published within 2 Days of Being Passed by Council	100%	96%	91%	98%
% Domestic Partnership Registrations Processed within 24 Hours	100%	100%	100%	100%
Stayed within State-Mandated Public Defense Case Loads	400/attorney	100%	100%	100%

Service Profiles - Administration Services	2015 Actual	2016 Actual	2017 Budget
Ordinances Requiring Codebook Codification	20	36	20
Ordinances Published	55	60	55
Domestic Partnership Registrations	9	15	20
Official City Records Scanned/Indexed	2,100	1,403	1,450
Department Internet Pages Maintained	25	25	6*
Bond Sales	0	0	1
Annexations	3	1	0
Vacated Right-of-Ways	3	0	4

*Digital Engagement team assumed responsibility for most internet pages.

Fiscal Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,673,902	\$ 1,807,969	\$ 1,860,245	\$ 52,276
Supplies & Services	474,434	376,890	471,195	94,305
Interfund Payments	41,910	43,385	49,980	6,595
Total Expenditures	\$2,190,246	\$2,228,244	\$ 2,381,420	\$ 153,176
Program Revenue	1,026,848	953,825	1,131,821	177,996
Funding from General Revenues	\$1,163,398	\$1,274,419	\$ 1,249,599	\$ (24,820)

Highlights of Program Budget Changes

\$ 38,500 - Increase in budget for credit card fees related to payment of utility charges via the internet. Total budget for these fees is \$156,000.

In 2017 the City will recognize the cost of banking services. Currently these costs are paid for from an earnings credit from the bank which is used to offset the fees. The 2017 budget includes \$55,000 in costs and revenue to recognize these costs.

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Accountant	5.00	6.00*	6.00
Accounting Technician	8.00	6.00	6.00
Benefits Specialist/Accounting Tech	-	1.00**	1.00
Billing Specialist	2.00	2.00	2.00
Line of Business Director	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00
Supervisor IV	2.00	2.00	2.00
Total	19.00	19.00	19.00

* Reclassified 1.0 FTE from Accounting Technician to Accountant

** Reclassified 1.0 FTE from Accounting Tech. to Benefits Specialist/Accounting Technician

Program Description

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

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

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

Additionally, this LOB provides administration of employee benefits and the City's wellness program.

Trends

In Billing and Collections, we strive to meet—and exceed—customer expectations by implementing new technologies and methods for servicing our growing number of utility customers. We continue to look for ways to lower cost of processing payments, such as; on-line payment, payments by phone, pre-authorized automatic debits, and consolidation of bill payer services provided by banks. Eighty-seven percent of customers either mailed their payment or paid in person in 2008. Today mail payments have been reduced to about 40 percent. Additionally we are preparing

to move to monthly billing for all accounts. Currently about three percent of our commercial accounts are billed monthly. The estimated additional cost of providing monthly billing is less than one dollar per month.

Average Monthly Items Processed	2009	2016	2017 Estimate
Payments by Mail or in Person	6,148	4,822	4,775
Automatic Bank Draft	1,329	1,481	1,500
Credit Card or Electronic Interfaced Bill Payer	2,144	4,296	4,600

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

Program Budget Overview

The 2017 budget continues existing services and responsibilities. The allocation of supervision of the utility billing section has been increased from 50% to 66% of a supervisor. Costs of billing services are paid by the various utility funds. The budget includes an additional \$38,500 for credit card fees.

Future Challenges and Opportunities

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

The installation of an automated meter reading system was completed in 2014. In 2015 a very proactive leak detection

Fiscal Services (continued)

reporting system was added and we can now notify customers who have had continuous consumption for seven days. This has been very well received and appreciated service by our customers.

In 2017 we will continue working with the Finance Committee to implement a monthly billing option for residential customers.

Recent Accomplishments

- The City qualified once again for the Association of Washington Cities Well City Award, resulting in the City receiving a two percent premium discount on Regence and Group Health Insurance.
- The City will continue to evaluate possible changes to City-offered benefits from the standpoint of cost control and impacts of the Affordable Care Act.
- Relocation of accounting resources has allowed us to implement additional internal controls, audits, and documented workflow processes—especially in payroll.
- Evaluated and implemented new accounting and reporting standards.

Key Result Measures - Fiscal Services	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Utility Accounts Receivables due within 30 Days	77%	83%	83%	85%
Citywide Audit Findings, by External Auditors:				
Financial	0	0	0	0
Single Audit (grants)	0	0	0	0
Accountability/Compliance	0	0	0	0
Service Profiles - Fiscal Services		2015 Actual	2016 Actual	2017 Budget
Number of Utility Customers		20,251	20,650	20,850
Total Employees Compensated (July)		629	643	670
Accounts Payable Transactions		36,031	33,300	34,000

Information Technology Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 2,303,122	\$ 2,401,370	\$ 2,743,641	\$ 342,271
Supplies & Services	635,985	578,500	591,965	13,465
Capital Outlays	168,127	-	-	-
Interfund Payments	58,174	60,102	73,768	13,666
Total Expenditures	\$3,165,408	\$3,039,972	\$ 3,409,374	\$ 369,402
Program Revenue	567,553	635,381	805,311	169,930
Funding from General Revenues	\$2,597,855	\$2,404,591	\$ 2,604,063	\$ 199,472

Highlights of Program Budget Changes

Personnel Services increased due to the transfer of two positions to the Information Technology Division from the Clerk Services budget to staff the new Digital Engagement Team. Program revenue, indirect overhead charges increased for the same reason.

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Computer Systems Technician	-	3.00	3.00
GIS Analyst	1.00	1.00	1.00
IT Support Specialist	2.00	2.00	2.00
Line of Business Director	1.00	1.00	1.00
Network Analyst	5.00	5.00	5.00
Program Assistant	-	-	1.00*
Service Desk Administrator	-	-	1.00*
Supervisor IV	3.00	3.00	3.00
Systems & Application Specialist	5.00	5.00	5.00
Total	17.00	20.00	22.00

* Reorganized from Clerk Services

Program Description

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

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

Trends

The City recognizes that the use of information and communications technologies to support, enhance or extend public participation and civic engagement processes is critical to meeting the public's expectations. Whether for citizens, employees, businesses or visitors we are working towards creating a consistent, compelling, and contextual way of personalizing and

delivering digital services as our core services become augmented or replaced with digital alternatives.

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

Program Budget Overview

The budget reflects reorganization within the Administrative Services Department that occurred July 1, 2016. Two positions were transferred from Clerk Services to IT Services to support the transition of our Web Services program to the broader scope of Digital Engagement. The Digital Engagement team will lead efforts to coordinate and centralize the City's digital engagement strategy. The strategy includes ensuring a consistent digital image and user experience, improving public access to City data, expansion of civic engagement tools and applications, and digital presentation of performance measures, plans, budget documents and policies.

Future Challenges and Opportunities

Modernization of the City's technology infrastructure is an opportunity to move away from our legacy enterprise solutions to modern platforms which can support open data and mobility initiatives. The City has already begun to pursue this opportunity with the current effort to redesign the City's network and data center. Recent and upcoming technology projects provide new ways to access data, increase data transmission speeds, store

Information Technology Services (continued)

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

Recent Accomplishments

- Replaced the City's network firewall and security platform.
- Deployed a new, comprehensive suite of hosted business applications for Community Planning and Development services.
- Performed a major upgrade to the City's Unified Communications systems.
- Migrated the Business and Occupation Tax solution to a hosted platform.
- Replaced the City's fleet management solution with a hosted solution.

Key Result Measures - IT Services	Target or Goal	2015 Actual	2016 Actual	2017 Budget
First Call Resolution of IT Incidents		45%	43%	45%
Critical — Systems Down	4 hours	91%	80%	90%
Critical — With Work Around	16 hours	85%	75%	85%
Non-Critical	40 hours	93%	92%	85%
Moves, Installs and Enhancements	80 hours	86%	90%	85%

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

Service Profiles - IT Services	2015 Actual	2016 Actual	2017 Budget
Personal Computers Supported (includes Virtual Machines)	680	686	600
Network Servers Supported (includes Virtual Machines)	150	159	170
Service Desk Tickets	9,220	8,600	8,800



Records Management Program

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 414,412	\$ 422,961	\$342,214	\$(80,747)
Supplies & Services	11,396	16,775	16,575	(200)
Interfund Payments	6,810	9,060	8,105	(955)
Total Expenditures	\$ 432,618	\$ 448,796	\$366,894	\$(81,902)
Program Revenue	61,960	96,323	118,502	22,179
Funding from General Revenues	\$ 370,658	\$ 352,473	\$248,392	\$(104,081)

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Records Manager	1.00	1.00	1.00*
Records Analyst	3.00	3.00	2.00**
Senior Personnel Analyst	1.00	1.00	-.*
Total	4.00	4.00	3.00

* Reclassed to Records Manager
 **Reclassified to Senior Personnel Analyst and reorganized to HR

Highlights of Program Budget Changes

(99,011) - 1 FTE transferred from records section to Human Resources.

Program Description

Records Management manages and coordinates public records requests, provides records management consultation and training citywide, and administers the Citywide central electronic repository.

Trends

Compliance with the Public Records Act continues to be a challenging priority. The number and increasing complexity of requests continues to consume a significant amount of time and money. The staff provided a public disclosure training in 2016 as part of a successful Records Management and information month, attracting over 100 employees Citywide. Continued use of our online records request tracking system (WebQA) helps keep the City in compliance with the Public Records Act and facilitates providing records to the public as quickly as possible.

Future Challenges and Opportunities

- Refinements to the City's email archiving system should result in improved management of emails.
- Central Records staff will continue to train department records coordinators in responding to public records requests. Additional staff resources devoted to public records requests should present an opportunity for additional records management services and training to all City departments.
- The City's imaging system presents the opportunity to make records available to the public on the web. City staff continues working to ensure records are properly scanned and indexed in preparation for external availability. As

the number of records in the system increases, staff is challenged with managing the system to ensure quick availability of records.

- Costs for responding to public records requests remain high, and we anticipate the volume of requests in 2017 to increase. Continued department staff trainings and the use of Central Records staff in coordinating and responding to multi-departmental public records requests seems to be the most efficient method in providing timely responses.
- With dramatic increases in the number and complexity of public records requests in 2015 and 2016, the average time to respond to all requests increases and the cost per request increases. Central Records is responding to this challenge by training existing staff to respond to public records requests and by continually evaluating the City's records management strategies to realize efficiencies.

Recent Accomplishments

- Collaborated with the Information Technology division to provide Citywide records management and public disclosure training and hosted Records Month.
- Assisted Public Works in LEAN project involving project files.
- Offered a Citywide shred event to destroy records having met retention requirements.
- Provided records management training for seasonal Parks employees.
- Improved online records requests system by adding predictive links for commonly requested records.

<i>Key Result Measures - Records Program</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
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Public Records Requests Completed - Excluding Police

Multi-Departmental - Average Days to Complete	20	29	15	15
Citywide - Average Days to Complete	15	5	3.7	5

Service Profiles - Records Program

2015 Actual 2016 Actual 2017 Budget

Public Records Request Completed - Excluding Police

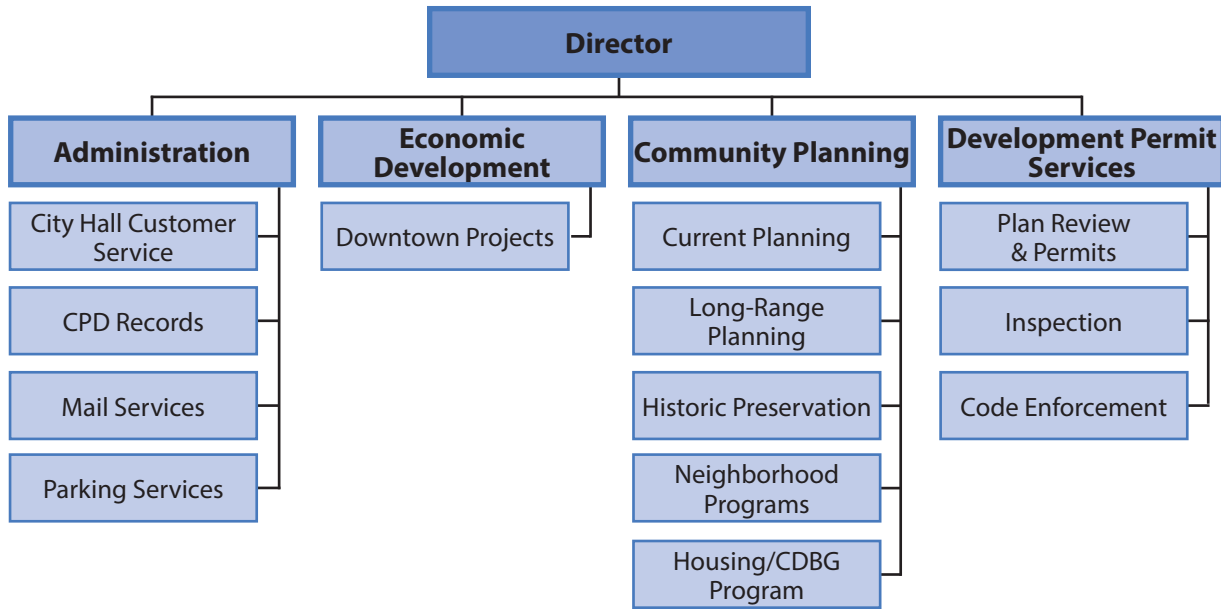
Multi-Departmental	114	94	95
\$ Per Request	\$ 546	\$ 438	\$ 300
Citywide	707	780	800
\$ Per Request	\$ 89	\$ 61	\$ 65

Records (Other)

Records Systems Trainings Provided by Central Records Staff	5	5	5
Records/Public Disclosure Trainings Provided by Central Records Staff	5	7	4



Community Planning and Development



Mission

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

Vision

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



Community Planning and Development

<i>Department Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Administration & Parking Services	\$ 2,339,999	\$ 2,726,517	\$ 2,936,239	\$ 209,722
Economic Development	15,104	427,390	551,556	124,166
Community Planning Services	2,115,096	1,953,501	2,173,487	219,986
Permit Services	1,572,631	1,742,421	1,774,182	31,761
Total Expenditures	\$ 6,042,830	\$ 6,849,829	\$ 7,435,464	\$ 585,635
<i>Recap of Expenditures</i>				
Personnel Services	\$ 3,895,945	\$ 4,743,199	\$ 5,226,823	\$ 483,624
Supplies and Services	1,377,591	1,271,015	1,305,546	34,531
Interfund Payments	769,294	835,615	903,095	67,480
Total Expenditures	\$ 6,042,830	\$ 6,849,829	\$ 7,435,464	\$ 585,635
Program Revenues	4,526,747	5,131,467	4,625,672	(505,795)
Funding from General Revenues	\$ 1,516,083	\$ 1,718,362	\$ 2,809,792	\$ 1,091,430

Department Overview

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

2016 marked the first year revenues and costs from development permit review services were tracked in a Development Services fund guided by Council-adopted policies. Over a period of several years the fund will provide for better alignment of fees with costs of services, and stabilize staff resources during the inevitable swings between high and low years of permit revenues.

Also in 2016 the Department launched its new software system for managing development review, inspections, and code enforcement cases. Phase I of the launch of the new system, called SmartGov, was completed in summer, 2016. Phase II, which includes online application submittal and payment for some permits will allow applicants and citizens to see the status of permit reviews and code enforcement activities and will ultimately include a greatly expanded GIS presence for the City.

In 2016 Olympia experienced continued increases in development and construction activity, with a one-time boom in commercial fees due to a new state office building. We expect residential and commercial numbers to continue to be relatively strong in 2017, but decrease slightly from the dramatic increases in the past few years.

Significant economic development activities were seen in 2016, particularly in downtown Olympia. The Department led efforts toward adoption of a Community Renewal Area Plan, purchase of

the blighted former Griswold's building, and the partnership with a private developer for the Water Street Redevelopment Area. A request for proposal was issued for a private partner for the Griswold's site and redevelopment of that property is anticipated in 2017-2018. Olympia's business community generally experienced increased growth and sales in 2016. Continued economic growth is expected in 2017 as City activities to support retaining and expanding local businesses also continue.

Implementation of new Comprehensive Plan goals and policies through an adopted Action Plan will continue in 2017, and adoption and implementation of the Downtown Strategy will also be underway. The City's sign ordinance will be reviewed and updated in 2016-2017, and the Department will lead a review of infill housing standards and fees to better align them with adopted Comprehensive Plan goals to increase infill housing.

A Comprehensive Downtown Parking Strategy will be presented in 2017. The goal of the plan is to maximize the use of existing City-controlled on- and off-street parking, and manage it in such a way as to increase the amount of short term parking available while still addressing needs of employees and residents. The Plan will also study the feasibility of a parking structure for some time in the future. Late 2016 saw a request for proposal for new parking management software that may include online permit renewals, license plate recognition, and pay-by-phone technology at parking meters as Parking Services continues to evolve and improve its technology to better serve customers. Parking revenues will likely be similar in 2017. The results of the Parking Strategy could impact revenue in future years as Parking looks to make improvements and adjustments to the parking system to maximize current infrastructure while planning for future parking needs.

The Downtown Project continued with new accomplishments in 2016, including Phase two of the alley lighting project and upgraded facilities and programming at Artesian Commons. 2017 will see increased focus on implementation of the Downtown Strategy.

Administration and Parking Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,238,621	\$ 1,667,067	\$ 1,847,278	\$ 180,211
Supplies & Services	585,903	559,781	540,823	(18,958)
Interfund Payments	515,475	499,669	548,138	48,469
Total Expenditures	\$ 2,339,999	\$ 2,726,517	\$ 2,936,239	\$ 209,722
Program Revenue	1,599,096	1,964,256	2,288,222	323,966
Funding from General Revenues	\$ 740,903	\$ 762,261	\$ 648,017	\$(114,244)

Highlights of Program Budget Changes

Revenue:

Increase is mainly due to payments from the new Development Services Fund to reimburse the General Fund for services related to development administration and processing. Previously all those revenues were allocated to Permitting. Now the revenues are allocated to the sections providing the services.

Expenditures:

- \$80,160 - Funding of a permit specialist added in 2016
- \$90,000 - Added for early morning clean team
- \$22,400 - General increase in services

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Director	1.00	1.00	1.00
Associate Line of Business Director	-	-	1.00*
Field Crew Leader	-	1.00	1.00
Lead Worker	1.00	1.00	1.00
Office Specialist II	-	.56	.56
Parking Services Field Rep	6.00	5.00	5.00
Permit Specialist	2.00	4.00	4.00
Program Assistant	1.00	2.00	2.00
Public Service Representative	1.00	3.00	3.00
Supervisor II	1.00	1.00	1.00
Supervisor IV	1.00	1.00	-*
Total	14.00	19.56	19.56

* Reclassified to Associate Line of Business Director from Supervisor IV.

Program Description

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

Trends

New community services software was implemented in mid-2016 and will continue to have a major positive impact to processes and customer service, after an initial learning and troubleshooting period. Parking Services began an RFP process to secure new parking management software in late 2016, which will allow staff to be more efficient with better equipment in the field, as well as offer more online options to customers and even pay-by-phone with mobile devices. The new parking software is expected to be implemented in 2017.

Program Budget Overview

Parking Services' revenue is expected to be similar to 2016 levels. The trend continues to be a reduction in parking citation payments and an increase in parking meter revenue, monthly parking permits and small revenues such as electric vehicle charging, residential parking, and parking meter tokens. Parking will continue to handle administration of the abandoned vehicle program which

decreases parking revenue as it takes an enforcement officer away from enforcing for two to three days per week. The Boot and Tow program will continue to aid in the collection of past due parking debts. Implementing new parking management software will be a high priority project for the Division in 2017 that will bring streamlined services across Departments and more online services to customers.

Future Challenges and Opportunities

New community services software that was implemented in mid-2016 will continue to be configured to best meet the needs of staff and customers. Phase two of the project, which includes an online customer portal for permit applications, online payments and online plan review, was launched in Fall 2016. As we provide more customer service via the Internet and transition to more records being managed electronically, the number of paper files managed should be reduced. A public information portal to look up land records and permits should reduce the volume of public disclosure requests the Department receives as well.

Developing a Comprehensive Downtown Parking Strategy will be a major focus of Parking Services in 2017. Maximizing existing surface parking and improving customer service with new programs and technology as a result of implementing new parking management software, such as pay-by-phone services and online residential permit renewal will help meet parking needs in the downtown core and beyond. Parking Services will also be implementing new parking management software which will help streamline processes which span multiple Departments, making staff more efficient and offering additional online services to customers.

Administration and Parking Services (continued)

The Division will monitor the delicate balance between parking fees and their effect on economic development in the downtown area. The parking system will continue to be managed to provide for turnover of parking stalls vital to business interests in the area and to protect neighborhoods from negative impacts of unregulated parking and weekend and evening enforcement will be studied and considered as part of the Parking Strategy. Parking for neighborhoods in the downtown area will remain a focus as well, with the goal of enabling residents to conveniently park while maintaining the residential nature of the neighborhoods.

The Director also supports the Land Use and Environment Committee.

Recent Accomplishments

- Implemented new community services software.
- Made improvements to City Hall public areas to improve customer service, such as installing a building directory and a US postal mailbox, and a voter ballot box during voting season.
- Created a Parcel Service Center to streamline deliveries and pickups of packages at City Hall.
- Completed an RFP process to secure a vendor for new parking management software.
- Completed an RFP process to secure a vendor for a comprehensive downtown parking strategy and began the project.

Key Result Measures - Administration & Parking Services

	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Downtown Core Occupancy Rate	70-85%	59%	65%	65%

Service Profiles - Administration & Parking Services

	2015 Actual	2016 Actual	2017 Budget
Permit Center Telephone Calls Received	10,421	11,047	11,100
% of Total Permits Issued "Over-the-Counter"	40%	50%	60%
Parking Citations Issued	24,182	23,495	24,000
Metered Parking Stalls	2,268	2,268	2,268
Timed Parking Stalls	1,075	1,075	1,075
Leased Parking Stalls	364	364	364

Economic Development

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ -	\$ 246,255	\$ 242,716	\$ (3,539)
Supplies & Services	15,104	179,700	302,600	122,900
Interfund Payments	-	1,435	6,240	4,805
Total Expenditures	\$ 15,104	\$ 427,390	\$ 551,556	\$ 124,166
Program Revenue	70,000	80,000	96,908	16,908
Funding from General Revenues	\$(54,896)	\$ 347,390	\$ 454,648	\$ 107,258

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Economic Development Director	1.00	1.00	1.00
Senior Program Specialist	-	1.00	1.00
Total	1.00	2.00	2.00

Program Description

The focus of the Economic Development line of business continues to be on retaining and expanding major employers and retailers to Olympia and developing strong relationships with key community business interests and economic development partners. Major efforts toward strategic public-private partnerships such as the Community Renewal Area Plan will also continue.

Trends

The City's first Economic Development Director was hired mid-2015 with a long list of responsibilities, including encouraging growth of the City's tax base and revenue generating capacity; supporting core economic resources such as the Auto Mall, Capital Mall, health care, arts, entertainment and government sectors; coordinating the marketing and sale of key surplus real estate assets such as the former municipal land fill; supporting small business development through the use of the Grow Olympia Fund and other financial incentives; and will serve as the City's point of contact for economic development interests including realtors, developers and property owners. There has been significant progress in most of these areas, which is expected to continue in 2017. These efforts continue to be closely coordinated with other community development and planning projects, such as the Action Plan and Downtown Strategy. City economic development activities will also be coordinated with the new regional economic development strategy, led by the Thurston Economic Development Council.

Program Budget Overview

Funding continues for an Economic Development Director and Senior Program Specialist in 2017.

Future Challenges and Opportunities

A significant challenge for the City is being created by the pending departure of Toyota of Olympia to a new site in Tumwater. Increasing support for the Auto Mall and strategies for retention and expansion of its businesses is a high priority in 2017. Economic Development will also continue to be focused on several opportunity sites defined through the Investment Strategy prepared by ECONorthwest, including the HWY 101 (previous municipal landfill) site. Development of a retail strategy and supporting the Port of Olympia in the completion of their Real Estate Development Plan is also part of the work plan. Creating key messages and marketing the City's unique economic development

advantages will be a key priority including enhancing the economic development information available on the City's web page. Supporting the growth of targeted industries and promoting innovation and entrepreneurship through partnerships with higher education and the Economic Development Council will be beneficial to the overall business climate of Olympia.

This Division also supports the Parking and Business Improvement Area Board with approximately 50% of the Senior Program Specialist's time being devoted to this liaison role.

Recent Accomplishments

- Successful adoption of a Community Renewal Area Plan.
- Selection of a private development partner from two strong proposals for the Water Street Redevelopment Area.
- Purchase of the blighted former Griswold's building, and release of an RFP for redevelopment of that property.
- Significant investment and growth by the health care and senior services industries in Olympia.
- Construction of three new hotels, and a major new anchor store at Capital Mall.
- Retention and expansion of numerous local businesses.
- Ongoing support for the PBIA Board.

Community Planning Services

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 1,547,689	\$ 1,651,903	\$ 1,876,694	\$ 224,791
Supplies & Services	520,039	263,271	247,903	(15,368)
Interfund Payments	47,368	38,327	48,890	10,563
Total Expenditures	\$ 2,115,096	\$ 1,953,501	\$ 2,173,487	\$ 219,986
Program Revenue	235,440	250,000	813,704	563,704
Funding from General Revenues	\$ 2,350,536	\$ 2,203,501	\$ 2,987,191	\$ 783,690

Highlights of Program Budget Changes

Revenues:

Increase is mainly due to payments from the new Development Services Fund to reimburse the General Fund for services related to development administration and processing. Previously all those revenues were allocated to Permitting. Now the revenues are allocated to the sections providing the services.

Expenditures:

\$75,056 - Addition of one FTE, Engineering Plans Examiner.

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Assistant Planner	1.00	1.00	1.00
Associate Planner	3.00	3.00	3.00
Engineering Plans Examiner	2.00	2.00	3.00*
Line of Business Director	1.00	1.00	1.00
Office Specialist II	-	2.00	2.00
Office Specialist III	1.00	0.75	0.75
Program & Planning Supervisor	2.00	1.00	1.00
Program Assistant	1.00	-	-
Program Manager	1.00	1.00	1.00
Program Specialist	-	1.00	1.00
Senior Planner	3.00*	5.00	5.00
Total	15.00	17.75	18.75

* Added one FTE

Program Description

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

Trends

The Division received two new subdivision applications in 2016, and numerous major remodels and conversions, including conversion of downtown offices to mixed use retail, new hotels, and new apartments. Several land use applications for senior apartments and assisted living facilities were also received. Following construction of a major new mixed-use building downtown in 2016, a land use application was also received for a similar-sized mixed-use building downtown. There has been a significant increase in serious inquiries for future development in Olympia, particularly downtown and on the west side. For those projects that are submitted, recent history indicates that land use decisions affecting large or sensitive pieces of property will generate a large volume of public comment and land use appeals, resulting in increased workloads for staff. The Division's emphasis on achieving Council's goal of a more proactive community development program includes increased public outreach through more frequent neighborhood meetings, broader public notice, better graphic materials to illustrate proposals, and other process improvements. These improvements also create higher demands for staff time.

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

Key Community Planning projects in 2017 will include an update to the City's sign code, a major review of regulations and fees related to infill development, implementation of the Downtown Strategy, continued development code updates to increase alignment with Comprehensive Plan goals, and collaborating with Thurston County to review and update the Joint Plan for Olympia's urban growth area.

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

The Housing and Community Development Block Grant programs continue to receive increasing responsibilities and importance, particularly supporting the City's priorities on economic development, a clean and safe downtown, and affordable housing and homelessness response. However, the increased responsibilities also come at the same time as changes in federal regulations decrease the ability to cover the costs of these programs with CDBG funds.

Community Planning Services (continued)

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

The Neighborhood Matching Grant program continues to experience increased demand, and administration of this program within existing resources is a growing challenge.

Program Budget Overview

As one of the two engineering plan reviewers has been reassigned to implement the new permit software system, a temporary engineering plan reviewer was hired in 2016. This work unit has experienced increased numbers of planning and building permit reviews, both within the City limits and the urban growth area, and one additional FTE Engineering Plans Examiner will be added in 2017.

Future Challenges and Opportunities

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

Staff will also continue to participate in a LEAN continuous improvements process intended to eliminate waste and enhance the efficiency of our development review process and the implementation of new software that will better meet the needs of land use review staff and customers. Adjusting planning review processes to the new low-impact development code will require continued education and information-sharing with applicants.

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

Recent Accomplishments

- A robust public process to develop the Downtown Strategy.
- Completion of the Northeast Olympia Subarea Plan.
- Adoption of the Kaiser-Harrison Opportunity Area Plan in West Olympia and the subsequent rezoning of the area.
- Updated the City's street tree inventory for downtown and other major streets after receiving a grant.
- Managed the land use permit process for numerous complex projects, while adapting new permitting software that will increase efficiency and transparency.
- Implementation of several LEAN process improvements for more efficient land use permitting.
- Completion of second phase of the downtown alley lighting project using City's first Section 108 loan.
- Update of the Critical Areas Ordinance (marking successful completion of state-mandated eight-year update to comprehensive plan and development regulations).
- Managed processes for several rezones, comprehensive plan amendments, and an annexation in southeast Olympia.
- Completed low-impact development code updates with Public Works Department.
- Transitioned to electronic-only meeting packets for the Planning Commission, saving staff time, supplies, and copy charges.
- Converted most Support Services processes to electronic format for seamless coverage when the team is short-staffed.
- Transferred management of the SPRC Program to the OSIII position – a more efficient leaning of the process.
- Eliminated outsourcing of minute-taking for all of the CP&D advisory boards and committees. Support Services has assumed this function.

Key Result Measures - Community Planning Services				
	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Timely Review of All Land Use Applications	Within 120 days	90 days	90 days	90 days
Prompt Review of Small Subdivisions (<9 Lots)	Within 45 days	45 days	45 days	45 days
Prompt Review of Large Subdivisions	Within 120 days	120	N/A	120

Service Profiles - Community Planning Services				
	2015 Actual	2016 Actual	2017 Budget	
Commercial and Multi-Family Permits Issued	47	50	50	
Major Design Review (Board-Level)	11	14	14	
Preliminary Full Plats (10 or More Lots)	1	0	1	
Total "Major" Reviews (Includes Others with Public Meetings)	20	20	20	

Development Permit Services

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,109,635	\$ 1,177,974	\$ 1,260,135	\$ 82,161
Supplies & Services	256,545	268,263	214,220	(54,043)
Interfund Payments	206,451	296,184	299,827	3,643
Total Expenditures	\$ 1,572,631	\$ 1,742,421	\$ 1,774,182	\$ 31,761
Program Revenue	2,622,211	2,837,211	1,426,838	(1,410,373)
Funding from General Revenues	\$(1,049,580)	\$(1,094,790)	\$ 347,344	\$1,442,134

Highlights of Program Budget Changes

Revenue:

Decrease in revenue mainly due to payments from the new Development Services Fund to reimburse the General Fund for services related to development administration and processing. Previously all those revenues were allocated to Permitting. Now the revenues are allocated to the sections providing the services.

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Associate Line of Business Director	-	-	1.00*
Building Inspector	3.00	3.00	3.00
Building Plans Examiner	3.00	3.00	2.00*
Code Enforcement Officer	3.00	2.00	1.00*
Electrical Plans Examiner	1.00	1.00	1.00
Lead Code Enforcement Officer	-	-	1.00*
Office Specialist III	1.00	0.25	0.25
Senior Plans Examiner	-	-	1.00*
Supervisor III	1.00	1.00	1.00
Supervisor IV	1.00*	1.00	-.*
Total	13.00	11.25	11.25

* Reclassified

Program Description

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

Trends

In 2015-2016, Olympia experienced continued increases in development and construction activity, with a one-time surge in commercial fees due to permit and inspection fees associated with the 1063 Building. We expect residential and commercial numbers to continue to be relatively strong in 2017, but decrease slightly from the dramatic increases in the past few years. The Division will continue to need to use consultant plan reviewers as needed, to meet plan review turnaround time goals.

The Code Enforcement team continues to focus on increased responsibilities related to new marijuana guidelines, graffiti management, vegetation management, homeless encampment enforcement, upcoming low impact development and response to neighborhoods and downtown. A temporary 0.5 FTE increase was approved in 2016 to address these increased responsibilities and is needed in 2017 to maintain the current level of service.

Program Budget Overview

Revenues from permit activity are expected to remain strong, though slightly decreased from 2016, which was heavily influenced by one-time commercial fees from the 1063 building.

Future Challenges and Opportunities

Continued implementation of the Development Services Fund and new community services software will continue to be monitored.

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

Recent Accomplishments

- Led City response to state legislation transitioning away from medical marijuana outlets and into a retail-based system, including City Council adoption of new zoning regulations for retail outlets.
- Permitted and inspected the new 1063 Capitol Way state office building, a 225,000 square foot LEED Platinum building.
- Implemented new building permitting and inspection software that will provide online services to our customers.
- Developed numerous informational customer service bulletins related to building and safety requirements.
- Authored and presented the Federal Emergency Management Agency, Flood Damage Prevention Ordinance, City of Olympia, Sea Level Rise Ordinance and the State of Washington Code Adoption Cycle Ordinance.

Development Permit Services (continued)

<i>Key Result Measures - Permit Services</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Single-Family Plan Review Time	14 days	14 days	14 days	14 days
Commercial Tenant Improvement Plan Review Time	15 days	14 days	14 days	14 days
New Commercial Plan Review Time	60 days	45 days	45 days	45 days
Close Cases Without Issue of Civil Infractions or Hearings Examiner Appeal	90%	99%	99%	99%

<i>Service Profiles - Permit Services</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Residential Permits Issued	129	206	150
Commercial Tenant Improvement Permits Issued	150	147	140
New Commercial Building Permits Issued	32	37	22
Total Permits Issued	5,834	5,892	5,900
New Code Enforcement Cases — Total	592	685	650
Abandoned Vehicles Processed	247	321	300





Mission

Prevent Harm... To People and Property

Thrive... Organizationally and Personally

Be Nice... Whenever We Can

Vision

To be recognized by our Community and Members as:

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



OlympiaTM

Fire Department Overview

Department Recap	2015 Actual	2016 Actual	2017 Budget	Variance
Administration	\$ 1,590,700	\$ 1,599,079	\$ 1,774,913	\$ 175,834
Fire/EMS Operations & Training	12,280,550	12,633,731	13,473,226	839,495
Fire Prevention	765,257	785,076	850,946	65,870
Total Expenditures	\$ 14,636,507	\$ 15,017,886	\$ 16,099,085	\$ 1,081,199
Recap of Expenditures				
Personnel Services	\$ 13,208,912	\$ 13,653,060	\$ 14,468,459	\$ 815,399
Supplies & Services	1,009,777	1,015,171	1,224,926	209,755
Capital Outlays	70,165	-	-	-
Interfund Payments	347,653	349,655	405,700	56,045
Total Expenditures	\$ 14,636,507	\$ 15,017,886	\$ 16,099,085	\$ 1,081,199
Program Revenues	3,786,919	3,501,816	3,726,179	224,363
Funding from Program Revenues	\$ 10,849,588	\$ 11,516,070	\$ 12,372,906	\$ 856,836

Department Overview

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

In our never-ending journey to better serve the citizens, the department is exploring fire department accreditation as a way to ensure quality service delivery. Fire department accreditation looks at all aspects of a department’s performance and charts future direction to maintain and improve performance.

Serving a Community During Crisis

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

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

Quality Training

Training for firefighters and fire officers is critical as they operate in complex, dangerous, dynamic, and emotionally charged

environments. The Mark Noble Regional Fire Training Center prepares our firefighters for the hazards of the job. Proper training makes the difference between life and death during emergency operations.

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

Reliable Equipment

The Department maintains and replaces equipment as needed to support our mission to prevent harm to people and property. For apparatus or “rolling stock,” the Department generally follows a fleet replacement schedule for our fire engines and ladder truck of 12 years for frontline service and another 13 years for reserve apparatus. Following the replacement schedule, in 2016 the department took delivery of a new Pierce Velocity fire engine.

Fleet Maintenance is the key to reliability and longevity in our fleet. The Fire Department’s Fleet program has become a model for our fire service and emergency response neighbors. The Fleet Maintenance Team is comprised of one Fire Master Mechanic and three Master Mechanics along with a 0.25 Inventory Control Specialist. The four Mechanics are certified in repairing fire apparatus and emergency vehicles. Fire and emergency medical response vehicles must perform at a very high level of reliability with complex electrical and mechanical systems working together. Certified Emergency Vehicle Technicians are the only level of mechanics that can provide this level of expertise. This specialized team of highly skilled mechanics has given us the ability to perform apparatus repairs for seven regional fire service customers while collecting adequate revenue to provide three full-time mechanics, rent a building capable of working on multiple fire apparatuses simultaneously, and generate additional revenue to pay for increasing department fleet maintenance expenses.

Fire Department Overview (continued)

Budget Overview

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

Future Trends and Challenges

The Olympia Fire Department’s 2004 to 2014 Master Plan provided direction for a number of years and changes in the Department. The Department achieved approximately 80% of the goals and is now working on replacing the outdated Master Plan with a Strategic Plan. The steps to create a Strategic Plan will be developed as one of the phases within a program called Fire Department Accreditation. The Accreditation process will lead the department through a number of critical phases. The first phase will be the determination of need and level of current response called Standard of Cover and the understanding the risks in our community called Community Risk Assessment.

With these two items underway, a five-year Strategic Plan will develop. The second phase will be to document nearly 250 critical aspects of the Department both qualitatively and quantitatively to allow the Department to accurately track progress in a reproducible manner. This is called the Self-Assessment Phase. The final phase is the actual Accreditation Phase. After the qualitative and quantitative data has been submitted for peer review, a group of peer review professionals will come to Olympia and confirm the information in the self-assessment. Based on this review, the Department may be recommended for Accreditation. The cycle then repeats every five years; in doing so the Department continuously monitors the needs of the community, the risks in the community and their progress to address these items. This real-time “Master Plan” is the best tool available to anticipate, map, and respond to future trends and challenges. Simultaneously, with the Accreditation process, the Department will continue to monitor several items from the previous Master Plan until they are completely incorporated into the Accreditation process.

Areas for Continued Analysis:

- Continue to closely monitor response times Citywide.
- Address other specialized rescue capabilities by increased training or equipment or joining regional response teams.
- Search for ways to respond to non-acute medical calls for service.

Recent Accomplishments

- Increased Fire Insurance Rating from Class III to a Class II by the Washington Survey and Rating Bureau. There are only four Class II cities in the state and no Class I.
- Strengthening automatic aid, mutual aid agreements, and joint service agreements with other fire and emergency services agencies.
- Expansion of business models in fleet and training providing added revenue.
- On-going teaching of CPR instruction and issuing “CPR Awareness” cards to freshmen in the Olympia School District.

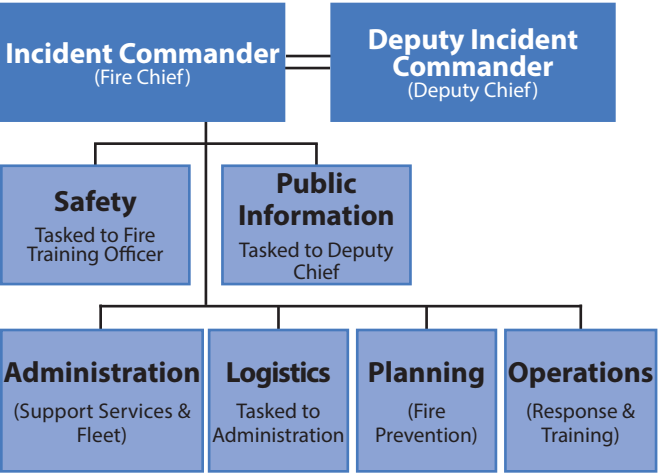
Organizational Design to Meet the Department’s Mission

The following sections will emphasize how the financial resources allocated to each division of the Department are used to support the Fire Department’s mission. The Department is divided into three divisions:

- Administration and Logistics—providing the support for the 24/365 daily mission of the Department.
- Fire and EMS Operations—responding to the requests for emergency service 24/365.
- Fire Prevention and Planning—ensuring the public safety in new buildings and existing businesses, public education.

NIMS (National Incident Management System) Compliance Requirement

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



Administration

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 950,508	\$ 1,013,282	\$ 1,119,196	\$ 105,914
Supplies & Services	559,299	562,702	628,657	65,955
Capital Outlay	61,120	-	-	-
Interfund Payments	19,773	23,095	27,060	3,965
Total Expenditures	\$ 1,590,700	\$ 1,599,079	\$ 1,774,913	\$ 175,834
Program Revenue	530,387	494,900	561,400	66,500
Funding from General Revenues	\$ 1,060,313	\$ 1,104,179	\$ 1,213,513	\$ 109,334

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Administrative Secretary	2.00	2.00	2.00
Fire Chief	1.00	1.00	1.00
Inventory Control Specialist	0.25	0.25	0.25
Line of Business Director	1.00	1.00	1.00
Master Fire Mechanic	1.00	1.00	1.00
Master Mechanic	3.00	3.00	3.00
Service Specialist	-	-	-
Total	8.25	8.25	8.25

Program Description

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

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

Good fiscal management is the primary function of the Administrative Division. Without effective management from the division, the mission of the Fire Department cannot be delivered.

Fiscal Systems: Extend the City’s fiscal accounting and reporting system to the Fire Department and coordinates billing for all fleet services, Medic One, Fire Prevention, and the rental of the MNRFTC.

Business Administration Systems: Provides personnel, records, public records requests, and technology management services to Department members, the community, and other City departments.

Fleet Systems: OFD Fleet services maintains apparatus and vehicles for OFD, Thurston County Medic One, Tumwater Fire Department, Lacey Fire District 3, and four other Thurston County Fire Districts. The fleet program excels in providing maintenance and safe operations for the Department’s and County’s fire ground apparatus, equipment, staff cars, medic units, and major mechanical operating equipment.

Facilities Systems: Provides maintenance to all the Fire Department buildings, grounds, and systems to maintain a safe and healthy working environment for the members and community.

Trends

Uncovering and creating new funding is a recent trend that will continue for the foreseeable future. Finding new revenue streams

is challenging in today’s economy. Any new revenue-producing endeavor must provide high quality service, enhanced safety, and sustainability. The Administrative Division looks for opportunities to maximize the use of personnel and property in a way that generates funds for the City. No other Division within the Fire Department has this focus.

Program Budget Overview

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

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

Future Challenges and Opportunities

During 2017, the Administrative Division will continue to be a key player in the administration and financial growth of the Mark Noble Regional Fire Training Center and the regional fleet vehicle maintenance repair shop.

Projects Completed or Currently Underway

- Continue moving towards a mission-driven, performance-based budget process as part of the Department’s efforts to track performance measures.
- Optimize existing cost recovery programs as part of the budget process.
- Carefully assess cost recovery and billing rates for new programs with an eye towards expanding the Department’s revenue.
- Repair existing facilities with the conservation of natural resources in mind and, when possible, with LEED-compliant certification results.
- Repair vehicles with the conservation of natural and fiscal resources in mind.
- Development Team working on Accreditation for the Fire Department.

Administration (continued)

Future Potential Projects

- As the Department develops experience with its new fleet maintenance program, replacement of apparatus will occur on an individual basis, taking into account actual maintenance costs, appropriateness of the equipment for response, technological improvements, and firefighter safety.
- In a joint effort between OFD's and Public Work's Fleet programs, purchase a software program that supports all the business needs for both departments and their customers. The new software went live in the middle of July 2016.
- Anticipate future facility remodeling needs and develop a facility remodeling schedule for future capital budgets.

Recent Accomplishments

- On-going coordination with the Training Division as we develop an efficient billing procedure for the rental of the MNRFTC.
- Fiscal management of the SAFER Grant.
- Ordered two new fire engines - one for Olympia Fire Department; and one for Lacey Fire District 3.

Key Result Measures - Administration	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Emergency vehicles arriving on scene without system failures	100%	100%	100%	100%
Preventive maintenance for all vehicles within the Department completed on time and in accordance with national safety standards	98%	98%	98%	98%
Bills processed and sent to City Hall within 10 days of receipt	98%	100%	100%	100%

Service Profiles - Administration	2015 Actual	2016 Actual	2017 Budget
False Alarm Billings	120	120	120
Inspection Billings	2,300	2,450	2,590
Occupant Files Maintained	2,245	2,280	2,300
OFD Fire Apparatus & Vehicle Maintenance	38	38	39
Trailers	3	3	3
Generators	3	5	5
Breathing Air Systems	3	5	5
Boat	1	1	1
Members supported for: Payroll, Scheduling, Union Contract Administration, Risk Management, Information Management, Business Administration, Fiscal Oversight of Department's Budget	97.25	97.25	98.25

Fire / EMS Operations and Training

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 11,540,291	\$ 11,903,277	\$ 12,549,642	\$ 646,365
Supplies & Services	430,874	422,784	564,979	142,195
Interfund Payments	309,385	307,670	358,605	50,935
Total Expenditures	\$ 12,280,550	\$12,633,731	\$13,473,226	\$ 839,495
Program Revenue	2,789,898	2,556,916	2,674,320	117,404
Funding from General Revenues	\$ 9,490,652	\$10,076,815	\$10,798,906	\$ 722,091

Highlights of Program Budget Changes

Expenditures:
 \$127,000 - Increase in supplies to replace protective gear.

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Assistant Fire Chief	1.00	1.00	1.00
Battalion Chief	3.00	3.00	3.00
Deputy Chief	1.00	1.00	1.00
Fire Captain	2.00	2.00	2.00
Fire Lieutenant	21.00	21.00	21.00
Firefighter Paramedic	14.00	14.00	14.00
Firefighter	38.00	38.00	44.00*
Fire Medical Services Officer	1.00	1.00	1.00
Fire Paramedic Training Officer	3.00	3.00	3.00
Senior Program Specialist	-	-	1.00**
Total	84.00	84.00	91.00

* Six FTE's added (Project Funded)
 ** Added 1.0 FTE for Emergency Management

Program Description

The Fire/EMS Operations and Training Division continues to strive to provide the highest level of protection for the citizens of Olympia. Emergency response includes fire suppression and emergency medical services, as well as hazardous materials and other technical rescue services. The Division coordinates all interactions of the uniformed Department members with the public in both emergency and non-emergency situations. In 2017, the Training Division will contract with Lacey, Tumwater, and other Fire Departments to extend fire ground training to their members and bring revenue to the City.

Trends

In 2017, the Division will continue to leverage technology to maximize our training efficiency. The Division has implemented Target Solutions training software to distribute, record, and track required fire, emergency medical, and administrative training. We will continue to utilize video training produced with the help of our training partners to reinforce identified best practices. Utilizing the available technology and partnering with Lacey and Tumwater Fire Departments increases our efficiency and quality of emergency response training. These efforts result in a cost-effective means to reduce staff hours for the City and for our regional fire service customers.

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

Program Budget Overview

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

on Fire Department staff. The budget reflects an overall increase as a direct result of labor, benefits, and service costs.

Future Challenges and Opportunities

Projects completed or currently underway:

- Staffing the Mark Noble Regional Fire Training Center (MNRFTC) to meet the State of Washington's and OFD's training requirements for live fire training.
- Expanding our partnership of fire and rescue training model to EMS training.
- Continue the analysis of Fire and EMS calls for response times and the distribution of emergent and non-emergent demand. Identify ways to maintain the current level of service in an efficient manner.
- Tracking responses to non-emergency incidents for services to the FDCARES program and/or a non-traditional response resource.

Future potential projects:

- Establish reasonable community expectations, assess efficiency and effectiveness of the Department's services, and identify practices that lead to superior service.
- Provide state-of-the-art firefighter training to members of the Olympia Fire Department and the regional partner, while striving for 100 percent cost recovery for the MNRFTC.
- Development Team working on Accreditation for the Fire Department.

Recent Accomplishments

- Completed a promotional assessment for the position of Fire Lieutenant. This assessment center included realistic job simulations that included: administrative, emergency response, interpersonal, writing and presentation skills.

Fire / EMS Operations and Training *(continued)*

Recent Accomplishments *(continued)*

- Implemented a Target Hazard Training Program. Target hazards are occupancies that pose an increased risk to occupants and fire service responders. The purpose of this training program is to increase our members understanding of the hazards present and increase our ability to effectively respond to emergencies within these identified buildings.
- Diversified our emergency response training to reflect our commitment to prepare for “All Hazards.” This will include training enhancements to our Hazardous Materials and Technical Rescue disciplines.
- Fall of 2016, OFD combined medical support at all home football games with CPR instruction on-site at ball games.
- In 2016 OFD applied for Federal Emergency Management Agency (FEMA) – Staffing for Adequate Fire & Emergency Response (SAFER) grant to fund six new Firefighter positions. This \$1.3 million grant’s performance period will begin on February 2017 and will support additional staffing for our new Adaptive Response Unit (ARU). This ARU will respond to high demand low acuity calls in our downtown core as well as respond to areas east and west of downtown.
This new Adaptive Response Unit will help gain capacity for two of our busiest Engine Companies while matching the right resource to the right call type. In addition, this unit will be gathering data to identify high risk populations that rely heavily on the 911 system for non-emergent needs. This information will be used to connect these populations to additional social services.

Key Result Measures - Fire/EMS Operations and Training	Target or Goal	2015 Actual	2016 Actual	2017 Budget
% Fire Responses in 6 Minutes*	90%	50%	60%	60%
% Medical (Basic Life Support) Responses in 6 Minutes*	90%	60%	60%	60%
% Medical (Advanced Life Support) Responses in 9 Minutes	90%	97%	97%	97%
% Full Deployment on Structure Fires within 10 Minutes	90%	76%	80%	80%

* Response times are the standard adopted by City Council and standard for the industry.

Service Profiles - Fire/EMS Operations and Training	2015 Actual	2016 Actual	2017 Budget
Fire Calls (other than Basic Life Support)	2,700	3,000	3,300
Advanced Life Support Calls	3,100	3,200	3,300
Basic Life Support Calls	6,400	6,600	6,900
Property Dollar Loss (Due to Fires)	\$1,000,000	\$1,000,000	\$1,000,000
Average Response Time	6:00	6:08	6:50
Fire (not EMS)	6:20	6:36	7:00
Emergency Medical Services (EMS)	6:00	5:58	6:50
Emergency Operations Center Activations and Drills	2	2	4

Fire Prevention

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 718,113	\$ 736,501	\$ 799,621	\$ 63,120
Supplies & Services	19,604	29,685	31,290	1,605
Capital Outlay	9,045	-	-	-
Interfund Payments	18,495	18,890	20,035	1,145
Total Expenditures	\$ 765,257	\$ 785,076	\$ 850,946	\$ 65,870
Program Revenue	466,634	450,000	490,459	40,459
Funding from General Revenues	\$ 298,623	\$ 335,076	\$ 360,487	\$ 25,411

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Asst. Fire Chief/Fire Marshal	1.00	1.00	1.00
Fire Captain	1.00	1.00	1.00
Fire Inspector Lieutenant	1.00	1.00	1.00
Fire Inspector/Firefighters	2.00	2.00	2.00
Total	5.00	5.00	5.00

Program Description

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

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

Trends

The Fire Prevention Division continues to work hard at preventing structure fires and limiting injuries from fires within the business community. Additionally, efforts towards public education for elementary age students and adults are expected to impact fire losses in residential properties.

New development planning, construction, and plan reviews continue to push resources to the limits. Residential fire sprinklers are now in at least 200 new homes and several business occupancies that previously did not have them. This will have a positive effect on future fire losses.

Program Budget Overview

In recent years the down turn of the economy slowed commercial and residential growth. Prior to this slow down the division campaigned and passed the requirement that mandated sprinklers in all newly constructed residential homes. The division utilized it's time during the down turn to build up skills and knowledge in

residential sprinkler plan reviews and inspections. In 2016, new construction exploded in Olympia placing a heavy demand on the Fire Prevention staff. The cost of supplies and services necessary to support the activities of the Division continue to increase due to inflation. The budget reflects overall increases in the cost of labor and benefits but has not been expanded to keep pace with the new demand. This situation cannot continue for long without a drop in the level of service.

Future Challenges and Opportunities

- Fire Investigators continue to meet and work together with Lacey Fire District 3. We will continue to enhance joint training opportunities.
- The ability to meet training requirements continues to prove challenging. All opportunities for quality, affordable training in prevention, investigation, firefighting and EMS are used.
- The Department is working hard to meet the growing demands for public contact and education for events, and fire safety/extinguisher training.
- Development Team working on Accreditation for the Fire Department.

Recent Accomplishments

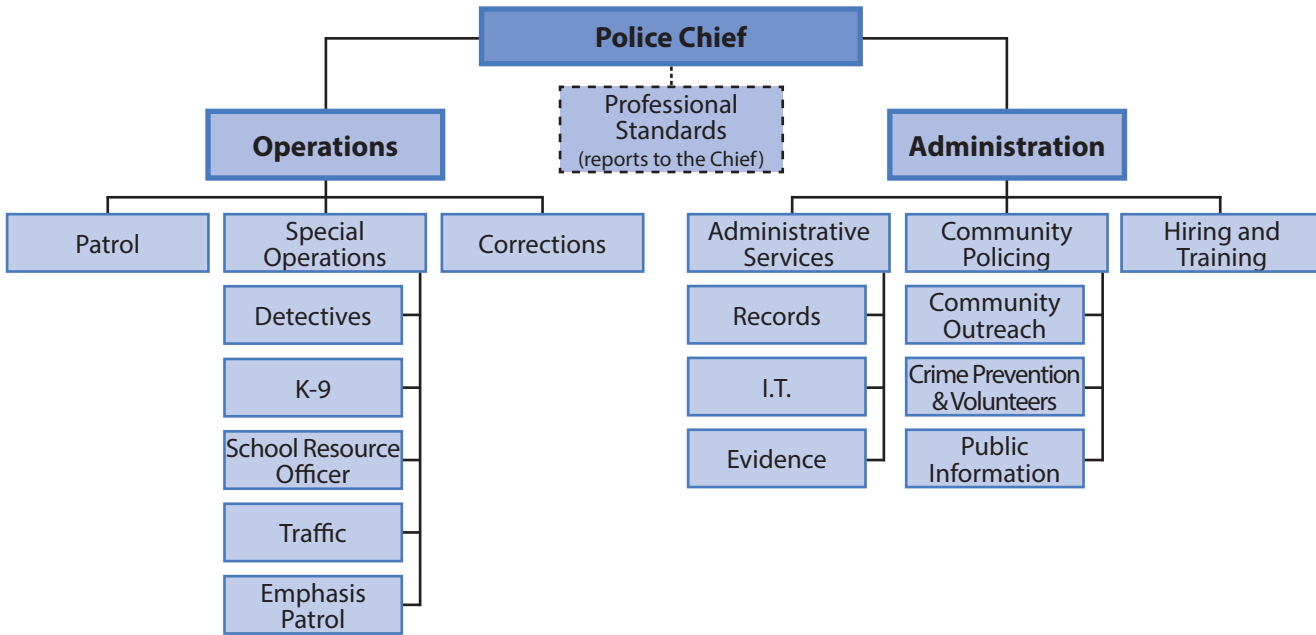
- All Prevention Division members have attended the National Fire Academy in the last year for prevention, leadership, or investigation classes. All personnel have applied for classes again this year.
- The Fire Marshal recently completed "Blue Card" Incident Command training and is certified for incident response at the Command level. The Assistant Fire Marshal is currently in the recertification process.

Fire Prevention (continued)

<i>Key Result Measures - Fire Prevention</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Semi-Annual Occupancy Inspections Accomplished on Time	99%	99%	99%	99%
Annual Occupancy Inspections Accomplished on Time	99%	99%	99%	99%
% Plan Reviews and Field Inspections Completed on Time Per Month	95%	99%	99%	99%
Major Code Violations Cleared per Quarter	99%	99%	99%	99%
Initial Fire Investigations Completed Within 24 Hours	100%	100%	100%	100%

<i>Service Profiles - Fire Prevention</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Commercial Inspections	2,250	2,577	2,590
Plan Reviews	500	500	550
Fire Investigations	15	15	15
Juvenile Fire Setter Contacts	10	8	8
Complaints	5	5	5
Hazardous Operations Permits	10	11	15





Mission

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



Police Overview

<i>Department Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Policing Services and Administration Services	\$ 12,579,294	\$ 13,092,907	\$ 13,404,578	\$ 311,671
Correction Services	2,375,752	2,461,111	2,473,767	12,656
Total Expenditures	\$ 14,955,046	\$ 15,554,018	\$ 15,878,345	\$ 324,327
Recap of Expenditures				
Personnel Services	\$ 12,627,683	\$ 12,868,403	\$ 13,055,961	\$ 187,558
Supplies & Services	1,615,199	1,920,673	1,852,756	(67,917)
Capital Outlays	7,351	-	-	-
Interfund Payments	704,813	764,942	969,628	204,686
Total Expenditures	\$ 14,955,046	\$ 15,554,018	\$ 15,878,345	\$ 324,327
Program Revenues	434,892	342,243	373,633	31,390
Funding from General Revenues	\$ 14,520,154	\$ 15,211,775	\$ 15,504,712	\$ 292,937

The Olympia Police Department

The primary goal of the Olympia Police Department (OPD) is to build trust with the community. Trust is built through relationships. The Department continues to implement the Strategic Plan adopted in 2015. The Department's Strategic Goals are integral to our decision-making, at a strategic level, at a tactical level, and at the line-level. To that end, the Department was reorganized in 2016 to better align resources. The reorganization simplifies the command structure and clarifies more definitively lines of responsibility and accountability.

In 2016, the Strategic Goals of Engage the Community, Communicate Effectively, and Provide Employees with Opportunities for Meaningful Work were emphasized in our department. All staff completed training in Fair and Impartial Policing and Blue Courage, a course designed to highlight the guardian role of police. Police Officers and Corrections Officers also received initial or refresher Crisis Intervention Training, building their skills in de-escalating tense situations and interacting with the mentally ill. In 2017, the Department will continue to emphasize training in communication and non-force techniques. OPD will further work to engage the community and also concentrate internally on employee development and accountability systems.

There was significant turnover at the management level in 2016. Due to retirements of key personnel, the Department lost over 100 years of management experience. In 2017, a key priority for the Department is developing the skills of the new managers, building a strong management team, and training new supervisors who are filling the roles vacated by the management promotions. We anticipate a continued need for hiring entry-level officers, a task which has become more difficult as the economy has strengthened and applicants have more choices. However, we will also be implementing new recruiting techniques that we anticipate will be more effective in attracting qualified applicants from a variety of backgrounds.

In 2017, OPD will be closing two facilities: the Westside Station and the OPD Firing Range. Both buildings require extensive repairs and hazard remediation. Neither facility meets the needs of a modern police force so investing considerable funds to improve

them is not cost-effective. The Department is determining the feasibility of opening a Westside station at a new location and an analysis of the value for doing so will be completed in 2017. OPD, along with its regional partners who also use the OPD Firing Range, will need to find both firearms training space and classroom training space in 2017.

Budget Overview

Expenses

The 2017 Police Department budget is largely unchanged. The budget includes enhanced funding for new officer training needs as the Department anticipates hiring five to eight new officers in 2017. The Department will also incur additional operating expenses for firearms training and classroom training space. Unmet needs in the 2017 budget include sufficient overtime funds for both Policing Services and Corrections Services. In Patrol, overtime costs will be driven by officers in training and vacancies. In the Jail, current staffing levels are not sufficient to ensure staffing needs during anticipated absences for vacations and illness. Overtime costs in Patrol will be somewhat offset by salary savings, but no salary savings in Corrections are expected to balance overtime spending.

Revenues

Revenues will remain largely unchanged in 2017. The City has been successful in recovering the costs of DUI enforcement due to cooperation between OPD and the City Prosecutor's Office, which is expected to continue.

Future Challenges

The Olympia Police Department will continue to be challenged by staff turnover. Significant turnover, especially in the Patrol and Corrections ranks, affects the Department's budget in several ways: the cost of recruitment and training; the cost of outfitting a new employee with uniforms, equipment, etc.; the cost of overtime to cover the position until the new recruit has been fully trained, which takes nearly 12 months for a police officer recruit; and cash-out of accumulated annual leave and compensatory

Police Overview (continued)

time upon retirement. The additional expenses related to turnover will stress the Department's ability to pay for essential supplies and equipment.

The use of technology in policing continues to expand. Currently, the Department is supported by one FTE for law enforcement-related software and hardware. Officers, corrections officers, and administrative staff are all dependent on their technological tools to perform their jobs. The workload of maintaining both systems and software exceeds the capacity of one FTE. A more robust support model will allow the Department to maintain and implement the tools necessary for policing in a modern environment.

The City, the Department, and the community are in favor of implementing body-worn video cameras. Considerable research has already been done to determine the opportunities and challenges related to a body-worn camera program. Opportunities include greater police transparency, less community concern about police activity, and better behavior by suspects. Challenges include privacy for citizens, workload considerations for administrative staff, and considerable cost for data management and storage.



Melnick—Olympia's Retired Canine Officer.

Police Operations

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 10,931,660	\$ 11,153,487	\$ 11,377,219	\$ 223,732
Supplies & Services	946,614	1,186,539	1,072,206	(114,333)
Capital Outlays	7,351	-	-	-
Interfund Payments	693,669	752,881	955,153	202,272
Total Expenditures	\$12,579,294	\$13,092,907	\$13,404,578	\$ 311,671
Program Revenue	429,640	337,243	370,633	33,390
Funding from General Revenues	\$12,149,654	\$12,755,664	\$13,033,945	\$ 278,281

Highlights of Program Budget Changes

- \$(205,789) - Reduction in benefit costs
- \$189,740 - Fuel costs moved from supplies to Interfund Payments
- \$26,500 - Increase in rentals due to the closing of the City-owned police firing range in 2016. The City will need to pay rent for training.

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Commissioned Police Officers*	-	-	65.00*
Corrections Officer	9.00	9.00	9.00
Crime Analyst*	-	-	1.00*
Jail Manager	1.00	1.00	1.00
Jail Sergeant	3.00	3.00	3.00
Police Cadet*	-	-	0.50*
Police Services Specialist^	1.00	-^	-
Program Assistant	-	1.00	1.00
Secretary	1.00	1.00	2.00*
Total	15.00	15.00	82.50

* Moved from Police Administration
 ^ Retitled to Program Assistant

Program Description

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

- Patrol
- Special Operations
 - Detectives
 - School Resource Officers
 - K-9 Officers
 - Traffic Officers
 - Emphasis Patrol
- Corrections

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

Special Operations is responsible for the Department's specialized units. These programs enhance the regular patrol function by providing expertise in these specific fields and to particular populations, such as school children. The Detective Unit conducts investigations of major crimes that require extensive follow-up efforts. Detectives may specialize in investigating sexual offenses or financial cases or in forensic investigations. Crime classifications typically assigned to detectives are crimes of violence, crimes against children, and cases involving significant monetary loss. School Resource Officers are assigned to each of the Olympia School District's two high schools and also provide service to the corresponding middle and elementary schools. The K9 unit includes two handler officers and their dogs. They are

responsible for tracking people or things related to a suspected crime. Traffic Officers specialize in accident investigation, DUI investigations, and traffic safety. The downtown Emphasis Patrol patrols the downtown on foot and on bicycle and is the primary liaison to the Downtown community.

Corrections is responsible for providing custodial corrections services for misdemeanor and gross misdemeanor offenders, as mandated by state law. The City maintains a 28-bed short-stay jail and contracts for additional beds for inmates serving longer sentences at the Lewis County Jail.

Policing - Trends

The nationwide trend to expand community policing efforts is impacting the way policing services are delivered. Community engagement will be incorporated more deliberately into daily work, while data-driven policing will continue to be important to our crime reduction efforts.

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

Policing - Program Budget Overview

The 2017 budget for Policing Services is largely unchanged. Increases are noted in Fleet, a key cost center. Despite full staffing, personnel costs have remained stable due to a decrease in the longevity costs that are associated with veteran officers. Overtime cost is expected to continue at around \$500,000 in order to provide minimum staffing for officer safety as well as field training for new officers.

Police Operations (Continued)

Policing - Future Challenges and Opportunities

Hiring and training of staff will present the largest challenge to Policing Services for the next year. At the same time, staffing changes also represent an opportunity to add energy to the Department and to create promotional opportunities within the organization.

Policing - Recent Accomplishments

In 2016, Policing staff participated in multiple community events aimed at creating relationships, particularly with underserved populations. Officers participated with the community in discussing issues of race and policing at events organized by the Black Alliance. Officers developed relationships with street youth through Community Youth Services and participated in forums at the local high schools.

With respect to crime in Olympia, OPD, in cooperation with other regional partners, was successful in stopping a rapidly increasing trend in auto thefts. Other significant cases included the successful arrest and prosecution of suspects engaged in crimes against children, the arrest of a serial arsonist, and the arrest of a suspected murderer.

Corrections - Trends

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

How the City meets its obligation to house misdemeanor prisoners in coming years is a critical issue that needs immediate attention. The City jail remains an old, inefficiently designed facility that is nearing the end of its useful life. Building upgrades scheduled for 2016 may open possibilities for additional improvements.

Corrections - Program Budget Overview

The 2017 Corrections budget is largely unchanged. It continues to reflect a need for significant overtime due to staffing levels that are inadequate. Contract costs for Lewis County Jail beds increased by five percent. In addition, the Department has had a greater need to house "high needs" inmates, who are housed at a higher cost. The higher cost for "high needs" beds leaves OPD with less funding for regular beds.

Corrections - Future Challenges and Opportunities

The City may be able to expand its programs for options to incarceration. Options, such as electronic home monitoring and work crew assignment, can help individuals to stay connected to their support systems, to stay employed, and can often mitigate the long-term negative consequences to incarceration. At the same time, they are usually more cost-effective for the City than housing an inmate. The Corrections Division will be exploring whether the use of alternatives to incarceration can be increased.

How the City meets its obligation to house misdemeanor prisoners in coming years is a critical issue that needs immediate attention. The viability of the City jail should be examined in depth and policy decisions made about its future. The City jail remains an old, inefficiently designed facility. A more contemporary, serviceable design could present opportunities to save money and to reduce the City's reliance on contracted jail beds.

Corrections - Recent Accomplishments

Corrections staff took the lead for the entire Department in reaching out to the LGBTQ community. Through the efforts of the Department's LGBTQ liaisons, OPD has participated in several community events related to the LGBTQ community, including Pizza Klatch at the high schools and the PRIDE festival. In addition, the Department launched the "Safe Olympia" campaign that encouraged businesses to provide a safe haven for LGBTQ community members in case of danger or harassment.

Corrections sergeants have been integral to the City's efforts to place high-volume, mentally ill offenders in housing that allows them to get care and supervision which will help them to lead healthier lives while reducing their interactions with emergency services.

Key Result Measures - Corrections Services	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Average Time for Emergency Response	≤ 4 minutes	4 minutes	4 minutes	4 minutes
City Jail % of Operational Capacity	≤ 100%	82%	85%	85%
Contract Jail % of Budgeted Capacity	≤ 100%	100%	100%	100%

Service Profiles - Corrections Services	2015 Actual	2016 Actual	2017 Budget
Calls For Service	55,000	55,000	55,000
Incidents Requiring Reports	8,500	8,500	8,600
Average Daily Population (City Jail)*	22	23	23
Average Daily Population (Contract)	21	22	22

*The use of all 28 local jail beds is limited by the number of mentally ill offenders who must be isolated in a cell. Since the majority of cells have multiple bunks, some beds are unused if a prisoner must be isolated. The average use of 23 beds per day reflects full capacity.

Police Administration

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,696,023	\$ 1,714,916	\$ 1,678,742	\$ (36,174)
Supplies & Services	668,585	734,134	780,550	46,416
Interfund Payments	11,144	12,061	14,475	2,414
Total Expenditures	\$ 2,375,752	\$ 2,461,111	\$ 2,473,767	\$ 12,656
Program Revenue	5,252	5,000	3,000	(2,000)
Funding from General Revenues	\$ 2,370,500	\$ 2,456,111	\$ 2,470,767	\$ 14,656

Highlights of Program Budget Changes

\$ (51,356) - Reduction in benefit costs.

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Administrative Secretary	1.00	1.00	1.00
Commissioned Officers*	68.00	68.00	3.00*
Computer Support Specialist	1.00	1.00	1.00
Crime Analyst*	1.00	1.00	-.*
Evidence Custodian	1.00	1.00	1.00
Lead Worker	1.00*	1.00	1.00
Line of Business Director	1.00	1.00	1.00
Police Cadet*	0.50	0.50	-.*
Police Services Specialist^	5.00^	-	-
Program Assistant	-	5.00	5.00
Secretary	2.00**	2.00	1.00*
Senior Program Specialist	1.00	1.00	1.00
Supervisor IV (Records Manager)	1.00	1.00	1.00
Total	83.50	83.50	16.00

* Moved to be under Police Operations
 ** Position added in 2015
 ^ Retitled to Program Assistant

Administrative Services - Program Description

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

- Administrative Services
 - Records
 - IT
 - Property and Evidence
- Hiring and Training
- Community Policing

In addition, the Division also houses the Professional Standards Office that reports directly to the Chief of Police. The Professional Standards Office is responsible for investigating complaints against OPD, both serious allegations and service complaints. In addition, the Professional Standards Office monitors Uses of Force, Vehicle Accidents by staff, and other potentially high-risk areas.

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

Hiring and Training is responsible for recruiting new police and corrections officers, providing background investigations for all employees, managing the Police Training Officer (PTO) program, and ensuring that new police officers are given the support they need to succeed. The program is also responsible for the

Department's in-service training that occurs twice monthly on a variety of topics.

Community Policing manages the Department's community outreach efforts, crime prevention programs, and public information. The Volunteers in Policing is also part of the Community Policing program.

Administrative Services - Trends

Policing continues to be a focus of public records requests in the City. To meet the demand, the Department has assigned one employee to exclusively manage records requests, additional staff are also needed to ensure that requests are handled within records deadlines. The role of technology in policing continues to grow. New technical applications and tools that can substantially improve policing are regularly being developed and implemented. Body-worn cameras are receiving considerable attention nationwide, with the Federal government encouraging their use. National attention was also focused on the processing of sexual assault kits, particularly in cases with no suspects. The OPD Evidence staff have been proactive in ensuring that all evidence related to sexual assaults are processed appropriately and in a timely manner. Tracking and reporting on this issue has been mandated at the Federal level.

Administrative Services - Program Budget Overview

The budget for the Administrative Services is essentially static. Any additional technology tools, including body-worn cameras, will generate a substantial increase in staffing costs and equipment costs.

Police Administration (continued)

Administrative Services - Future Challenges and Opportunities

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

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

Administrative Services - Recent Accomplishments

Administrative Services staff opened a new evidence warehouse in 2016. The warehouse will primarily house large pieces of evidence, including automobiles, providing more secure storage and consolidating the contents of several smaller facilities. Records staff also participated as trainers for Fair and Impartial Policing, partnering with members of Policing and Corrections, to provide a unified Department message.

Hiring and Training - Trends

Recruitment, hiring, and the training of new police and corrections officers will continue to be a Department priority for the next several years. Twenty-two percent of the police officers have twenty or more years of service and retirement rates are expected to continue. At the same time, other agencies are also competing for the same, small pool of qualified applicants. Training will remain an essential part of policing, especially as new priorities emerge.

Hiring and Training - Program Budget Overview

In 2016, the City Council allocated nearly \$300,000 for several large one-time and on-going training needs for OPD. In 2017, only the on-going training budget, about \$70,000, is included in the Department’s budget. The cost of new-hire training remains stable as the Department anticipates a similar number of openings in 2017.

Hiring and Training - Future Challenges and Opportunities

Recruiting for both police and corrections officers will remain challenging in future years. The entire industry is facing significant levels of retirement. Training needs are also growing as community, State, and Federal mandates increase.

The Department will be engaging in new recruiting methods to increase the number of qualified candidates applying for OPD positions and broaden the backgrounds from which they come. OPD is instituting a more personalized approach that we believe will both attract a variety of applicants and help us retain candidates’ interest in OPD as they go through the lengthy hiring process.

Hiring and Training - Recent Accomplishments

In 2016, the Hiring & Training staff was instrumental in ensuring that all police and corrections officers received either initial or refresher Critical Incident Training.

Community Policing - Trends

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

Community Policing - Program Budget Overview

The Community Policing program was not specifically funded in 2016. In 2017, a budget was developed by reducing budgeted amounts in other OPD programs to fund Community Policing.

Community Policing - Future Challenges and Opportunities

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

Community Policing - Recent Accomplishments

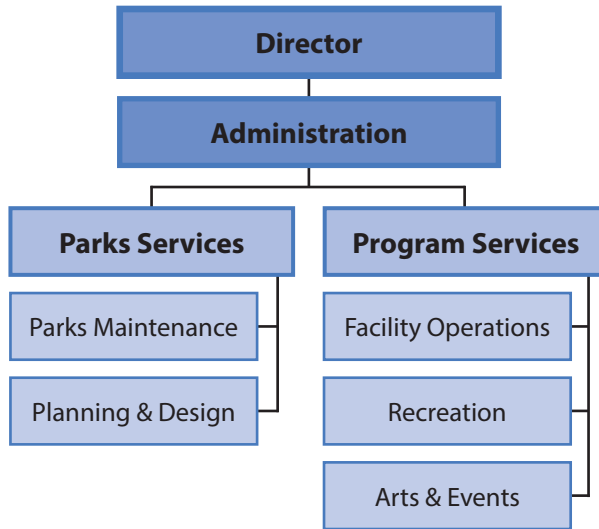
Requests for OPD participation in community events, from neighborhoods, from schools, and from community organizations increased significantly in 2016. Not only was OPD frequently invited to events, the public also attended OPD events in large numbers. The “Meet Melnic” event gathered twice as many people as it did in 2015 and the Youth Academy, offered to teens, filled completely shortly after registration was opened.

Key Result Measures - Administrative				
	Target or Goal	2015 Actual	2016 Actual	2017 Budget
In-Service Training Hours Offered	144	172	172	180
Public Disclosure Requests Filled Within Statutory Guidelines	100%	100%	100%	100%
Volunteer Hours Donated	10,000	9,650	9,500	9,500

Service Profiles - Administrative Services and Policing Services			
	2015 Actual	2016 Actual	2017 Budget
Citizen Complaints Received/ Investigated	10	10	10
Community Events Attended	10	15	15
Public Disclosure Requests	3,500	3,500	3,500
Software Packages Supported	14	14	14



Parks, Arts and Recreation



Mission

We provide opportunities for meaningful life experiences through extraordinary parks, arts, and recreation.

Vision

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



Parks, Arts and Recreation

<i>Department Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Administration and Communications	\$ 793,333	\$ 803,146	\$ 906,176	\$ 103,030
Facility and Support Services	1,006,593	1,008,049	1,085,319	77,270
Recreation	965,431	1,019,876	1,178,975	159,099
Arts and Events	152,180	171,184	236,264	65,080
Parks Maintenance	2,316,048	2,450,550	3,880,406	1,429,856
Planning and Development	113,145	312,113	553,950	241,837
Total Expenditures	\$ 5,346,730	\$ 5,764,918	\$ 7,841,090	\$ 2,076,172
Recap of Expenditures				
Personnel Services	\$ 3,733,291	\$ 4,117,633	\$ 5,868,304	\$ 1,750,671
Supplies & Services	1,280,050	1,271,228	1,481,102	209,874
Capital Outlay	13,360	24,500	24,500	-
Interfund Payments	320,029	351,557	467,184	115,627
Total Expenditures	\$ 5,346,730	\$ 5,764,918	\$ 7,841,090	\$ 2,076,172
Program Revenues	1,038,838	1,027,127	2,898,682	1,871,555
Funding from General Revenues	\$ 4,307,892	\$ 4,737,791	\$ 4,942,408	\$ 204,617

Highlights of Program Budget Changes

- \$ 23,502 - Increased contracted security
- \$ 60,063 - Increase for marketing and resource development
- \$ 35,439 - Addition of 0.5 FTE maintenance worker at the Olympia Center.
- \$ 54,555 - Increase in recreation programs.
- \$ 107,071 - Addition of one FTE (project engineer) funded from charges to projects.

In 2015 voters approved the creation of the Olympia Metropolitan Parks District (OMPD) which has a boundary equal to the City limits of Olympia. The District provides resources for Park operations and capital projects for the City. 2017 is the first year in which property tax revenue will be received by the OMPD. The budget reflects the OMPD providing funds for expansion of park services and the moving of park operational costs previously paid from the voter-approved utility tax into the General Fund, thus leaving the VUT available for capital purposes.

Funding from OMPD:

- \$ 975,832 - OMPD expanded services
- \$ 21,833 - OMPD funding of COLA for expanded services
- \$ 495,112 - OMPD funding of previously VUT funded operations

Planning and Design funding from OMPD:

- \$ 104,236 - OMPD funding of previously VUT funded operations
- \$ 1,597,013

Parks, Arts and Recreation Department Overview

On November 3, 2015, Olympians took an historic step to further enhance Parks, Arts and Recreation services. The Olympia Metropolitan Park District (OMPD) funding measure passed with more than 60 percent voter approval. The newly formed OMPD will ensure that the existing park system is well-maintained and remains safe and accessible. It will also provide the resources to meet expanding needs as Olympia grows substantially over the next twenty years.

The funding for the OMPD is scheduled to begin in 2017 and is estimated to generate \$3,346,646 annually in additional funding. Approximately 49 percent of those funds have been allocated to the department's Capital Budget, while the remaining 51 percent is supporting operations.

The strong public support for the OMPD is closely tied to the extensive public process that was facilitated to develop the 2016 Park, Arts and Recreation Plan. This 20-year vision creates a clear path for allocating new OMPD resources towards operations, major maintenance, parks safety, arts administration, and Percival Landing. The OMPD funding also provides an opportunity to achieve identified acquisition goals by committing both the 2004 voter-approved two percent utility tax and the 0.5 percent non-voted utility tax towards new parks acquisition. There is also intent to consider another 0.5 percent of non-voted utility tax towards parks, with a priority on acquisition to the extent practical. If the second 0.5 percent non-voted utility tax continues to be utilized for other City priorities, the City, absent an exigent financial circumstance, intends to allocate \$500,000 of year-end fund balance toward acquisition.

Parks, Arts and Recreation Overview *(continued)*

Other Budget Changes Include

- The 2017 budget anticipates a four percent increase in service revenue. Funding sources attributed to this increase include recreation programs, ballfield reservation fees, facility and shelter rentals, boating moorage, and general leases. If this level of revenue is realized it will mark the sixth consecutive year of record-breaking revenue.
- In order to ensure there is adequate staff to meet the department's increasing workload, the department has been transitioning towards a model that funds project management staff with funding from individual projects located within the Capital Budget. This shift in funding will transition the Project Engineer Manager out of the general fund, and will also provide sufficient funding to be able to create a second Engineer position within the department.
- In order to respond to growing concerns about park safety, the department is expanding the Park Ranger program by two full-time positions and three seasonal positions; with a strong focus on pro-active enforcement of park rules and regulations.
- Expansion of staffing of the Ranger program will allow existing staff to increase support for the Volunteer and Stewardship program.
- With support from the OMPD, the Parks Maintenance Division will be restoring full-time and seasonal positions that had been previously cut during the recession.
- With support from the OMPD, the Parks Maintenance Division will receive funding for new positions to address maintenance requirements associated with the expanding park system.

Future Trends and Challenges

- In 2016, the City was successful in acquiring more than 150 acres of future park land. This latest round of land acquisition has allowed us to reach over 250 new acres of parks since 2004. We are now approximately halfway to the 500-acre goal that was established as a component of the 2004 voted utility tax for parks. While we celebrate each additional acre in park system, we also recognize that there is an additional maintenance cost attributed with new parks, even while they are in the undeveloped state.
- With so many individuals desiring to live healthier lifestyles, there has been a growing interest in Outdoor Recreation opportunities. In order to meet this demand, the department is proposing to restore the 0.5 Outdoor Recreation Coordinator position back to full-time, as it was prior to the recession.
- Based on national best practices identified through the LERN Program Review, the Recreation Division should be spending 8% of the program revenue on promotions and marketing to remain competitive. The 2016 budget allocates less than 4% for this purpose and is deficient. The 2017 proposal increases the quantity of brochures distributed, and proposes a 0.75 FTE position to focus on marketing and resource development.

Department Efficiencies

As outlined in the OPARD Business plan, the 2015 Performance Report was developed as a baseline to begin tracking 45 different performance measures and business metrics. This data-driven process will provide clear communication of department progress to the public, and will also provide clear targets and goals for the department staff to work towards. The measures are broken out by division, and will be presented on the department webpage annually.

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

The Parks Maintenance Division has now adopted new Maintenance Management Plans (MMP) for all City parks, and has also begun to implement a new Work Management database program to coordinate our work. Integrating to this new management process has already provided critical information that has inspired operational efficiencies through landscaping improvements, facility repairs, and more efficient staff management.

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

In 2015, Olympia voters approved the formation of the Olympia Metropolitan Park District (OMPD) for the purpose of increased funding for parks acquisition, maintenance, development, and safety. As a result, a junior taxing district has been established, with the Olympia City Council serving as the OMPD Board in an ex-officio capacity. The funding from this new voted measure begins in 2017 and is anticipated to generate 3.3 million in funding to support both the operating and capital budget of the City of Olympia Parks, Arts and Recreation Department as well as provide administrative support for the district.

OMPD Operating Budget - \$1,621,113

The OMPD will provide the Olympia Parks, Arts and Recreation Department \$1.5 million to restore critical maintenance. It will also provide funds for additional maintenance to support a growing park system. Also the parks stewardship program will receive increased funding to create a new, dedicated Park Ranger program. The Park Ranger's primary focus is to create a positive presence in our parks, proactively enforce park rules, and support our expansive volunteer program.

In total, the OMPD will create eight new full-time positions, and provide funding for six existing positions previously funded by the Voted Utility Tax (VUT) for parks.

OMPD Capital Budget - \$1,648,600

Capital Asset Management Program (CAMP) - \$750,000

Sustaining a maintenance fund for existing parks is as important as building new facilities. It is critical that future maintenance requirements are identified and funded concurrently with new construction so that the community is assured uninterrupted access to its inventory of public recreation facilities. The Olympia Parks system collectively includes more than \$28 million of aging assets, which are inspected and managed through our Capital Asset Management Program (CAMP). These assets include amenities such as playgrounds, shelters, and restrooms throughout the park system. Currently the CAMP backlog is estimated at over four million dollars. The annual OMPD allocation towards CAMP will allow the City to rebuild the park system from the inside-out, and hopefully eliminate the backlog over the next six years.

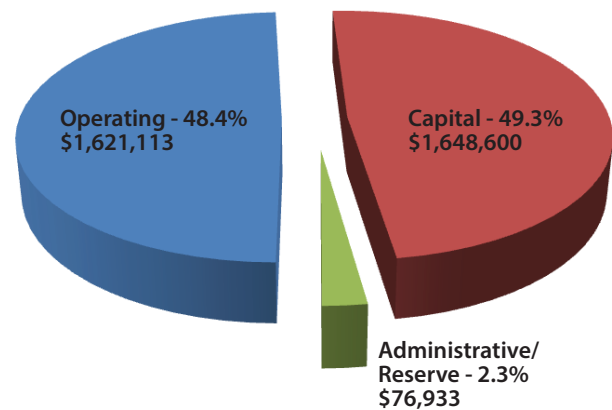
Percival Landing - \$898,600

A high priority within the Parks Plan has been to preserve the community's access to the historic waterfront by keeping Percival Landing safe and open. Although the OMPD does not fully fund the replacement of Percival Landing, it does provide significant resources to keep it safe and open. The OMPD funding for Percival Landing includes four primary areas:

1. 2010 Phase I Replacement - Bond Debt Service (Previously funded by the VUT)
2. Annual Inspection
3. Maintenance Reserve Fund
4. Bulkhead Replacement



2017 OMPD Budget \$3,346,646



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

	<i>Dedicated Taxes</i>	<i>Program Revenue</i>	<i>Utility Tax</i>	<i>OMPD</i>	<i>Total</i>
Revenue*	\$4,947,275	\$1,277,569	\$2,525,000	\$3,269,713	\$12,019,557
USES:					
Operations:					
Administration & Communications	\$881,136	\$40	\$-	\$25,000	\$906,176
Facility & Support Services	909,448	158,505	-	17,366	1,085,319
Recreation	434,615	744,360	-	-	1,178,975
Arts & Events	153,834	23,800	-	58,630	236,264
Parks Maintenance	2,354,435	116,150	-	1,409,821	3,880,406
Planning & Development	208,940	234,714	-	110,296	553,950
Total Operations	\$4,942,408	\$1,277,569	\$-	\$1,621,113	\$7,841,090
<small>(Amount uses under dedicated resources \$4,867)</small>					
Debt Service					
2013 Bonds (Percival Landing)			\$-	\$240,600	\$240,600
Bond Anticipation Note (2017 interest only)			70,000	-	70,000
Total Debt Service			\$70,000	\$240,600	\$310,600
Available for Capital			\$2,455,000	\$1,408,000	\$3,863,000
Allocated to 2017 Capital Improvements			\$2,455,000	\$1,408,000	\$3,863,000

*** Explanation of Revenues:**

<i>Dedicated Taxes</i>	2017 Estimate
Property Tax	\$10,823,869
Regular Sales Tax	18,481,280
B&O Tax	5,972,000
Private & City Utility Tax	9,698,080
Total	\$44,975,229

11% of Total to support the Parks, Arts and Recreation Department **\$4,947,275**

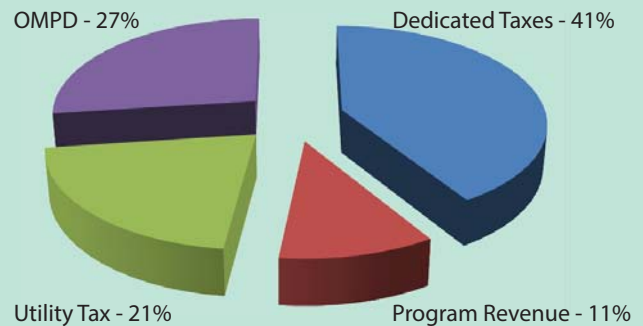
Program Revenue
Revenues generated by the Department, e.g. rents and class fees. This includes transfers in from other funds to support the programs.

<i>Utility Tax</i>	2017 Estimate
Non-voted utility tax	\$500,000
Voter-approved utility tax	2,025,000
	\$2,525,000

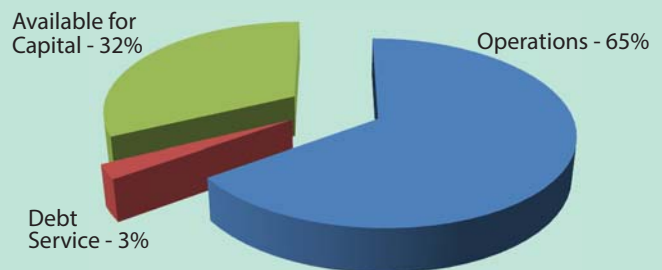
OMPD
The OMPD, was voter-approved in November 2015. The District may levy up to \$0.75 per \$1,000 of assessed value. Levy rate based on 2017 revenue of **\$3,346,646** = \$0.525758. The budget assumes a 98% collection rate for 2017.

Payments to City of Olympia	\$3,269,713
OMPD administrative costs	\$10,000
Reserve of uncollected taxes	\$66,933

TOTAL PARKS REVENUES \$12,019,557



USE OF FUNDS



Administration

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 458,277	\$ 466,827	\$ 484,095	\$ 17,268
Supplies & Services	185,594	181,128	251,768	70,640
Interfund Payments	149,462	155,191	170,313	15,122
Total Expenditures	\$ 793,333	\$ 803,146	\$ 906,176	\$ 103,030
Program Revenue	1	5	25,040	25,035
Funding from General Revenues	\$ 793,332	\$ 803,141	\$ 881,136	\$ 77,995

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Assoc. Line of Business Director	2.00	2.00	2.00
Director	1.00	1.00	1.00
Total	3.00	3.00	3.00

Highlights of Program Budget Changes

- \$ 25,000 - Increase in Revenue and Expenses, OMPD funding of OMPD administrative costs
- \$ 23,502 - Increase in contracted security services.
- \$ 15,000 - Addition to the budget for marketing and resource development. \$45,063 also added in recreation for this purpose.

Program Description

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

Trends

The 2016 Parks, Arts and Recreation Plan update is already creating change in policy and budget decision-making. As community priorities evolve, it becomes increasingly more important to use the Plan as a grounding tool, while remaining open and flexible to emerging opportunities.

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

Program Budget Overview

Olympia Parks, Arts and Recreation Department is dedicated to the business of parks, arts and recreation. Whether it's redesigning a landscape, coordinating camps for youth or managing a playground replacement, the employees all know that what they do improves the lives of others. The 2017 administration program will continue to inspire staff to do the work that brings so much pride to the community.

Future Challenges and Opportunities

As we look to the future, we need to implement fiscal strategies that match the community expectations. The Olympia Metropolitan Park District will significantly enhance the department's ability

to move new ideas forward while restoring services that were eliminated in weaker economic times. The department will also look to leverage available funds with grants and community partnerships.

Recent Accomplishments

- Continued evolution of Artesian Commons Leadership Committee and Action Teams.
- Continued support of Safe and Secure Parks Initiative Strategies.
- Established an annual Performance Report. Full launch of Asset and Work Management Programs.
- Received City Council approval of an update to the Parks, Arts and Recreation Plan.

Facility Operations

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 776,772	\$ 795,888	\$ 872,338	\$ 76,450
Supplies & Services	229,821	212,161	212,981	820
Total Expenditures	\$ 1,006,593	\$ 1,008,049	\$ 1,085,319	\$ 77,270
Program Revenue	164,957	149,125	175,871	26,746
Funding from General Revenues	\$ 841,636	\$ 858,924	\$ 909,448	\$ 50,524

Highlights of Program Budget Changes

- \$ 11,666 - Increase in Revenue and Expenses, OMPD funding of Artesian Commons host.
- \$ 35,439 - Addition of 0.5 FTE, maintenance worker at the Olympia Center

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Maintenance Worker I (Oly Center)	3.50	3.50	4.00*
Maintenance Worker II	1.00	1.00	1.00
Program Specialist	0.65	0.65	0.65
Public Service Representative	3.00	3.00	3.00
Supervisor II	1.00	1.00	1.00
Total	9.15	9.15	9.65

*Added .50 FTE for 2017

Program Description

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

Trends

The Department continued expansion of services at Artesian Commons in 2016 by adding a Well Host and Ranger position during the summer months. Feedback from well visitors is that this is a welcome addition and has improved the cleanliness of the park while creating a welcoming atmosphere. Building relationships with partners to keep this space active continues to be a priority and weekly programming has increased to 20 special events and 250 total hours of active programming.

Facility use of City-operated ball fields continued a strong trend of bookings in 2016. South Sound Baseball, Thurston County Fastpitch, Olympia United Soccer, and a variety of tournament directors keep ballfields at LBA Park, Stevens Field, and Yauger Park vibrant and active.

Program Budget Overview

The 2017 Operating Budget is essentially the same as 2016, with an addition of 0.5 FTE to facility maintenance.

Future Challenges and Opportunities

The Parks, Arts and Recreation Department continues to adapt to new uses in Department managed facilities. A list of public rental facilities and amenities with associated rental fees is available. Community demands for creative use of our park space for both private and public purposes is a constant evolution and one that is challenging to manage. Continuing to refine the list and fees is important for staff effectiveness and customer service.

The tournament quality facilities at the Regional Athletic Complex (RAC) have raised the standard expectation for many participants in team sports like softball and soccer in and around Olympia. Yauger Park, Stevens Field, and LBA Park remain important facilities for Olympia, as the RAC cannot accommodate all needs in the area. Continued investment is critical to meet the expectations of our users.

The Harbor House on Percival Landing, a beautiful amenity for small retreats, receptions, and meetings adjacent to the waterfront, continues to be a popular draw throughout the year.

Recent Accomplishments

- Increased number of games scheduled by local user groups on City-owned fields
- Increased programming hours at Artesian Commons
- Increased rental hours at the Harbor House

Facility Operations (continued)

<i>Service Profiles - Facility Operations</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Number of League Games Scheduled at Yauger, Stevens, and LBA Parks	1,554	1,797	1,600
Number of Community Use Hours Scheduled on Olympia School District Fields	7,668	7,770	7,800
Number of Community Rental Hours at The Olympia Center	2,817	3,203	2,900
Number of Parks, Arts & Recreation Hours at The Olympia Center	3,734	3,891	3,900
Number of Senior Services for South Sound Rental Hours at The Olympia Center	8,462	9,217	9,000
Transient Moorage Nights at Percival Landing	378	496	450
Park Shelter Hours Reserved for Picnics, Weddings, and Educational Programs	2,553	2,486	2,700
Program/Facility Transactions Performed by Customer Service Team	16,648	18,082	16,000
Number of Community Rental Hours at The Harbor House	825	958	900



Recreation

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 668,669	\$ 723,626	\$ 845,239	\$ 121,613
Supplies & Services	287,579	285,481	317,595	32,114
Interfund Payments	9,183	10,769	16,141	5,372
Total Expenditures	\$ 965,431	\$ 1,019,876	\$ 1,178,975	\$ 159,099
Program Revenue	725,707	724,960	744,360	19,400
Funding from General Revenues	\$ 239,724	\$ 294,916	\$ 434,615	\$ 139,699

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Lead Recreation Specialist	0.60	0.60	-
Program Specialist	1.60	1.60	3.10*
Recreation Specialist	3.42	3.42	3.42
Supervisor I	2.00	2.00	2.00
Total	7.62	7.62	8.52

* Added 0.75 FTE for Resource and Marketing Development; Added 0.75 FTE to Outdoor Programming

Highlights of Program Budget Changes

- \$ 45,063 - Addition to the budget for marketing and resource development. \$15,000 also added in administration for this purpose.
- \$54,555 - Increase in recreation programs. This increase is partially funded with increased revenue.

Program Description

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

Trends

The Recreation program continues to return strong numbers in youth and outdoor camps, adult athletics and enrichment/continuing education classes. In addition, outdoor skill development camps (kayak, sailing, etc.) are as popular as ever. This reflects the high value that citizens place on active recreation as their participation requires full cost recovery. In discussing the value of these programs with participants common feedback included; motivation to learn and recreate with friends, as well as an interest in developing new social opportunities.

Program Budget Overview

Recreation programs, with few exceptions, generate the revenue required to support the operational expenses of the program and in most cases, include the supervisor's time.

The Recreation program added 0.75 FTE for Resource and Marketing Development and 0.50 FTE to Outdoor Programming.

Future Challenges and Opportunities

The Department continues to be an active advocate for reducing childhood obesity, with the hope that encouraging the development of healthier children will result in healthier adults. A current focus for the Parks, Arts and Recreation Department is to provide opportunities that promote a mentally and physically active lifestyle that includes healthy food choices. Citizens see this commitment by the programming offered during the year. Resources have been historically committed to feeding community

youth through the federally subsidized Summer Nutrition Program. The department also hosts community gardens at Sunrise Park and Yauger Park and seasonal cooking and food production classes.

Recreation and Parks Maintenance, through the Parks Stewardship Program, has continued to look for opportunities to expand environmental education programs, classes and tours that teach outdoor recreation skills and increase the public's understanding and appreciation of the natural environment. Many of these values are integrated into our standard camp and class offerings as the department leverages its relationship with the community and nature.

There is opportunity in the community to engage segments of the population in a more active manner. A compelling area for consideration is in the event/performance category. The Department is actively trying to position itself to connect with the community through special event offerings and has targeted 2018 as the year to implement a service delivery strategy.

The department projects expansion in Outdoor Programming as well as increased offerings of popular camp programs such as Leader in Training for 2017. Registration data and customer input show that the opportunity is there to build on our best and most attractive activities.

Recent Accomplishments

- Implemented organizational structures that improved organizational effectiveness.
- Increased online registration by six percent.
- Maintained or increased participation and revenue in league, youth camp, and outdoor programs. Many programs are at their limit, requiring the department to find expansion alternatives.

Recreation (continued)

<i>Key Result Measures - Recreation</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Activity Participants Quality Rating (1-5 scale)	4.49	N/A	4.49	4.25
Customer Service Rating (1-5 scale)	4.49	N/A	4.49	4.25
Percentage of Participants Self-Registering Online for Recreation Programs	40%	42%	48%	50%

<i>Service Profiles - Recreation</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Special Interest Class Participation	4,614	4,528	4,450
Number of Sports Teams/Participants	413/3,195	399/3,125	400/3,150
Number of Summer Camp Participants	1,130	1,172	1,130
Number of Meals Served During Summer Nutrition	5,904	7,333	7,000
Outdoor Adventure Camp Participation	555	631	650



Arts and Events

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 137,119	\$ 141,652	\$ 204,672	\$ 63,020
Supplies & Services	15,061	29,532	31,032	1,500
Interfund Payments	-	-	560	560
Total Expenditures	\$ 152,180	\$ 171,184	\$ 236,264	\$ 65,080
Program Revenue	22,160	23,260	82,430	59,170
Funding from General Revenues	\$ 130,020	\$ 147,924	\$ 153,834	\$ 5,910

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Program Manager	1.00	1.00	1.00
Program Specialist	0.25	0.25	0.75*
Total	1.25	1.25	1.75

* 0.50 FTE added

Highlights of Program Budget Changes

\$ 58,630 - Increase in Revenue and Expenses, OMPD funding of expanded Arts Program

Program Description

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

Trends

The Traffic Box Wrap Public Art Project has been well-received - from the public vote on designs to community response following installation, to reduced graffiti (and less labor costs for cleaning). Ten boxes have been identified for wrapping in 2016. Positive response to the project supports continuation each year for the foreseeable future. Council approval of the Gateways Project would bring forth a master planning process for a multi-year effort to create a series of eight public art "gateways" that lead to landscaped boulevards signifying entrances into Olympia. Continuing social media posts, such as those for the Traffic Box Wraps and Plinth artist interviews, provide greater participation in our programs by the public.

Program Budget Overview

The 2017 budget reflects continuation of the one dollar per Capita for funding public art.

Future Challenges and Opportunities

The recent adoption of the Municipal Parks District provides for a .25 FTE to provide preventative maintenance for the City's collection of artwork, in addition to increased staff funding for program management. This staff increase comes at a good time as the Olympia Arts Commission is in the process of branching out beyond visual art. A Poet Laureate program is underway, as are planning efforts to build a signature music event in the Capital City. The Downtown Strategy citizen outreach efforts also suggest that the arts will be important in the community's vision for downtown, be it more public art or arts businesses.

Recent Accomplishments

- Dedication of "Dignity in Labor," by John Vanek, donated by the Thurston Lewis Mason County Central Labor Council.
- "Olympia Oyster," by Colleen R. Cotey, selected for the People's Prize from the 2015 Percival Plinth Project Exhibition.
- Arts Walk and the Percival Plinth Project referenced in American Craft Magazine article on Olympia, providing nationwide visibility to our arts community.
- Successful installation of inaugural Traffic Box Wrap Design Public Art Project.
- Artist interview videos added to the Percival Plinth Project web page.
- Council approval of the 2016 Municipal Art Plan.

Key Result Measures - Arts and Events

<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Condition Reports on Public Art Pieces that Result in a Positive Rating	80%	90%	90%

Service Profiles - Arts and Events

	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Special Events Attendance			
ArtsWalk Spring	15,000	15,000	15,000
ArtsWalk Fall	10,000	10,000	10,000
Arts Digest Readers Receiving Weekly Local Arts News	961	983	1,000

Parks Maintenance

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,582,909	\$ 1,680,831	\$ 2,928,994	\$ 1,248,163
Supplies & Services	558,395	559,622	650,192	90,570
Capital Outlays	13,360	24,500	24,500	-
Interfund Payments	161,384	185,597	276,720	91,123
Total Expenditures	\$ 2,316,048	\$ 2,450,550	\$ 3,880,406	\$ 1,429,856
Program Revenue	126,013	102,850	1,525,971	1,423,121
Funding from General Revenues	\$ 2,190,035	\$ 2,347,700	\$ 2,354,435	\$ 6,735

Highlights of Program Budget Changes

In 2015 voters approved the creation of the Olympia Metropolitan Parks District (OMPD) which has a boundary equal to the City limits of Olympia. The District provides resources for Park operations and capital projects for the City. 2017 is the first year in which property tax revenue will be received by the OMPD. The budget reflects the OMPD providing funds for expansion of park services and the moving of park operational costs previously paid from the voter-approved utility tax into the General Fund, thus leaving the VUT available for capital purposes.

Parks maintenance funding from OMPD:

- \$914,709 - OMPD expanded services
- \$495,112 - OMPD funding of previously VUT funded operations
- \$1,409,821

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Electrician	0.75	0.75	0.75
Field Crew Leader	1.00	1.00	1.00
Lead Recreation Specialist	-	-	0.75*
Lead Worker	2.00	2.00	3.00*
Maintenance Worker I	2.00	2.00	4.00*
Maintenance Worker II	8.00	8.00	9.00*
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Program Specialist	0.50	0.50	1.00*
Ranger II	-	-	2.00*
Senior Program Specialist	1.00	1.00	-**
Supervisor III	1.00	1.00	2.00 **
Total	18.25	18.25	25.50

* Added 7.25 FTE, funded by OMPD
 ** Reclassed to Supervisor III

Program Description

The Parks Maintenance team is responsible for keeping 47 parks—totaling 1,092 acres—safe, clean, and accessible. Maintenance responsibilities include park restrooms, picnic shelters, playground equipment, three ballfield complexes, Artesian Commons, Heritage Park Fountain, park trails, neighborhood parks, Percival Landing, undeveloped park sites, and school fields.

The Park Ranger and Stewardship Program is also funded in the Parks Maintenance Program. This program combines environmental education with a multi-tiered volunteer program providing people an opportunity to become stewards and contribute to their community in a positive way. The program also encompasses a Ranger Program that focuses on deterring unwanted behaviors through education and warning park code violators. The Rangers will work closely with partners such as Animal Services and the Olympia Police Department to provide enforcement.

Trends

The Parks Maintenance division is steadily growing a maintenance system that is data-driven and performance-based. The goal is to create a Capital Asset Management Program where work is more scheduled and less demand-based. Under a workforce management approach, maintenance tasks are limited to a Service Level standard for each park. The desired outcome is to perform maintenance to achieve the desired service level. This system will

create a more efficient and predictable level of park maintenance. Recent public outreach conducted for the 2016 Parks, Arts and Recreation Plan emphasized “maintain what we have” as a priority.

Safety in our parks is also a critical trend. Several parks are experiencing an increase in illegal behavior including drug and alcohol use, camping, vandalism and violence. The Department is now employing private security staff to patrol Percival Landing and a seasonal park ranger to patrol the Artesian Commons in an effort to make them safe and accessible to all. In 2017, the Department is proposing a significant expansion of the park ranger program to protect park users and landscapes.

Keeping parks safe, clean and operational requires outside services such as utilities (water, power, sewer and garbage) and supplies. As the cost for these increase, the Department must either seek additional funding to cover the increase, make cuts in other areas of the budget, or reduce the service level of the park.

Program Budget Overview

In 2017, the City will begin to manage its park system under the authority of a metropolitan park district approved by Olympia voters in 2015. The Olympia Metropolitan Park District (OMPD) will add needed funding for parks and arts maintenance. The major budget shift is to utilize revenue from the OMPD to fund operations rather than the voted utility tax. The voter-approved utility tax will be redirected to fund park land acquisition. The 2017 budget also reflects an increase in parks and arts maintenance staff to manage increases in arts facilities and park properties.

Parks Maintenance (continued)

Future Challenges and Opportunities

The Parks Maintenance division has invested heavily in Workforce Management. As the inventory of park land and developed parks increases, the Department must have a mechanism in place to increase maintenance funding as new parks are acquired and developed. OMPD funding will stabilize park maintenance funding for years to come.

The Department recently developed a measurement on the condition of Olympia parks. This measurement is the cost of repairs over current replacement values, or Facility Condition Index (FCI). The 2015 FCI rating for park facilities was .014 or "Fair." This rating is just above "Poor." There is opportunity for Park Maintenance to improve the FCI moving forward. This will take capital investment to make bigger repairs, but improved park maintenance on small repairs can also help the FCI by extending the life of facilities.

A goal for the Park Maintenance Program is to increase public understanding of the scope, tasks and costs associated with park maintenance. The Department is investing in performance based approaches to service delivery which will help the community understand the business of park maintenance.

- Received a grant from REI to construct a trail linking the Mission Creek Estuary to the park core of Priest Pont Park.
- Installed improvements at Artesian Commons Park (cameras, tables, chairs, and lighting).
- Dedicated the HUB Junction, a small plaza at the intersection of the Olympia and Lacey Woodland Trails and the Chehalis Western Trail.
- Completed condition and space evaluation of the buildings and grounds at the Priest Point Park Maintenance Center.
- Technical support in City's successful award of an urban forestry grant to undergo a condition assessment of trees in downtown Olympia and major arterials.
- Coordination with WSDOT on clearance pruning along Olympia Woodland Trail Corridor and I-5 Bike path.

Recent Accomplishments

- Established an Asset and Workforce Management Program.
- Established service levels for park maintenance.
- Under the Safe and Secure Initiatives:
 - Developed plan to expand Ranger Program in 2017
 - Instituted seasonal ranger and park host at Artesian Commons Park
 - Update Trespass Warning Notice and companion procedures

Key Result Measures - Recreation	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Volunteer Hours	7,000	6,500	6,500	6,500

Service Profiles - Recreation	2015 Actual	2016 Actual	2017 Budget
Developed Neighborhood Park Sites Maintained	12	12	12
Interim Use Park Sites Maintained	5	5	6
Developed Community Park Sites Maintained	13	13	13
Developed Open Space Park Sites Maintained	10	10	10
Total Park Acreage	1,017	1,169	1,228
Street Trees Maintained	2,700	2,700	2,700
Olympia School Fields Maintained (Baseball/Softball)*	24	24	24
Olympia School Fields Maintained (Soccer)*	20	20	21

* Some of these fields are used for both soccer and baseball.

Parks Planning and Design

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 109,545	\$ 308,809	\$ 532,966	\$ 224,157
Supplies & Services	3,600	3,304	17,534	14,230
Interfund Payment	-	-	3,450	3,450
Total Expenditures	\$ 113,145	\$ 312,113	\$ 553,950	\$ 241,837
Program Revenue	-	26,927	345,010	318,083
Funding From General Revenues	\$ 113,145	\$ 285,186	\$ 208,940	\$(76,246)

Highlights of Program Budget Changes

\$ 107,071 - Addition of one FTE (project engineer) funded from charges to projects.

In addition to the above revenue from charges to projects for planning and design increased another \$100,716.

In 2015 voters approved the creation of the Olympia Metropolitan Parks District (OMPD) which has a boundary equal to the City limits of Olympia. The District provides resources for Park operations and capital projects for the City. 2017 is the first year in which property tax revenue will be received by the OMPD. The budget reflects the OMPD providing funds for expansion of park services and the moving of park operational costs previously paid from the voter-approved utility tax into the General Fund, thus leaving the VUT available for capital purposes.

Parks Planning and Design funding from OMPD:

\$6,060 - OMPD expanded services
 \$104,236 - OMPD funding of previously VUT funded operations
 \$110,296

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Associate Planner	0.75	0.75	0.75
Engineering Project Manager	1.00	1.00	-*
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Project Engineer II	-	-	1.00**
Senior Engineer	-	-	1.00*
Total	3.75	3.75	4.75

* Reclassified to Senior Engineer
 ** Added 1.0 FTE, project funded

Program Description

The Parks Planning and Design team is responsible for implementing the adopted Parks, Arts and Recreation Plan. This involves acquiring, planning, designing, and constructing a variety of parks and open spaces to meet citizens' recreation, leisure, and wellness needs.

Trends

Olympians have a robust appetite for parks! In 2015, the Park Planning and Design team initiated the process to update Olympia's Parks, Arts and Recreation Plan, which was approved by Council in February 2016. From the extensive neighborhood outreach effort and household survey some very clear and strong trends emerged. They were:

- Ninety-five percent of survey respondents visited an Olympia park in the last year.
- Completing Percival Landing, demolishing the Capital Center building and completing the Olympia Woodland Trail ranked 1-2-3 in the survey.
- Trails, open space, and improved maintenance ranked as highest priority for new projects in the survey.
- LBA Woods acquisition ranked the highest priority from the public meetings and web-based outreach.
- Neighborhood parks were ranked as the most needed park type in Olympia.

Program Budget Overview

The program budget is used to plan, acquire, design, and construct Olympia's park lands and facilities. The program's core services are policy analysis; park master planning, land acquisition, land management, site and facility design, infrastructure inspection and assessment, contract management, and construction administration.

Future Challenges and Opportunities

Implementing the new Parks, Arts and Recreation Plan will remain the focus in 2017. Acting on the parks and recreation needs of the community brought forward with the Plan will create some exciting challenges.

In addition, other needs include managing the upkeep of current facilities through the Capital Asset Management Program (CAMP). Maintaining the public's prior investments in parks is an essential public service. In 2015, the Planning and Design staff created the Facility Condition Index (FCI). That is a statement of the overall condition of our park assets as a measure of project cost of repairs over current replacement value. Currently the FCI is .014 which is a "Fair" rating, but only slightly above "Poor." There is opportunity to improve on that score with the additional funding provided by the Olympia Metropolitan Park District.

Parks Planning and Design (continued)

Recent Accomplishments

- Artesian Commons Evolving Design Action Team formation
 - Action Plan support
 - Six grant applications
 - West Bay Woods parcels acquisition
 - Morse-Merryman (LBA Woods/Trillium Parcel) acquisition
 - Kaiser Woods parcel acquisition
 - Margaret McKenny Master Plan
- Percival Landing bulkhead design
 - Priest Point Park water access trail
 - Artesian Commons lighting and security camera installation
 - Heritage Fountain 2016 repairs
 - Priest Point Maintenance Center Feasibility Study
 - Shelter replacement at Priest Point Park

Service Profiles - Planning & Design	2015 Actual	2016 Actual	2017 Budget
Land Acquisition, Leases, Easements and Licenses	2	6	3
Park Design Projects	3	2	2
Park Small Capital Projects	4	3	2
Park Construction Projects	3	5	7
Percival Landing Annual Inspection/Maintenance	1	1	1
Annual CAMP Inspection and Projects	3	5	5
Park Master Plans and Special Studies	3	2	2
Grant Applications	1	6	0

Planning and Design - Current and Proposed Projects	2016 Projects	2017 Projects
Land Acquisition, Leases, Easements, and Licenses	West Bay Woods parcel acquisition	Open Space Acquisitions
	Morse-Merryman parcel acquisition-74 acres	Easement renewals for Percival Landing boardwalks
	Kaiser Woods parcel acquisition – 75 acres	Renew trail leases with WSDOT (I-5 trail connections)
	Interlocal agreement with Olympia School District for Stevens Field Park Olympia	
	Woodland Trail (OWT) Open Space, 2.4 Acre Donations	
	Renew Friendly Grove overflow parking agreement	
Park Design Projects	Margaret McKenny Master Plan	West Bay Park and restoration master plan
	Percival Landing bulkhead design	Margaret McKenny playground design
Park Small Capital Projects	Priest Point Park pedestrian trail	Off-leash dog area concept plan
	Yauger Park maintenance enclosure	Yauger Park minor improvements
	LBA ½ court basketball	
Park Construction Projects	Kettle View Bike Shelter	Lincoln School playground partnership
	Artesian commons lighting and security cameras	Upgrade existing athletic fields
	Yauger Park skate court remodel	Priest Point Park maintenance facility security cameras
	Heritage Fountain 2016 repairs	Grass Lake trailhead

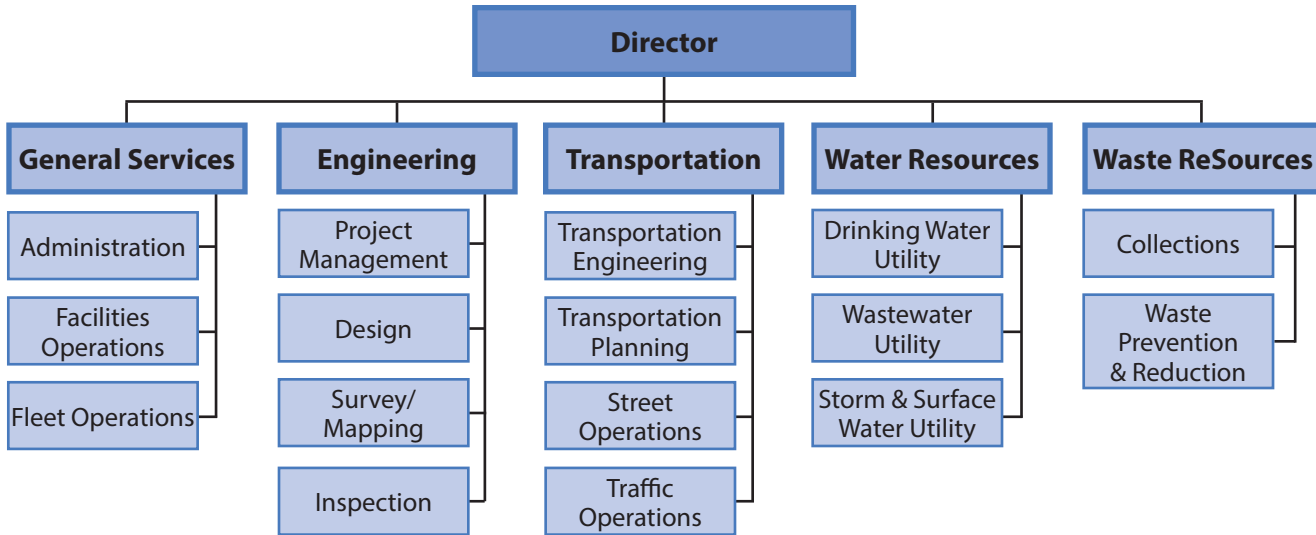
Parks Planning and Design (continued)

Planning and Design - Current and Proposed Projects	2016 Projects	2017 Projects
Park Construction Projects <i>(continued)</i>	Kettle view glacial interpretive exhibit	Sprayground #1
	Stevens Field infield replacement	West Bay Park environmental clean-up
		Margaret McKenny playground construction
Percival Landing Annual Inspection and Maintenance	Annual Boardwalk and Float Inspection	Annual Boardwalk and Float Inspection
	Percival Landing Major Maintenance Project	
Annual Capital Asset Management Program (CAMP) Inspection and Projects	Rose Garden Shelter	Priest Point Park sewer system upgrade
	Yauger field lighting (2 fields)	Priest Point Park roof replacements on restrooms #2 and #3
	Percival Landing Harbor House re-stain	Priest Point Park Ellis Cove trail assessment
		Friendly Grove tennis court re-paint
		Stevens Field lights replacement
Interim Use & Management Plans	None	Kaiser Woods Site Stabilization Plan (SSP)
		Morse-Merryman parcel SSP
Park Master Plans and Special Studies	Priest Point Park Maintenance Center feasibility study	ADA Transition Plan
	Sprayground site assessment	West Bay Park and restoration master plan
Grant Applications	Recreation and Conservation Office (RCO) Local Parks Grant (3)	None
	RCO Urban Wildlife Grant	
	RCO Trails Grant	
	FEMA Mitigation Grant	
	Conservation Futures Grant	





Public Works



Public Works

Mission

We build and maintain the foundation of our extraordinary Olympia.

Vision

A healthy environment. A thriving economy. A vibrant community.



Public Works Department Overview

<i>Department Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
General Services	\$ 3,993,152	\$ 4,328,849	\$ 5,072,485	\$ 743,636
Engineering	3,451,233	3,636,937	3,700,786	63,849
Transportation	5,339,549	5,624,465	5,765,139	140,674
Water Resources	33,726,817	36,459,452	38,510,587	2,051,135
Waste ReSources	9,803,282	10,528,483	10,998,787	470,304
Total Expenditures	\$ 56,314,033	\$ 60,578,186	\$ 64,047,784	\$ 3,469,598
<i>Recap of Expenditures</i>				
Personnel Services	\$ 16,714,603	\$ 18,135,279	\$ 18,917,765	\$ 782,486
Supplies and Services	15,700,465	16,886,733	17,700,632	813,899
Capital Outlay	48,144	-	-	-
Debt Service	766,288	917,258	896,964	(20,294)
Interfund Payments	6,845,012	7,608,898	8,211,647	602,749
Interfund Transfers	4,564,440	4,651,735	5,276,836	625,101
Total Expenditures	\$ 44,638,952	\$ 48,199,903	\$ 51,003,844	\$ 2,803,941
Program Revenues	53,118,560	55,323,081	58,971,331	3,648,250
Funding From General Revenues or Use of Reserves	\$ (8,479,608)	\$ (7,123,178)	\$ (7,967,487)	\$ (844,309)

Department Overview

The Public Works Department serves our community by providing and maintaining foundational services — safe water, sewer, stormwater, solid waste collection, transportation, and sound public buildings. We strive to provide these services in a way that makes our community extraordinary — a place where people love to live, raise families, and do business. We do this by integrating sustainability into our work and providing services that benefit our local economy, environment, and citizens.

In 2017, the Public Works Department will continue to:

- Provide safe and reliable drinking water to more than 60,000 residents.
- Maintain 11 City-owned buildings and manage capital repairs on an additional five City-owned buildings.
- Maintain a fleet of over 230 vehicles.
- Provide solid waste, recycling, and organics disposal services to over 45,000 residents.
- Maintain 217 miles of streets, 35 miles of bike lanes and many miles of sidewalks across the City.
- Ensure safe delivery of millions of gallons of wastewater per day to the LOTT treatment plant.
- Reduce flooding, improve water quality and protect/enhance our aquatic habitat in 11 watershed basins.

Future Trends and Opportunities

A key challenge for Public Works will be to continue to deliver critical services to the community and to advance sustainability at a time when expenditures are outpacing our revenues. We must continue to innovate and find more opportunities for increased

citizen involvement. We need to optimize our investments by ensuring we maintain our existing infrastructure, while integrating new infrastructure as our community grows.

Asset management, defined as “providing agreed upon customer and environmental services at the lowest lifecycle cost” is key to our success. It is imperative that we understand the condition of our infrastructure, set clear levels of service, and understand the risks of infrastructure failure to make the best decisions in the investment of limited funds. Public Works is using a new GIS-based asset management software program that will help set priorities for maintenance and in making decisions about repair and replacement of infrastructure. Adequately maintaining our infrastructure will save more in the long run.

We continue to look for opportunities to operate at a higher level of efficiency, while realizing minimal impact on our resources and reducing our environmental footprint.

Examples include:

- Citywide Energy Conservation Program
- Conversion of all City-owned streetlights to LED technology
- Transitioning to an automated meter reading system
- Requiring residents to place all solid waste and recycle containers on a designated side of the road or street
- Anti-idling efforts at all traffic signals
- Waste reduction
- Water conservation
- Supporting alternative modes of transportation

General Services

General Services Recap	2015 Actual	2016 Actual	2017 Budget	Variance
Administration	\$ 632,009	\$ 658,987	\$ 741,721	\$ 82,734
Facilities Operations	1,819,081	1,925,775	2,008,330	82,555
Fleet Operations	1,542,062	1,744,087	2,322,434	578,347
Total Expenditures	\$ 3,993,152	\$ 4,328,849	\$ 5,072,485	\$ 743,636
Recap of Expenditures				
Personnel Services	\$ 1,968,314	\$ 2,100,109	\$ 2,202,574	\$ 102,465
Supplies & Services	1,272,541	1,423,477	2,017,788	594,311
Capital Outlay	15,017	-	-	37,874
Interfund Payments	737,280	805,263	852,123	46,860
Total Expenditures	\$ 3,993,152	\$ 4,328,849	\$ 5,072,485	\$ 743,636
Program Revenues	2,551,499	2,792,038	3,508,929	716,891
Funding From General Revenues	\$ 1,441,653	\$ 1,536,811	\$ 1,563,556	\$ 26,745

Line of Business Overview

General Services functions as an internal service provider to assist the other Public Works lines of business and other City Departments in achieving their missions. We provide vital professional services and expertise in the areas of Facility Operations, Fleet Operations, Contract Administration, Energy Management, Customer Service, and Safety.

The Facilities Operations Program operates and maintains 11 City-owned buildings to sustain a safe, healthy, and productive environment. These buildings provide space for over 500 City employees and over 4,500 visitors daily. The Facilities Program is also responsible for the long-term capital repair and replacement for 17 City-owned buildings.

The Fleet Operations Program provides a fleet of over 230 reliable, safe, well-maintained, and fuel-efficient vehicles and equipment for all City Departments, with the exception of the Fire Department.

The Safety Program ensures a safe and healthy workplace for employees by promoting a culture of safety through education and technical assistance. The Safety Program provides services for all City employees, with the exception of Fire and Police.

The energy management program tracks Citywide energy use and seeks innovative efficiencies which will ultimately reduce the City's energy costs and greenhouse gas emissions.

Another key program in General Services focuses on customer service and dispatch. The program enables our community to contact Public Works directly to report problems, inquire about utility services, and obtain general information about Public Works programs and projects.

Budget Overview

The General Services line of business allocates costs for the Public Works Director, Deputy Director, Program Assistant, and Senior Program Specialist. These costs are reallocated to the other lines of business in Public Works as overhead administrative costs. FTEs associated with the Contract Administration program are funded by the Engineering line of business. Therefore, these FTEs are accounted for in the Engineering line of business program staffing.



General Services - Administration

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 589,952	\$ 593,142	\$ 639,302	\$ 46,160
Supplies & Services	29,227	51,300	50,000	(1,300)
Interfund Payments	12,830	14,545	52,419	37,874
Total Expenditures	\$ 632,009	\$ 658,987	\$ 741,721	\$ 82,734
Program Revenue	610,137	653,218	705,952	52,734
Funding from General Revenues	\$ 21,872	\$ 5,769	\$ 35,769	\$ 30,000

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Director	1.00	1.00	1.00
Line of Business Director	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Public Service Representative	1.00	1.00	1.00
Safety Officer	1.00	1.00	1.00
Senior Program Specialist	1.00	1.00	1.00
Total	6.00	6.00	6.00

Highlights of Program Budget Changes

\$ 35,999 - City Hall space usage is now allocated to General Services. This is done so that these costs can be recovered as part of General Services, Administration indirect allocation to other Public Works sections.

Program Description

General Services Administration includes Contracts Management and Project Management Support, (which is budgeted within Engineering) Energy Management, Customer Service, and Safety.

Contract management provides guidance and expertise in developing contracts for Council approval. Staff also ensures the City's bidding and procurement process is fair, competitive, and inclusive to those who want to provide services to the City. Project Management Support provides assistance in design, permitting, and public communication and involvement for City-owned construction projects. This group is also responsible for responding to and tracking all public records requests for the Public Works Department.

The energy management program tracks Citywide energy consumption and costs, seeks innovative ways to reduce energy consumption and implements energy saving projects that reduce the City's energy bills and greenhouse gas emissions.

The Customer Service program enables our community to contact Public Works directly to report problems, inquire about utility services, and obtain general information about Public Works programs and projects.

The Safety Program ensures a safe and healthy workplace for employees by promoting a culture of safety through education and technical assistance. The Safety Program provides services for all City employees, with the exception of Fire and Police.

Trends

Contract & Project Management Support

Although the number of construction contracts is trending slightly downward due to a decrease in capital projects for 2017, the number of new contracts may increase as the support for contracts, Request for Qualifications (RFQ), Request for Proposals (RFP) and Professional Services Agreements expands Citywide and is no longer exclusive to Public Works.

In 2016, Contract Administration and Project Management Support processed over 90 new contracts, contract change orders and amendments, professional services agreements and service agreements, and accepted bids and proposals for over 45 projects. General Services also processed approximately 52 public record requests in 2015 for Public Works.

One of the most visible trends in contract management is the consolidation of contracts and services. Service contract consolidation results in an increase in productivity, efficiency, and lower cost. The City's Janitorial Services and Cleaning Supplies Services are now under one contract and one vendor provides this service Citywide, except for the Fire Department. General office supplies and paper supplies are now being serviced Citywide by one agreement.

Staff established an On-Call Architectural and Engineering Services Contract to eliminate the need for a separate selection process every time the need for a contract arises. With this contract, formal solicitation, selection, negotiation of basic rates, and contracting have already occurred, allowing for a more streamlined process.

Energy Management

The City spends over one million dollars a year on energy. Energy costs are increasing at an average of three percent per year. Advancements in energy efficient equipment continue to improve. The City works with Puget Sound Energy in their Resource Conservation Management Program to identify energy reduction strategies in 13 City buildings and ten City pump stations. Staff assembled Energy Advisory Teams for City Hall, our largest energy consumer, and the Maintenance Center to assist with occupant engagement and implementation of energy reduction strategies. These teams will help reduce overall energy consumption at the facilities, resulting in reduced costs and greenhouse gas emissions.

In 2015, the City signed on to the Compact of Mayors. The Compact of Mayors is a global coalition of mayors and city officials committing to reducing local greenhouse gas emissions, enhancing resilience to climate change and track progress publicly. The City is collaborating with local partners to track and

General Services - Administration (continued)

report community-wide greenhouse gas emissions and to develop strategies for reduction. These efforts will culminate in a Climate Action Plan, which will outline how the City plans to work toward emission reduction and respond to climate change.

Safety

The Safety Program is responsible for implementing and coordinating over 200 training and certification classes. The Safety Program also tracks compliance of over 2,000 required training and certification classes to ensure compliance with OSHA and WISHA regulations. In 2015, staff began providing online training options. This program improvement increased the training flexibility and compliance, and decreased the expenses incurred from purchasing training materials.

For 2016 a major focus was to perform a cover to cover evaluation and update of the City's Accident Prevention Program (APP). This confirmed complete compliance in all categories in the plan as well as updated the plan to reflect new job activities performed by city staff. The new APP was formatted to include quick links to all necessary field permits and forms. It also has links to the Washington Administrative Codes website which allows all employees to easily find answers to all safety compliance questions related to their specific duties. The new format has also helped to streamline the process for future updates.

Program Budget Overview

The budget reflects the Energy Management and Safety Programs. The Contract and Project Management Support Program is budgeted in the Public Works Engineering Line of Business.

Recent Accomplishments

Contract & Project Management Support

Contract Administration and Project Management Support Services continue to lead the annual State Audit and Federal Project Management Review (PMR) Audit for Public Works. Staff provides manual and electronic process documentation in accordance with City, State and Federal policies and guidelines. The group successfully passed audits with no findings from the State Auditor's Office for five consecutive years.

In late 2016, the Project Management Support staff implemented a pilot project aimed at reducing the time and effort necessary to archive completed projects. The pilot project is the result of a LEAN process improvement initiative. With the implementation of the new process, staff eliminated a backlog of 131 project files in four months. Additionally, archived files are now stored onsite, eliminating the effort and expense associated with off-site storage. The new process reduced time to process an archived file by 67 percent and the associated cost by 83 percent.

Energy Management

In 2015, the City completed its first year in Puget Sound Energy's Resource Conservation Management program. The program provides grant funding based on achievement in energy reduction for 13 City buildings and 10 City pump stations. The target was to reduce electricity and natural gas consumption by three percent. Overall, the City reduced electricity consumption by 8.3 percent and natural gas consumption by 2.7 percent. These reductions translate to savings. The City received grants funds from PSE in the amount of \$13,571, reduced energy costs by \$31,000 and avoided 171 metric tons of greenhouse gas emissions. PSE recognized the City's outstanding performance in the program with two awards – one for achieving the highest percentage of electricity reduction in the program and the other for outstanding first year performance. The City remains committed to reducing energy consumption and associated greenhouse gases and continues to seek innovative ways to meet our goals.

Safety

The Safety Program has designed a six-hour new/seasonal employee training program that is presented to all new field staff. This training gives employees a solid foundation of safety. In 2016 we trained 37 incoming staff members within their first week of employment. The goal for this training is to introduce the safety program and to provide the necessary tools and information to safely perform their daily duties. The addition of this training has helped to decrease employee injuries. For the second straight year we had a significant decrease in injury claims with nearly a 50 percent decrease in total claims and 68 percent decrease in total claim costs.

Key Result Measures - Administration	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Accident Claims	0	12	12	12
Injury Claims	0	31	16	16

General Services - Facilities Operations

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 775,612	\$ 820,120	\$ 852,093	\$ 31,973
Supplies & Services	741,815	779,240	820,339	41,099
Capital Outlays	6,989	-	-	-
Interfund Payments	294,665	326,415	335,898	9,483
Total Expenditures	\$ 1,819,081	\$1,925,775	\$ 2,008,330	\$ 82,555
Program Revenue	398,323	394,053	480,543	86,490
Funding from General Revenues	\$ 1,420,758	\$1,531,722	\$ 1,527,787	\$ (3,935)

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Electrician	1.00	1.00	1.00
Facilities Systems Technician	1.00	1.00	1.00
Lead Worker	1.00	1.00	1.00
Maintenance Worker II	4.00	4.00	4.00
Office Specialist II	0.50	0.50	0.50
Program & Planning Supervisor	0.50	0.50	0.50
Total	8.00	8.00	8.00

Highlights of Program Budget Changes

- \$ 6,000 - New service maintenance agreement for the HVAC at the Olympia Center
- \$ 9,100 - Increase in budget for utility costs due to the activation of the old court services building which will be used for Community Court

Program Description

Facilities Operations operates and maintains 11 City-owned buildings comprising over 322,000 square feet. This program is also responsible for managing the capital repair and replacement for 17 City-owned buildings.

Trends

The facility profession is integrating its role into the overall mission of the organization. Studies show that good building design and operations that support employees' work behaviors can improve productivity and satisfaction. Facility changes can be made that target employee performance, making a positive contribution to the organization. Common examples of facility design that positively affect employees include adequate space and privacy, current technology, and close location to coworkers.

Facility management is integral to the City's sustainability efforts. Utilities are typically the largest expense in the operating budget. As a result, rising utility costs are becoming the driver for intelligent building technologies. Automated systems enable better management and use of energy, improve indoor air quality, and control security, as well as aid in the amount of time staff spends troubleshooting issues. Investing in intelligent building technologies has proven to save money, reduce greenhouse gases, and create a more comfortable environment for employees and visitors.

Leadership in Energy and Environmental Design (LEED) is one of the best-known environmental initiatives and is becoming more widespread. LEED is a management tool that guides sustainable design, construction, and the ongoing operation and maintenance of buildings. The City Hall building was awarded the LEED Gold Standard in 2011 and the Hands on Children's Museum was awarded the LEED Silver Standard rating in 2013.

Asset Management is another relevant trend. Understanding the optimal lifecycle for major assets allows facility managers to plan both strategically and financially for their replacement. The foundation is a computerized maintenance management system that allows for improved efficiencies and operational performance. The system enables us to collect data on equipment, such as, time to repair, cause of failure, parts, and other important information. We track and analyze work orders to measure performance and plan for capital replacement.

Program Budget Overview

Three aged facilities were demolished in 2015 and 2016. This allowed maintenance staff to focus its efforts on improving building condition for key facilities such as Olympia Timberland Library, Family Support Center, and Public Works Maintenance Center. Additionally, savings in utility costs will be reallocated to increase available maintenance funds.

Facilities is reducing the gas and electricity budget by \$10,200 as we continue to realize savings through energy savings projects such as solar and LED lighting retrofits.

In 2016, we reclassified a Maintenance Worker II to a second Facilities Systems Tech. This reclassification will allow staff to perform more preventative maintenance on our increasingly complex building systems and perform more repair work in-house. This \$16,000 increase is offset by energy savings and reduced calls for outside contractor repairs.

Future Challenges and Opportunities

Operating and maintaining City Hall, combined with implementing the asset management program, creates great opportunity. The asset management program will help manage maintenance and long-term capital repairs. The challenge will be collecting, entering, and analyzing the data. Staff will provide maintenance

General Services - Facilities Operations (continued)

management plans for all City facilities and will build the system database over time.

Further analysis and evaluation of our existing building systems throughout 2016 will enable us to provide more accurate budgeting for lifecycle replacement or system upgrades.

It is important to remember that we continue to maintain an aging portfolio; Lee Creighton Justice Center, Maintenance Center, The Olympia Center, Family Support Center, Washington Center for the Performing Arts, and Olympia Timberland Library. In September 2013, an updated comprehensive Facility Condition Assessment was completed on 17 sites including 22 City-owned buildings. Our four newest buildings (Olympia City Hall, Hands On Children’s Museum, Fire Station 4, and Mark Noble Regional Fire Training Center) were included in the analysis to identify potential issues and determine lifecycles.

This analysis revealed that only 33% of our buildings meet a condition rating of 2.0 or better (1.0 is Superior and 5.0 is Beyond its Useful Life). The estimated cost of improvements to City buildings in need of repair is in excess of \$18 million over a 10-year period.

Results indicate that maintenance programs are successfully extending building life, but numerous systems are due or overdue for replacement. Our older and mid-range aged buildings have the most systems that will require replacement in the next six years.

The City will continue working with Puget Sound Energy in the Resource Conservation Management Program. The program focuses on energy conservation in thirteen City buildings. The reduction goal for 2016 and 2017 is five percent for electricity and natural gas.

Recent Accomplishments

In 2016 Facilities staff replaced over 1,800 bulbs at our Maintenance Center building with highly efficient LED bulbs. The payback for these bulbs is approximately three years, and they are under warranty for 15 years, significantly reducing maintenance costs. Coupled with solar arrays and strategic HVAC upgrades, this project was an important component to reaching our goals.

Key Result Measures - Facilities Operations	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Improve Building Condition Rating	Rating of 2 or lower	2.2	2.0	2.0
Improve Building Energy Efficiency	5% annually	5%	5%	5%

Service Profiles - Facilities Operations	2015 Actual	2016 Actual	2017 Budget
Square Footage of Facilities for which We Perform Electrical, Plumbing, Carpentry, Painting, HVAC, and General Maintenance Tasks	325,000	325,000	319,000
Labor Hours for Corrective Maintenance Tasks and Customer Service	3,700	3,600	3,400
Labor Hours for Preventative Maintenance Tasks	1,850	2,000	2,200



General Services - Fleet Operations

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 602,750	\$ 686,847	\$ 711,179	\$ 24,332
Supplies & Services	501,499	592,937	1,147,449	554,512
Capital Outlays	8,028	-	-	-
Interfund Payments	429,785	464,303	463,806	(497)
Total Expenditures	\$ 1,542,062	\$ 1,744,087	\$ 2,322,434	\$ 578,347
Program Revenue	1,543,039	1,744,767	2,322,434	577,667
Use of (or Additions to) Reserves	\$ (977)	\$ (680)	\$ -	\$ 680

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Inventory Control Specialist II	0.75	0.75	0.75
Master Mechanic	3.00	3.00	3.00
Office Specialist II	0.50	0.50	0.50
Program & Planning Supervisor	0.50	0.50	0.50
Senior Master Mechanic	1.00	1.00	1.00
Total	5.75	5.75	5.75

Highlights of Program Budget Changes

\$ 575,540 - Increase in the budget for fuel which will be purchased by the various departments from Fleet. This is an accounting change. Previously, departments purchased fuel directly from inventory. The increase is offset by increase revenue.

Program Description

Fleet Operations provides reliable, safe, well maintained, and environmentally friendly vehicles and equipment to all City Departments so they may efficiently and effectively perform their services for the City of Olympia. We also perform preventive and corrective maintenance on City vehicles and equipment, coordinate the purchase and disposal of fleet assets, and manage the purchase and distribution of fuel, parts, and inventory

Trends

There is increasing pressure from federal, state, and local government, as well as the community to find ways to reduce greenhouse gas emissions, which are known to affect climate change. The new fleet vehicles and equipment we purchase have advanced computerized and electronic systems that aid in the reduction of greenhouse gases. In addition, the number of electric and hybrid vehicles in our fleet continues to grow. Fleet Operations staff continues to pursue alternative methods for reducing Citywide vehicle and equipment fuel consumption.

Program Budget Overview

Since 2014, we have realized significant savings in maintenance costs due to the replacement of aging vehicles like police patrol vehicles, refuse trucks, a street sweeper, and two vacuum trucks. The improved preventive maintenance program coupled with the replacement of aging vehicles decreased the number of major repairs resulting in an increased capacity for our ASE certified master mechanics. The increased capacity allows Fleet to in-source work from the State Department of Enterprise Services (DES) and provide staffing to support Olympia Fire Department's fleet parts management

Future Challenges and Opportunities

As a community leader in the pursuit of reduced greenhouse gas emissions, Fleet continues to explore methods that will reduce emissions and fuel use, save money through technology and

alternative fuels, and change how City employees operate City vehicles and equipment. Fleet continues to explore ways to expand the integration of electric vehicles into the fleet. The City currently has six Nissan LEAFs in the fleet and will look for opportunities to replace suitable gas powered vehicles with electric vehicles.

The Washington legislature mandated that all public vehicles (except emergency response) purchased after 2018 be either electric or biofuel powered. This presents a challenge for the City as both biofuel and electric vehicle technologies are still developing. In looking towards 2018, the City added five electric vehicles (EVs) to the fleet in 2013. Additionally, Nissan donated four double-head EV charging stations to the City. Two of the chargers are available for public use and two are exclusively for Fleet use. This enables us to continue to add EV technology to the Fleet and focus on greenhouse gas and fuel reduction, as well as save money on fuel and vehicle maintenance costs. The City will continue to keep abreast of evolving EV technology and seek out opportunities to add EVs to the fleet as well as strengthen the EV charging network within the City.

Biodiesel use continues to be a great option for fleets to reduce greenhouse gas emissions, lessen dependence on foreign oil, and improve engine performance. In early 2013, we began using B5 (5% biodiesel, 95% diesel). In 2014, we increased to B10 biodiesel. We continue to research and evaluate viable alternative fuel vehicles within the Fleet. The addition of these vehicles will save the City money in decreased fuel costs, maintenance, and greenhouse gas emissions.

We ensure Fleet staff remains up-to-date on technological changes associated with Fleet vehicles and equipment through education and training. This expedites repair and maintenance service times, and in turn decreases interruptions to City operations. We continue to evaluate our replacement parts acquisition process in an effort to improve fleet availability and reduce costs without compromising quality. Current initiatives include focusing on right-sizing the parts room inventory and reducing processed invoices.

General Services - Fleet Operations (continued)

We will continue to evaluate the optimal lifecycle for various classes of equipment. This is important so we can make sure we are paying the lowest possible lifetime cost to operate our vehicles and equipment

Fleet installed FleetWave, a modern fleet management information system. This new software streamlines fleet’s day-to-day operations, key performance metrics tracking, and vehicle procurement and disposal functions. Olympia Fire Department also utilizes the software to manage their growing in-sourced maintenance operations. Continuing maintenance costs for the software will be offset by savings provided by operational efficiencies.

Recent Accomplishments

In 2016, Fleet Operations was honored as the #12 Public Sector Fleet in North America by the 100 Best Fleets Program. This honor is a result of a highly dedicated staff that is focused on running an efficient and transparent fleet operation. Additionally, the City was honored by Western Washington Clean Cities for “Outstanding Performance: Small Fleet.” Major accomplishments for both of these honors included Fleet’s insourcing efforts, electric vehicle introduction, GPS integration, and stellar customer service.

<i>Key Result Measures - Fleet Operations</i>	<i>Target or Goal</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Fuel Consumed (gallons)	2% decrease each year	205,000	200,000	194,000
CO2 Emissions (tons)	2% decrease each year	2,511	2,450	2,400
Available for Operation— Heavy Duty Vehicles	95%	97%	97%	97%
Available for Operation—Light Duty Vehicles	95%	98%	98%	98%

<i>Service Profiles - Fleet Operations</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Vehicles and Equipment in City Fleet	235	237	240
Preventive Maintenance Inspections Conducted	600	600	612
Vehicles and Equipment Purchased and Placed in Service	16	27	25
Vehicles and Equipment Disposed of	16	24	25

Engineering

Engineering Recap	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 3,134,461	\$ 3,299,321	\$ 3,383,373	\$ 84,052
Supplies & Services	151,141	154,872	123,738	(31,134)
Interfund Payments	165,631	182,744	193,675	10,931
Total Expenditures	\$ 3,451,233	\$ 3,636,937	\$ 3,700,786	\$ 63,849
Program Revenue	3,529,326	4,070,169	4,070,170	1
Revenues (Excess) of Direct Costs	\$ (78,093)	\$ (433,232)	\$ (369,384)	\$ 63,848

Program Staffing	2015 Actual	2016 Actual	2017 Budget
City Engineer	1.00	1.00	1.00
City Surveyor	1.00	1.00	1.00
Construction Inspector	4.00	3.00	4.00*
Engineering & Planning Supervisor	-	-	1.00*
Engineering Program Manager	1.00	1.00	1.00
Engineering Project Coordinator	1.00	1.00	1.00
Engineering Project Manager	4.00	4.00	2.00*
Engineering Tech II	8.00	7.00	6.00*
Lead Construction Inspector	-	1.00*	1.00
Program Specialist	-	1.00*	1.00
Project Engineer I	2.00	3.00*	3.00
Project Engineer II	4.00	3.00*	3.00
Senior Engineer	-	-	1.00*
Supervisor III	1.00	1.00	1.00
Survey/Mapping Coordinator	1.00	1.00	1.00
Total	28.00	28.00	28.00
* Reclassification			

Line of Business Overview

Engineering provides project management, professional engineering, surveying, and inspection services to Public Works and other City Departments to support City utilities, facilities, and transportation systems, consistent with our community's vision.

The Engineering Line of Business is responsible for development of the Public Works portion of the City's Annual Capital Facilities Plan (CFP), updating the Engineering Design and Development Standards (EDDS), providing support to Community Planning and Development on platting and private development projects, delivering projects identified in the CFP, enforcing erosion and sediment control regulations for new construction, inspecting private development construction in the right of way, utility locating, surveying, and mapping the City's infrastructure.

Engineering is made up of four programs: Project Management, Design, Survey/Mapping, and Inspection.

The **Project Management** program is responsible for the successful completion of projects identified in the City's CFP. Core services include:

- Scope, schedule, and budget management
- Ensuring compliance with funding requirements
- Ensuring compliance with local, state and federal permitting requirements

The **Design** program is responsible for designing and constructing capital projects consistent with established standards. Core services include:

- Developing engineering plans and specifications
- Developing cost estimates
- Ensuring compliance with plans and specifications

The **Survey/Mapping** Program is responsible for survey, Geographic Information System (GIS) mapping, utility locating and right of way acquisition. Core services include:

- Plat reviews
- Design survey and construction staking
- Mapping updates
- Easement and property acquisition
- Street vacation processing
- Utility locating for public and private construction

The **Inspection** program is responsible for ensuring public work projects are constructed in accordance with applicable plans and specifications, enforcing erosion and sediment control regulations for new construction and inspecting private development construction in the right of way. Core services include:

- Inspecting and documenting work completed by the City's contractors
- Inspecting and documenting work completed by private development contractors
- Ensuring compliance with plans and specifications
- Enforcing erosion and sediment control regulations for new construction

Trends

Inspection efforts associated with erosion and sediment control, for both public and private project, continues to increase as the number of projects increase. Requirements associated with the Western Washington Phase II Municipal Stormwater Permit, Department of Ecology-issued Construction Stormwater General Permit, and City of Olympia Drainage Design and Erosion Control Manual, continue to be implemented by Engineering.

Engineering (continued)

The cost and time associated with permitting continues to impact project schedules and budgets. In an effort to reduce these factors and provide customers with an enhanced level of service, we will continue working in collaboration with Community Planning and Development, as well as training staff in permitting processes and procedures.

An increasing number of projects are funded by grants and loans, which often times have very specific compliance conditions. To successfully execute the requirements of the grant/loan and maintain eligibility for future funding, staff must be up-to-date with the applicable standards. Investing in training of our staff ensures that we are able to maintain our stellar reputation with the State of Washington Auditor’s Office.

Costs for construction materials, labor, and the purchase of right-of-way are increasing by approximately 5% this year. We continue to monitor economic trends as we estimate costs for our CFP projects, which requires increased efforts by staff to ensure that our customers have reliable estimates, as well as cost estimates that are current and accurate over the six-year life of the CFP.

We are looking for additional opportunities to utilize U.S. Communities, a government purchasing alliance, to complete some of our facility projects. We have successfully implemented U.S. Communities on roof and HVAC projects. Both projects realized cost savings.

Low Impact Development (LID) design standards are in place. These new standards will shape the design and construction of the City’s infrastructure. Innovative construction methods (e.g., trenchless technologies) and materials (e.g., glass aggregate, pervious concrete and microsurfacing) that are more efficient and sustainable will continue to be explored and used where feasible. CFP project planning and preliminary design efforts within Engineering will expand the use of holistic planning tools that analyze and rate the community, economic and environmental benefits of our infrastructure projects. We are moving closer to procurement of project delivery software that will improve how we manage and document project activities.

To reach citizens more effectively, we are relying on social media tools, including Twitter, to deliver real-time traffic updates, construction milestones and engage the public. The Construction News web pages are another tool used to provide clear and easy-to-understand information regarding Olympia’s major capital projects as is our annual construction brochure.

Program Budget Overview

The number of new CFP projects will be about the same in 2017, the overall value for planned projects will also be about the same. A look at future CFPs reveals a trend towards fewer projects, with a focus on maintenance and replacement.

In order to keep abreast of new technology, materials, and processes, as well as meet our community’s expectation of sustainable projects amidst mounting budget restraints, we are continuing to expand our use of local classes and online webinars to provide low-cost options for staff training.

Future Challenges and Opportunities

Our responsibility is to provide the information and essential expertise our customers need to achieve their mission. Evolving standards, guidelines and regulations related to LID give us an opportunity to be innovative and to use technology, education, partnerships, and training to develop new ways of designing and constructing our projects.

We anticipate the increased use of pervious concrete sidewalks, bioretention swales, and water quality treatment structures in our stormwater conveyance systems.

Changes to the City’s Comprehensive Plan provide the opportunity to further refine Olympia’s Engineering Design and Development Standards to ensure that we are providing the guidance that will meet state and federal regulations and help us achieve our vision of a sustainable community.

In 2017 we will continue implementation of the use of Envision as a tool to guide sustainable decision making and development of sustainable projects. We will also continue our LEAN approach to service delivery to ensure we are providing these services in the most efficient and effective manner.

Recent Accomplishments

In 2016, Engineering managed the construction of 19 projects, totaling approximately \$28.5 million. Use of new and innovative methods and materials, including trenchless technology, reflect our commitment to sustainable solutions.

Completed projects, including an investment of nearly one million dollars in Downtown, include:

- New roofs at the Maintenance Center
- Bike Corridors Project
- Alley Lighting Phase II
- 22nd Avenue Sidewalk, Boulevard Road to Cain Road
- Parks and Pathways Neighborhood Pathways - Fairview Avenue Pedestrian Pathway
- Pavement Preservation - Chip Seal
- Crack Sealing and Pavement Marking Replacement
- LEAN implementation to streamline project development
- Utilizing Twitter to communicate up-to-the-minute information related to construction projects
- Integrating into Public Works erosion and sediment control inspection services
- Assisted CP&D with private utility permitting, engineering plan review and development of standards related to sidewalk cafes.

Service Profiles - Engineering

Design and Construction Projects Identified in the Annual Project List

2015 Actual

2016 Actual

2017 Budget

62

54

50

Transportation

Transportation Recap	2015 Actual	2016 Actual	2017 Budget	Variance
Planning & Engineering	\$ 1,192,658	\$ 1,217,408	\$ 1,296,708	\$ 79,300
Traffic Operations	2,064,545	2,060,051	2,104,885	44,834
Street Operations	2,082,346	2,347,006	2,363,546	16,540
Total Expenditures	\$ 5,339,549	\$ 5,624,465	\$ 5,765,139	\$ 140,674
Recap of Expenditures				
Personnel Services	\$ 2,995,158	\$ 3,180,579	\$ 3,311,477	\$ 130,898
Supplies & Services	1,663,744	1,615,897	1,584,224	(31,673)
Interfund Payments	680,647	827,989	869,438	41,449
Total Expenditures	\$ 5,339,549	\$ 5,624,465	\$ 5,765,139	\$ 140,674
Program Revenues	1,684,025	1,594,302	1,676,676	82,374
Funding From General Revenues	\$ 3,655,524	\$ 4,030,163	\$ 4,088,463	\$ 58,300

Line of Business Overview

The mission of the Transportation line of business is making your trip safe, efficient, and inviting. We further this mission through our four programs:

Transportation Planning—Develop plans, policies, and programs that increase walking, biking, and transit use, and promote the safe movement of motor vehicles.

Transportation Engineering—Manage, monitor, develop, and implement complete transportation systems for today and into the future.

Traffic Operations—Efficiently and effectively maintain traffic control devices.

Street Operations—Repair, maintain, and improve streets and rights-of-way.

Budget Overview

The 2017 budget maintains current levels of service with no new programs.

Future Trends and Challenges

Policy Development—Implement the policy guidance of the Regional Transportation Plan (RTP), Transportation Mobility Strategy (TMS), and the Comprehensive Plan. Emphasis areas for implementation include development of complete streets, improving street and pathway connectivity, integration of land use and transportation strategies, and developing a Multimodal Concurrency Program revising our approach to system capacity to accommodate all modes of travel.

Downtown—Look for opportunities to implement the Comprehensive Plan vision by focusing capital investments downtown. These include improvements such as sidewalk repair, crossing enhancements, and pavement preservation.

Energy Use—We continue to look for opportunities to reduce our carbon footprint using technology. Commute Trip Reduction (CTR) programs will help us continue to reduce fuel consumption, as well as improve air quality in the community. Smart Corridors, a signal priority system for transit, will keep buses moving in traffic on our major corridors.

Work Orders and Efficiencies—With rising costs and aging infrastructure, it is increasingly important to try to maintain our current level of service. We are evaluating methods of capturing data to help us understand where there are opportunities for increased efficiencies. This data is also used to determine the true cost of the services we provide.

Asset Management—We continue implementation of an asset management system to more efficiently maintain the City’s transportation infrastructure (pavement, traffic signals, streetlights, traffic control signs, and markings). Asset management systems predict maintenance needs, allowing maintenance activities to be more cost-effective. We will ultimately be more proactive in addressing maintenance needs through lifecycle analysis, predictive maintenance, and condition rating of assets.

Geographic Information Systems (GIS)—We are continuing to expand our use of GIS for asset management, project planning, and communication with the public. Continued training and dedicated staff resources will allow GIS to become a greater tool in our work and will fundamentally change our approach to transportation planning and budgeting.

Transportation Planning and Engineering

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,001,574	\$ 1,013,465	\$ 1,079,959	\$ 66,494
Supplies & Services	67,165	66,592	67,745	1,153
Interfund Payments	123,919	137,351	149,004	11,653
Total Expenditures	\$ 1,192,658	\$ 1,217,408	\$ 1,296,708	\$ 79,300
Program Revenues	289,047	250,000	274,523	24,523
Funding from General Revenues	\$ 903,611	\$ 967,408	\$ 1,022,185	\$ 54,777

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Engineering & Planning Supervisor	1.00	1.00	1.00
Engineering Designer	1.00	1.00	1.00
Engineering Technician II	1.00	1.00	1.00
Line of Business Director	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Project Engineer II	2.00	2.00	2.00
Senior Planner	1.00	1.00	1.00
Senior Program Specialist	1.00	1.00	1.00
Total	9.00	9.00	9.00

Transportation - Planning Program

Program Description

The Transportation Planning Program develops plans, policies, and programs that increase walking, biking, and transit use and promote the safe movement of motor vehicles.

Core services include:

- Develop plans and programs to implement the Comprehensive Plan, Transportation Mobility Strategy, and Regional Transportation Plan.
- Conduct studies that identify improvements to the transportation system.
- Plan bicycle, pedestrian, motor vehicle, and overall roadway safety projects.
- Develop strategies and policies to reduce congestion and pollution.
- Develop bicycle and pedestrian education and encouragement programs.
- Respond to public concerns and create opportunities for greater public input.
- Work with the Bicycle and Pedestrian Advisory Committee (BPAC) on their Council-approved work program items.

Trends

We continue to make progress in retrofitting our major streets to be more complete by adding sidewalks, bike lanes, and pedestrian crossing improvements.

Program Budget Overview

This budget maintains current staffing levels, however, there are multiple planning projects scheduled for the next six years that are pending staff availability. Education and encouragement activities are dependent on grant opportunities.

Future Challenges and Opportunities

- Continue to implement the Neighborhood Pathways Program, which works with residents to improve bicycle and pedestrian pathways.
- Begin work to update the 2003 Sidewalk Program and the 2009 Bicycle Master Plan with the involvement of the Bicycle and Pedestrian Advisory Committee.
- Continue development of Bike Corridors – low volume streets that are modified to support a wide range of bicyclists.
- Expand the use of GIS for capital facilities planning and sharing information with the public.
- Look for ways to share and receive input from the public on transportation planning and project priorities.
- Explore more new programs for encouraging walking, biking, and transit.
- Identify and draft needed updates to the Engineering Design and Development Standards as a result of the new Comprehensive Plan goals and policies.

Recent Accomplishments

- Completed the Fairview Street Pathway project in the Neighborhood Pathways Program.
- Developed Walking Maps for installation on traffic signal boxes downtown.
- Built a Bike Corridors pilot project and conducted public involvement to explore additional Bike Corridors.
- Provided input on the draft Thurston Regional Transportation Plan.
- Began to define pedestrian, bike and streetscape improvements for several Downtown Streets as part of the Downtown Strategy.
- Began scoping of a Multimodal Concurrency Program.

Transportation Planning and Engineering (continued)

Key Result Measures - Planning	Target or Goal	2015 Actual	2016 Actual	2017 Budget
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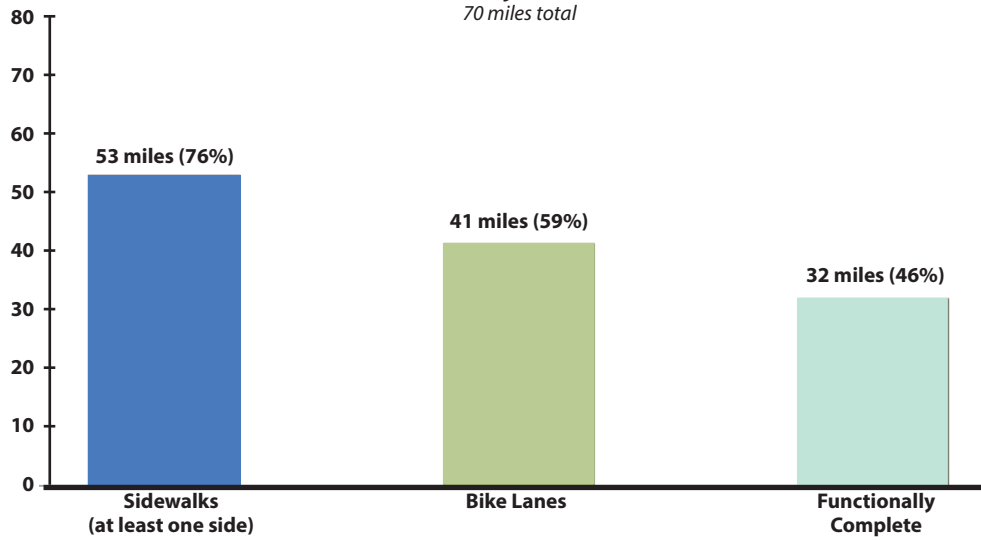
Percent of arterials and major collectors that are "Functionally Complete," serving all modes. Functionally Complete streets have bike lanes on both sides and sidewalks on at least one side.

All arterials and major collectors have bike lanes on both sides and sidewalks on at least one side.

See graph below

Arterial and Major Collector Miles

70 miles total



Service Profiles - Transportation Planning	2015 Actual	2016 Actual	2017 Budget
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Major planning projects or studies

6

6

5



Transportation Planning and Engineering (continued)

Transportation - Engineering Program

Program Description

The Transportation Engineering Program manages, monitors, develops, and implements complete transportation systems for today and into the future.

Core services include:

- Respond to transportation requests and concerns from the public.
- Collect and evaluate transportation system data, including collisions and volumes.
- Identify transportation system needs and implement improvement projects.
- Develop funding strategies for transportation projects using grants, impact fees, and City revenues.
- Review and advise on transportation improvements associated with development.
- Develop and guide street standards.
- Collect and analyze pavement condition data.

Trends

- Grant funds are needed to augment current funding for capital projects.
- Funding for capital projects to pave streets is not sufficient to meet current street repair needs.
- Identifying system improvements that can result in safer streets for all users and potentially reduce collisions.

Program Budget Overview

The 2017 program budget maintains our core services at their current level of service.

Future Challenges and Opportunities

- Continue to retrofit our street network with street designs that work for all modes of transportation.
- Seek funding for design, right-of-way purchase, and construction for new access to US 101 near Kaiser Road and Yauger Way.
- Implement Low Impact Development standards for our streets, which will reduce and more effectively manage storm water run-off.
- With the elimination of the Neighborhood Traffic Management Program (NTMP), we continue to look for opportunities and innovative ways to address traffic calming requests through neighborhood involvement.
- Pursue funding for system improvements.
- Develop and implement ways to meet transportation capacity needs by funding standalone transit, biking, and walking projects. This is especially needed in the densest parts of our City where streets cannot be widened further.

Accomplishments

- Smart Corridors - We are participating in a regional project to upgrade traffic signals, which will allow transit buses to have priority at intersections and stay on schedule.
- US 101/West Olympia Access project – We received approval of the SEPA Determination of non-Significance and the Interchange Justification Report. These approvals allow us to move the design of this project forward.

Key Result Measures - Transportation Engineering	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Pavement Condition Rating	75	68	70	70

Service Profiles -Transportation Engineering	2015 Actual	2016 Actual	2017 Budget
Public Request Responses	1,000	1,065	1,075
Grants Received	0	2	2

Transportation - Traffic Operations

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 896,414	\$ 934,012	\$ 965,887	\$ 31,875
Supplies & Services	1,019,393	949,568	939,636	(9,932)
Interfund Payments	148,738	176,471	199,362	22,891
Total Expenditures	\$ 2,064,545	\$ 2,060,051	\$ 2,104,885	\$ 44,834
Program Revenues	39,910	28,854	58,854	30,000
Funding from General Revenues	\$ 2,024,635	\$ 2,031,197	\$ 2,046,031	\$ 14,834

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Data Control Specialist	0.50	0.50	0.50
Lead Worker	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Sign Technician	3.00	3.00	3.00
Sr. Traffic Signal Technician	1.00	1.00	1.00
Traffic Signal Technician	2.00	2.00	2.00
Total	8.50	8.50	8.50

Program Description

The **Traffic Operations** Program efficiently and effectively maintains traffic control devices.

Core services include:

- Maintain traffic signals and streetlights
- Maintain signs and pavement markings
- Ensure all signs, pavement markings, traffic signals, and streetlights within the City are fully operational and meet current standards

Trends

We are developing asset management systems for more cost-effective and predictable maintenance of traffic control devices.

Program Budget Overview

Current levels of service will be maintained with a focus on preventative maintenance for traffic signals and replacement of pavement markings.

Future Challenges and Opportunities

- Due to the age and critical function of our signal systems, we are rating their condition in order to systematically address future repair and capital replacement needs.
- We will continue to support special events in the community by installing holiday lights, banners and flags on streetlight poles, and providing temporary street closures.
- Graffiti continues to be a major issue and expense. Graffiti removal is important to the viability of Downtown businesses and the livability of our neighborhoods. Partnering with neighborhoods and other departments has helped improve response times for removal.

Recent Accomplishments

Began installation of new traffic signal control boxes, which give transit priority at traffic signals.

Key Result Measures - Transportation Traffic Operations

2015 Actual 2016 Actual 2017 Budget

Traffic Signal Condition

Under Development

Traffic Operations is developing a new key result measure regarding the condition of our traffic signal systems. This information will help staff develop a strategy for scheduling and funding routine maintenance as well as capital replacement projects.

Service Profiles - Transportation Traffic Operations

2015 Actual 2016 Actual 2017 Budget

Signalized Intersections

95 95 95

Streetlights

4,500 4,500 4,550

Traffic Control Signs

12,000 12,100 12,200

Lane Miles Striped

232 232 233

Lighted Crosswalk Systems

20 21 23

Transportation - Street Operations

<i>Program Cost Summary</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Expenditures				
Personnel Services	\$ 1,097,170	\$ 1,233,102	\$ 1,265,631	\$ 32,529
Supplies & Services	577,186	599,737	576,843	(22,894)
Interfund Payments	407,990	514,167	521,072	6,905
Total Expenditures	\$ 2,082,346	\$ 2,347,006	\$ 2,363,546	\$ 16,540
Program Revenues	1,355,068	1,315,448	1,343,299	27,851
Funding from General Revenues	\$ 727,278	\$ 1,031,558	\$ 1,020,247	\$(11,311)

<i>Program Staffing</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>
Data Control Specialist	0.50	0.50	0.50
Field Crew Leader	1.00	1.00	1.00
Lead Worker	1.00	1.00	1.00
Maintenance Worker II	8.00	8.00	8.00
Operations Supervisor	1.00	1.00	1.00
Total	11.50	11.50	11.50

Program Description

The **Street Operations** Program is responsible for repairing, maintaining, and improving our streets and rights-of-way.

Core services include:

- Roadway maintenance and repair
- Street sweeping
- Shoulder and alley grading
- Bridge maintenance and repair
- Sidewalk repair
- Bicycle facility maintenance
- Snow and ice control
- Vegetation control
- Roadside mowing

Trends

We continue to meet our commitment of repairing reported potholes by the end of the work day, or within two hours if reported after working hours. This proactive response to potholes minimizes liabilities, as well as slows the deterioration of the street surface.

While there is an ordinance requiring property owners to repair their sidewalks, we make some repairs downtown and in areas with heavy pedestrian use to remove trip hazards. However, there is a long list of sites needing repair.

Program Budget Overview

The 2017 budget maintains current levels of service. However, maintenance costs continue to be adversely affected by rising material costs, progressively aging infrastructure and the damaging effects of winter weather.

Future Challenges and Opportunities

- The program has a backlog in needed sidewalk repair and pavement maintenance. In addition, there is an increased demand for services resulting from our aging infrastructure and the additional number of streets maintained.
- Each year, Thurston County adds new plant species to the list of noxious weeds that the City is mandated to

control. This requires additional staff time to monitor and eradicate these weeds.

- Disposal of sweeper spoils continues to be a challenge, as regulations change. This has a significant effect on our disposal budget.
- We are developing reports from our work order data collection system and are using them to help prioritize our work.

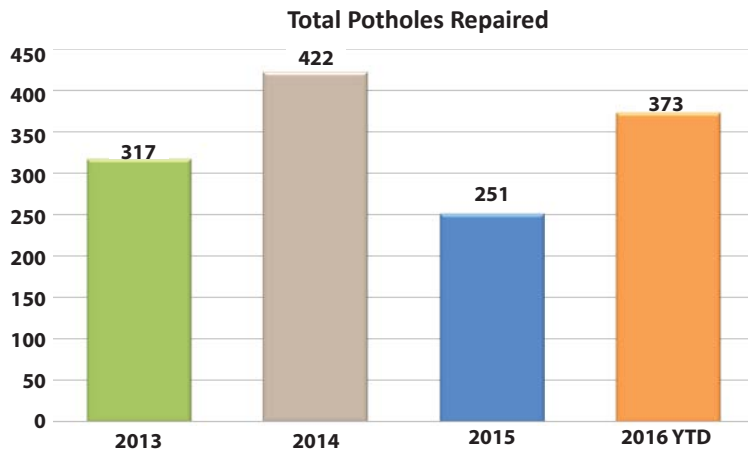
Accomplishments

- Building on previous success, we'll continue to rent a large asphalt grinder for two months. This enables us to perform asphalt patching in more locations in a shorter amount of time.
- We increased our emphasis on sidewalk repair downtown, using one-time funding. Through June 2016, 23 sites have been repaired.

Transportation - Street Operations (continued)

Key Result Measures - Transportation Street Operations	Target or Goal	2015 Actual	2016 Actual	2017 Budget
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Reported potholes are repaired by the end of the day. Potholes reported after business hours are repaired within two hours.	100%	100%	100%	100%
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Service Profiles - Transportation Street Operations	2015 Actual	2016 Actual	2017 Budget
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Miles of Street Maintained	216	217	218
Miles of Bike Lanes Maintained	34.5	34.5	35
Miles of Street Prepped for Least Capital Projects	4.5	5	5
Total Lane Miles Mowed	61	70	70
Hours of Noxious Weed Control	91	70	70

Public Works - Water Resources

<i>Water Resources Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Drinking Water Utility	\$ 11,330,318	\$ 12,328,250	\$ 13,297,934	\$ 969,684
Wastewater Utility	17,895,025	18,939,515	19,901,896	962,381
Storm & Surface Water Utility	4,501,474	5,191,687	5,310,757	119,070
Total Expenditures	\$ 33,726,817	\$ 36,459,452	\$ 38,510,587	\$ 2,051,135
<i>Recap of Expenditures</i>				
Personnel Services	\$ 5,985,937	\$ 6,721,126	\$ 6,954,499	\$ 233,373
Supplies & Services	7,169,359	7,869,744	8,191,794	322,050
Payment to LOTT	11,660,064	12,378,283	13,043,940	665,657
Capital Outlays	20,642	-	-	-
Debt Service not paid from debt funds	766,288	917,258	896,964	(20,294)
Interfund Payments	3,572,587	3,921,306	4,159,054	237,748
Interfund Transfers	4,551,940	4,651,735	5,264,336	612,601
Total Expenditures	\$ 33,726,817	\$ 36,459,452	\$ 38,510,587	\$ 2,051,135
Program Revenues	35,213,874	36,319,209	38,517,236	2,198,027
Use of (or Additions to)Reserves	\$ (1,487,057)	\$ 140,243	\$ (6,649)	\$ (146,892)

Line of Business Overview

The Water Resources line of business includes Olympia's Drinking Water, Wastewater, and Storm and Surface Water utilities. The mission of the Water Resources line of business is to provide and protect nature's water for a healthy community. Through a management structure focused on a long-term, holistic view of water, we provide services in a comprehensive and integrated way.

Key services include operations and maintenance of infrastructure, long-term planning, technical assistance, capital facility development, water quality monitoring, and public involvement and education. Residents, businesses, and institutions provide funding through monthly or bi-monthly utility rates. The purpose statements for the three Water Resources utilities are:

Drinking Water—Provide the public with safe and sustainable drinking water and reclaimed water, and to ensure a sufficient water supply for firefighting needs.

Wastewater—Ensure the long-term management of the sewer infrastructure so that wastewater is collected, conveyed, and treated with minimal risk to public health and the environment.

Storm and Surface Water—Provide environmental management services to the public so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced.

Future Trends and Challenges

The Drinking Water utility began using its new water supply in the fall of 2014. The transfer of our water supply from the surface waters of McAllister Springs to the deep, well-protected groundwater supply at the new McAllister Wellfield is the result of many years of work and coordination. We are proud to say Olympia's water supply is secure and adequate until the year 2058.

Drinking Water utility staff recently updated the six-year Water System Plan to better reflect future needs. Implementation of the Plan started in 2016 and continues into 2017. In addition to addressing water demand needs, conservation, water quality, capital improvements, and financial scenarios, this update emphasizes the need to comprehensively understand the condition and integrity of our extensive water distribution system. This work will shape the future of the utility. Drinking water quality remains high and in compliance with State and Federal requirements.

Wastewater utility staff is implementing a new six-year Wastewater Management Plan that was adopted in late 2013. The Plan builds upon the current Wastewater program by refining existing policies and practices. The issue of providing cost-effective sanitary sewer service for infill and outlying development continues to be a challenge and is addressed in the Plan. The Plan lays out a program of proactive system maintenance and timely upgrades. The extensive Wastewater pipe and pump system is well understood and is in good condition.

Responding to new State and Federal regulatory requirements will continue to be a focus for the Storm and Surface Water utility. The evolving National Pollutant Discharge Elimination System (NPDES) Phase II stormwater permit creates new regulatory obligations for the City. Expanding the use of Low Impact Development techniques Citywide and implementation of an aquatic habitat protection strategy are focus areas for 2017. Staff will share with the community work on a comprehensive update to our Storm and Surface Water Management Plan in 2017.

Global climate change will affect the Water Resources utilities if predictions hold true. Increasing sea levels would result in increased downtown flooding. Hotter and drier summers could increase water demand. The utilities are working to understand the impacts of global climate change and develop adaptation strategies.

Water Resources - Drinking Water Utility

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 3,036,124	\$ 3,227,627	\$ 3,384,601	\$ 156,974
Supplies & Services	3,566,503	3,944,920	4,045,021	100,101
Capital Outlay	4,267	-	-	-
Debt Service	661,473	812,535	792,700	(19,835)
Interfund Payments	1,739,903	1,871,379	1,989,010	117,631
Interfund Transfers	2,322,048	2,471,789	3,086,602	614,813
Total Expenditures	\$11,330,318	\$12,328,250	\$13,297,934	\$ 969,684
Program Revenue	12,099,660	12,328,250	13,302,290	974,040
Use of (or Additions to) Reserves	\$ (769,342)	\$ -	\$ (4,356)	\$ (4,356)

Highlights of Program Budget Changes

- Revenues:**
- \$ 446,150 - Base revenue growth on a budget basis plus 1% estimated customer growth
 - \$ 634,300 - 6.9% rate increase.
 - (\$ 101,700) - Decrease in wholesale water sales. The City of Lacey discontinued purchasing water from Olympia in mid 2016.
- Expenditures:**
- \$ 402,910 - The increase in debt service set-aside for the recent state loan to fund the southeast reservoir. Total set-aside \$542,731.
 - \$ 164,817 - Increase in City and State utility taxes due to increased estimated revenue including revenue from rate increases
 - \$ 212,760 - Increase transfer to the Water Utility Capital Improvement Fund

Program Staffing	2015 Actual	2016 Actual	2017 Budget
AMR Meter Technician	2.00	2.00	2.00
Engineering & Planning Supervisor	0.34	0.34	0.34
Inventory Control Specialist I	0.75	0.75	0.75
Lead Worker	2.00	2.00	2.00
Line of Business Director	0.52	0.52	0.52
Maintenance Technician	2.00	2.00	2.00
Maintenance Worker II	11.00	11.00	11.00
Office Specialist III	0.52	0.52	0.52
Operations Supervisor	1.50	1.50	1.50
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	1.52	1.52	1.52
Project Engineer I	1.00	1.00	1.00
Project Engineer II	0.50	0.75	0.75
Remote Systems Technician	1.25	1.25	1.25
Senior Planner	0.34	0.34	0.34
Senior Program Specialist	1.75	1.75	1.75
Water Monitoring Assistant	1.00	1.00	1.00
Water Quality Specialist	1.00	1.00	1.00
Total	29.99	30.24	30.24

Program Description

The Drinking Water utility provides the public with safe and sustainable drinking water and reclaimed water. It ensures a sufficient water supply for our growing community. The Utility serves as a steward of Olympia's water resources. Program areas include: operation and maintenance, water quality monitoring, cross-connection control, groundwater protection, water conservation, water source development, reclaimed water, and capital facility development. The 2015-2020 Water System Plan (approved by the State Department of Health and adopted by the Olympia City Council) guides the activities of the Drinking Water utility.

Trends

Trends that significantly affect the Drinking Water utility and its budget include:

- The work to develop additional sources of water supply have been successful in recent years, requiring engineering evaluations, construction of new facilities, and mitigation associated with new water rights. Olympia has sufficient water for many years.
- Water conservation efforts are paying off. For example, it would have been reasonable to see an increase in irrigation use by up to 25 percent based on the weather in 2015, however the substantial indoor water savings helped to limit the overall increase in use to only seven percent.

- The City is designing a new water reservoir for Southeast Olympia (Log Cabin Reservoir). The construction project is estimated to begin in 2017 and continue in 2018 with a low-interest loan from the State of Washington.
- Automated meters were installed throughout the City in 2014-2015. The meters have improved efficiency of operations, saved staff time, and more accurately record water usage.
- New regulations related to water quality and water use efficiency are increasing capital costs and placing more demands on staff.
- Increased development and ongoing landowner practices in Olympia's Drinking Water (Wellhead) Protection Areas requires efforts to ensure that our water supplies are adequately protected. Groundwater monitoring efforts, land use regulations, land acquisition, and education with area residents help us protect our water sources long-term.
- The ongoing replacement of aging infrastructure, especially small diameter water pipe, is critical to the utility's long-term viability. Additionally, seismic retrofits for two reservoirs will ensure our community has water in the event of a catastrophic earthquake.

Program Budget Overview

The goal of the Drinking Water utility is to implement the policy direction set forth in the 2015-2020 Water System Plan. Investments

Water Resources - Drinking Water Utility *(continued)*

in water supply, system reliability, water use efficiency, ground water protection, and efficient operations continue to receive high priority. Staffing levels in 2017 will be the same as in 2016.

The 2017 budget includes increased expenses related to salaries, benefits, and other inflationary and overhead costs. Major projects identified next year include construction of the McAllister Wellfield corrosion control treatment facility, the Fones Road Booster Pump Station, and the construction of the Log Cabin reservoir. Many smaller projects will also be underway.

Future Challenges and Opportunities

The 2015-2020 Water System Plan places top priority on ensuring that the community’s water supply is understood and managed proactively. The following challenges face the Drinking Water Utility for the planning period 2015-2020:

- Aging infrastructure
- Changing water quality regulations
- Financing several major construction projects
- Keeping pace with development
- Protecting groundwater from contamination
- Maintaining equitable and predictable rates and fees
- Fostering public education and involvement

In 2012, the goal of providing a 50-year supply was achieved with the approval of Olympia’s application to transfer its water rights from McAllister and Abbott Springs to the McAllister Wellfield. This water source is Olympia’s new primary source of drinking water. In addition to new supply development, the 50-year water supply strategy includes efforts to maximize current water supplies by continuing our aggressive water conservation program, investing in an ongoing leak detection and repair program and maintaining our extensive pipe systems.

Olympia made formal commitments through intergovernmental agreements to develop new sustainable supplies and protect water resources long-term. Due to increasing development and ongoing landowner practices in Olympia’s Wellhead Protection Areas, the utility will also need to scrutinize and respond accordingly to potential impacts to our drinking water supplies. State and Federal

water quality mandates require continued improvements to our water infrastructure.

Following Council’s direction, the utility will ensure that “growth pays for growth” and will also work with new development to help minimize water use. The utility will seek to keep construction costs low by “piggybacking” with transportation and other types of construction projects.

Recent Accomplishments

- Completed connection to the City’s new water source the McAllister Wellfield replacing McAllister Springs as the City’s primary supply of drinking water.
- Upgraded 19,000 water meters across the City to receive water usage information via radio/wireless signals. This has streamlined customer service, operations and maintenance response, improved customer equity by ensuring customers are paying for water they are using, and enhanced water conservation by identifying and notifying customers of possible water leaks.
- Initiated a formal maintenance program for valve, hydrant and distribution system pressure regulating valves (PRV). This program will help staff understand and evaluate assets and make repair and replacement decisions.
- Enhanced work to better understand the structural integrity of our extensive pipe systems. The utility is developing a detailed asset management strategy to support the long-term work effort.
- Exceeded the five percent per connection water conservation goal between 2009 and 2014, with a reduction per connection consumption of 8.7 percent.
- Working towards a goal of reducing indoor water use by 100,000 gallons per day by 2020. We are on track with water savings of 20,456 gallon per day (GPD) in our first year.
- Participated in the National Mayor’s Challenge for water conservation. Olympia ranked 11th in the nation (for population 30,000-99,999).

Key Result Measures - Drinking Water Utility	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Water Quality Samples Meeting Standards	100%	100%	100%	100%
High-Risk Connections with Adequate Backflow Protection	100%	100%	100%	100%
Indoor Water Use Reduction, 2015–2020 of 100,000 gallons per day*	100,000 GPD	N/A	20,000 GPD	20,000 GPD
Outdoor Water Use Reduction 2015–2020 of 5%*	5%	N/A	1%	1%

Service Profiles - Drinking Water Utility	2015 Actual	2016 Actual	2017 Budget
Total Number of Water Service Connections	20,000	20,078	20,091
Miles of Water Mains Maintained	285	290	290
Water Sources Maintained	9	9	9
Water Quality Compliance Samples Collected	970	980	975
Backflow Devices Tested/Inspected	2,500	2,700	3,000
Water Conserving Devices/Rebates Distributed	1,309	1,200	1,200
Groundwater Protection Area Residents Reached with Information, Training and Technical Assistance	200	600	20
Reclaimed Water Service Connections	5	5	5

*Note: Data Source - hydraulic model

Water Resources - Wastewater Utility

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,328,376	\$ 1,471,519	\$ 1,552,473	\$ 80,954
Supplies & Services	2,604,585	2,708,338	2,909,287	200,949
Payment to LOTT	11,660,064	12,378,283	13,043,940	665,657
Capital Outlay	7,841	-	-	-
Debt Service	104,815	104,723	104,264	(459)
Interfund Payments	903,953	1,009,337	1,048,246	38,909
Interfund Transfers	1,285,391	1,267,315	1,243,686	(23,629)
Total Expenditures	\$17,895,025	\$18,939,515	\$19,901,896	\$ 962,381
Program Revenue	18,320,755	18,853,133	19,901,896	1,048,763
Use of (or Additions to) Reserves	\$ (425,730)	\$ 86,382	-	\$ (86,382)
Highlights of Program Budget Changes				
<u>Revenues:</u>				
\$ 139,260 - Base revenue growth				
\$ 242,100 - 4.0% rate increase				
\$ 694,933 - Sewage treatment (LOTT) based revenue 2.0% rate increase				
<u>Expenditures:</u>				
\$ 694,933- Increase in payments to LOTT for sewage treatment				
\$ 224,981 - Increase in taxes				

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Data Control Specialist	0.37	0.37	0.37
Engineering & Planning Supervisor	0.33	0.33	0.33
Inventory Control Specialist I	0.13	0.13	0.13
Lead Worker	1.25	1.25	1.25
Line of Business Director	0.24	0.24	0.24
Maintenance Technician	2.00	2.00	2.00
Maintenance Worker I	1.00	1.00	1.00
Maintenance Worker II	4.50	4.50	4.50
Office Specialist III	0.24	0.24	0.24
Operations Supervisor	1.00	1.00	1.00
Program Assistant	0.24	0.24	0.24
Project Engineer II	1.25	1.25	1.25
Remote Systems Technician	0.75	0.75	0.75
Senior Planner	0.33	0.33	0.33
Total	13.63	13.63	13.63

Program Description

The Wastewater utility ensures the long-term management of sewer infrastructure so that wastewater is collected, conveyed, and treated with minimal risk to public health and the environment. All wastewater collected by the utility is conveyed downtown to the LOTT Clean Water Alliance facility for treatment. The City contracts with LOTT for this service. Utility activities include operation and maintenance of pipe and pumping infrastructure, long-term planning, infrastructure analysis, capital facility development, odor control, technical assistance and septic system oversight. The activities of the Wastewater utility are guided by the 2013-2018 Wastewater Management Plan.

Trends

- Trends affecting the Wastewater utility and its budget:
- Growth in Olympia and its Urban Growth Area (UGA) necessitate costly, privately-funded sewer extensions. Costs can be high, especially for infill and outlying development. Alternative methods are needed to keep sewer costs manageable.
 - Condition-rating of sewer pipe and manholes highlight the need for numerous repairs and replacements. Thirty-two percent of the utility infrastructure was installed prior to 1960. Repairs are being completed in a timely manner before acute pipe failures occur.
 - In response to needed pipe repairs, the City is maximizing the use of new trenchless repair technologies to line existing pipes without costly excavation of the street.

- On-site septic systems are being linked to water quality impacts in Budd and Henderson Inlets and other sensitive areas in the City and its Urban Growth Area. Approximately 4,150 on-site septic systems are used within the City limits and UGA. We support the long-term conversion of on-site septic systems to City sewer.
- The number of sewer spills and overflows continues to decline due to increased preventative maintenance by City crews and increased attention to the Fats, Oils and Grease (FOG) prevention program.
- The 2013-2018 Wastewater Management Plan emphasizes the need to cost-effectively provide sewer service, ensure that utility rates are equitable, and incorporate new technologies into our management program. The Wastewater program is increasingly linked to the environmental protection work of the Storm and Surface Water and Drinking Water utilities.

Program Budget Overview

The Wastewater utility continues work on sewer system cleaning and operations, condition rating, preventive maintenance, long-range planning, and capital improvements—with few changes in the last several years. The Wastewater utility is implementing refinements outlined in the 2013-2018 Wastewater Management Plan. Goals of the Plan support various community-wide efforts including reconstruction of aging pipe systems, pump station retrofits, system extensions, and on-site septic system conversions. The 2017 operating budget reflects various cost increases but no new initiatives or costs.

Water Resources - Wastewater Utility *(continued)*

Future Challenges and Opportunities

Many of the trends create both challenges and opportunities for the utility. Coordination and partnership with the development community create effective sewer extension into new areas of the City and UGA. These extensions, while often into areas topographically difficult for sewer service, can allow for conversion from on-site septic to public sewer service. Increasing costs heighten the need to incorporate these modifications into existing and future construction projects. Additionally, the utility has revised regulations to better facilitate infill development.

Efforts to reduce bacteria and nitrogen discharges to surface and ground waters reinforce the need to prevent wastewater discharges from both pipe and on-site systems. The Wastewater utility will continue to play a role in environmental protection work.

The Capital Facilities Plan focuses on proactive actions that minimize future unanticipated construction costs. The City will continue to retrofit costly pump stations on a timely schedule.

Recent Accomplishments

- The Wastewater utility recently completed a major capital and program development effort that was initiated in 2006-2007. Several major pipe extensions were constructed and regional pump stations were upgraded.
- Considerable progress has been made with pipe repairs. The repair work builds upon pipe televising and condition rating of the pipe system. All major pipes have been televised and their structural integrity documented.
- Capital facility planning under a 20-year horizon suggests that the utility can continue to cost-effectively and proactively respond to system needs.
- Staff continues to take on the larger and more complex construction projects, using new technologies such as cured in place pipe and oxygen-based odor control.

Key Result Measures - Wastewater Utility	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Rated Sewer Pipes in Fair or Better Condition	90%	94%	96%	96%
City and Urban Growth Area (UGA) Residents with Gravity Sewer Service (Excludes Septic and STEPS)	100%	70%	70%	70%

Service Profiles - Wastewater Utility	2015 Actual	2016 Actual	2017 Budget
Sewer Connections	15,900	15,950	16,000
STEP Customers	1,890	1,895	1,900
Miles of Sewer Pipe Maintained	224	225	225
Pump Stations Maintained	36	36	36
Septic Systems (City and UGA)	4,182	4,190	4,190



Water Resources - Storm and Surface Water Utility

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 1,621,437	\$ 2,021,980	\$ 2,017,425	\$ (4,555)
Supplies & Services	998,271	1,216,486	1,237,486	21,000
Capital Outlay	8,534	-	-	-
Interfund Payments	928,731	1,040,590	1,121,798	81,208
Interfund Transfers	944,501	912,631	934,048	21,417
Total Expenditures	\$ 4,501,474	\$ 5,191,687	\$ 5,310,757	\$ 119,070
Program Revenue	4,793,459	5,137,826	5,313,050	175,224
Use of (or Additions to) Reserves	\$ (291,985)	\$ 53,861	\$ (2,293)	\$ (56,154)

Highlights of Program Budget Changes

Revenues:

- \$ 45,000 - Base revenue growth on a budget basis
- \$ 278,400 - 6.3% rate increase

Expenditures:

- \$ 44,085 - Increase in taxes

Major Changes in Interfund Payments:

- \$ 35,658 - Indirect overhead
- \$ 26,720 - Fuel purchase from fleet moved from supplies to interfund charges

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Associate Planner	2.00	2.00	2.00
Data Control Specialist	0.37	0.37	0.37
Engineering & Planning Supervisor	0.33	0.33	0.33
Inventory Control Specialist I	0.13	0.13	0.13
Lead Worker	0.75	0.75	0.75
Line of Business Director	0.24	0.24	0.24
Maintenance Worker I	1.00	1.00	1.00
Maintenance Worker II	4.50	4.50	4.50
Office Specialist III	0.24	0.24	0.24
Operations Supervisor	0.50	0.50	0.50
Program & Planning Supervisor	1.00	1.00	1.00
Program Assistant	0.24	0.24	0.24
Program Specialist	0.50	1.50	1.50
Project Engineer II	1.00	1.00	1.00
Senior Planner	0.33	0.33	0.33
Senior Program Specialist	5.00	5.00	5.00
Total	18.13	19.13	19.13

Program Description

The Storm and Surface Water utility provides environmental management services so that floods are minimized, water quality is improved, and aquatic habitats are protected and enhanced. Over its 25-year history, the utility has played an important role in helping the City understand and reduce its impact on the local environment and advance its goals for sustainability.

Trends

The Storm and Surface Water utility continues to address the issues outlined in its 2003 Management Plan with its 2011 refinements, as well as respond to population and economic trends. Some trends include:

- Challenges in managing stream and wetland health due to increasing urbanization. While acknowledging these hard to beat impacts, stream quality in Olympia is relatively good for an urban area.
- State and Federal stormwater regulations are increasing and require additional work efforts. In 2016, we adopted new City development codes for implementation of Low Impact Development techniques. Implementation of the new codes will require increased effort from both private and public entities.
- More than 50 percent of our many stormwater pipes have been televised and evaluated for needed repairs. While the list of repairs is long, progress is being made. Overall, the pipe system is in good condition.

- New pilot programming for enhancing high-priority aquatic habitats was initiated in 2014. The program received permanent funding in 2017.
- Rapid urban growth in Olympia is pushing development into areas with challenging stormwater and environmental constraints. Careful analysis and regulation is needed to minimize impacts.
- State and regional efforts to improve water quality in Budd Inlet are under way with the Storm and Surface Water Utility playing an important role.
- Staff are updating the Storm and Surface Water Management Plan in 2016 and 2017. The Plan will guide the utility in its work for years to come. Community input regarding utility goals and responsibilities will play a key role in the planning process.

Program Budget Overview

The 2017 budget continues to follow the policy direction outlined in the 2003 Storm and Surface Water Master Plan. With recent refinements, increased focus is placed on protecting and improving water quality, as well as aquatic habitats. Evaluating the condition of aging pipe systems and investing capital funds on necessary replacement projects is also under way. Public education and outreach for local environmental concerns continues on a daily basis. Over the past several years, implementation of an aquatic habitat enhancement and protection strategies has shifted some resources within the utility.

The 2017 operating budget reflects inflationary increases, but no new expenses. Increased emphasis on aquatic habitat work is funded within the Capital Facilities Plan.

Water Resources - Storm and Surface Water Utility *(continued)*

Future Challenges and Opportunities

Managing and protecting our environmental resources in Olympia is expected to remain challenging as our community grows and becomes more densely populated. Opportunities also increase. Examples include:

- Design and construction using new Low Impact Development techniques. This new approach is promising, yet requires expertise and time for effective design, inspection, and maintenance.
- Environmental education needs to keep pace with ever-changing social trends. Our communication tools must become more effective if we are to change behaviors that influence the local environment.
- Efforts are under way to begin addressing climate change and sea level rise in Olympia. The Storm and Surface Water utility will play a key role in developing an effective City strategy to address these long-term problems.
- Televising and condition rating our stormwater pipe continues to identify many needed repairs. Overall, the pipe system is in relatively good condition.
- Utility staff launched regional work efforts for lawn care management best-practices. The work demonstrates the ability to maintain a pleasing lawn with minimal chemical use.
- With continued support from Olympia's Utility Advisory Committee and City Council, the utility is implementing an aquatic habitat enhancement and protection strategy. The strategy offers many opportunities to improve environmental resources in the community while interacting with neighborhoods.

Recent Accomplishments

- The Storm and Surface Water utility continues to be in full compliance with State and Federal regulations.
- Considerable progress has been made to improve our inventory of stormwater systems, more accurately map underground pipes, clean/televise high-priority pipes to determine their structural integrity, and increase our understanding of the long-term needs of our systems.
- We have expanded work efforts to retrofit existing arterial streets with water quality treatment technologies.
- The utility's success at receiving grants and low-interest loans for the construction of water quality retrofits and other work efforts remain high.
- The City Council adopted new Low Impact Development (LID) requirements effective December 1, 2016.



Key Result Measures - Storm and Surface Water Utility	Target or Goal	2015 Actual	2016 Actual	2017 Budget
Flooding Problems Resolved in a Timely Manner (Minor problems within one year and major problems within three years)	90%	100%	100%	100%
Maintenance Compliance — Private Storm Systems (2005 - Newer)	100%	100%	100%	100%

Service Profiles - Storm and Surface Water Utility	2015 Actual	2016 Actual	2017 Budget
Customer Accounts	15,709	15,829	15,934
Miles of Storm Pipe	154	155	158
Miles of Storm Pipe Televised	11	11	11
City-Owned Treatment and Flow Control Facilities Inspected	179	288	290
City-Owned Treatment and Flow Control Facilities Maintained	116	120	120
Number of Catch Basins Cleaned	3,790	3,600	3,600
Number of Participants Attending Education/Outreach Events	3,042	3,500	3,500
Illicit Discharge Investigations	33	50	50
Private Storm Systems Inspected (Sites)	200	200	230
Vegetation Management (Acres Maintained)	140	140	150
Acres in Habitat Stewardship Program	80	150	300
Number of Development Site Plans Reviewed	34	35	35

Public Works - Waste ReSources Overview

<i>Waste ReSources Recap</i>	<i>2015 Actual</i>	<i>2016 Actual</i>	<i>2017 Budget</i>	<i>Variance</i>
Collections	\$ 9,454,429	\$ 10,099,150	\$ 10,568,501	\$ 469,351
Waste Prevention & Reduction	348,853	429,333	430,286	953
Total Expenditures	\$ 9,803,282	\$ 10,528,483	\$ 10,998,787	\$ 470,304
<i>Recap of Expenditures</i>				
Personnel Services	\$ 2,630,733	\$ 2,834,144	\$ 3,065,842	\$ 231,698
Supplies & Services	5,443,680	5,822,743	5,783,088	(39,655)
Capital Outlays	27,502	-	-	-
Interfund Payments	1,688,867	1,871,596	2,137,357	265,761
Interfund Transfers	12,500	-	12,500	12,500
Total Expenditures	\$ 9,803,282	\$ 10,528,483	\$ 10,998,787	\$ 470,304
Program Revenues	10,139,836	10,547,363	11,198,320	650,957
Use of (or Additions to) Reserves	\$ (336,554)	\$ (18,880)	\$ (199,533)	\$ (180,653)

Highlights of Program Budget Changes

Revenues:

Projected Revenues from rate increases

- \$ 60,300 - Drop Box service rate increase, 3%
- \$ 63,200 - Organic service rate increase, 6.5%

Expenditures:

- \$ 166,250 - Disposal fee increases
- \$ 89,237 - Increase in City and State taxes
- \$ 241,077 - Fuel purchase from fleet fund moved from supplies to interfund charges

Critical Needs Funded:

Additional Refuse Collector, 1 FTE:

- \$ 32,413 - Residential service portion
- \$ 61,779 - Commercial service portion
- \$ 45,000 - Operating costs of additional front end loader (vehicle)

Line of Business Overview

Waste ReSources is a utility line of business funded through customer service fees. Our focus is on collecting and transporting solid waste and recyclables discarded by residents, businesses, and visitors so the community remains clean and safe. Ever-growing solid waste per capita, a vulnerable disposal system, and landfills nearing capacity have intensified the need for overall solid waste reduction, recycling, and composting. Our focus is shifting from solid waste collection and disposal to solid waste recovery.

With a vision of Zero Waste and the goal of a sustainable City, Waste ReSources developed a mission to "lead and inspire our community toward a waste-free future." Our strategic role is to "create opportunities to eliminate waste."

Two programs within Waste ReSources work closely together to deliver on the mission and strategic role: Collections, and Waste Prevention and Reduction.

Future Trends and Challenges

City Council adopted the 2015-2020 Waste ReSources Management Plan in August 2015. The Plan coincided with the completion of a waste sort at the end of 2014. The results of the waste sort suggest that our waste diversion programs are working. However, a significant amount of recyclables are still being disposed of in the waste stream, even though over 99 percent of our residential customers have at least one recycle cart at their residence, and nearly 60 percent of the residents subscribe to the organic collection service. The 2014 waste study shows that residents discarded around 8,700 tons of material into the garbage. Of that, approximately 4,000 tons could have been diverted to recycling in our current programs.

Commercial diversion increased 14 percent over the 2008 study. However, the commercial solid waste stream has a much larger potential for diversion. Out of 17,338 tons of commercial garbage in 2014, 42.6 percent or 7,378 tons of material discarded as garbage could have been diverted from the landfill by using current diversion programs. The waste sort and our Plan suggest that, in order to increase waste diversion, we begin looking at

Public Works - Waste ReSources Overview (continued)

alternative approaches to our already established recycle or diversion programs.

The Plan addresses many strategic issues that could improve our diversion programs. These include:

- Providing commercial recycling.
- Increasing construction and demolition recycling.
- Increasing both the residential and commercial organics programs.
- Deciding whether to continue collecting glass mixed with other recyclables.
- Developing an alternative rate structure to encourage waste diversion.

Key Result Measures - Waste ReSources	2006 Baseline	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget
Increase Recycling to 65%		60%	62%	62%	63%	63%
Reduce Per Capita Waste by 5%	* 5.11	4.34	4.28	4.25	4.25	4.23

* Pounds per person per day



Waste ReSources - Collections

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 2,335,083	\$ 2,516,553	\$ 2,738,565	\$ 222,012
Supplies & Services	5,397,601	5,720,341	5,689,703	(30,638)
Debt Service	27,502	-	-	-
Interfund Payments	1,681,743	1,862,256	2,127,733	265,477
Interfund Transfers	12,500	-	12,500	12,500
Total Expenditures	\$ 9,454,429	\$10,099,150	\$10,568,501	\$ 469,351
Program Revenue	9,790,983	10,118,030	10,768,034	650,004
Use of (or Additions to) Reserves	\$ (336,554)	\$ (18,880)	\$ (199,533)	\$(180,653)

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Accounting Technician	1.00	1.00	1.00
Associate Line of Business Director	1.00	1.00	1.00
Lead Worker	2.00	2.00	2.00
Maintenance Worker I	1.00	2.00	2.00
Maintenance Worker II	1.00	1.00	1.00
Operations Supervisor	1.00	1.00	1.00
Program Assistant	1.00	1.00	1.00
Refuse/Recycle Collector	16.00	16.00	17.00*
Total	24.00	25.00	26.00

*Added one FTE

Program Description

The Collections Program provides garbage, recycling, and organics collection services to residents, businesses, and the public.

It uses three different collection methods:

- Curbside collection of carts and containers for both residential and commercial customers
- Drop box service for large quantity generators of garbage, recyclables and organics
- Self-haul of yard waste, metals, and traditional recycling materials to our Saturday drop-off site

We provide carts to City residents for all three waste streams. Garbage service is mandatory at a minimum level. Recycling and organics collection services are a subscribed service. Residents with these services can recycle plastic and glass containers, aluminum and tin cans, paper, and cardboard all in one recycling cart and all organics, such as food, food-soiled paper, yard debris, and some other organic materials in another. Commercial customers have options for container size and collection frequency, ranging from half-yard containers to 30-yard drop boxes. The yard waste drop-off site is now located at the old fire training pad behind the Lee Creighton Criminal Justice Center. It is open on Saturdays, from March through November.

Trends

The following trends are major focus areas for the Collections Program:

- Collecting every other week, along with our new practice of one-side road collection, still proves to be leading edge in collection efficiencies. We collect all three streams of materials (garbage, recycle, and organics) with the same truck and driver in every-other-week collection (four routes, four trucks, and four drivers). However, it is important to note that annexations and new residential development created the need for an additional residential collection truck. Current trends show the addition of 1,000 single-family residential customers by

year end 2017. Restructuring and balancing residential routes is a high priority for Operations staff.

- Residential organics customers continue to grow and so does their “set-out” rate. The weight of the organic material remains an issue. Organic material is dense and heavy (especially during the spring and summer), which causes our drivers to make frequent trips to the Thurston County Waste and Recovery Center (WARC) to ensure the trucks stay within their legal limits.
- Commercial garbage tons continue to grow, driving the need for additional collection time. One of the front-load collection trucks scheduled for surplus in 2017 will be retained for additional collection needs.
- In 2015, we added a second day of organics collection to the commercial program. In 2017, we will need to make this same adjustment for our residential organics program.

Program Budget Overview

The top three expenditure categories in the Collections Program are:

- Labor (wages, salaries and benefits)
- Disposal (per ton cost of disposing) for garbage, recycling and organic materials
- Equipment (maintenance, fuel, replacement)

In 2017, tipping fees at the WARC will remain the same at \$119 per ton for garbage and \$37 per ton for organics. However, Thurston County is expecting to increase tipping fees for both garbage and organics in 2019. Fuel prices are down 18% or \$53,000 from 2016. Costs for operating and maintaining the fleet are also decreasing by \$18,100. New residential trucks, routing efficiencies and lower fuel prices are the contributing factors.

Future Challenges and Opportunities

The commercial sector generates about 60 percent of all solid waste in Olympia. The Organics Collection Program should have the most significant impact in reducing expenditures related to garbage collection, bringing us closer to meeting the objectives set in the Plan.

Waste ReSources - Collections (continued)

Results from Thurston County’s contract with a new organics hauler and processor, as well as consistency throughout the county on acceptable items, enable us to grow our organics customer base.

Space for additional commercial containers continues to be our biggest challenge. Limited space in Downtown makes it difficult for customers to add containers to their account. Some core areas sport a maze of carts and containers. Some buildings and blocks share garbage and recycling containers to reduce the number of containers. A pilot project for a shared Downtown compactor began in late 2016. Over 18 Downtown businesses share this compactor. All existing garbage containers were removed – cleaning up the area. Service to the new compactor happens once a month, instead of the previous containers collected three times per week.

Recent Accomplishments

- Balance residential routes in order to help absorb growth. This will help minimize additional costs related to growth and annexations.
- Operations made efficiencies in our commercial collection area by moving some two-person rear-load accounts to a one-person front-load route. Over 50 accounts were identified, while only 22 moved by mid-2016. Staff continues to talk with customers and look for opportunities to move customers to the front-load route. Container locations are the issue.
- Moving residential carts to the One-side Road Collection Program continues. Staff continues to identify more areas to move to one-side collection. To date, 42 areas and over 3,500 customers are on one-side collection. This gives us a projected annual savings of 729 gallons of fuel and 1,822 less miles driven.

Service Profiles - Collections	2015 Actual	2016 Actual	2017 Budget
Drop Box/Compactor Hauls Garbage	2,845	2,784	2,785
Drop Box/Compactor Hauls Organics/Recycle/C&D	310	326	350
Drop Box/Compactor Garbage Tons*	7,139	7,133	7,140
Drop Box/Compactor Organics/Recycle Tons	285	290	300
Commercial Garbage Containers Serviced Per Year	1,293	1,300	1,310
Commercial Organics Containers Serviced Per Year	168	170	175
Commercial Garbage Tons*	8,950	9,000	9,800
Commercial Organics Tons	690	700	850
Residential Garbage Carts in Service	14,308	14,450	14,600
Residential Recycle Carts in Service	14,784	14,950	15,150
Residential Organics Carts in Service	7,735	7,920	8,100
Residential Garbage Tons – Single-family	6,714	6,520	6,600
Residential Recycle Tons – Single-family	4,6220	3,981	4,000
Residential Organics Tons – Single-family	4,771	5,121	5,200
Residential Garbage Tons – Multi-family*	4,515	4,827	5,000
Residential Recycle Tons – Multi-family	796	997	1,000
Garbage (Landfill) Tons	27,646	28,0830	28,540
Recycle Tons	5,5070	4,978	5,000
Organics Tons	5,914	6,213	6,340
Fuel Consumed (All Waste ReSources Vehicles)	74,12286	73,694	72,957
Miles Driven (All Waste ReSources Vehicles)	227,835	257,453	255,000
*Multi-family sector tons hauled and counted through drop box and commercial garbage tons.			

Waste ReSources - Waste Prevention and Reduction

Program Cost Summary	2015 Actual	2016 Actual	2017 Budget	Variance
Expenditures				
Personnel Services	\$ 295,650	\$ 317,591	\$ 327,277	\$ 9,686
Supplies & Services	46,079	102,402	93,385	(9,017)
Interfund Payments	7,124	9,340	9,624	284
Total Expenditures	\$348,853	\$429,333	\$430,286	\$ 953
Program Revenue	348,853	429,333	430,286	953
Use of (or Additions to) Reserves	\$ -	\$ -	\$ -	\$ -

Program Staffing	2015 Actual	2016 Actual	2017 Budget
Program Specialist	1.00	1.00	1.00
Senior Program Specialist	2.00	2.00	2.00
Total	3.00	3.00	3.00

Program Description

The Waste Prevention and Reduction Program provides planning, education and technical assistance to residents, businesses and other users in our community. In congruence with our mission and strategic role, program staff are the visionaries, promoters, and technical advisors for our solid waste reduction programs. They work closely with Collections staff to ensure efficient collection and separation of solid waste and recyclables. They work directly with citizens, businesses, schools, organizations, and other program participants to look for opportunities to eliminate waste.

Waste Prevention and Reduction Program staff are responsible for presentations to resident and neighborhood groups, as well as classroom lectures and field trips to all Olympia School District third grade classes. Program staff is also responsible for designing and implementing creative solid waste reduction programs, such as the GrassCycling, Waste-Free Lawn Care, and Zero Waste Event Recycling programs.

This Program is also responsible for the following:

- Education and assistance to residents and businesses wishing to have Zero Waste Events
- Solid waste assessments and technical assistance for diversion in businesses
- Data collection and analysis
- Financial analysis and projections throughout the year.
- Developing and implementing policies
- Presentations and responses to Council and the Utility Advisory Committee
- Planning and implementing new programs, as well as maintaining existing one
- Technical assistance to residents about solid waste reduction and recycling
- Recycle transload and processing contract management

Trends

- The City's Festival and Event Permit Application was revised to include a Recycling Plan section to encourage recycling and composting at public events. Interest in creating Zero Waste Events continues to grow.
- The request for commercial organic collection is growing for businesses and schools.

- Residential customers subscribing to curbside organics continues at a slow pace. However, set out rates and tonnages continue to increase.
- Peak season demand for organics collection impacts the Utility's resources. Our focus on front-end solid waste reduction, such as GrassCycling, is a way to mitigate this trend.
- Increase in food scrap and organics diversion from tenants of apartments and condominiums is moving forward, as awareness improves.
- Our School Outreach and Education program will expand to 6th grade Science classes in the 2016/2017 school year.

Program Budget Overview

The Program's main expenses are salaries and benefits.

Future Challenges and Opportunities

- The commercial organics collection program will help divert material and bring us closer to our diversion goals. Two of the biggest challenges continue to be working with some businesses and multi-family customers where the property owners are not local or are larger companies with multiple management layers. In order to encourage more recycling and better diversion of waste, continued outreach to these property owners, managers, and businesses is necessary.
- The Plan identifies new opportunities for waste reduction. Program staff will be the lead on all new programs.
- Moving co-mingled and cardboard recycling to the commercial sector is another area we will address in 2017.
- Staff will study the option of removing glass from our residential co-mingled mixed recycling program.
- Recycle commodity values have not yet stabilized and processing and handling fees are projected to increase 9% over 2016 rates.

Recent Accomplishments

- Completed the RFP process for transload/hauling and processing of our recyclables, and new contracts will be in place by November 2016. Separating our transload/hauling and processing contracts allows us to negotiate better pricing for recycled materials.

Waste ReSources - Waste Prevention and Reduction (continued)

- Continued participation on the Site Plan Review Committee to ensure functionality of container enclosures on commercial and multi-family development.
- Finalizing a Debris Management Plan to guide how we dispose of debris after a disaster.
- Successful in getting St. Peter Hospital to divert all their construction and demolition debris into recycling.

Service Profiles - Waste Prevention & Reduction	2015 Actual	2016 Actual	2017 Budget
Saturday Drop-off Site			
Customers Utilizing the Site	827	843	850
Tons of Material Collected	109	150	140
School Education			
Number of Presentations	30	30	36
Number of Field Trips	17	17	21
Special Recycle Events—Tons Collected			
Christmas Tree Curbside Collection	30	30	21
Commercial Organics			
Number of Participants (Accounts)	144	155	175
Waste Assessments	34	30	30
Events			
Zero Waste Events Supported	40	40	42
Permitted and Public Events	44	45	50
Residential/Multi-family Outreach			
Multi-family Properties with Recycle	138	140	143
Residential/Multi-family Outreach Events	5	5	10





Debt Administration





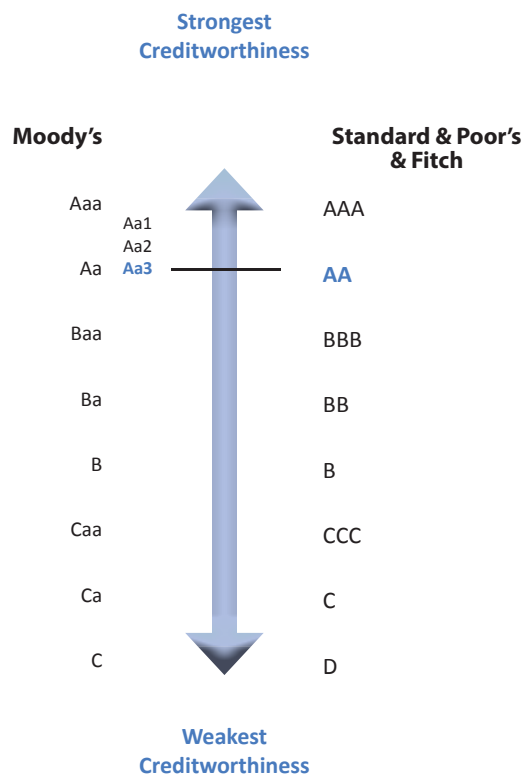
Debt Administration

As the demand for public sector investment and infrastructure continues to grow, the issuance of debt has become an increasingly important component of state and local government capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects at the local level, it also entails careful monitoring of such issuances to ensure that an erosion of the government’s credit quality does not result. The City of Olympia currently has an “Aa3” rating for its general obligation debt from Moody’s and AA from Standard & Poor’s rating agencies.

The City’s bond ratings reflect the investment community’s faith in Olympia’s financial management and its ability to repay outstanding debt. Higher-rated bonds indicate less risk to prospective buyers, translating to lower interest costs to the City. The ratings are from 2013 Bond issues. The rating agency stated that the ratings reflect the City’s sustained strong debt service coverage and good liquidity levels, coupled with good financial policies and practices.

Two basic types of municipal debt are short-term and long-term debt. Short-term debt is generally used by municipalities to even out cash flows. Two basic forms of long-term debt are general obligation and revenue bonds. The basic difference between these two types of bonds is that general obligation issues are backed by the City’s full faith and credit. That is, for taxes of a municipality, and for revenue bonds, the income of a specific utility or activity is pledged for repayment. Olympia has utilized both short and long-term types of debt in its operations, as well as general obligation and revenue debt.

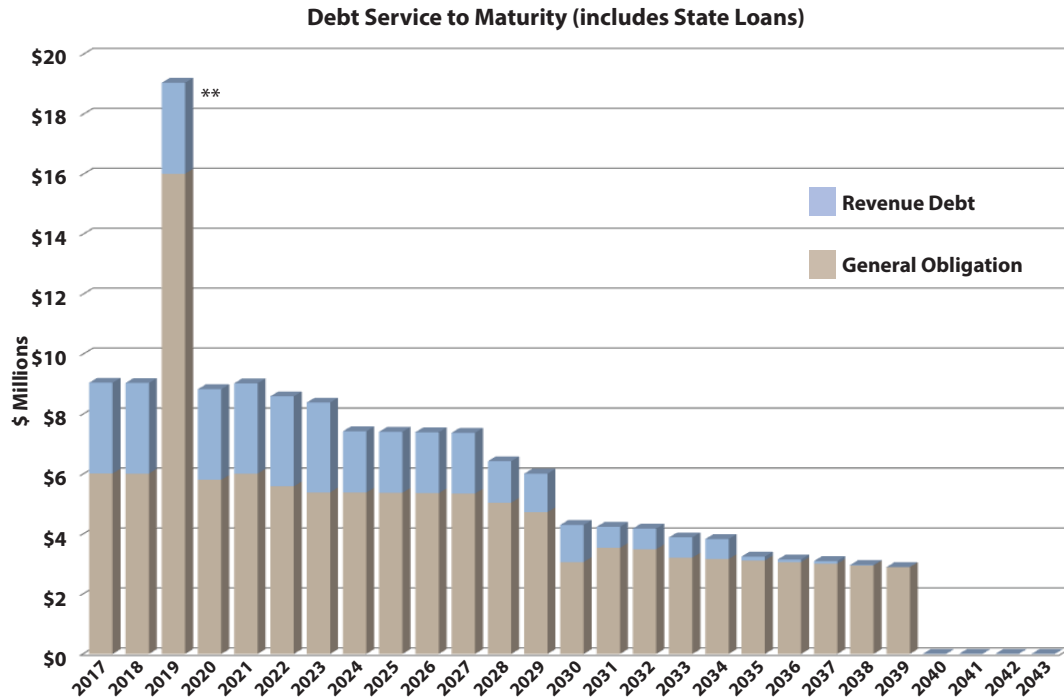
In addition to issuing bonds, the City has several general obligation and revenue loans through various State of Washington programs. The loans carry an interest rate lower than issuance of revenue bonds.



General Obligation Debt and Revenue Debt

The table below presents a summary of City debt, both principal and interest. It distinguishes between General Obligation debt and debt payable from City-operated utilities (revenue debt).

General Obligation and Revenue Debt*



** Amount shown is maximum amount available to be drawn from BAN. Actual amount of draw may vary.

Future Debt Planning

The 2017-2022 Capital Facilities Plan (CFP) may require the issuance of debt for parks and utility purposes. Amounts to be issued are unknown at this time. The amount is dependant on other sources of revenue such as grant funds.

There are currently \$24.7 million in projects approved in the Drinking Water utility and \$3.3 million in the Wastewater (sewer) utility which are anticipated to be funded by debt. \$16.1 million of the Drinking Water utility projects to be funded by debt will be from loans from the State of Washington lending programs.

The CFP calls for rate increases for Drinking Water, Wastewater, and Storm and Surface Water to implement the comprehensive plans. The Comprehensive Plan calls for a shift to more cash financing, rather than the issuance of debt, therefore the City is building higher cash reserves in anticipation of greater reliance on cash financing.

Conclusions

Council and management have set policies to be sure the City meets its debt payments in a timely manner. The policies also state that new debt will be issued only after careful consideration. Council incorporates these policies into the Financial and Management Policies. Briefly summarized, the policies include:

- Conservative revenue projections.
- Rate increases based on related cost of services provided and the impact of inflation on those services.
- Lease purchase of equipment and real property when practical and prudent.
- Accumulation of adequate reserves to protect the City from uncontrollable expenditures or unforeseen reductions in revenues.
- Issuance of debt only after rigorous review.

The City tries to communicate with other governmental entities to be sure that their debt issues, as well as the City's, remain at conservative levels. This will help control the resulting overlapping debt that may become a burden on taxpayers.

The City's overall financial health is positive. The Council and management, through the financial and management policies, emphasize continued effort toward maintaining and improving the City's financial performance.

Debt Limitation

State law limits bonded debt to 2.5 percent of assessed value of taxable property. Of this limit, up to 1.5 percent of assessed value of taxable property may be non-voter approved debt (Councilmanic bonds). **However, the amount of non-voted, plus voter-approved, may not exceed the 2.5 percent of assessed value limit.**

In addition to these limits, the City has debt authority with a vote of the people of 2.5 percent each for parks and utility purposes. Olympia has not utilized this authority.

The goal of Olympia’s debt policy is to maintain the ability to provide high quality, essential City services in a cost effective manner. Council members weigh this goal against maintaining the ability to borrow at the lowest possible rates. The City uses the following guidelines before financing projects with long-term debt:

- Management staff and elected officials conservatively project the revenue sources to pay off the debt.
- The financing of the improvement will not exceed its useful life.
- The benefits of the improvement must outweigh its costs, including the interest costs of financing.

Olympia uses debt only to provide financing for essential and necessary capital projects. Through debt planning and the Capital Facilities Plan, the City integrates its capital projects. The services that the City determines necessary to its residents and visitors form the basis for all capital projects.

Estimate 01/01/2017

Taxable Assessed Value \$6,320,768,681

General Indebtedness Without a Vote of the People:

Legal Limit, 1.5% of property value: \$94,811,530

G.O. Bond Liabilities (53,612,970)

Remaining non-voted debt capacity \$41,198,560**

General Indebtedness with a Vote of the People:

Legal Limit, 2.5% of property value: \$158,019,217

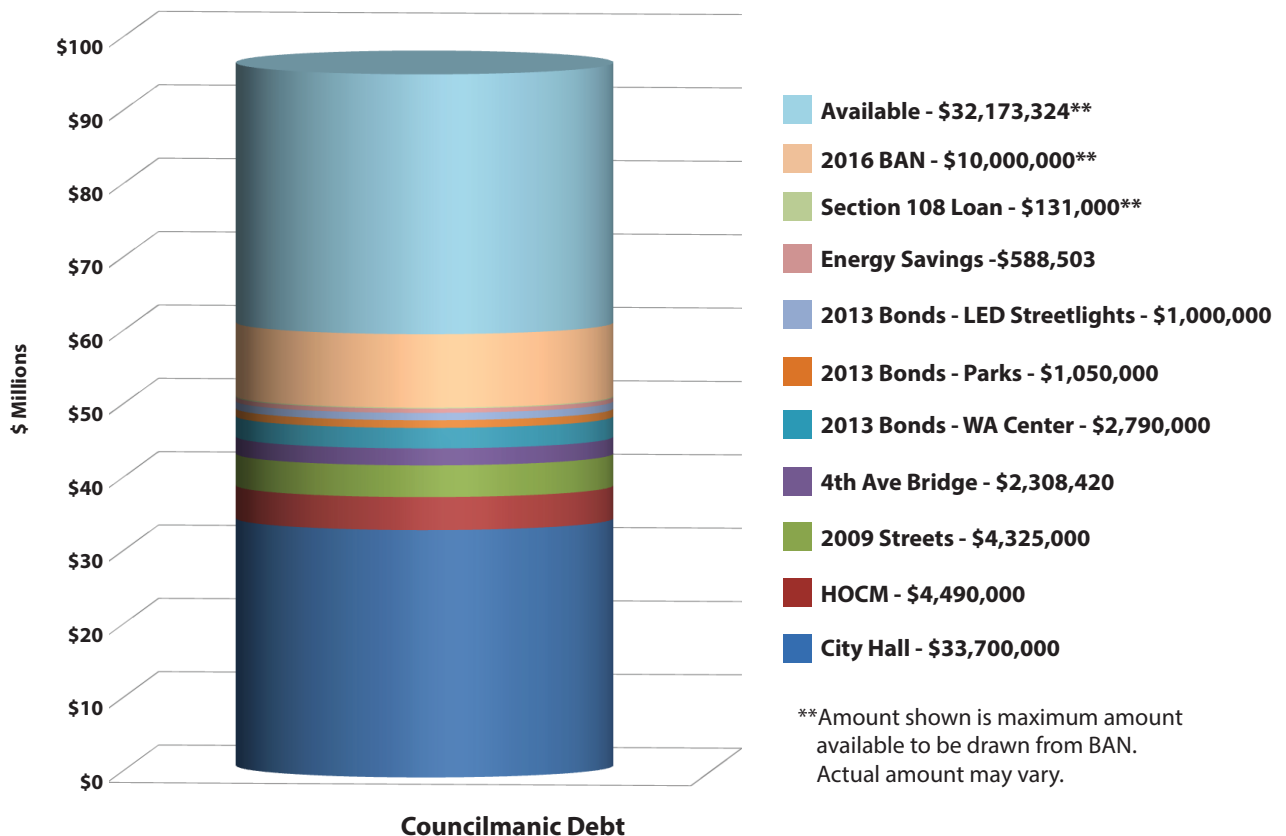
Outstanding voted debt (11,850,000)

Outstanding non-voted debt (excluding 2014 principal payments) (53,612,970)

Remaining voted debt capacity \$ 92,556,247

Allocation of Debt

Not Requiring Voter Approval - As of 9/16/2016



Schedule of Debt Obligations

General Obligations	Payment From	Type*	Year Issued	Final Payment	Interest Rate	Total Issue	Outstanding 1-1-17	Principal Payments 2017	Interest Payments 2017
Bridge/Corridor Street Improvements	Debt Service Fund 216	PWTF	2000	2020	0.5 - 1.00%	\$9,996,144	\$2,308,420	\$533,759	\$18,750
Park Acquisition & Improvements	Debt Service Fund 223	LTGO	2006	2016	5.0%	\$9,385,000	-	-	-
Fire Station & Training Facility	Debt Service Fund 224	ULTGO	2009	2029	3.00 - 4.25%	\$16,180,000	11,850,000	710,000	481,331
City Hall Construction	Debt Service Fund 225	LTGO	2009	2039	4.2%	\$35,210,000	33,700,000	285,000	2,135,118
Street Improvements	Debt Service Fund 226	LTGO	2010	2029	3.00 - 4.25%	\$5,865,000	4,325,000	260,000	176,013
Facility Energy Improvements	Debt Service Fund 227	LOCAL	2010	2020	2.97%	\$1,534,496	588,503	161,992	16,289
Hands On Children's Museum	Debt Service Fund 228	LTGO	2010	2028	3.00 - 4.25%	\$5,670,000	4,490,000	255,000	175,888
US HUD, Section 108 Loan	HUD Fund 107	HUD	2010	2020	LABOR + 0.2%	\$325,000	65,000	-	750
WA Center, LED Conv., & Percival Landing	Debt Service Fund 229	LTGO	2013	2032	3.00 - 5.00%	\$6,345,000	4,840,000	465,000	208,875
Parks Bond Anticipation Note	Debt Service Fund 230	LTGO	2016	2019	1.35%	\$10,000,000	6,096,882	-	135,000
Total General Obligation							\$68,263,805	\$2,670,751	\$3,348,013
Utility Operations									
Combined Drinking Water and Wastewater:									
W/S Refunding & Construction	Drinking & Wastewater Revenue		2013	2023	4.10%	\$7,780,000	\$5,725,000	\$740,000	\$237,550
Drinking Water:									
Drinking Water System Improvements	Drinking Water Revenue		2007	2027	4.00 - 4.13%	\$8,000,000	5,335,000	375,000	216,244
Fones Road Booster Pump Station**	Drinking Water Utility DWSRF		2016	2038	1.50%	\$1,931,982	333,852	-	-
McAllister Corrosion Control Facility***	Drinking Water Utility DWSRF		2016	2038	1.50%	\$4,058,632	87,701	-	-
McAllister Well Development	Drinking Water DWSRF		2011	2034	1.50%	\$10,871,640	9,450,816	525,045	141,762
Reservoir Development ****	Drinking Water DWSRF		2014	2037	1.50%	\$11,983,650	1,614,652	-	-
Wastewater (Sewer) :									
General System Improvements	Wastewater Revenue		2010	2030	2.0 - 4.375%	\$6,485,000	4,995,000	270,000	206,188
Septic to Sewer Conversion	Wastewater DOE		2010-2011	2031	3.10%	\$250,000	85,885	\$4,385	2,646
Sleater-Kinney Sewer Line	Wastewater PWTF		2009-2010	2028	0.50%	\$1,803,375	1,103,355	\$91,946	5,517
Storm & Surface Water:									
State Avenue Stormwater Retrofit	Storm & Surface Water DOE		2014	2035	2.30%	\$619,485	618,206	26,062	14,035
Yauger Park Retention Improvements	Storm & Surface Water DOE		2010-2011	2031	2.90%	\$1,219,756	927,033	56,625	26,637
Total Utility Operations							\$30,276,500	\$2,089,064	\$850,578
Total General Obligation & Revenue External Indebtedness							\$98,540,305	\$4,759,815	\$4,198,591

Notes:

* Type Acronym: Definition:

Revenue	Revenue bonds
PWTF	State of Washington, Public Works Trust Fund loan
LTGO	Limited Tax General Obligation bond (non-voter approved)
ULTGO	Unlimited Tax General Obligation bond (voter approved)
LOCAL	State of Washington, Local Option Capital Asset Lending program. This is an obligation of the State of Washington in which the City participates.
DOE	State of Washington, Department of Ecology
DWSRF	State of Washington, Drinking Water Revolving Fund loan
US HUD	HUD Department Section 108 loans

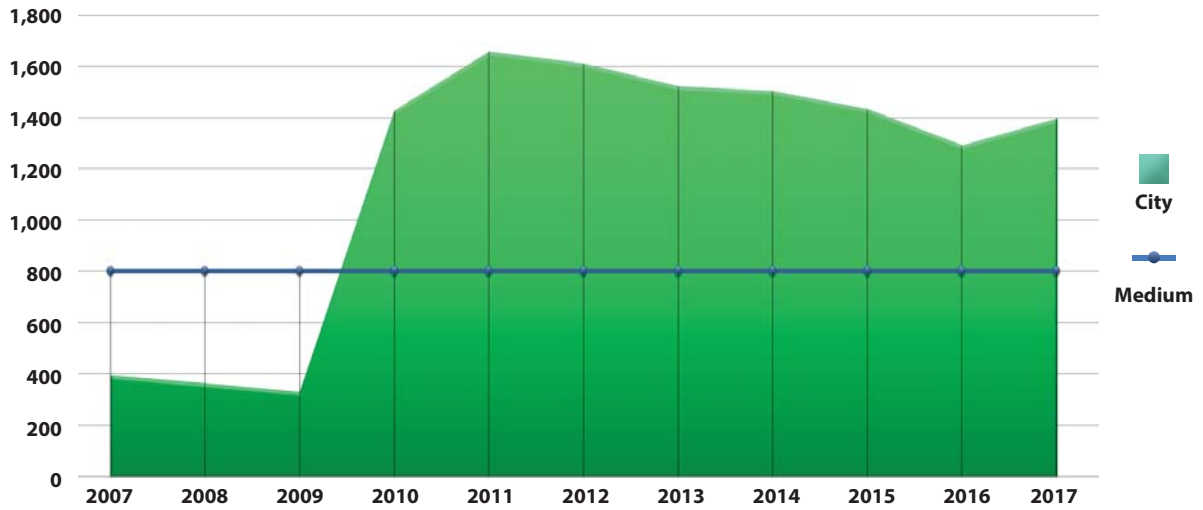
** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is \$1,931,982- of which the City began drawing down in mid-2016. Repayments are not being estimated at this time. Required payments will begin on October 1st following the final loan draw.

*** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is \$4,058,632 which the City began drawing down in mid-2016. Repayments are not being estimated at this time. Required payments will begin on October 1st following the final loan draw.

**** The loan is a draw down as construction occurs. Annual debt service is determined after all funds are received. Loan authorization is for \$11,983,650 of which the City began drawing down mid-2014. Repayments are estimated to be about \$750,000 annually. Required payments will begin on October 1 following the final loan draw.

General Debt per Capita

Includes General Obligation Bonds and Bridge Corridor Public Works Trust Fund Loans



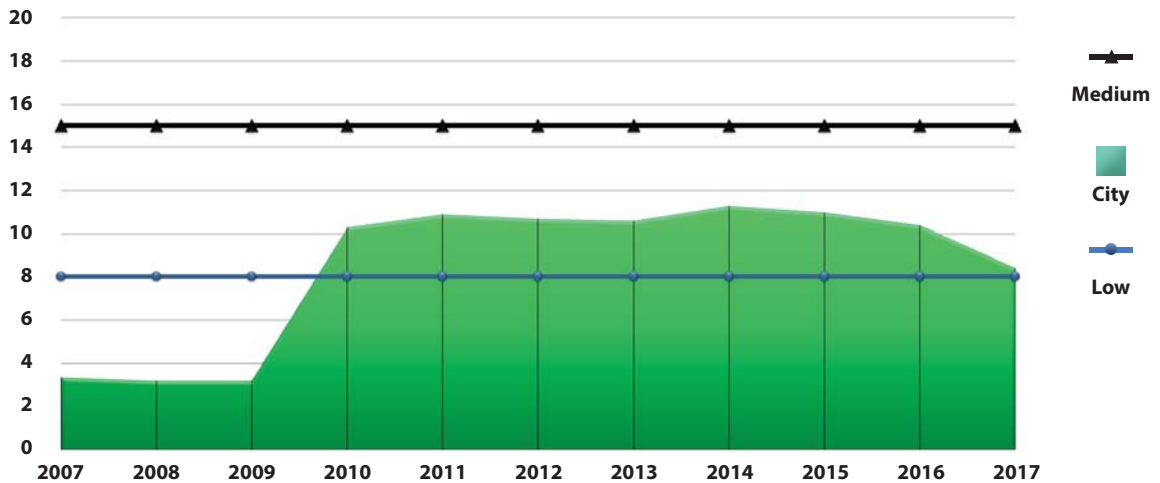
Use of Ratios to Assess Credit Quality

Measurement per Capita for Cities	Low	Medium	Above Average	High
	<500	500 - 800	800 - 1,200	> 1,200

Source: Standard & Poor's Corporation

Ratio of General Debt Service to General Fund Expenditures

Includes General Obligation Bonds and Bridge Corridor Public Works Trust Fund Loans



Debt Service as a Percentage of Budget Guideline

Measurement	Low	Medium	High
State	0 - 2	2 - 6	> 6
County	0 - 7	7 - 12	> 12
Schools	0 - 10	10 - 20	> 15
Cities	0 - 8	8 - 15	> 15

Source: Standard & Poor's Corporation

Debt Service Funds

	2015 Actual	2016 Budget	2017 Budget	Variance
Bridge/Corridor P WTF Loans (1)	\$559,142	\$556,979	\$552,509	\$(4,470)
2006 Park Bonds (2)	1,196,000	1,191,750	-	(1,191,750)
Fire Station & Training Facility (3)	1,195,131	1,193,731	1,191,331	(2,400)
City Hall Bonds (4)	2,421,718	2,421,118	2,420,118	(1,000)
Street Improvement Bonds (5)	436,013	438,663	436,013	(2,650)
Energy Project Debt (6)	178,282	178,282	178,281	(1)
Hands On Children's Museum (7)	413,688	420,668	430,888	10,220
2013 General Obligation Bonds (8)	674,725	671,675	673,875	2,200
Parks Bond Anticipation Note (9)	-	-	115,000	115,000
Water/Sewer Bonds (10)	2,019,132	2,013,281	2,023,330	10,049
Stormwater Debt Service (11)	93,210	103,219	123,359	20,140
Total	\$9,187,041	\$9,189,366	\$8,144,704	\$(1,044,662)

Note: All other debt paid directly from various other funds and is included in the budget of those funds.

- (1) State of Washington Public Works Trust Fund loans to fund the 4th/5th Avenue Bridge & Corridor improvements. Final payment will be in 2020. These bonds are paid with general levy property tax.
- (2) These bonds were issued to pay for Park acquisition and improvements. Final payment will be in 2016. These bonds are paid with voter-approved utility tax.
- (3) Bonds issued to pay construction of a Fire Station, Fire Training Facility, and Vehicle purchases. Final payment will be in 2029. These bonds are paid from voter-approved excess property tax levy.
- (4) Bonds issued to pay construction of City Hall. Final payment will be in 2039. These bonds are paid with general levy property tax.
- (5) Bonds issued to pay transportation system improvements. Final payment will be in 2029. These bonds are paid from the following revenues sources, in order: Transportation Impact Fees, State shared gas tax revenue, and general levy property tax.
- (6) Bonds issued by the State of Washington, Local Option Capital Asset Lending program. The City has contracted with the State to pay the State the City's share of the bond issue. Final payment will be in 2020. The City obligation is paid with general levy property tax. Savings from energy savings are estimated to be about the same as the debt service on this debt.
- (7) Bonds issued to pay for the construction of a museum, which will be managed and operated by the Hands On Children's Museum non-profit organization. Final payment will be in 2028. Debt service is paid from funds received from the Capital Area Regional Public Facilities District.
- (8) Bonds issued for improvements to the Washington Center for the Performing Arts, street light conversion to LED lighting and redemption of Bond Anticipation Notes (BANs) issued in 2011 for the Percival Landing Project. The BANs were issued with the intent to convert them to longer term debt by April of 2014. Final payment will be in 2021 for the Parks portion, 2022 for the LED street light conversion, and 2032 the Washington Center portion. The Parks portion is repaid from voter-approved utility tax, the LED Streetlight portion from power savings within the General Fund, and the Washington Center portion from funds set aside for facilities major repair.
- (9) Bonds Anticipation Note issued to pay for the acquisition of parks land. Final payment will be in 2019. Debt services is paid from funds received from Parks Impact Fees.
- (10) A: The budget on this schedule will vary from information on the Schedule of Debt Obligations. That schedule indicates actual payment made, where this schedule is on an accrual basis.
B: 2007 Bonds issued to fund water improvements will be fully paid in 2027. Bonds issued in 2010 for sewer improvement will be fully paid in 2030.
- (11) This fund was created in 2014 to pay debt service of the Stormwater Utility on loans from the State of Washington. Final payment will be in 2031.



Supplementary Information



OlympiaTM

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

General Fund - Regular Operations

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$47,949,759	\$46,678,163	\$45,373,725	\$42,806,525
Licenses and Permits	938,250	1,057,642	1,114,683	3,616,920
Intergovernmental	2,033,164	2,195,022	2,039,799	1,926,910
Charges for Services	14,267,597	13,465,815	12,669,847	13,043,804
Fines and Penalties	511,800	508,535	481,149	979,297
Operating Transfers In	4,594,991	2,945,077	3,208,683	413,840
Other Revenue	1,660,176	1,891,155	1,396,835	2,096,659
Total Revenues	\$71,955,737	\$68,741,409	\$66,284,721	\$64,883,955
EXPENDITURES				
Salaries	\$41,821,046	\$39,328,429	\$36,838,908	\$35,570,160
Personnel Benefits	14,229,164	13,143,381	12,607,118	12,833,073
Supplies	2,031,081	2,518,312	2,073,068	2,132,177
Other Services and Charges	7,579,411	7,621,292	6,805,935	6,314,672
Intergovernmental Services	1,315,877	181,955	1,361,905	1,179,090
Interfund Payments	4,027,598	3,500,761	3,099,200	3,053,484
Capital Outlays	24,500	68,716	266,195	159,370
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	488	2,192	-
Operating Transfers Out	1,040,060	3,562,363	2,427,730	2,972,643
Total Expenditures	\$72,068,737	\$69,925,697	\$65,482,251	\$64,214,669
Net Gain or (Use) of Fund Equity from Operations	\$(113,000)	\$(1,184,288)	\$802,470	\$669,286
Estimated Fund Equity January 1 Available for Appropriations	\$7,490,733			
Estimated Fund Equity December 31 Before Reserve Requirement	\$7,377,733			
(Less) Operating Reserve	\$(7,033,462)			
Estimated Fund Equity Available for Appropriations After Reserve	\$344,271			
Operating Reserves Based on Original Budget Requirement	10% revenue excluding revenue received from the Olympia Metro Parks District			

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

General Fund - Sub-Funds

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$1,085,000	\$1,177,867	\$752,060	\$-
Licenses & Permits	3,021,430	3,252,292	2,860,797	308,216
Intergovernmental	-	-	15,566	473,203
Charges for Services	683,680	1,423,412	1,124,741	331,843
Fines & Penalties	450,000	461,993	497,542	807
Operating Transfers In	1,780,800	2,551,178	5,204,272	2,702,577
Other Revenue	1,689,112	1,597,330	1,442,736	243,087
Total Revenues	\$8,710,022	\$10,464,072	\$11,897,714	\$4,059,733
EXPENDITURES				
Salaries	\$460,858	\$464,711	\$419,458	\$98,004
Personnel Benefits	190,174	992,860	914,633	40,072
Supplies	366,244	170,914	336,943	273,588
Other Services & Charges	5,347,753	2,839,141	2,074,988	1,774,556
Intergovernmental Services	-	6,438	8,676	2,460
Interfund Payments	1,146,103	1,344,683	767,318	284,597
Capital Outlays	-	344,008	282,695	1,337,062
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Operating Transfers Out	3,002,897	3,030,169	4,864,143	504,861
Total Expenditures	\$10,514,029	\$9,192,924	\$9,668,854	\$4,315,200
Net Gain or (Use) of Fund Equity from Operations	\$(1,804,007)	\$1,271,148	\$2,228,860	\$(255,467)
Estimated Fund Equity January 1 Available for Appropriations	\$10,558,743			
Estimated Fund Equity December 31 before reserve requirement	\$8,754,736			
(Less) Operating Reserve	Not required			
Estimated Fund Equity Available for Appropriations After Reserve	\$8,754,736			

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

General Obligation Funds

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$3,424,675	\$3,480,111	\$3,493,553	\$3,515,821
Licenses & Permits	-	-	-	-
Intergovernmental	734,831	684,495	683,026	681,556
Charges for Services	-	-	-	-
Fines & Penalties	-	-	-	-
Operating Transfers In	1,834,055	2,841,130	2,898,707	2,891,628
Other Revenue	-	107,085	3,396	834
Total Revenues	\$5,993,561	\$7,112,821	\$7,078,682	\$7,089,839
EXPENDITURES				
Salaries	\$-	\$-	\$-	\$-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services & Charges	-	-	-	-
Intergovernmental Services	-	-	-	-
Interfund Payments	-	-	-	-
Capital Outlays	-	-	-	-
Debt Service - Principal	2,670,751	3,721,044	3,596,473	3,472,036
Debt Service - Interest	3,327,264	3,382,409	3,478,225	3,602,966
Operating Transfers Out	-	-	-	-
Total Expenditures	\$5,998,015	\$7,103,453	\$7,074,698	\$7,075,002
Net Gain or (Use) of Fund Equity from Operations	\$(4,454)	\$9,368	\$3,984	\$14,837
Estimated Fund Equity January 1 Available for Appropriations	\$61,461	\$52,093	\$48,109	\$33,272
Estimated Fund Equity December 31 before reserve requirement	\$57,007	\$61,461	\$52,093	\$48,109
(Less) Operating Reserve	Not required			
Estimated Fund Equity Available for Appropriations After Reserve	\$57,007			

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Revenue Bonds

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses & Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines & Penalties	-	-	-	-
Operating Transfers In	2,168,341	2,124,025	2,125,066	2,196,591
Other Revenue	-	6,931	3,410	907
Total Revenues	\$2,168,341	\$2,130,956	\$2,128,476	\$2,197,498
EXPENDITURES				
Salaries	\$-	\$-	\$-	\$-
Personnel Benefits	-	-	-	-
Supplies	-	-	-	-
Other Services & Charges	-	-	-	-
Intergovernmental Services	-	-	-	-
Interfund Payments	-	-	-	-
Capital Outlays	-	-	-	-
Debt Service - Principal	1,467,687	1,392,884	1,343,438	1,349,007
Debt Service - Interest	679,002	735,785	768,904	812,279
Operating Transfers Out	-	-	-	-
Total Expenditures	\$2,146,689	\$2,128,669	\$2,112,342	\$2,161,286
Net Gain or (Use) of Fund Equity from Operations	\$21,652	\$2,287	\$16,134	\$36,212
Estimated Fund Equity January 1 Available for Appropriations	\$9,661			
Estimated Fund Equity December 31 before reserve requirement	\$31,313			
(Less) Operating Reserve	Not required			
Estimated Fund Equity Available for Appropriations After Reserve	\$31,313			

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Drinking Water Utility

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses & Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	12,956,590	12,043,102	11,896,472	10,775,605
Fines & Penalties	-	-	-	-
Operating Transfers In	-	-	-	-
Other Revenue	345,700	246,496	203,073	322,132
Total Revenues	\$13,302,290	\$12,289,598	\$12,099,545	\$11,097,737
EXPENDITURES				
Salaries	\$2,340,734	\$2,239,919	\$2,085,885	\$1,953,881
Personnel Benefits	1,043,867	994,519	950,241	894,684
Supplies	881,797	651,439	748,704	729,298
Other Services & Charges	1,107,059	813,459	896,515	866,810
Intergovernmental Services	2,056,165	1,425,243	1,921,283	1,809,235
Interfund Payments	1,989,010	1,841,587	1,739,903	1,659,405
Capital Outlays	-	6,065	4,267	33,753
Debt Service - Principal	525,045	525,045	525,045	-
Debt Service - Interest	267,655	173,111	136,427	242,351
Operating Transfers Out	3,086,602	2,333,965	2,322,048	2,685,192
Total Expenditures	\$13,297,934	\$11,004,352	\$11,330,318	\$10,874,609
Net Gain or (Use) of Fund Equity from Operations	\$4,356	\$1,285,246	\$769,227	\$223,128
Estimated Fund Equity January 1 Available for Appropriations	\$5,440,639			
Estimated Fund Equity December 31 before reserve requirement	\$5,444,995			
(Less) Operating Reserve	\$(3,325,570)			
Estimated Fund Equity Available for Appropriations After Reserve	\$2,119,425			
Operating Reserves Based on Original Budget. Requirement:	25%			

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Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Wastewater Utility

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses & Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	19,886,196	18,466,692	18,323,318	17,111,669
Fines & Penalties	-	-	-	-
Operating Transfers In	-	-	-	-
Other Revenue	15,700	66,767	(2,564)	19,906
Total Revenues	\$19,901,896	\$18,533,459	\$18,320,754	\$17,131,575
EXPENDITURES				
Salaries	\$1,103,522	\$1,014,362	\$941,091	\$882,740
Personnel Benefits	448,951	409,375	387,285	369,976
Supplies	327,928	295,697	290,239	275,816
Other Services & Charges	415,159	279,017	342,806	372,594
Intergovernmental Services	15,210,140	13,773,804	13,631,603	12,379,195
Interfund Payments	1,048,246	960,565	903,952	840,467
Capital Outlays	-	-	7,841	21,859
Debt Service - Principal	96,331	96,198	96,068	95,942
Debt Service - Interest	7,933	9,839	8,748	9,079
Operating Transfers Out	1,243,686	1,260,500	1,285,391	1,256,417
Total Expenditures	\$19,901,896	\$18,099,357	\$17,895,024	\$16,504,085
Net Gain or (Use) of Fund Equity from Operations	\$-	\$434,102	\$425,730	\$627,490
Estimated Fund Equity January 1 Available for Appropriations	\$2,669,772			
Estimated Fund Equity December 31 before reserve requirement	\$2,669,772			
(Less) Operating Reserve	\$(682,868)			
Estimated Fund Equity Available for Appropriations After Reserve	\$1,986,904			
Operating Reserves Based on Original Budget Requirement	10% of sewer collection revenues. Excludes revenues collected for sewage treatment.			

Wastewater 10% of Collection Revenues, excludes revenue collected for treatment paid to LOTT.

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Stormwater Utility

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses & Permits	-	-	-	-
Intergovernmental	-	20,646	142,573	186,994
Charges for Services	5,308,150	4,882,829	4,799,207	4,593,069
Fines & Penalties	-	-	-	-
Operating Transfers In	-	-	-	-
Other Revenue	4,900	6,579	(6,769)	755
Total Revenues	\$5,313,050	\$4,910,054	\$4,935,011	\$4,780,818
EXPENDITURES				
Salaries	\$1,494,999	\$1,342,229	\$1,215,098	\$1,060,743
Personnel Benefits	522,426	458,792	440,802	431,383
Supplies	152,731	172,888	197,094	193,826
Other Services & Charges	348,569	254,815	339,215	162,045
Intergovernmental Services	736,186	639,741	572,891	726,351
Interfund Payments	1,121,798	1,071,942	928,731	893,842
Capital Outlays	-	19,941	8,534	7,349
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	(1,373)
Operating Transfers Out	934,048	912,776	944,501	904,597
Total Expenditures	\$5,310,757	\$4,873,124	\$4,646,866	\$4,378,763
Net Gain or (Use) of Fund Equity from Operations	\$2,293	\$36,930	\$288,145	\$402,055
Estimated Fund Equity January 1 Available for Appropriations	\$1,348,036			
Estimated Fund Equity December 31 before reserve requirement	\$1,350,329			
(Less) Operating Reserve	\$(531,310)			
Estimated Fund Equity Available for Appropriations After Reserve	\$819,019			
Operating Reserves Based on Original Budget. Requirement:	10%			

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Waste ReSources

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses & Permits	-	-	-	-
Intergovernmental	-	-	17,429	54,295
Charges for Services	11,095,020	10,513,187	10,030,818	9,388,619
Fines & Penalties	-	-	-	-
Operating Transfers In	-	-	-	-
Other Revenue	103,300	239,609	91,588	89,783
Total Revenues	\$11,198,320	\$10,752,796	\$10,139,835	\$9,532,697
EXPENDITURES				
Salaries	\$2,055,510	\$1,866,410	\$1,790,052	\$1,669,667
Personnel Benefits	1,010,332	872,158	840,677	779,837
Supplies	250,863	261,215	433,134	475,259
Other Services & Charges	4,199,335	4,174,117	3,883,919	3,847,275
Intergovernmental Services	1,332,890	1,221,801	1,126,624	1,048,398
Interfund Payments	2,137,357	1,950,750	1,688,867	1,642,158
Capital Outlays	-	202,354	27,502	16,394
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Operating Transfers Out	12,500	12,500	12,500	12,500
Total Expenditures	\$10,998,787	\$10,561,305	\$9,803,275	\$9,491,488
Net Gain or (Use) of Fund Equity from Operations	\$199,533	\$191,491	\$336,560	\$41,209
Estimated Fund Equity January 1 Available for Appropriations	\$1,678,042			
Estimated Fund Equity December 31 before reserve requirement	\$1,877,575			
(Less) Operating Reserve	\$(1,119,830)			
Estimated Fund Equity Available for Appropriations After Reserve	\$757,745			
Operating Reserves Based on Original Budget. Requirement:	10%			

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Equipment Rental (Fleet)

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$-	\$-	\$-	\$-
Licenses & Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	2,322,434	1,842,039	1,504,154	1,448,787
Fines & Penalties	-	-	-	-
Operating Transfers In	-	-	38,505	18,916
Other Revenue	-	2,906	380	257
Total Revenues	\$2,322,434	\$1,844,945	\$1,543,039	\$1,467,960
EXPENDITURES				
Salaries	\$495,234	\$465,745	\$434,727	\$488,217
Personnel Benefits	215,945	208,382	203,008	244,732
Supplies	1,046,249	588,634	412,642	437,142
Other Services & Charges	100,700	79,345	88,320	86,056
Intergovernmental Services	500	275	535	1,272
Interfund Payments	463,806	421,375	429,785	421,808
Capital Outlays	-	-	8,028	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Expenditures	\$2,322,434	\$1,763,756	\$1,577,045	\$1,679,227
Net Gain or (Use) of Fund Equity from Operations	\$-			
Estimated Fund Equity January 1 Available for Appropriations	\$283,999			
Estimated Fund Equity December 31 before reserve requirement	\$283,999			
(Less) Operating Reserve	\$(343,620)			
Estimated Fund Equity Available for Appropriations After Reserve	\$(59,621)			
Operating Reserves Based on Original Budget. Requirement:	20%			

Continued on next page

Comparative Summary of Operating Budget by Revenue Source & Budget Classification

Total All Operating Funds

	2017 Budget	2016 Est. Actual	2015 Actual	2014 Actual
REVENUE				
Taxes	\$52,459,434	\$51,336,141	\$49,619,338	\$46,322,346
Licenses & Permits	3,959,680	4,309,934	3,975,480	3,925,136
Intergovernmental	2,767,995	2,900,163	2,898,393	3,322,958
Charges for Services	66,519,667	62,637,076	60,348,557	56,693,396
Fines & Penalties	961,800	970,528	978,691	980,104
Operating Transfers In	10,378,187	10,461,410	13,475,233	8,223,552
Other Revenue	3,818,888	4,164,858	3,132,085	2,774,320
Total Revenues	\$140,865,651	\$136,780,110	\$134,427,777	\$122,241,812
EXPENDITURES				
Salaries	\$49,771,903	\$46,721,805	\$43,725,219	\$41,723,412
Personnel Benefits	17,660,859	17,079,467	16,343,764	15,593,757
Supplies	5,056,893	4,659,099	4,491,824	4,517,106
Other Services & Charges	19,097,986	16,061,186	14,431,698	13,424,008
Intergovernmental Services	20,651,758	17,249,257	18,623,517	17,146,001
Interfund Payments	11,933,918	11,091,663	9,557,756	8,795,761
Capital Outlays	24,500	641,084	605,062	1,575,787
Debt Service - Principal	4,759,814	5,735,171	5,561,024	4,916,985
Debt Service - Interest	4,281,854	4,301,632	4,394,496	4,665,302
Operating Transfers Out	9,319,793	11,112,273	11,856,313	8,336,210
Total Expenditures	\$142,559,278	\$134,652,637	\$129,590,673	\$120,694,329
Net Gain or (Use) of Fund Equity from Operations	\$(1,693,627)	\$2,127,473	\$4,837,104	\$1,547,483
Estimated Fund Equity January 1 Available for Appropriations	\$29,541,086			
Estimated Fund Equity December 31 before reserve requirement	\$27,847,459			
(Less) Operating Reserve	\$(13,036,660)			
Estimated Fund Equity Available for Appropriations After Reserve	\$14,810,799			

2017 Employee Classifications

Position Title	Bargaining Unit	2017 Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2015 Actual	2016 Actual	2017 Budget
Accountant		52	\$5,136	\$5,389	\$5,658	\$5,942	\$6,239	6.00	6.00	6.00
Accounting Technician		44	\$4,183	\$4,391	\$4,607	\$4,842	\$5,081	8.00	8.00	7.00
Administrative Secretary		50	\$4,752	\$4,991	\$5,240	\$5,505	\$5,778	3.00	3.00	3.00
Administrative Services Director		230					\$12,817	1.00	1.00	1.00
AMR Meter Technician	AFSCME	440	\$3,816	\$4,009	\$4,210	\$4,419	\$4,628	2.00	2.00	2.00
Assistant City Attorney		80	\$7,604	\$7,987	\$8,383	\$8,805	\$9,242	0.60	0.60	-
Assistant City Manager		237					\$12,637	1.00	1.00	1.00
Assistant Fire Chief	IAFF	96	\$9,126	\$9,581	\$10,060	\$10,564	\$11,098	2.00	2.00	2.00
Assistant Planner		52	\$4,939	\$5,191	\$5,453	\$5,725	\$6,009	1.00	1.00	1.00
Assistant Prosecutor II		72	\$6,845	\$7,184	\$7,545	\$7,918	\$8,319	1.00	1.00	1.00
Associate Line of Bus. Director		82	\$7,797	\$8,185	\$8,595	\$9,028	\$9,476	4.00	3.00	5.00
Associate Planner		60	\$5,707	\$5,989	\$6,291	\$6,602	\$6,932	5.75	5.75	5.75
Battalion Chief	IAFF	760			\$9,068	\$9,214	\$9,360	3.00	3.00	3.00
Benefit Specialist / Accounting Technician		48	\$4,563	\$4,789	\$5,028	\$5,281	\$5,546	-	-	1.00
Billing Specialist		52	\$4,939	\$5,191	\$5,453	\$5,725	\$6,009	2.00	2.00	2.00
Building Inspector	AFSCME	452	\$4,964	\$5,213	\$5,474	\$5,750	\$6,033	3.00	3.00	3.00
Building Plans Examiner	AFSCME	458	\$5,576	\$5,858	\$6,146	\$6,456	\$6,775	3.00	3.00	2.00
Chief Prosecutor		76	\$7,223	\$7,586	\$7,948	\$8,365	\$8,783	1.00	1.00	1.00
City Attorney		236					\$13,136	1.00	1.00	1.00
City Engineer		96	\$9,400	\$9,868	\$10,362	\$10,881	\$11,431	1.00	1.00	1.00
City Manager		500					\$14,091	1.00	1.00	1.00
City Surveyor		72	\$6,845	\$7,184	\$7,545	\$7,918	\$8,319	1.00	1.00	1.00
Code Enforcement Officer (CP&D)	AFSCME	452	\$4,964	\$5,213	\$5,474	\$5,750	\$6,033	3.00	2.00	1.00
Computer Support Specialist	Teamsters	660	\$5,757	\$6,040	\$6,342	\$6,660	\$6,992	1.00	1.00	1.00
Computer Systems Technician		60	\$5,707	\$5,989	\$6,291	\$6,602	\$6,932	3.00	3.00	3.00
Construction Inspector		52	\$4,939	\$5,191	\$5,453	\$5,725	\$6,009	4.00	3.00	4.00
Corrections Officer	Teamsters	650	\$4,698	\$4,930	\$5,177	\$5,437	\$5,710	9.00	9.00	9.00
Councilmember		103					\$1,387	5.00	5.00	5.00
Court Operations Supervisor		52	\$4,939	\$5,191	\$5,453	\$5,725	\$6,009	1.00	1.00	1.00
CP&D Director		228					\$12,423	1.00	1.00	1.00
Crime Analyst	Teamsters	656	\$5,221	\$5,478	\$5,752	\$6,041	\$6,342	1.00	1.00	1.00
Data Control Specialist	AFSCME	444	\$4,203	\$4,409	\$4,628	\$4,861	\$5,106	1.75	1.75	1.75
Deputy City Attorney		88	\$8,367	\$8,785	\$9,223	\$9,682	\$10,168	1.00	1.00	2.00
Deputy Fire Chief		97	\$9,774	\$10,262	\$10,775	\$11,315	\$11,887	1.00	1.00	1.00
Deputy Police Chief		93	\$12,117	\$12,695	\$13,272			1.00	1.00	1.00
Economic Development Coordinator		82	\$7,797	\$8,185	\$8,595	\$9,028	\$9,476	1.00	1.00	1.00
Electrical Plans Examiner	AFSCME	458	\$5,576	\$5,858	\$6,146	\$6,456	\$6,775	1.00	1.00	1.00
Electrician	AFSCME	454	\$5,155	\$5,416	\$5,683	\$5,969	\$6,264	1.75	1.75	1.75
Engineering & Planning Supervisor		76	\$7,223	\$7,586	\$7,948	\$8,365	\$8,783	2.00	2.00	3.00
Engineering Designer		54	\$5,136	\$5,389	\$5,658	\$5,942	\$6,239	1.00	1.00	1.00
Engineering Plans Examiner		58	\$5,513	\$5,776	\$6,080	\$6,384	\$6,703	2.00	2.00	3.00
Engineering Program Manager		78	\$7,414	\$7,784	\$8,173	\$8,583	\$9,011	1.00	1.00	1.00
Engineering Project Coordinator		66	\$6,272	\$6,585	\$6,920	\$7,263	\$7,625	1.00	1.00	1.00
Engineering Project Manager		72	\$6,845	\$7,184	\$7,545	\$7,918	\$8,319	5.00	5.00	2.00
Engineering Technician II		50	\$4,752	\$4,991	\$5,240	\$5,505	\$5,778	8.00	8.00	7.00

2017 Employee Classifications (Continued)

Position Title	Bargaining Unit	2017 Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2015 Actual	2016 Actual	2017 Budget
Evidence Custodian	Teamsters	652	\$4,892	\$5,138	\$5,395	\$5,668	\$5,948	1.00	1.00	1.00
Executive Assistant		58	\$5,513	\$5,776	\$6,080	\$6,384	\$6,703	1.00	1.00	1.00
Facilities Systems Technician	AFSCME	454	\$5,155	\$5,416	\$5,683	\$5,969	\$6,264	1.00	1.00	2.00
Field Crew Leader	AFSCME	449	\$4,613	\$4,841	\$5,085	\$5,340	\$5,608	2.00	2.00	3.00
Fire Captain	IAFF	761			\$9,068	\$9,214	\$9,360	3.00	3.00	3.00
Fire Chief		232					\$13,100	1.00	1.00	1.00
Fire Inspector/Firefighter	IAFF	720	\$6,581	\$6,947	\$7,313	\$7,678	\$8,044	2.00	2.00	2.00
Fire Inspector Lieutenant	IAFF	735				\$8,409	\$8,775	1.00	1.00	1.00
Fire Lieutenant	IAFF	730				\$8,190	\$8,336	21.00	21.00	21.00
Firefighter	IAFF	710	\$5,850	\$6,216	\$6,581	\$6,947	\$7,313	38.00	38.00	44.00
Firefighter Paramedic	IAFF	725	\$6,581	\$6,947	\$7,313	\$7,678	\$8,044	14.00	14.00	14.00
Fire Medical Services Officer	IAFF	761			\$9,068	\$9,214	\$9,360	1.00	1.00	1.00
Fire Paramedic Training Officer	IAFF	745				\$8,409	\$8,556	3.00	3.00	3.00
GIS Analyst		66	\$6,272	\$6,588	\$6,920	\$7,263	\$7,625	1.00	1.00	1.00
Inventory Control Specialist I	AFSCME	446	\$4,393	\$4,610	\$4,843	\$5,086	\$5,341	1.00	1.00	1.00
Inventory Control Specialist II	AFSCME	450	\$4,771	\$5,012	\$5,267	\$5,526	\$5,804	1.00	1.00	1.00
IT Support Specialist		50	\$4,752	\$4,991	\$5,240	\$5,505	\$5,778	2.00	2.00	2.00
Jail Manager		86	\$8,173	\$8,585	\$9,011	\$9,466	\$9,937	1.00	1.00	1.00
Jail Sergeant	Teamsters	664	\$6,067	\$6,370	\$6,689	\$7,023	\$7,374	3.00	3.00	3.00
Lead Construction Inspector		56	\$5,323	\$5,592	\$5,872	\$6,160	\$6,470	-	1.00	1.00
Lead Recreation Specialist		30	\$2,827	\$2,996	\$3,143	\$3,302	\$3,465	0.60	0.60	-
Lead Worker	AFSCME	454	\$5,155	\$5,416	\$5,683	\$5,969	\$6,264	12.00	12.00	14.00
Lead Worker	Teamsters	654	\$5,036	\$5,284	\$5,548	\$5,826	\$6,117	1.00	1.00	1.00
Line of Business Director		86	\$8,173	\$8,585	\$9,011	\$9,466	\$9,937	9.00	9.00	9.00
Maintenance Technician	AFSCME	453	\$5,010	\$5,263	\$5,530	\$5,802	\$6,094	4.00	4.00	4.00
Maintenance Worker I	AFSCME	438	\$3,626	\$3,807	\$3,998	\$4,198	\$4,407	5.00	6.00	8.00
Maintenance Worker I (Oly Center)	AFSCME	438	\$3,626	\$3,807	\$3,998	\$4,198	\$4,407	3.50	3.50	4.00
Maintenance Worker II	AFSCME	446	\$4,393	\$4,610	\$4,843	\$5,086	\$5,341	42.00	42.00	42.00
Master Mechanic - Fire		60	\$5,707	\$5,989	\$6,291	\$6,602	\$6,932	3.00	3.00	3.00
Master Mechanic	AFSCME	460	\$5,797	\$6,086	\$6,391	\$6,710	\$7,046	3.00	3.00	3.00
Mayor		101					\$1,664	1.00	1.00	1.00
Mayor Pro-Tem		102					\$1,525	1.00	1.00	1.00
Municipal Court Judge		105					\$12,503	1.00	1.00	1.00
Network Analyst		66	\$6,272	\$6,588	\$6,920	\$7,263	\$7,625	5.00	5.00	5.00
Office Specialist I		36	\$3,422	\$3,594	\$3,773	\$3,963	\$4,159	0.25	0.25	0.25
Office Specialist II		40	\$3,804	\$3,992	\$4,193	\$440	\$4,622	2.56	4.56	4.56
Office Specialist II	AFSCME	442	\$4,009	\$4,210	\$4,419	\$4,640	\$4,871	1.00	1.00	1.00
Office Specialist III		44	\$4,183	\$4,391	\$4,607	\$4,842	\$5,081	10.00	8.00	7.00
Operations Supervisor		68	\$6,464	\$6,788	\$7,130	\$7,483	\$7,857	-	-	1.00
Operations Supervisor	IUOE	364	\$6,467	\$6,790	\$7,130	\$7,484	\$7,862	6.00	4.00	4.00
Operations Supervisor - Water Operations	IUOE	366	\$6,775	\$7,113	\$7,469	\$7,840	\$8,236	-	2.00	2.00
Paralegal I		48	\$4,563	\$4,789	\$5,028	\$5,281	\$5,546	1.00	1.00	2.00
Paralegal II		52	\$4,939	\$5,191	\$5,453	\$5,725	\$6,009	1.00	1.00	1.00
Park Ranger II		40	\$3,804	\$3,992	\$4,193	\$4,400	\$4,622	-	-	2.00
Parking Services Field Rep	AFSCME	440	\$3,816	\$4,009	\$4,210	\$4,419	\$4,628	6.00	6.00	5.00

2017 Employee Classifications (Continued)

Position Title	Bargaining Unit	2017 Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2015 Actual	2016 Actual	2017 Budget
Parks, Arts & Rec Director		224					\$11,561	1.00	1.00	1.00
Permit Specialist		50	\$4,752	\$4,991	\$5,240	\$5,505	\$5,778	2.00	4.00	4.00
Personnel Analyst		59	\$5,609	\$5,877	\$6,186	\$6,496	\$6,821	1.00	1.00	2.00
Personnel Assistant		48	\$4,563	\$4,789	\$5,028	\$5,281	\$5,546	1.00	1.00	1.00
Police Cadet		26	\$2,472	\$2,595	\$2,727	\$2,856	\$3,003	0.50	0.50	0.50
Police Chief		238					\$14,218	1.00	1.00	1.00
			Step 4	Step 5	Step 6	Step 7				
Police Lieutenant*		73	\$10,579	\$11,540	\$10,790	\$11,771		4.00	4.00	4.00
Police Officer	Police Guild	810	\$6,155	\$6,492	\$6,851	\$7,143	\$7,621	47.00	47.00	47.00
			Step 6							
			\$7,773					1.00	1.00	1.00
Police Officer Recruit	Police Guild	800	\$5,540	\$5,817				6.00	6.00	5.00
Police Sergeant	Sgt. Union	65	Step 4	Step 5	Step 6	Step 7				
			\$8,639	\$9,352	\$8,812	\$9,539		1.00	1.00	1.00
Police Sergeant	Sgt. Union	65	Step 8	Step 9	Step 10	Step 11				
			\$8,771	\$9,617	\$8,947	\$9,809		8.00	8.00	8.00
Police Services Specialist	Teamsters	644	\$4,001	\$4,305	\$4,519	\$4,747	\$4,982	6.00	-	-
Probation Officer I		51	\$4,935	\$5,179	\$5,438	\$5,712	\$5,998	2.00	2.00	2.00
Probation Services Supervisor		70	\$6,654	\$6,988	\$7,334	\$7,702	\$8,085	1.00	1.00	1.00
Probation Work Crew Leader		44	\$4,183	\$4,391	\$4,607	\$4,842	\$5,081	2.00	2.00	2.00
Program & Planning Supervisor		72	\$6,845	\$7,184	\$7,545	\$7,918	\$8,319	8.00	7.00	7.00
Program Aide		38	\$3,614	\$3,792	\$3,981	\$4,183	\$4,391	-	-	0.75
Program Assistant		46	\$4,373	\$4,591	\$4,822	\$5,064	\$5,315	12.00	11.00	10.00
Program Assistant	Teamsters	646	\$4,288	\$4,501	\$4,728	\$4,965	\$5,211	-	6.00	6.00
Program Manager		64	\$6,084	\$6,388	\$6,708	\$7,041	\$7,397	2.00	2.00	2.75
Program Specialist		48	\$4,563	\$4,789	\$5,028	\$5,281	\$5,546	9.50	11.50	14.00
Project Engineer I		64	\$6,084	\$6,388	\$6,708	\$7,041	\$7,397	4.00	4.00	4.00
Project Engineer II		68	\$6,464	\$6,788	\$7,130	\$7,483	\$7,857	7.75	8.00	9.00
Public Defense Coordinator		76	\$7,223	\$7,586	\$7,948	\$8,365	\$8,783	0.50	0.50	0.50
Public Service Representative		40	\$3,804	\$3,992	\$4,193	\$4,400	\$4,622	7.00	7.00	7.00
Public Works Director		234					\$13,085	1.00	1.00	1.00
Records Analyst		50	\$4,752	\$4,991	\$5,240	\$5,505	\$5,778	3.00	3.00	3.00
Records Manager		64	\$6,084	\$6,388	\$6,708	\$7,041	\$7,397	-	-	1.00
Recreation Specialist		26	\$2,472	\$2,595	\$2,727	\$2,856	\$3,003	3.42	3.42	3.42
Refuse/Recycle Collector	AFSCME	446	\$4,393	\$4,610	\$4,843	\$5,086	\$5,341	16.00	16.00	17.00
Remote Systems Technician	AFSCME	456	\$5,413	\$5,687	\$5,967	\$6,268	\$6,577	2.00	2.00	2.00
Safety Officer		55	\$5,386	\$5,655	\$5,938	\$6,234	\$6,546	1.00	1.00	1.00
Secretary	Teamsters	646	\$4,288	\$4,501	\$4,728	\$4,965	\$5,211	3.00	3.00	3.00
Senior Accountant		62	\$5,894	\$9,192	\$6,500	\$6,825	\$7,165	1.00	1.00	1.00
Senior Engineer		74	\$7,036	\$7,384	\$7,756	\$8,144	\$8,552	-	-	2.00
Senior Master Mechanic	AFSCME	462	\$6,028	\$6,330	\$6,646	\$6,979	\$7,328	1.00	1.00	1.00
Senior Personnel Analyst		76	\$7,223	\$7,586	\$7,948	\$8,365	\$8,783	2.00	2.00	1.00
Senior Planner		64	\$6,084	\$6,388	\$6,708	\$7,041	\$7,397	5.00	7.00	7.00

* Steps 4 & 5 apply to those hired April 1, 1986 and after; Steps 6 & 7 apply to those hired prior to April 1, 1986.

** Steps 4 & 5 apply to those with an Associate's Degree; Steps 6 & 7 apply to those with a Bachelor's Degree.

2017 Employee Classifications (Continued)

Position Title	Bargaining Unit	2017 Pay Grade	Step 1	Step 2	Step 3	Step 4	Step 5	2015 Actual	2016 Actual	2017 Budget
Senior Plans Examiner	AFSCME	462	\$6,028	\$6,330	\$6,646	\$6,979	\$7,328	-	-	1.00
Senior Program Specialist		56	\$5,323	\$5,592	\$5,872	\$6,160	\$6,470	11.75	12.75	12.00
Senior Program Specialist	Teamsters	656	\$5,221	\$5,478	\$5,752	\$6,041	\$6,342	1.00	1.00	1.00
Senior Program Specialist-RPN		56	\$5,323	\$5,592	\$5,872	\$6,160	\$6,470	0.25	0.25	0.25
Service Desk Administrator		66	\$6,272	\$6,588	\$6,920	\$7,263	\$7,625	-	-	1.00
Senior Traffic Signal Technician	AFSCME	456	\$5,413	\$5,687	\$5,967	\$6,268	\$6,577	1.00	1.00	1.00
Sign Technician	AFSCME	448	\$4,588	\$4,813	\$5,054	\$5,305	\$5,569	3.00	3.00	3.00
Strategic Communications Director		220					\$9,937	1.00	1.00	1.00
Supervisor I		52	\$4,939	\$5,191	\$5,453	\$5,725	\$6,009	2.00	2.00	2.00
Supervisor II		56	\$5,323	\$5,592	\$5,872	\$6,160	\$6,470	2.00	2.00	2.00
Supervisor III		64	\$6,084	\$6,388	\$6,708	\$7,041	\$7,397	3.00	3.00	4.00
Supervisor IV		76	\$7,223	\$7,586	\$7,948	\$8,365	\$8,783	8.00	9.00	6.00
Survey/Mapping Coordinator		54	\$5,136	\$5,389	\$5,658	\$5,942	\$6,239	1.00	1.00	1.00
Systems & Application Specialist		66	\$6,272	\$6,588	\$6,920	\$7,263	\$7,625	5.00	5.00	5.00
Traffic Signal Technician	AFSCME	454	\$5,155	\$5,416	\$5,683	\$5,969	\$6,264	2.00	2.00	2.00
Victim Assistance Coordinator		50	\$4,752	\$4,991	\$5,240	\$5,505	\$5,778	1.00	1.00	1.00
Water Monitoring Assistant	AFSCME	444	\$4,203	\$4,409	\$4,628	\$4,861	\$5,106	1.00	1.00	1.00
Water Quality Specialist	AFSCME	454	\$5,155	\$5,416	\$5,683	\$5,969	\$6,264	1.00	1.00	1.00
Total FTEs in Budget								542.43	547.68	567.23



Capital Facilities Plan



Capital Improvement Program

The combined six-year Capital Improvement Program (CIP) includes fiscal year 2017 and expenditure and revenue projections for the next five years. The total planned Capital expenditures for fiscal years 2017 through 2022 are \$141,127,463.

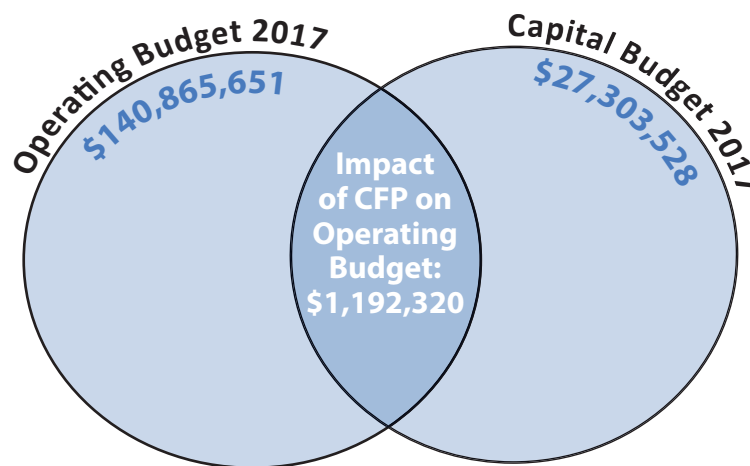
The Capital expenditure budget for Fiscal year 2017 is \$27,303,528 which represents 19.3% of the six-year plan. This total breaks down as follows:

Parks Projects	\$5,637,105
Transportation Projects	\$9,702,823
General Capital Facilities Projects	\$1,510,000
Drinking Water Utility Projects	\$6,166,500
Wastewater Utility Projects	\$2,171,000
Stormwater Utility Projects	\$2,116,100 (Includes a transfer of \$186,500 for Sidewalks)

The Capital Improvement Program is a separate budgeting process within the annual operating budget process. The CIP process is used to plan, budget, and finance the purchase and/or construction of large capital infrastructure, facilities, equipment, and other fixed assets. The City uses this process to ensure these expensive, long-lasting projects are aligned with its strategic direction and long-term goals, and that the money is well spent.

Before each potential project is included in the six-year Capital Improvement Program, it is analyzed to determine its financial impact on operations, operating expenditures, and revenues. The total costs of each potential project are identified as part of the capital budgeting process, and associated operating expenses are either included in the current operating budget, or reductions are taken elsewhere in the operating budget to absorb the additional operating costs. When and if this is applicable, this has been clearly stated in the Budget Overview section in the appropriate Department section of this budget document. Sometimes there is no negative financial impact to the operating budget as the capital project will result in a reduction to maintenance and operating costs, or the impact will result in a cleaner environment, improved response time by public safety employees, and/or access to public buildings and public transportation by all citizens.

If the project is justified and included in the City’s overall strategic plan and long-term goals, the project is recommended for approval. The six-year Capital Facilities Plan provides the essential components of a sound Capital Improvement Program. It is an economical and responsible financial plan to ensure quality public services today and into the future. Together, the 2017 CIP and five-year forecast serve as a strategy to intelligently plan for the City’s future.



The Capital Improvement Projects Appropriated

The following capital projects were appropriated for in the 2017 fiscal year. Appropriations were not made for those projects funded by grants, impact fees or private developer contributions. At the time these anticipated revenue sources are received for an associated project, the funds will then be appropriated for that particular project. These projects are marked by an asterisk (*).

Program	Project	FY 2017 Appropriation
PARKS, ARTS & RECREATION	Community Parks	\$640,000
	Capital Asset Management Program (CAMP)	750,000
	Park Acquisition	2,430,000
	Percival Landing Major Maintenance & Reconstruction	658,000
	Open Space	641,505
	Special Use Parks	180,000
	Small Capital Projects	27,000
	Total Parks, Arts & Recreation	
TRANSPORTATION	Access & Safety Improvements	\$200,000
	Bike Improvements	201,530
	Sidewalks & Pathways	1,161,500
	Street Repair and Reconstruction	
	Street Repair/Reconstruction, general	3,600,000
	Boulevard Road	3,380,780
	Cain Road & North Street	250,000
	Fones Road	-
	Henderson Boulevard & Eskridge Boulevard Intersection Improvements	-
	Log Cabin Road Extension	273,000
	Transportation Master Plan	200,000
Total Transportation		\$9,266,810
GENERAL CAPITAL FACILITIES	Building Repair and Replacement	\$1,330,000
	ADA Projects	180,000
Total General Capital Facilities		\$1,510,000
DRINKING WATER UTILITY	Asphalt Overlay Adjustments	\$11,000
	Groundwater Protection Land Acquisition	482,000
	Infrastructure Pre-Design and Planning	22,000
	Small Pipe Replacement	536,000
	Transmission & Distribution Projects	2,743,000
	Water Storage	1,252,500
	Water Source Development	\$1,120,000
Total Drinking Water Utility		6,166,500
WASTEWATER UTILITY	Asphalt Overlay Adjustments	\$11,000
	Infrastructure Pre-Design and Planning	40,000
	Lift Stations	1,131,000
	On-Site Sewage System Conversions	341,000
	Transmission & Collection projects	595,000
	System Planning	53,000
Total Wastewater Utility		\$2,171,000
STORMWATER UTILITY	Aquatic Habitat Improvements	\$360,000
	Flood Mitigation and Collection	893,700
	Infrastructure Pre-Design & Planning	178,400
	Water Quality Improvements	684,000
Total Stormwater Utility		\$2,116,100
Total Capital Projects		\$26,556,915

Operating Impacts of The Capital Improvement Program

The development and implementation of capital projects in Olympia is accompanied by operating and maintenance costs throughout the life of the projects. As illustrated in the chart below, the 2016 fiscal year impacts of the CIP are \$1,192,320.

Name of Project	FY 2017 O&M Operating Budget Impacts	Comments
PARKS, ARTS AND RECREATION		
Community Park Development	\$-	No new capacity so no new operations or maintenance expenses in 2017
Community Park Expansion	\$900,000	Currently in the process of refining the O&M costs for Community Parks
Neighborhood Park Development	\$25,000	Maintenance Cost to mow and irrigate the park are estimated at \$25,000 per year for Neighborhood parks
Open Space Acquisition and Development	-	None
Parks Bond Issue Debt Service	-	Operating costs are dependent on the parcels of property purchased.
Park Land Acquisition	\$34,000	Operating costs are dependent on the parcels of property purchased.
TRANSPORTATION		
Access and Safety Improvements	\$-	Until Asset Management programs are in place, specific costs are not available
Bike Improvements	\$-	Until Asset Management programs are in place, specific costs are not available
Sidewalks and Pathways	\$50,000	
Street Repair and Reconstruction	\$-	This projects helps minimize the need for additional maintenance funds
Boulevard Road Intersection Improvements	\$7,670	\$15,000 per lane mile, or \$7,670 annually
Cain Road and North Street Intersection Improvements	\$2,550	\$15,000 per lane mile, or \$2,550 annually
Fones Road	\$12,000	\$15,000 per lane mile, or \$12,000 annually
Henderson Boulevard and Eskridge Boulevard Intersection Improvements	\$4,750	\$20,630 per lane mile, or \$4,750 annually
Log Cabin Road Extension	\$76,200	\$15,000 per lane mile, or \$76,200 based on additional lane miles; initial cost will be minimal for the first few years compared to the later years
Wiggins Road and 37th Avenue Intersection Improvements	\$2,550	\$15,000 per lane mile, or \$2,550
US 101 West Olympia access project	\$4,300	\$15,000 per lane mile, or \$4,300
GENERAL CAPITAL FACILITIES		
Building Repair and Replacement	-	Not yet determined
DRINKING WATER UTILITY		
Asphalt Overlay Adjustments	-	None - work conducted by transportation crew
Groundwater Protection/Land Acquisition	-	Minimal
Small Diameter Water Pipe Replacement	-	None - pipe replacements
Transmission and Distribution Projects	-	Minimal maintenance on new transmission main
Water Storage Systems	\$53,300	\$50,000; in addition, new 417 Zone Reservoir Construction requires \$3,300 annually.
WASTEWATER UTILITY		
Lift Stations	-	Not yet determined
Onsite Sewage Conversions	-	Not yet determined
Replacement and Repairs	-	Decreases maintenance and emergency response costs
STORM AND SURFACE WATER UTILITY		
Flood Mitigation and Collection	-	Not yet determined
Water Quality Improvements	\$20,000	Harrison Ave Treatment Facility:.....\$ 10,000 annually Capitol Way Treatment Facility:.....\$ 6,000 annually Evergreen Park Dr Treatment Facility:\$ 4,000 annually
ESTIMATED TOTAL	\$1,192,320	

The Capital Facilities Plan

What Are Capital Facilities and Why Do We Need to Plan for Them?

Capital facilities are all around us. They are the public facilities we all use on a daily basis. They are our public streets and transportation facilities, our City parks and recreation facilities, our public buildings such as libraries, fire stations, and community centers, our public water systems that bring us pure drinking water, and the sanitary sewer systems that collect our wastewater for treatment and safe disposal. Even if you don't reside within the City, you use capital facilities every time you drive, eat, shop, work, or play here.

While a CFP does not cover routine maintenance, it does include renovation and major repair or reconstruction of damaged or deteriorating facilities. Capital facilities do not usually include furniture and equipment. However, a capital project may include the furniture and equipment clearly associated with a newly constructed or renovated facility.

The planning period for a CFP is six years. Expenditures proposed for the first year of the program are incorporated into the Annual Budget as the Capital Budget (adopted in December of each year).

One of the most important aspects of the CFP process is that it is not a once-a-year effort, but an important ongoing part of the City's overall management process. New information and evolving priorities require continual review. Each time the review is carried out, it must be done comprehensively.

All of these facilities should be planned for years in advance to assure they will be available and adequate to serve all who need or desire to utilize them. Such planning involves determining not only where facilities will be needed, but also when, and not only how much they will cost, but also how they will be paid for. It is important to note that the CFP is a planning document that includes timeline estimates based on changing dynamics related to growth projections, project schedules, or other assumptions.

City of Olympia Capital Facilities

- Public Buildings
- Public Street Systems
- Public Parks
- Public Water Systems
- Public Sewer Systems

The State Growth Management Act and Its Effect on the Capital Facilities Planning Process

In response to the effect of unprecedented population growth on our State's environment and public facilities, the Washington State Legislature determined that "uncoordinated and unplanned growth, together with a lack of common goals expressing the public's interest in the conservation and wise use of our lands, pose a threat to the environment, sustainable economic development, and to the health, safety, and high quality of life enjoyed by the residents of this state," and that "it is in the public interest that citizens, communities, local governments, and the private sector cooperate and coordinate with one another in comprehensive land use planning." The State of Washington Growth Management Act (GMA) was adopted by the Legislative body in the early 1990s to address these concerns.

The GMA requires that all jurisdictions located within counties that (a) have a population of 50,000 or more people and have experienced a population increase of 10% or more over the last ten years, or (b) regardless of current population, have experienced a population increase of 20% or more over the last ten years, must write, adopt, and implement local comprehensive plans that will guide all development activity within their jurisdictions and associated Urban Growth Areas (UGA) over the next twenty years. Each jurisdiction is required to coordinate its comprehensive plan with the plans of neighboring jurisdictions, and unincorporated areas located within designated Urban Growth Areas must be planned through a joint process involving both the city and the county.

The GMA requires that comprehensive plans guide growth and development in a manner that is consistent with the following 13 State planning goals, plus a shoreline goal:

1. Encouragement of urban density growth within designated urban growth management areas.
2. Reduction of urban sprawl outside of designated urban growth management areas.
3. Encouragement of efficient transportation systems, including alternate systems of travel.
4. Encouragement of affordable housing availability to all economic segments.
5. Encouragement of economic development.
6. Just compensation for private property obtained for public use.
7. Timely processing of governmental permits.
8. Enhancement of natural resource-based industries and encouragement of productive land conservation.
9. Encouragement of open space retention for recreational opportunities and wildlife habitat.
10. Protection of the environment, including air and water quality.
11. Encouragement of citizen participation in the planning process.
12. Provision of adequate public facilities to support development without decreasing current service standards below locally established minimum standards.
13. Encouragement of the preservation of lands, sites, and structures that have historical or archaeological significance.
14. Protection of shorelines, including preserving natural character, protecting resources and ecology, increasing public access, and fostering reasonable and appropriate uses.

The Capital Facilities Plan as an Element of Olympia’s Comprehensive Plan

The Growth Management Act requires inclusion of mandatory planning elements in each jurisdiction’s comprehensive plan, and suggests the inclusion of several optional elements. The mandatory elements required by the GMA are:

1. Six-year Capital Facilities Plan Element
2. Land Use Element
3. Housing Element
4. Utilities Element
5. Transportation Element
6. Rural Element (counties only)
7. Park and Recreation Element

Olympia’s Comprehensive Plan includes additional elements (Chart 2.1).

Elements of Olympia’s Comprehensive Planning Process

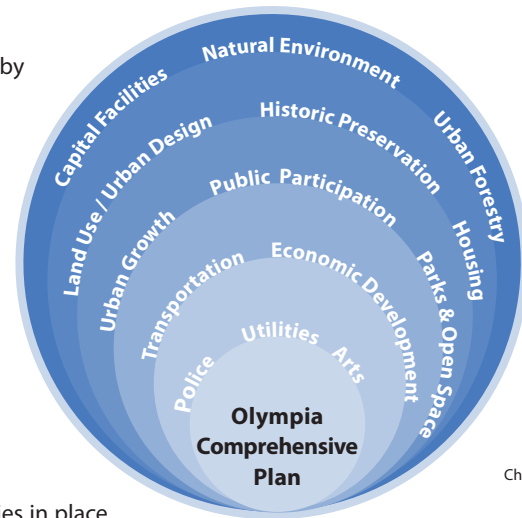


Chart 2.1

Concurrency and Levels-of-Service Requirements

The Growth Management Act requires jurisdictions to have capital facilities in place and readily available when new development occurs or a service area population grows. This concept is known as concurrency. Specifically, this means that:

1. All public facilities needed to serve new development and/or a growing service area population must be in place at the time of initial need. If the facilities are not in place, a financial commitment must have been made to provide the facilities within six years of the time of the initial need; and
2. Such facilities must be of sufficient capacity to serve the service area population and/or new development without decreasing service levels below locally established minimum standards, known as levels-of-service.

Levels-of-service are quantifiable measures of capacity, such as acres of park land per capita, vehicle capacity of intersections, or water pressure per square inch available for the water system. Minimum standards are established at the local level. Factors that influence local standards are citizen, City Council and Planning Commission recommendations, national standards, federal and state mandates, and the standards of neighboring jurisdictions.

The GMA stipulates that if a jurisdiction is unable to provide or finance capital facilities in a manner that meets concurrency and level-of-service requirements, it must either (a) adopt and enforce ordinances which prohibit approval of proposed development if such development would cause levels-of-service to decline below locally established standards, or (b) lower established standards for levels-of-service.

Determining Where, When, and How Capital Facilities Will Be Built

In planning for future capital facilities, several factors have to be considered. Many are unique to the type of facility being planned. The process used to determine the location of a new park is very different from the process used to determine the location of a new sewer line. Many sources of financing can only be used for certain types of projects. Therefore, this capital facilities plan is actually the product of many separate but coordinated planning documents, each focusing on a specific type of facility. Future sewer requirements are addressed via a sewer plan, parks facilities through a parks and recreation plan, urban trail facilities through an urban trails plan, etc.

Some capital facilities projects are not included in the Comprehensive Plan. Nonetheless, many of the projects are vital to the quality of life in Olympia. These projects meet the growth management definition of capital facilities but do not fall into one of the standard growth management chapters. The Farmers Market and City Hall are examples of this. In addition, the recommendations of local citizens, advisory boards, and the Olympia Planning Commission are considered when determining types and locations of projects. Chart 2.2 illustrates how the City’s Comprehensive Plan directly impacts the other plans, and ultimately the CFP. The various elements of the Comprehensive Plan affect the type and required capacities of capital facilities required.

Elements of Olympia’s Capital Facilities Plan

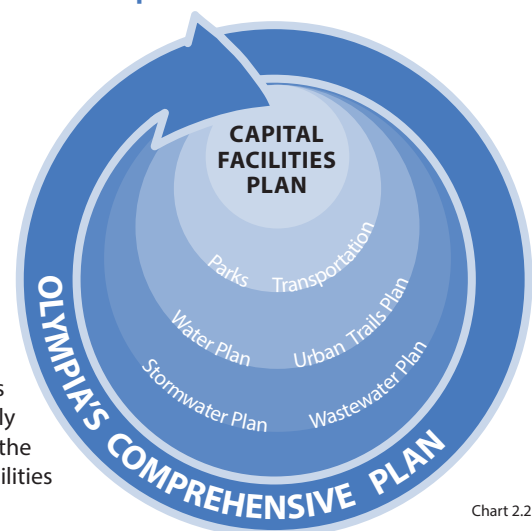


Chart 2.2

How Citizens Can Get Involved in the Capital Facilities Plan

The City of Olympia strives to create a CFP which truly responds to the needs of our community. Citizens, community groups, businesses, and other stakeholders can maximize the attention and consideration paid to their suggestions by working with staff and the Olympia Planning Commission to merge their suggestions into major City planning processes. Projects and policies are continually monitored and modified by updates to long-term plans, usually via a public process with associated City boards and commissions. See the [2017-2022 Capital Facilities Plan Calendar of Events](#), on our website for public hearing dates.

Population Forecasts for Olympia's Urban Growth Management Area (UGMA)

The GMA mandates that capital facility plans be structured to accommodate projected population growth within a jurisdiction's UGMA planning area. The Thurston Regional Planning Council (TRPC) anticipated growth of roughly 17% in the City's population between 2010 and 2020, or from approximately 46,500 to 54,600 persons. The fastest growing parts of the City will continue to be the West and Southeast sides. Each of the capital project category sections of this CFP demonstrates how the facilities listed under that section have been planned to accommodate the additional growth.

Joint Projects and Projects by Other Jurisdictions

Several of the projects listed within this document will be undertaken jointly with other jurisdictions or agencies. A stormwater project, for instance, may address a drainage problem that ignores City or UGMA boundaries. A transportation project may involve the upgrading of a roadway that crosses in and out of the city and the county. On such projects, joint planning and financing arrangements have been detailed on the individual project's worksheet.

Thurston County has several "county only" parks or transportation projects planned within Olympia's unincorporated UGMA. Under the joint planning agreement established between the City and Thurston County, initial financing and construction of these projects falls under County coordination. County projects have been listed for reference purposes in the Project Funding Reports. For more detail, please refer to the Thurston County CFP.

Capital Facilities Not Provided by the City

In addition to planning for public buildings, streets, parks, trails, water systems, wastewater systems, and storm drainage systems, the GMA requires that jurisdictions plan for 1) public school facilities, 2) solid waste (garbage) collection and disposal facilities, and 3) wastewater treatment. These facilities are planned for and provided throughout the UGMA by the various school districts, the Thurston County Department of Solid Waste, and the LOTT Alliance, respectively. Additionally, Solid Waste may have capital costs for equipment that could be included in the CFP. The City of Olympia charges school impact fees on behalf of the Olympia School District.

Early in 2000, the LOTT partners (Lacey, Olympia, Tumwater, and Thurston County) signed an agreement to provide a new governance structure to carry out a plan which anticipates development of additional treatment capacity for the LOTT partners through innovative wastewater reclamation and management facilities. The LOTT Wastewater Alliance functions as a regional agency providing wholesale wastewater resource treatment and management services in the public's interest. Therefore, the LOTT Alliance capital facilities are not included in this document.

What is Not Included in This CFP Document?

This Capital Facilities Plan does not provide a status update on previously funded capital projects still in progress. If the project is currently active and requires additional funding in the future, it is included in this plan. Otherwise, it is simply listed in the Active Project list in the Miscellaneous Reports section.

The Capital Facilities Plan - Funding Sources

In an attempt to stretch the money as far as it will go, the CFP incorporates many different funding sources. Those sources may include current revenues, bonds backed by taxes or utility revenues, state and federal grants, special assessments on benefiting properties, as well as donations. A complete list of funding sources for the 2017-2022 is:

2017 - 2022 Funding Sources

Current Revenues

- Wastewater Rates
 - Drinking Water Rates
 - Storm & Surface Water Rates
 - General Facilities Charges
 - Non-Voted Utility Tax (1%)
 - Voted Utility Tax (3%)
 - Motor Vehicle Fuel Tax
 - Interest
 - Real Estate Excise Tax (REET) (0.5%)*
- * REET funds must be spent on Parks or Transportation.

Debt

- The City has \$92.5 million of voter-approved debt capacity. Of this, \$41 million may be issued by the Council without a vote of the people.
- Loans from State of Washington agencies
- Utility Revenue Bonds

Grants

- Federal Surface Transportation Program Funds
- State Transportation Improvement Board Funds
- Federal Community Development Block Grant
- Federal Highways Administration
- Washington State Department of Transportation
- State Recreation Conservation Office

Other

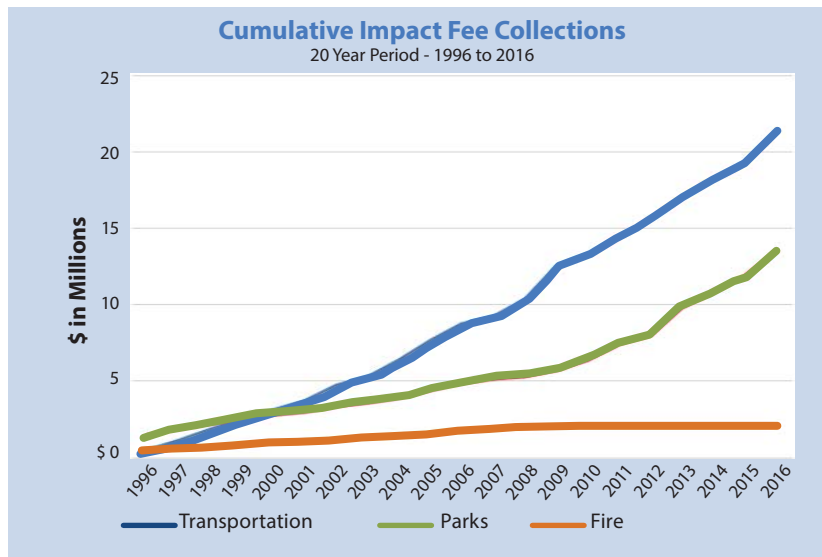
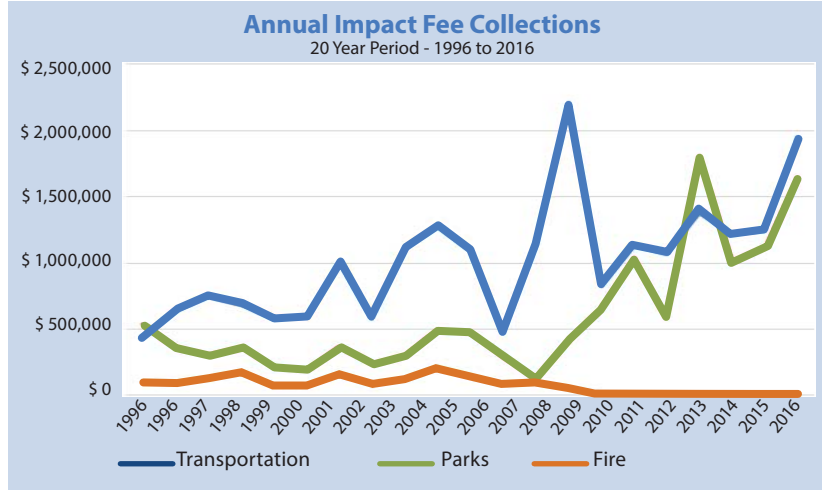
- Impact Fees
- Transportation Benefit District fees
- SEPA Mitigation Fees
- Olympia Metropolitan Park District (OMPD)

This CFP is only a planning document; it does not necessarily represent a budget for expenditures.

Revenues Dedicated to the CFP

Impact Fees

Impact Fees are one-time charges imposed on development activity to raise revenue for the construction or expansion of public facilities needed to serve new growth and development. Impact fees are assessed and dedicated primarily for the provision of additional roads and streets, parks, schools, and fire protection facilities. Currently the City does not collect Fire Impact Fees.



Impact Fee Rates

City

Single Family	2012	2013	2014	2015	2016	2017
Parks	\$5,068	\$4,950	\$5,090	\$5,334	\$5,437	\$5,446
Transportation	\$2,592	\$2,608	\$2,654	\$2,688	\$2,913	\$2,999

Schools

Year	2012	2013	2014	2015	2016	2017
Single Family	\$2,969	\$5,179	\$5,090	\$5,895	\$5,240	\$5,298
Multi Family	\$235	\$0	\$2,654	\$1,749	\$2,498	\$2,520
Downtown	\$0	\$0	\$0	\$0	\$0	\$0

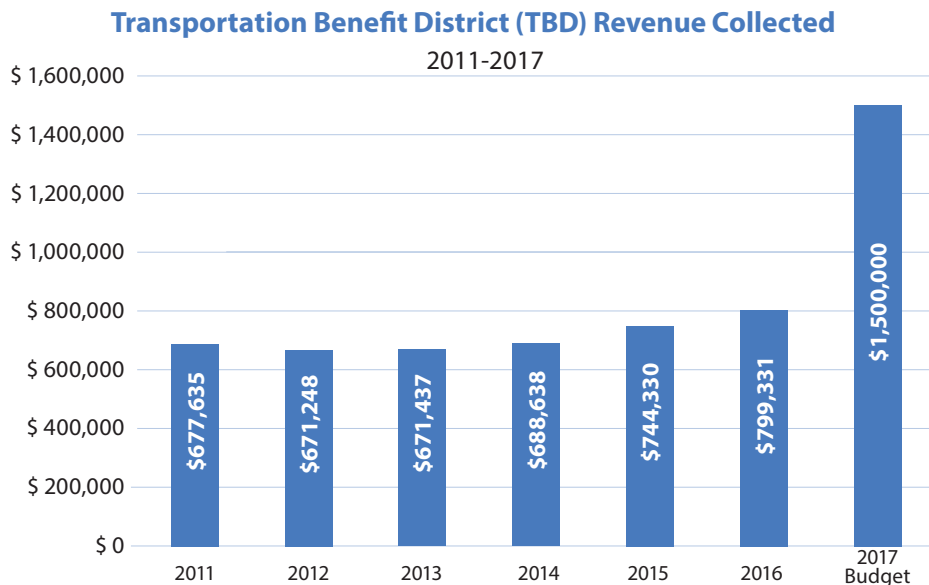
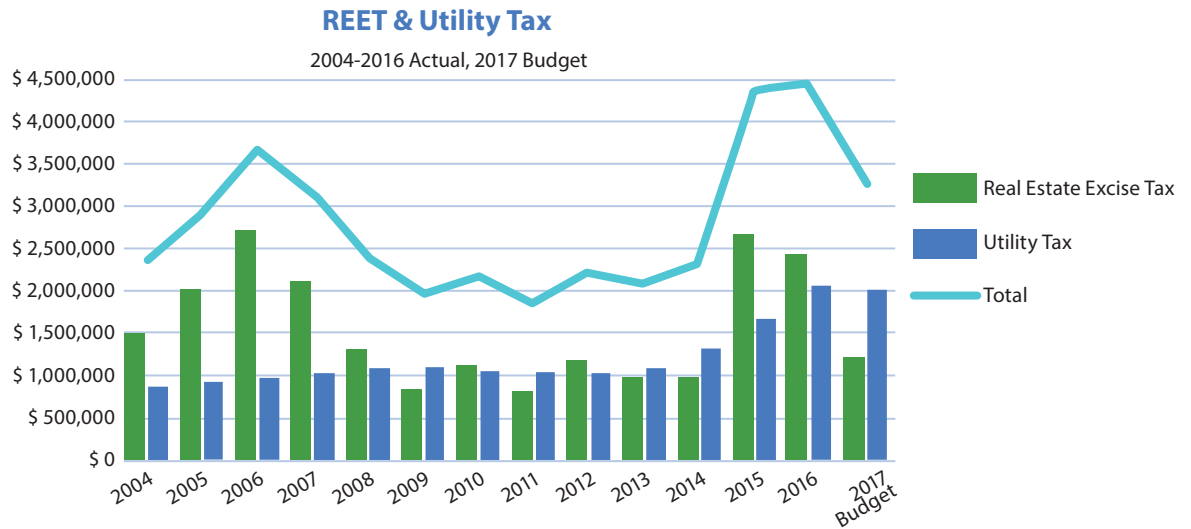
Revenues Dedicated to the CFP (continued)

Real Estate Excise Tax (REET)

A tax upon the sale of all residential and commercial property within the City of Olympia at a rate of one-half of 1% of the purchase price. This tax is restricted by State law to Transportation and Parks capital projects. |

Utility Tax

Of the 6% Non-Voted Utility Tax upon electric, natural gas and telecommunications utilities, one-sixth (1% tax) is allocated by Council policy to the CFP. In addition all of the non-voted utility tax on cable TV is dedicated to the CFP. This tax is a general revenue and can be used for any purpose determined by the Council.



Transportation Benefit District (TBD) Revenue

These are gross revenues. Each year approximately \$50,000 is appropriated for operating expenses (audit, insurance, etc.) The net funds are dedicated to the CFP. Beginning in 2017 all proceeds are included in the CFP.

2017-2022 CFP Calendar of Events

Review Status of Existing Projects in CFP	April
Proposed CFP Projects due from Departments	May 1
Present Preliminary CFP to City Council	July 19
Planning Commission Public Hearing on Preliminary CFP (City and School District)	August 1 (Monday)
City Council Public Hearing and Discussion on Preliminary CFP	October 18
First Reading on Capital Budget	December 6
Second and Final Reading and Adoption of Operating and Capital Budgets	December 13

Capital Improvement Plan (CIP) Revenues

CIP Revenues include 1% non-voted utility tax on gas, electric, and telephone utilities plus 6% utility tax on Cable TV. CIP revenues also include REET and interest.

CIP Revenues

	2016 Budget	2016 Revised	2017 Budget
Non-Voted Utility Tax			
Gas/ Electric/Telephone (1%)	\$975,000	\$1,010,000	\$1,020,000
Cable TV (6%)	\$950,000	\$1,070,000	\$1,130,000
Real Estate Excise Tax (REET)	\$1,200,000	\$1,200,000	\$1,200,000
Multimodal State Funding	\$51,530	\$51,530	\$33,000
Interest	\$5,000	\$18,000	\$20,000
Total	\$3,181,530	\$3,349,530	\$3,403,000

One-Time Revenue

	2017 Budget
TBD Fund Balance	\$135,000
Excess REET	\$698,530

In addition to the CIP revenues the following revenues are available but earmarked:

	2016 Budget	2016 Revised	2017 Budget
TBD	\$700,000	\$700,000	\$1,500,000
Gas Tax	\$275,000	\$275,000	\$275,000

Amount available for 2017 Appropriations **\$6,011,530**

Project Funding Summary - General Government Projects

Project Funding Summary - General Government Projects: Parks

Parks Projects	Funding	2017	2018-2022	TOTAL
Community Park Development	Impact Fees	\$ 580,000	\$ 2,400,000	\$ 2,980,000
	SEPA Mitigation Fees	\$ 60,000	\$ -	\$ 60,000
Capital Asset Management Program	OMPD Funds	\$ 750,000	\$ 3,750,000	\$ 4,500,000
Neighborhood Park Development	Impact Fees	\$ 325,400	\$ 513,210	\$ 838,610
	SEPA Mitigation Fees	\$ 31,860	\$ 11,790	\$ 43,650
Open Space Acquisition and Development	Impact Fees	\$ 423,745	\$ 1,150,000	\$ 1,573,745
	SEPA Mitigation Fees	\$ 40,500	\$ -	\$ 40,500
Parks Bond Issue Debt Service	Voted Utility Tax (VUT)	\$ 70,000	\$ 105,000	\$ 175,000
	OMPD Funds	\$ 240,600	\$ 962,400	\$ 1,203,000
Parks Land Acquisition	Voted Utility Tax (V.U.T.)	\$ 1,930,000	\$ 9,895,000	\$ 11,825,000
	Non Voted Utility Tax (V.U.T.)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Percival Landing Major Maintenance and Reconstruction	OMPD Funds	\$ 658,000	\$ 785,000	\$ 1,443,000
Small Capital Projects	Impact Fees	\$ 12,000	\$ 75,000	\$ 87,000
	SEPA Fees	\$ 15,000	\$ 50,000	\$ 65,000
Total Parks		\$ 5,637,105	\$ 22,197,400	\$ 27,834,505

Funding Recap	Funding	2017	2018-2022	TOTAL
	Impact Fees	\$ 1,341,145	\$ 4,138,210	\$ 5,479,355
	Non-Voted Utility Tax (NVUT)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
	OMPD Funds	\$ 1,648,600	\$ 5,497,400	\$ 7,146,000
	SEPA Fees	\$ 147,360	\$ 61,790	\$ 209,150
	Voted Utility Tax (VUT)	\$ 2,000,000	\$ 10,000,000	\$ 12,000,000
Total Parks		\$ 5,637,105	\$ 22,197,400	\$ 27,834,505

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Project Funding Summary - General Government Projects

Project Funding Summary - General Government Projects: Transportation

Transportation Projects	Funding	2017	2018-2022	TOTAL
Access and Safety Improvements	CIP Fund	\$ 200,000	\$ 400,000	\$ 600,000
Bike Improvements	CIP Fund	\$ 201,530	\$ 500,000	\$ 701,530
Sidewalks and Pathways	Stormwater Utility Rates (asphalt overlay)	\$ 186,500	\$ 932,500	\$ 1,119,000
	Voted Utility Tax - Sidewalks	\$ 950,000	\$ 4,750,000	\$ 5,700,000
	Voted Utility Tax - Parks	\$ 25,000	\$ 125,000	\$ 150,000
Street Repair and Reconstruction	CIP Fund	\$ 1,690,000	\$ 5,500,000	\$ 7,190,000
	Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
	Transportation Benefit District (TBD)	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
Total Transportation		\$ 5,163,030	\$ 21,082,500	\$ 26,245,530

Funding Recap	Funding	2017	2018-2022	TOTAL
	CIP Fund	\$ 2,091,530	\$ 6,400,000	\$ 8,491,530
	Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
	TBD	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
	Storm Water Utility Rate	\$ 186,500	\$ 932,500	\$ 1,119,000
	Voted Utility Tax-Parks	\$ 975,000	\$ 4,875,000	\$ 5,850,000
Total Transportation		\$ 5,163,030	\$ 21,082,500	\$ 26,245,530

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Project Funding Summary - General Government Projects

Project Funding Summary - General Government Projects: Transportation with Impact Fees

Transportation Impact Fee Projects	Funding	2017	2018-2022	TOTAL
2010 Transportation Stimulus Project Repayment	Impact Fees	\$ 436,013	\$ 2,180,463	\$ 2,616,475
Boulevard Road - Intersection Improvements (Program #0628)	Grant	\$ -	\$ -	\$ -
	Impact Fees	\$ 3,380,780	\$ -	\$ 3,380,780
Cain Road & North Street - Intersection Improvements	Grant	\$ -	\$ 172,695	\$ 172,695
	Impact Fees	\$ -	\$ 207,293	\$ 207,293
Fones Road—Transportation (Program #0623)	Grant	\$ -	\$ 6,496,943	\$ 6,496,943
	Impact Fees	\$ 250,000	\$ 7,548,539	\$ 7,798,539
Henderson Boulevard & Eskridge Boulevard - Intersection Improvements	Grant	\$ -	\$ 238,309	\$ 238,309
	Impact Fees	\$ -	\$ 286,052	\$ 286,052
Log Cabin Road Extension - Impact Fee Collection (Program #0616)	Grant	\$ -	\$ 227,238	\$ 227,238
	Impact Fees	\$ 273,000	\$ 272,762	\$ 545,762
Transportation Master Plan	Grant	\$ -	\$ -	\$ -
	Impact Fees	\$ 200,000	\$ -	\$ 200,000
Wiggins Road and 37th Ave - Intersection Improvements	Grant	\$ -	\$ 184,366	\$ 184,366
	Impact Fees	\$ -	\$ 221,301	\$ 221,301
US 101/West Olympia Access Project	Grant	\$ -	\$ 2,781,241	\$ 2,781,241
	Impact Fees	\$ -	\$ 3,338,434	\$ 3,338,434
Total Transportation with Impact Fee		\$ 4,539,793	\$ 24,155,636	\$ 28,695,428

Funding Recap	Funding	2017	2018-2022	TOTAL
	Grant	\$ -	\$ 10,100,792	\$ 10,100,792
	Impact Fees	\$ 4,539,793	\$ 14,054,844	\$ 18,594,636
Total Transportation with Impact Fees		\$ 4,539,793	\$ 24,155,636	\$ 28,695,428

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Project Funding Summary - General Government Projects

Project Funding Summary - General Government Projects: General Capital Facilities

General Capital Facilities Projects	Funding	2017	2018-2022	TOTAL
Building Repair and Replacement	CIP Fund	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
ADA Transition Plan and Projects	CIP Fund	\$ 180,000	\$ 500,000	\$ 680,000
Total General Capital Facilities		\$ 1,510,000	\$ 7,500,000	\$ 9,010,000

Funding Recap	Funding	2017	2018-2022	TOTAL
	CIP Fund	\$ 1,510,000	\$ 7,500,000	\$ 9,010,000
Total General Capital Facilities		\$ 1,510,000	\$ 7,500,000	\$ 9,010,000

Summary of Funding Sources for General Government Projects

Funding Sources	2017	2018-2022	TOTAL
CIP Fund	\$ 3,601,530	\$ 13,900,000	\$ 17,501,530
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
Grant	\$ -	\$ 10,100,792	\$ 10,100,792
Impact Fees	\$ 5,880,938	\$ 18,193,054	\$ 24,073,991
Non-Voted Utility Tax (NVUT)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
OMPD Funds	\$ 1,648,600	\$ 5,497,400	\$ 7,146,000
SEPA Fees	\$ 147,360	\$ 61,790	\$ 209,150
Storm Water Utility Rate	\$ 186,500	\$ 932,500	\$ 1,119,000
TBD	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
Voted Utility Tax (VUT)	\$ 2,975,000	\$ 14,875,000	\$ 17,850,000
Total General Government	\$ 16,849,928	\$ 74,935,536	\$ 91,785,463

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Project Funding Summary - Utilities Projects

Project Funding Summary - Utilities Projects: Drinking Water

Drinking Water Projects	Funding	2017	2018-2022	TOTAL
Asphalt Overlay Adjustments—Water (Program # 9021)	Rates	\$ 11,000	\$ 55,000	\$ 66,000
Groundwater Protection—Water (Program #9701)	Rates	\$ 482,000	\$ 424,000	\$ 906,000
Infrastructure Pre-Design and Planning—Water (Program #9903)	Rates	\$ 22,000	\$ 110,000	\$ 132,000
Reclaimed Water (Program #9710)	Rates	\$ -	\$ 107,000	\$ 107,000
Small Diameter Water Pipe Replacement—Water (Program #9408)	Rates	\$ 536,000	\$ 2,681,000	\$ 3,217,000
Transmission and Distribution Projects—Water (Program #9609)	General Facility Charges	\$ 232,500	\$ 962,000	\$ 1,194,500
	Rates	\$ 2,510,500	\$ 9,716,000	\$ 12,226,500
Water Source Development and Protection (Program #9700)	General Facility Charges	\$ 635,000	\$ 229,000	\$ 864,000
	Rates	\$ 485,000	\$ 175,000	\$ 660,000
Water Storage Systems (Program #9610)	Rates	\$ 1,252,500	\$ 3,094,500	\$ 4,347,000
Water System Planning (Program #9906)	General Facility Charges	\$ -	\$ 160,500	\$ 160,500
	Rates	\$ -	\$ 160,500	\$ 160,500
Total Drinking Water		\$ 6,166,500	\$ 17,874,500	\$ 24,041,000

Project Funding Summary - Utilities Projects: Wastewater

Wastewater Projects	Funding	2017	2018-2022	TOTAL
Asphalt Overlay Adjustments - Sewer (Program #9021)	Rates	\$ 11,000	\$ 55,000	\$ 66,000
Infrastructure Predesign and Planning - Sewer (Program #9903)	Rates	\$ 40,000	\$ 200,000	\$ 240,000
Lift Stations—Sewer (Program #9806)	General Facility Charges	\$ 130,000	\$ -	\$ 130,000
	Rates	\$ 1,001,000	\$ 3,103,000	\$ 4,104,000
Onsite Sewage System Conversions - Sewer (Program #9813)	General Facility Charges	\$ 341,000	\$ 1,705,000	\$ 2,046,000
Replacement and Repair Projects - Sewer (Program #9703)	Rates	\$ 595,000	\$ 2,169,000	\$ 2,764,000
Sewer System Planning - Sewer (Program #9808)	Rates	\$ 53,000	\$ 265,000	\$ 318,000
Total Wastewater		\$ 2,171,000	\$ 7,497,000	\$ 9,668,000

Project Funding Summary - Utilities Projects: Stormwater

Stormwater Projects	Funding	2017	2018-2022	TOTAL
Aquatic Habitat Improvements - Stormwater (Program #9024)	Rates	\$ 360,000	\$ 1,800,000	\$ 2,160,000
Flood Mitigation & Collection - Stormwater (Program #9028)	General Facility Charges	\$ 250,000	\$ 3,055,575	\$ 3,305,575
	Rates	\$ 643,700	\$ 6,069,225	\$ 6,712,925
Infrastructure Pre-Design & Planning - Stormwater (Program #9903)	Rates	\$ 178,400	\$ 392,000	\$ 570,400
Water Quality Improvements - Stormwater (Program #9027)	Rates	\$ 171,000	\$ 550,025	\$ 721,025
	Storm Water Utility Grant	\$ 513,000	\$ 1,650,075	\$ 2,163,075
Total Stormwater		\$ 2,116,100	\$ 13,516,900	\$ 15,633,000

Additionally: Included in the Transportation Section are Projects funded by transfers from the Stormwater Utility as follows:

Project	Funding	2017	2018-2022	TOTAL
Sidewalks and Pathways—Transportation Section	Stormwater Utility Rates	\$ 186,500	\$ 932,500	\$ 1,119,000
	Total	\$ 186,500	\$ 932,500	\$ 1,119,000

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Project Funding Summary - Utilities Projects

Summary of Funding Sources for Utilities Projects

Funding Sources	2017	2018-2022	TOTAL
General Facilities Charges (GFCs)	\$ 1,588,500	\$ 6,112,075	\$ 7,700,575
Rates	\$ 8,352,100	\$ 31,126,250	\$ 39,478,350
Storm Water Utility Grant	\$ 513,000	\$ 1,650,075	\$ 2,163,075
Total Utilities	\$ 10,453,600	\$ 38,888,400	\$ 49,342,000

Combined Summary of Funding Sources for Both General Government and Utilities Projects

Funding Sources	2017	2018-2022	TOTAL
CIP Fund	\$ 3,601,530	\$ 13,900,000	\$ 17,501,530
Gas Tax	\$ 275,000	\$ 1,375,000	\$ 1,650,000
General Facilities Charges (GFCs)	\$ 1,588,500	\$ 6,112,075	\$ 7,700,575
Grant	\$ -	\$ 10,100,792	\$ 10,100,792
Impact Fees	\$ 5,880,938	\$ 18,193,054	\$ 24,073,991
Non-Voted Utility Tax (NVUT)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
OMPD Funds	\$ 1,648,600	\$ 5,497,400	\$ 7,146,000
Rates	\$ 8,352,100	\$ 31,126,250	\$ 39,478,350
SEPA Fees	\$ 147,360	\$ 61,790	\$ 209,150
Storm Water Utility Grant	\$ 513,000	\$ 1,650,075	\$ 2,163,075
Storm Water Utility Rate	\$ 186,500	\$ 932,500	\$ 1,119,000
TBD	\$ 1,635,000	\$ 7,500,000	\$ 9,135,000
Voted Utility Tax (VUT)	\$ 2,975,000	\$ 14,875,000	\$ 17,850,000
Total	\$ 27,303,528	\$ 113,823,936	\$ 141,127,463

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County Funded Projects in Olympia Urban Growth Area

Project	2017	2018-2022	Total
Buildings			
3400 Building Improvements	\$ 50,000	\$ -	\$ 50,000
Courthouse Air System Major Maintenance	200,000	-	200,000
Courthouse Building #1 Infrastructure Improvements	-	325,000	325,000
Courthouse Building #1 Security Projects	-	200,000	200,000
Courthouse Building #2 Infrastructure Improvements	150,000	225,000	375,000
Courthouse Building #2 Secured Entrance Project	-	1,000,000	1,000,000
Courthouse Building #2 Superior Court Space Improvements	75,000	-	75,000
Courthouse Building #3 Infrastructure Improvements	275,000	300,000	575,000
Courthouse Building #3 Jail Rehabilitation	-	15,500,000	15,500,000
Courthouse Building #4 Infrastructure Improvements	-	250,000	250,000
Courthouse Building #4 Security Projects	-	200,000	200,000
Courthouse Building #5 Security Projects	-	450,000	450,000
Courthouse Buildings #2 & #3 Security Projects	75,000	-	75,000
Courthouse Campus Geotechnical Report	-	150,000	150,000
Courthouse Mansard Roof Major Maintenance	200,000	-	200,000
Courthouse Project	-	200,000,000	200,000,000
Courthouse Secured Entrance Project	-	3,000,000	3,000,000
Emergency Services Center HVAC Replacement Project	-	250,000	250,000
Emergency Services Center Roof Replacement Project	-	350,000	350,000
Energy Saving - Air Handling Systems, LED Lighting & Solar Panels	-	550,000	550,000
Energy Savings - Automation & Metering Solutions	-	325,000	325,000
Evaluation and Treatment Center Infrastructure Improvements	-	350,000	350,000
Evaluation and Treatment Center Storm-water Management Improvements	150,000	175,000	325,000
McLane Property Improvements	50,000	-	50,000
Public Health Building Improvement Project	75,000	75,000	150,000
Storm & Surface Water Utility			
Donnelly Drive - Infiltration Gallery	-	467,000	467,000
Stuart Place - Conveyance & Treatment	-	335,000	335,000
Woodard Creek Retrofit - Site 11	-	330,000	475,000
Roads & Transportation			
Evergreen Parkway/Mud Bay Rd Interchange Improvements (61161)	-	50,000	50,000
Yelm Hwy and Clar Mar - Intersection	173,000	-	173,000
Yelm Highway Midblock Crosswalk (Rich Rd to Lacey City Limits)	-	50,000	50,000
Parks			
Chehalis Western Trail	200,000	\$1,359,000	\$1,559,000
Total:	\$1,673,000	\$226,411,000	\$228,084,000

Capital Facilities Plan Project Funding - 2017

GENERAL GOVERNMENT:	
Real Estate Excise Tax 1/2%	\$ 2,031,800
Utility Tax 1%	880,000
Cable Utility Tax	1,130,000
Utility Tax 3%:	
Park Projects	1,930,000
Recreational Walking Facilities	975,000
Motor Vehicle Fuel Tax	275,000
Multi Modal	54,180
Transportation Benefit District	1,635,000
Olympia Metropolitan Park District	1,648,600
Impact Fees:	
Parks Projects	1,341,145
Transportation Projects	4,103,780
SEPA, mitigation Fees:	
Parks Projects	147,360
Stormwater Utility , transfer from	186,500
Fund Balance	5,550
	\$ 16,343,915
DRINKING WATER UTILITY:	
Existing Rates, GFCs and Reserves or Bonds Funded from Rates	6,166,500
WASTEWATER UTILITY:	
Existing Rates, GFCs and Reserves or Bonds Funded from Rates	2,171,000
STORM & SURFACE WATER UTILITY:	
Existing Rates, GFCs and Reserves or Bonds Funded from Rates	2,302,600
Total City Funding, All Sources	\$ 26,984,015
Thurston County-Funded Projects within City of Olympia Urban Growth Area	\$ 1,673,000

Parks, Arts and Recreation Projects

Community Park Development

Location Community Parks are located throughout Olympia

Description Community parks are places for large-scale community use. Community parks include athletic fields, picnic shelters, tennis courts, water access and other facilities. Impact fees collected for ball field and tennis court expansion were merged into a new Community Park impact fee category. For further simplification, in 2012 the Special Use Area impact fee category was also merged into the Community Park category.

Justification (Need/Demand) In 2017, funding is requested for the following projects:
Morse-Merryman LBA Woods Site Stabilization Plan (SSP):
 In 2016, the City purchased 75-acres off-Morse-Merryman Road adjacent to LBA Park, commonly known as "LBA Woods". This project will pay for minor costs to make the undeveloped site safe for public use. This funding could be used for hazard tree evaluation, noxious weed inventory and removal, and minor improvements to trails.

Upgrades to Existing Athletic Fields:
 Athletic facilities serve a large number of field sport participants during spring, summer, and fall months of the year. The Department seeks ways to increase the capacity of existing fields without the cost of building new fields. This project will replace one or more dirt infields with synthetic turf. Synthetic turf requires less maintenance and virtually eliminates the need to prepare fields for games and tournaments.

Capital Costs:	2017	2018-2022	TOTAL
Athletic Field Complex Phase I	\$ -	\$ 900,000	\$ 900,000
Aquatic Center Feasibility Study	\$ -	\$ 100,000	\$ 100,000
LBA Woods Interim Improvements	\$ -	\$ 100,000	\$ 100,000
Morse-Merryman LBA Woods Site Stabilization Plan (SSP)	\$ 10,000	\$ -	\$ 10,000
Upgrade Existing Athletic Fields	\$ 630,000	\$ -	\$ 630,000
Ward Lake Park Phase I	\$ -	\$ 1,000,000	\$ 1,000,000
West Bay Park Restroom	\$ -	\$ 300,000	\$ 300,000
TOTAL	\$ 640,000	\$ 2,400,000	\$ 3,040,000

Funding Sources:	2017	2018-2022	TOTAL
Impact Fees	\$ 580,000	\$ 2,400,000	\$ 2,980,000
SEPA Mitigation Fees	\$ 60,000	\$ -	\$ 60,000
TOTAL	\$ 640,000	\$ 2,400,000	\$ 3,040,000

Annual Operations and Maintenance

Estimated Costs Neither project proposed in 2017 adds new facilities that would require operations and maintenance.

Estimated Revenues None

Anticipated Savings Due to Project None

Department Responsible for Operations Parks, Arts and Recreation

Quadrant Location South, West, Downtown



Parks, Arts and Recreation Projects

Capital Asset Management Program (CAMP)

Location Park Facilities Citywide

Description Sustaining a maintenance fund for parks is as important as building new facilities. It is critical that future maintenance requirements are identified and funded concurrently with new construction so that the community is assured uninterrupted access to its inventory of public recreation facilities.

CAMP incorporates a systematic inspection and criteria-based prioritization process for fixing park infrastructure. One-third of all park infrastructure is inspected annually by a City staff engineer and Park maintenance staff.

The Department is continuing to integrate park facilities into the Citywide Asset Management System and has continued to integrate condition data and project prioritization assessments developed for CAMP into the system.

With voter approval of the Olympia Metropolitan Park District and the Parks, Arts and Recreation Plan, funding for CAMP is targeted at \$750,000 per year. This stable and predictable funding source will provide the foundation to schedule and make repairs. Allocation at this funding level will help make repairs identified in the 2015 Asset Condition Evaluation. With new repair needs identified every year, the steady revenue source will improve the park Facility Condition Index (FCI) over time.

CAMP projects identified for 2017 are:

- Priest Point Park Sewer System Upgrade
- Roof Replacements at Priest Point Park Restrooms 2 and 3
- Ellis Cove Trail Design
- Friendly Grove Park Tennis Court Re-paint
- Priest Point Park Kitchen #2 Replacement
- Stevens Field Lights Replacement
- Olympia Center Alley Replacement

The park maintenance facility buildings at Priest Point Park were built from 1940 through 1980. They have now exceeded their design life and are undersized and outdated. In 2016, the City prepared a Feasibility Study for building a new maintenance center for the Public Works and Parks Departments. This study, along with an assessment of parks maintenance facilities at Priest Point Park completed in 2016, will define the direction forward to improving City maintenance facilities.

Justification (Need/Demand) CAMP is the maintenance backbone of Olympia’s park system. Funding maintenance isn’t glamorous, but it is essential to reassure the public that the City responsibly maintains public assets. CAMP is necessary to ensure that existing park facilities are rehabilitated and replaced as needed to maintain the park amenities citizens expect. This program supports sustainability by extending the life of our park facilities. Deferred maintenance can result in closed facilities or additional maintenance costs.

Capital Costs:	2017	2018-2022	Total
CAMP Major Maintenance Projects	\$ 750,000	\$ 3,750,000	\$ 4,500,000
Total	\$ 750,000	\$ 3,750,000	\$ 4,500,000
Funding Sources:	2017	2018-2022	Total
OMPD Funds	\$ 750,000	\$ 3,750,000	\$ 4,500,000
Total	\$ 750,000	\$ 3,750,000	\$ 4,500,000



Annual Operations and Maintenance	
Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Parks, Arts and Recreation Projects

Neighborhood Park Development

Location Neighborhood parks are located in all quadrants of the City

Description Neighborhood parks are an integral part of implementing the urban design strategy for Olympia’s neighborhoods. Neighborhood parks are a common gathering place for families and children, and are a high priority for expanding Olympia’s park system.

Justification (Need/Demand) In 2016, Neighborhood Park impact fee funds were appropriated to design and construct a sprayground in a neighborhood park. The addition of several sprayground features located throughout the City would relieve the public pressure being placed on the Heritage Fountain. In 2016, the City submitted a grant application to the Recreation and Conservation Office (RCO) to supplement funding for a sprayground at Woodruff Park. The City will learn in 2017 if a grant is forthcoming.

Grass Lake Nature Park Trailhead- In 2007, the City acquired 2.47 acres of land adjacent to Grass Lake Nature Park for a future neighborhood park. This park site is adjacent to the City’s larger holdings of open space at Grass Lake Nature Park. When fully developed, this park will provide the play facilities and amenities common to a neighborhood park. The 2017 CFP request is to fund Phase 1 of the Grass Lake Neighborhood Park that would include the parking lot, signage, trail and street frontage improvements. Funding for the trail work was set aside in prior years.

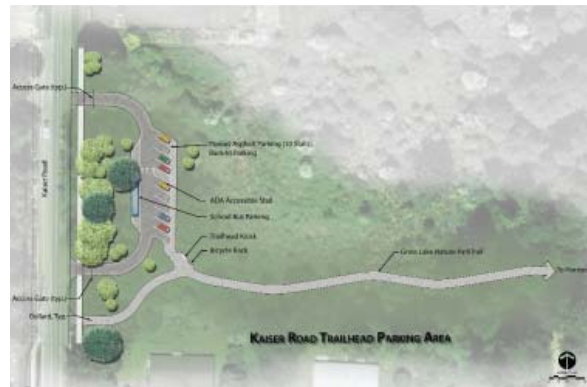
This upcoming phase will design and construct a 10-foot-wide, 5,960-foot-long, paved pedestrian pathway from the current Kaiser Road trailhead to Harrison Avenue. This 2017 CFP request, together with \$1.3 million previous CFP funding for Grass Lake Nature Park, will serve as match for a \$975,000 Recreation and Conservation Office (RCO) grant to fully fund this segment of the Capitol to Capitol multi-modal trail outlined in the Regional Trails Plan.

Capital Costs:	2017	2018-2022	Total
Grass Lake Nature Park Trailhead	\$ 357,260	\$ -	\$ 357,260
Sprayground #2	\$ -	\$ 525,000	\$ 525,000
Total	\$ 357,260	\$ 525,000	\$ 882,260

Funding Sources:	2017	2018-2022	Total
Impact Fees	\$ 325,400	\$ 513,210	\$ 838,610
SEPA Mitigation Fees	\$ 31,860	\$ 11,790	\$ 43,650
Total	\$ 357,260	\$ 525,000	\$ 882,260

Annual Operations and Maintenance

Estimated Costs	Grass Lake Trailhead is anticipated to cost approximately \$10,000 annually to maintain.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Parks, Arts and Recreation Projects

Open Space Acquisition and Development

Location	Open Space Parks are located in all quadrants of the City
Description	Open space is property acquired to protect the special natural character of Olympia’s landscape. The Open Space Network includes trail corridors, greenways, forests, streams, wetlands and other natural features. Facility development is limited to trails and trailhead facilities that include parking, restrooms, information kiosks and environmental education and interpretation facilities.
Justification (Need/Demand)	<p>In 2017, funding is requested for the following projects:</p> <p>Kaiser Woods Site Stabilization Plan and Demolition In 2016, the City purchased a 75-acre parcel located at 4300 Park Drive SW, commonly referred to as the “Kaiser Woods” parcel. This project will pay for minor costs to make the undeveloped site safe for public use, as well as demolish two existing structures. This funding could be used for hazard tree evaluation, noxious weed inventory and removal, and minor improvements to trails.</p> <p>West Bay Environmental Clean-up The City acquired West Bay Park in 2005. The City has been working under an Agreed Order with the Washington Department of Ecology to clean soil and sediments in West Bay Park since 2008. The City has a state grant for the project that requires local match dollars to continue clean-up work in the park.</p> <p>West Bay Park and Restoration Master Plan A master plan for West Bay Park was initiated in 2011. Work on the Plan was suspended when the City effort to update the Olympia Shoreline Master Program began to overshadow the park planning effort. In the meantime, the City, Port of Olympia, and Squaxin Island Tribe have been working on a shoreline restoration assessment for West Bay properties that includes West Bay Park. The goal now in preparing the West Bay Park and Restoration Master Plan is to align the ideas for restoration and recreation with the new Shoreline Master Program.</p>

Capital Costs:	2017	2018-2022	Total
Grass Lake Trail to Cooper Point	\$ -	\$ 600,000	\$ 600,000
Kaiser Woods Site Stabilization Plan (SSP) & Demolition	\$ 43,745	\$ -	\$ 43,745
Off-Road Bike Park	\$ -	\$ 200,000	\$ 200,000
Olympia Woodland Trail Phase 3 Design	\$ -	\$ 350,000	\$ 350,000
West Bay Environmental Clean-up	\$ 180,000	\$ -	\$ 180,000
West Bay Park Restoration Master Plan	\$ 240,500	\$ -	\$ 240,500
Total	\$ 464,245	\$ 1,150,000	\$ 1,614,245

Funding Sources:	2017	2018-2022	Total
Impact Fees	\$ 423,745	\$ 1,150,000	\$ 1,573,745
SEPA Mitigation Fees	\$ 40,500	\$ -	\$ 40,500
Total	\$ 464,245	\$ 1,150,000	\$ 1,614,245

Annual Operations and Maintenance	
Estimated Costs	None of the projects proposed in 2017 add new facilities that would require operations and maintenance.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Parks, Arts and Recreation Projects

Parks Bond Issue Debt Service

Location N/A

Description In 2011, the City of Olympia issued a Bond Anticipation Note (BAN) in the amount of \$2,500,000 to partially fund the \$14.5 million Percival Landing Phase 1 Reconstruction Project. In 2013, \$1,670,000 in bonds were issued to refinance the BAN. Final payment of the 2013 bonds will be in 2021.

In 2016 the City issued an additional BAN for land acquisition. The City will have interest only payments due on the BAN (\$35,000 approximately) twice a year. The City anticipates taking out the BAN in 2017/2018 depending on securing certain acquisitions.

Capital Costs:	2017	2018-2022	Total
2013 Bond Debt Service	\$ 240,600	\$ 962,400	\$ 1,203,000
2016 BAN	\$ 70,000	\$ 105,000	\$ 175,000
Total	\$ 310,600	\$ 1,067,400	\$ 1,378,000

Funding Sources:	2017	2018-2022	Total
Voted Utility Tax (VUT)	\$ 70,000	\$ 105,000	\$ 175,000
OMPD Funds	\$ 240,600	\$ 962,400	\$ 1,203,000
Total	\$ 310,600	\$ 1,067,400	\$ 1,378,000

Annual Operations and Maintenance

Estimated Costs None

Estimated Revenues None

Anticipated Savings Due to Project None

Department Responsible for Operations Parks, Arts and Recreation

Quadrant Location N/A

Parks, Arts and Recreation Projects

Park Land Acquisition

Location	Various locations Citywide
Description	<p>This program is designed to spend a minimum of \$10 million for park land acquisition in 2016/2017. In 2016, the City exercised its Option to Purchase two properties. The first is a 74-acre parcel located at 3355 Morse-Merryman Road SE, commonly referred to as half of the LBA Woods site. The second is a 75-acre parcel located at 4300 Park Drive SW, commonly referred to as the "Kaiser Woods" parcel. The acquisition of both parcels, officially added 149 acres to Olympia's park system. Late in 2016, the City secured an Option to Purchase the Bentrige Parcel, which is the final remaining piece of the LBA Woods. Should the City choose to exercise this option in 2017, it will require changes to the out years of this CFP.</p> <p>The Capital Investment Strategy included in the 2016 Parks, Arts and Recreation Plan, proposed selling bonds to be financed by the voted utility tax and a portion of non-voted utility tax. In 2016, City Council approved the sale of up to \$10 million in Bond Anticipation Notes (BAN) to pay for parcels mentioned above totaling \$5.3 million. The BAN also include funding to acquire additional land for neighborhood parks, community parks or open space. Any future park land acquisitions requires Council review and approval.</p> <p>It is anticipated the BAN will be taken out sometime in 2017/2018 with a Bond. This project also reflects 1/2% Non Voted Utility Tax each year plus the 2% Voted Utility Tax. The current plan is to sell \$10 million in debt in 2017 and again in 2021. This provides \$20 million for acquisition as well as some annual cash for smaller emergent opportunities.</p>
Justification (Need/Demand)	Additional park land is needed to meet the target outcome ratios established for parks. Once the debt has been sold and the land acquired, this project will be rolled into the Park Bond Issue Debt Service project.

Capital Costs:	2017	2018-2022	Total
Land Acquisition	\$ 2,430,000	\$ 12,395,000	\$ 14,825,000
Total	\$ 2,430,000	\$ 12,395,000	\$ 14,825,000

Funding Sources:	2017	2018-2022	Total
Voted Utility Tax (VUT)	\$ 1,930,000	\$ 9,895,000	\$ 10,088,000
Non Voted Utility Tax (NVUT)	\$ 500,000	\$ 2,500,000	\$ 3,000,000
Total	\$ 2,430,000	\$ 12,395,000	\$ 14,825,000

Annual Operations and Maintenance

Estimated Costs	Maintenance costs for the two large acquisitions is estimated at \$17,000 per site or \$34,000 total annually. These funds are necessary for hazard tree management, noxious weed compliance, transient encampment cleanup, and signage.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide



Parks, Arts and Recreation Projects

Percival Landing Major Maintenance and Reconstruction

Location Port Plaza southward along the shoreline of the West Bay of Budd Inlet to its southern terminus at the 4th Avenue Bridge

Description Since 2004, the City has been in the process of designing, engineering, and fundraising for the replacement of Olympia’s public waterfront facility on Percival Landing. In 2007, a concept plan was completed for the entire length of Percival Landing. The original Percival Landing was built in three sections, in part due to financial constraints. The same is true for the current project.

Phase I, which started construction in July 2010, cost \$14.5 million for design, construction, contingencies, project management, and permitting. Dedicated in August 2011, this phase extends from Water Street to Thurston Avenue and sets the design template for the replacement of the entire landing.

The 2011 CFP included \$350,000 to replace the Percival Landing playground and to continue site clean-up under a voluntary clean-up program agreement with the Department of Ecology.

In 2015 a new vessel pump-out float and pump out facility was installed, and electrical and water hook-ups provided on “E” Dock.

Justification (Need/Demand) Percival Landing is one of the most popular destinations in the region, drawing a wide range of visitors to the waterfront and downtown. Percival Landing was constructed in three phases in the 1970s and 1980s and the remaining original phases are exhibiting the effects of years of exposure to the harsh marine environment.

In 2004, 2009, and 2014 marine structural engineering consultants prepared thorough condition assessments of the facility. The 2017-2022 CFP requests \$48,000 in funding to continue the assessments throughout this CFP period. These studies monitor the deteriorating condition of the boardwalk and ensure it is safe and accessible to the public. The approach to managing the situation is to perform annual inspections and repairs and to explore funding opportunities for future replacement.

The 2014 Percival Landing Condition Assessment Report provided four classifications of repairs that are required to maintain the boardwalk. The four classifications and their associated costs are:

- Immediate repairs (\$350,000)
- New sheet pile bulkhead replacement (\$3M)
- Three to five year repairs (\$700,000)
- “D” and “E” float replacement (\$4M)

The City Council allocated \$350,000 in 2014 year-end funds to address the immediate repairs identified in the 2014 Percival Landing condition Assessment Report. Those repairs were completed in 2016. The new bulkhead and “D” and “E” float replacements are big projects. The City is pursuing grants and other funding sources to augment City funding for these projects. The OMPD will fund a maintenance reserve account to set aside funding annually over this CFP period to pay for the anticipated three-to five-year repairs.

The 2015 Parks, Arts and Recreation Plan Survey indicated that respondents placed a high priority on conducting maintenance on existing facilities and upon completing Percival Landing. In 2016 the City appropriated \$199,000 and will receive a direct Legislative appropriation of \$921,500 to fund a portion of the Percival Landing (4th and Water St.) bulkhead project. In 2016, the City initiated the design and permitting program for the bulkhead project while continuing to develop a funding package for the project.

Capital Costs:	2017	2018-2022	Total	Annual Operations and Maintenance	
Annual Inspection	\$ 8,000	\$ 40,000	\$ 48,000	Estimated Costs	N/A
Bulkhead Replacement	\$ 500,000	\$ -	\$ 500,000	Estimated Revenues	None
Maintenance Reserve	\$ 150,000	\$ 745,000	\$ 895,000	Anticipated Savings Due to Project	None
Total	\$ 658,000	\$ 785,000	\$ 1,443,000	Department Responsible for Operations	Parks, Arts and Recreation
Funding Sources:	2017	2018-2022	Total	Quadrant Location	Downtown
OMPD Funds	\$ 658,000	\$ 785,000	\$ 1,443,000		
Total	\$ 658,000	\$ 785,000	\$ 1,443,000		

Parks, Arts and Recreation Projects

Small Capital Projects

Location	Various Parks Citywide.
Links to Other Projects or Facilities	N/A
Description	The Small Capital Projects Program enables the Department to construct several citizen-requested, small capital park improvement projects annually. The typical funding request for the program is \$25,000 annually, funded by Park Impact fees and SEPA mitigation funds.
Justification (Need/Demand)	<p>Throughout the year, the Parks, Arts and Recreation Department receives citizen requests for minor park enhancements. By adding a small piece of play equipment, a basketball ½ court or other small improvements, the department can respond to operational needs and community requests and increase the use and enjoyment of parks. This year, \$27,000 is being requested.</p> <p>2017 CFP Small Capital Projects Funding will fund:</p> <ul style="list-style-type: none"> • Olympia Woodland Trail Dog Run Concept Plan • Minor Improvements to Yauger Park
Level of Service Standard	N/A
Comprehensive Plan and Functional Plan(s) Citations	<p>This CFP reflects the goals and policies of the 2016 Parks, Arts and Recreation Plan and the Olympia Comprehensive Plan.</p> <p>Policies: PR 1.3, PR 2.1, PR 2.2, PN 2.1, PR 1.3, PR 4.4</p>

Capital Costs:	2017	2018-2022	Total
Small Capital Projects in Existing Parks	\$ 27,000	\$ 125,000	\$ 152,000
Total	\$ 27,000	\$ 125,000	\$ 152,000

Funding Sources:	2017	2018-2022	Total
Impact Fees	\$ 12,000	\$ 75,000	\$ 87,000
SEPA Fees	\$ 15,000	\$ 50,000	\$ 65,000
Total	\$ 27,000	\$ 125,000	\$ 152,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Parks, Arts and Recreation
Quadrant Location	Citywide

Transportation Projects

Access and Safety Improvements

Location Various locations Citywide

Description The purpose of this program is to improve access and safety for all users of the transportation system:

- Hazard Elimination and Safety projects improve safety on high accident street sections or intersections. Projects may include new guardrails, railroad crossings, and intersection improvements.
- Pedestrian Crossing Improvements help pedestrians cross major streets. Improvements may include bulb-outs, crossing islands, and/or flashing crosswalk beacons.
- Street Access projects remove barriers on walkways for persons with disabilities. Projects may include ADA access ramps or audible pedestrian signals.

Project List Hazard Elimination and Safety projects:

1. Wiggins Road roadway and storm drain pre-design; \$100,000. This project will include safety, shoulder and stormwater modification and will be done jointly with Stormwater planning.
2. Legion Way and Adams Street traffic signal; \$1,091,800
3. Jefferson Street and 8th Avenue traffic signal; \$1,223,000
4. Harrison Avenue and Division Street right turn lane; \$1,312,600. This project is also likely needed for capacity reasons and will be recommended for future impact fee funding.

In the past, grant funds have been used to accomplish Hazard Elimination and Safety projects.

Pedestrian Crossing Improvements:

1. Martin Way and Pattison Street
2. Martin Way and Chambers Street
3. East Bay Drive and Olympia Avenue

Street Access projects: (a long-term list is maintained by staff)

1. Audible pedestrian signals at Pacific and Pattison, and Plum at 8th and Legion
2. Access ramps are planned on State and Franklin and on Central and Thurston

Justification (Need/Demand) Hazard Elimination and Safety projects are identified through an annual collision analysis. Trends are evaluated and high accident locations are identified in this analysis. Traffic signal installation is based upon signal warrants, criteria established by the Federal Highways Administration that define when a signal is needed.

Pedestrian crossing improvements are based upon requests from the public. Requests are evaluated and prioritized based upon a methodology that considers traffic volumes, number of lanes for the pedestrian crossing, speed of traffic, and any collision history.

Street Access projects are identified each year with feedback from citizens. The City is currently doing a system-wide inventory of access ramps.

Capital Costs:	2017	2018-2022	Total
Hazard Elimination and Safety	\$ 100,000	\$ -	\$ 100,000
Pedestrian Crossing Improvements	\$ 50,000	\$ 200,000	\$ 250,000
Street Access	\$ 50,000	\$ 200,000	\$ 250,000
Total	\$ 200,000	\$ 400,000	\$ 600,000

Funding Sources:	2017	2018-2022	Total
CIP Fund	\$ 200,000	\$ 400,000	\$ 600,000
Total	\$ 200,000	\$ 400,000	\$ 600,000

Annual Operations and Maintenance	
Estimated Costs	These costs are included in the existing Public Works Transportation operating budgets. Until asset management programs are in place, specific costs are not available.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Transportation Projects

Bike Improvements

Location	Various locations Citywide
Description	<p>The purpose of this program is to complete elements of the bicycle network:</p> <ul style="list-style-type: none"> • Bike Corridors—Low-volume, low-stress streets improved for bicycle travel. • Other Improvements—Gaps and spot improvements in the bike lane network. <p>Generally, completely new bike lanes are added in the Street Repair and Reconstruction Program as part of Complete Street Reconstruction work.</p>
Project List	<p>The Bicycle and Pedestrian Advisory Committee has developed a preliminary list of streets for possible bike corridor development. Once the program is fully planned, projects will be listed here.</p> <p>Gaps and spot improvements in the bike lane network will be identified annually.</p> <ol style="list-style-type: none"> 1. Cooper Point Road bike lane extension to Caton Way
Justification (Need/Demand)	A bike lane network on major streets provides bicyclists direct access to destinations. Bike Corridors are a network of low-stress streets that serve all ages and abilities.
Measurable Outcome	We are monitoring the percentage of arterials and major collectors that are “complete streets” serving all modes of transportation. Currently 59% of these streets have bike lanes.

Capital Costs:	2017	2018-2022	Total
Bike Corridors	\$ 151,530	\$ 250,000	\$ 401,530
Other Improvements	\$ 50,000	\$ 250,000	\$ 300,000
TOTAL	\$ 201,530	\$ 500,000	\$ 701,530

Funding Sources:	2017	2018-2022	Total
CIP Fund	\$ 201,530	\$ 500,000	\$ 701,530
TOTAL	\$ 201,530	\$ 500,000	\$ 701,530

Annual Operations and Maintenance

Estimated Costs	Bike facility maintenance is incorporated in annual street sweeping program costs. Until asset management programs are in place, specific costs for bike facility signs and markings are not available.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Transportation Projects

Sidewalks and Pathways

Location	Various locations Citywide
Description	<p>The purpose of this program is to:</p> <ul style="list-style-type: none"> • Maintain and repair sidewalks and pathways. • Construct pathways for pedestrians and bicyclists. Pathways are non-motorized short-cuts that link streets to parks, schools, trails, and other streets. Pathways for improvement will be identified by neighborhoods. • Construct new sidewalks based upon the 2004 Sidewalk Program. The program focuses on building sidewalks on at least one side of arterials, major collectors, and neighborhood collectors.

Project List	<p>Sidewalk and pathway repair and maintenance will be identified annually.</p> <p>Pathways are determined on an annual basis based upon neighborhood proposals. Applications are received each year and projects constructed the following year. For this reason, no projects are listed.</p> <p>These sidewalk projects are derived from the prioritized 2004 Sidewalk Program and will be constructed with voted utility tax revenues. This is a long-term list beyond the six-year time frame of this CFP.</p>
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1. Eastside Street/22nd Avenue from Fir Street to I-5; \$4,042,000
2. Fern Street from 9th Avenue to 14th Avenue; \$500,000
3. Kaiser Road from Harrison Avenue to 6th Avenue
4. Fir Street from Bigelow Avenue to Pine Avenue
5. Pine Avenue from Fir Street to Edison Street
6. Cooper Point Road from Conger Avenue to Elliott Avenue
7. Elliott Avenue from Cooper Crest Street to Cooper Point Road
8. 14th Avenue/Walnut Road from Division Street to Kaiser Road
9. Division Street from Walnut Road to Elliott Avenue
10. Elliott Avenue from Division Street to Crestline Boulevard
11. Morse-Merryman Road from Hoffman Road to Wiggins Road
12. Boulevard Road from Log Cabin Road to 41st Avenue
13. Decatur Street from 13th Avenue to Caton Way
14. Boulevard Road from 15th Avenue to 22nd Avenue
15. 18th Avenue from Boulevard Road to Wilson Street
16. Wilson Street from 22nd Avenue to 18th Avenue
17. Mottman Road from Mottman Court to SPSCC
18. McPhee Road from Harrison Avenue to Capitol Mall Drive
19. Lilly Road from Woodard Green Drive to 26th Avenue
20. Marion Street from Ethridge Avenue to Miller Avenue
21. Wiggins Road from Morse-Merryman Road to Herman Road
22. Herman Road from Wiggins Road to the Chehalis Western Trail
23. 26th Avenue from Bethel Street to Gull Harbor Road construction

These sidewalk projects are also derived from the 2004 Sidewalk Program but are not intended to be funded with voted utility tax revenues. City funds and grants are needed for these projects:

1. Phoenix Street from South Bay Road to Martin Way and State Avenue from Wilson Street to Phoenix Street (\$1,573,100)
2. 4th Avenue from Pacific Avenue to Phoenix Street
3. Martin Way from Pattison Street to Lilly Road

Transportation Projects

Sidewalks and Pathways (continued)

Justification (Need/Demand) The need for sidewalk and pathway repair and maintenance continues to grow. Pathways provide bicyclists and pedestrians more safe and direct off-street routes within neighborhoods. By completing sidewalks on major streets, people are safer and more comfortable walking for transportation and recreation.

Measurable Outcome We are monitoring the percentage of arterials and major collectors that are “complete streets” serving all modes of transportation. Currently 76% of these streets have sidewalks on at least one side. Our target is 100%.

Capital Costs:	2017	2018-2022	Total
Maintenance	\$ 20,000	\$ -	\$ 20,000
Pathways	\$ 175,000	\$ 875,000	\$ 1,050,000
Sidewalks	\$ 966,500	\$ 4,932,500	\$ 5,899,000
TOTAL	\$ 1,161,500	\$ 5,807,500	\$ 6,969,000



Funding Sources:	2017	2018-2022	Total
Stormwater Utility Rates (asphalt overlay)	\$ 186,500	\$ 932,500	\$ 1,119,000
Voted Utility Tax - Sidewalks	\$ 950,000	\$ 4,750,000	\$ 5,700,000
Voted Utility Tax - Parks	\$ 25,000	\$ 125,000	\$ 150,000
TOTAL	\$ 1,161,500	\$ 5,807,500	\$ 6,969,000

In September 2004, voters approved a 3% increase to the private utility tax to pay for parks and recreational facilities. Of this increase, 1% is for sidewalks and recreational walking facilities.

Annual Operations and Maintenance

Estimated Costs	\$25,000 to \$50,000 per year for sidewalk repair. No specific funding to maintain Neighborhood Pathways has been identified.
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Transportation Projects

Street Repair and Reconstruction

Location Various locations Citywide

Description This program addresses:

- Complete Street Reconstruction projects address streets with pavement in the worst condition. These reconstruction projects add bicycle and pedestrian facilities at the time the street is reconstructed.
- Maintenance projects that are beyond the capacity of City maintenance crews. Examples include repairing and replacing striping, guardrails, railing, signals, and lighting.
- Major Resurfacing projects are repaving projects that may include other elements such as ADA access ramps, bulb-outs for pedestrians at intersections, streetscapes and bike facilities.
- Street Preservation is an on-going effort to preserve the condition of our streets and delay major reconstruction. Examples include chip sealing streets and sealing cracks.

Project List Complete Street Reconstruction project timing is based upon the pavement condition rating. Because these projects have a larger scope than just resurfacing, they will require grant funds and/or other funding sources to be completed.

- Mottman Road from Mottman Court to West of SPSCC—includes an asphalt overlay, bike lanes and sidewalk, planter strip and street lighting on one side. \$ 5,714,500 (Legislative Transportation Funding anticipated 2023-2027.)

Maintenance projects include:

- Maintenance projects will be identified annually
- 4th Avenue Bridge Railing Repair; \$420,000

Major Resurfacing projects in this six-year period are focused on downtown streets:

1. Franklin Street from Legion Way to State Avenue
2. Legion Way from Water Street to Franklin Street
3. Capitol Way from Legion Way to State Avenue
4. Washington Street from Legion Way to Olympia Avenue
5. Jefferson Street from 7th Avenue to State Avenue

The scope and priority of these projects are being informed through the Downtown Strategy.

Street Preservation work is identified annually based upon pavement condition ratings and are not shown here.

Justification (Need/Demand) The City uses a pavement condition rating system to evaluate the condition of our street surfaces. Depending upon the level of deterioration, a project may require minor preservation work such as chip sealing, a simple resurfacing, or full reconstruction. A major emphasis in this program is to preserve the condition of a street before it deteriorates to a point that more costly full reconstruction is needed.

Currently our backlog of deferred maintenance is approximately \$48,000,000. Addressing this backlog would bring the streets in our system that are in poor condition up to fair and good condition.

The 4th Avenue Bridge railing is cracking and spalling. At this time, the repair is aesthetic, not structural.

Capital Costs:				2017		2018-2022		Total		Annual Operations and Maintenance	
Maintenance	\$	100,000	\$	500,000	\$	600,000			Estimated Costs	N/A - This project helps minimize the need for additional maintenance funds.	
Major Resurfacing	\$	2,072,000	\$	6,735,000	\$	8,807,000			Estimated Revenues	N/A	
Street Preservation	\$	1,428,000	\$	7,140,000	\$	8,568,000			Anticipated Savings Due to Project	N/A	
TOTAL	\$	3,600,000	\$	14,375,000	\$	17,975,000			Department Responsible for Operations	Public Works	
Funding Sources:				2017		2018-2022		TOTAL		Quadrant Location	Citywide
CIP Fund	\$	1,690,000	\$	5,500,000	\$	7,190,000					
Gas Tax	\$	275,000	\$	1,375,000	\$	1,650,000					
Transportation Benefit District (TBD)	\$	1,635,000	\$	7,500,000	\$	9,135,000					
TOTAL	\$	3,600,000	\$	14,375,000	\$	17,975,000					

TBD Funding: In 2008, the City Council adopted an ordinance creating the TBD that added \$20 to Olympia residents' annual vehicle license fees. The TBD annual fee will increase to \$40 with renewals effective January 1, 2017. It is assumed the TBD pays \$1,500,000/year for paving.

Transportation Projects Funded by Impact Fees

2010 Transportation Stimulus Project Repayment

Location In May 2009, the Council agreed to fund a stimulus package for Harrison Avenue, Harrison Avenue - 500' Extension, Boulevard/Log Cabin roundabout, and 18th Avenue from Hoffman Road to Fones Road.
Bond funds were also used to pay for a portion of the City's Yelm Highway project.

Description Repayment of bonds used to complete capacity-related street projects.
Payment Remaining:

YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ 260,000	\$ 176,012.50	\$ 436,012.50
2018	\$ 270,000	\$ 135,612.50	\$ 435,612.50
2019	\$ 280,000	\$ 154,812.50	\$ 434,812.50
2020	\$ 295,000	\$ 143,612.50	\$ 438,612.50
2021	\$ 305,000	\$ 131,812.50	\$ 436,812.50
2022	\$ 315,000	\$ 119,612.50	\$ 434,612.50
2023-2029	\$ 2,600,000	\$ 450,962.50	\$ 3,050,962.50

Project List Harrison Avenue, Phase II & III, from College Station frontage improvements to Yauger Way (W:C2)*
18th Avenue from Hoffman Road to Fones Road (S:D7)*
Boulevard and Log Cabin roundabout (S:E6)*
Yelm Highway from Henderson Boulevard to East City Limits (S:F6)*
*(Quadrant: Map Coordinate)

Justification (Need/Demand) In 2010, the City issued councilmanic debt for approximately \$6 million for the completion of major street capacity projects identified through the City's Concurrency Review. The projects were completed in 2010 at a cost of \$18,861,000. The bonds are 20 year bonds.

Funding Sources for Debt Repayment	2017	2018-2022	Total
Impact Fees	\$ 436,012.50	\$ 2,180,462.50	\$ 2,616,475.00
Total	\$ 436,012.50	\$2,180,462.50	\$2,616,475.00

Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Southeast, West



Transportation Projects Funded by Impact Fees

Boulevard Road Intersection Improvements (Program #0628)

Location Intersection of Boulevard Road and Morse-Merryman Road

Description Intersection capacity improvements at the intersection listed above will include a roundabout. Design includes features to assist bicyclists and pedestrians. Stormwater improvements are also part of the project, but are not listed separately. Transportation components include bicycle facilities, pedestrian crossings, raised pavement markings, roadside planting, a roundabout, sidewalks, signs, striping, streetlights, and overhead utility undergrounding.



Project List Boulevard Road and Morse-Merryman Road is dependent on receiving grant funding and/or other sources of funding for construction.

PROJECT	COST
Boulevard Road and Morse Merryman Road. Construction of the full intersection.	\$ 6,001,400*

*Projected construction year of 2017.

Justification (Need/Demand) The Boulevard Road Corridor Study identifies roundabouts at these intersections as the preferred alternative to address traffic congestion and to further enhance safety. Installation of roundabouts improves bicycle, pedestrian and motorist safety and flow, particularly during periods of peak traffic. In addition, they provide increased pedestrian safety by allowing safer access to schools, parks, businesses and other destinations.

Capital Costs:	2017	2018-2022	Total
Construction	\$ 3,380,780	\$ -	\$ 3,380,780
Design & Engineering	\$ -	\$ -	\$ -
Total	\$ 3,380,780	\$ -	\$ 3,380,780

Funding Sources:	2017	2018-2022	Total
Grant	\$ -	\$ -	\$ -
Impact Fees	\$ 3,380,780	\$ -	\$ 3,380,780
Total	\$ 3,380,780	\$ -	\$ 3,380,780

Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$7,670 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

Cain Road and North Street Intersection Improvements

Location Intersection of North Street and Cain Road

Description Installation of a compact roundabout and sidewalk modifications in intersection.



Justification (Need/Demand) Installation of compact roundabout improves motor vehicle safety and flow, particularly during periods of peak traffic. An annual review process prioritizes non-signalized intersections.

Capital Costs:	2017	2018-2022	Total
Construction	\$ -	\$ 265,988	\$ 265,988
Design & Engineering	\$ -	\$ 114,000	\$ 114,000
Total	\$ -	\$ 379,988	\$ 379,988

Funding Sources:	2017	2018-2022	Total
Grant	\$ -	\$ 172,695	\$ 172,695
Impact Fees	\$ -	\$ 207,293	\$ 207,293
Total	\$ -	\$ 379,988	\$ 379,988



Annual Operations and Maintenance

Estimated Costs	\$15,000 per lane mile or \$2,550 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

Fones Road—Transportation (Program #0623)

Location Fones Road from Pacific Avenue on the north to 17th Avenue SE on the south.

Description Improvements to this corridor are preliminarily defined as installation of a roundabout at the intersection of Fones Road and South Home Depot driveway. Widen Fones Road to five lanes from Pacific Avenue to the south property line of the Home Depot retail store, with a transitional four lanes to the Bellweather apartment complex driveway that intersects Fones Road. From the Bellweather driveway, the roadway will transition to three lanes to 17th Avenue SE.

In 2017, prior to any design work, a review of the project scope will be done to balance bicycle and pedestrian improvements with vehicle-capacity improvements. Also, a value engineering evaluation will be done to examine the function and cost of the planned improvements.

This is a high priority transportation system project needed to serve increased vehicular, pedestrian, bicycle, and transit traffic in the area. Stormwater improvements are included but are not listed in the project components. Project components include streetlights, paving, roadside planting, sidewalks, signs, striping, pedestrian crossings, bicycle facilities, a roundabout, and overhead utility undergrounding.

Justification (Need/Demand) Fones Road needs to be widened due to new development occurring in Southeast Olympia and projections for continued residential and commercial development. Without this proposed widening, Fones Road is expected to fall below the City's acceptable LOS within the next six years.



Capital Costs:	2017	2018-2022	Total
Construction	\$ -	\$ 7,873,468	\$ 7,873,468
Design & Engineering	\$ 250,000	\$ 1,324,114	\$ 1,574,114
Land & Right-of-Way	\$ -	\$ 4,847,900	\$ 4,847,900
Total	\$ 250,000	\$ 14,045,482	\$ 14,295,482

Funding Sources:	2017	2018-2022	Total
Grant	\$ -	\$ 6,496,943	\$ 6,496,943
Impact Fees	\$ 250,000	\$ 7,548,539	\$ 7,798,539
Total	\$ 250,000	\$ 14,045,482	\$ 14,295,482

Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$12,000 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

Henderson Boulevard and Eskridge Boulevard Intersection Improvements

Location	Intersection of Henderson Boulevard and Eskridge Boulevard
Description	Install a traffic signal within existing intersection configuration.
Justification (Need/Demand)	<p>A traffic signal provides better traffic flow during peak periods, reduces the frequency of accidents, and improves the LOS during off peak hours. In the latest annual concurrency review, traffic levels at this intersection will exceed the current LOS standard within the next six years. This improvement will bring the intersection back within the established LOS.</p> <p>If and when widening is needed at this intersection, a roundabout would be considered. Roundabout construction would include sidewalk, street lighting, bike lanes and landscaping within project limits.</p>



Capital Costs:	2017	2018-2022	Total
Construction	\$ -	\$ 524,361	\$ 524,361
Total	\$ -	\$ 524,361	\$ 524,361

Funding Sources:	2017	2018-2022	Total
Grant	\$ -	\$ 238,309	\$ 238,309
Impact Fees	\$ -	\$ 286,052	\$ 286,052
Total	\$ -	\$ 524,361	\$ 524,361



Annual Operations and Maintenance

Estimated Costs	\$20,630 per lane mile or \$4,750 annually
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

Log Cabin Road Extension (Program # 0616)

Location	From Boulevard Road to Wiggins Road.
Description	This project will eventually extend the roadway and create a connection between Boulevard Road and Wiggins Road. The proposed extension of Log Cabin Road crosses through City Parks property. For this reason, the street cross-section has been reduced to two lanes.
Justification (Need/Demand)	Southeast Olympia is one of Olympia’s fastest developing areas. The project is needed for regional mobility.

Capital Costs:	2017	2018-2022	Total
Design & Engineering	\$ -	\$ 500,000	\$ 500,000
Land & Right-of-Way	\$ 273,000	\$ -	\$ 273,000
Total	\$ 273,000	\$ 500,000	\$ 773,000

Funding Sources:	2017	2018-2022	Total
Grant	\$ -	\$ 227,238	\$ 227,238
Impact Fees	\$ 273,000	\$ 272,762	\$ 545,762
Total	\$ 273,000	\$ 500,000	\$ 773,000

Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$76,200
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

Transportation Master Plan

Location	Citywide
Description	The Transportation Master Plan will update and consolidate prioritized project lists for pedestrian, bicycle, transit and motor vehicle improvements. The plan will describe the long-term development of our transportation system for all modes. The plan will be used, in part, for the development and implementation of a multimodal concurrency program. The total cost of developing this plan will be \$300,000. Because projects in this plan will be funded by Transportation Impact Fees, \$200,000 in impact fees will be used to fund the development of this plan. Capital Improvement Program funds of \$100,000 will also be used; these will come from an existing appropriation in the Street Repair and Reconstruction Program.
Justification (Need/Demand)	A Transportation Master Plan describes in more detail the future transportation system we envision in the Comprehensive Plan. It defines long-term priorities which will be used to inform the CFP, as well as future concurrency programs.

Capital Costs:	2017	2018-2022	Total
Design & Engineering	\$ 200,000	\$ -	\$ 200,000
Total	\$ 200,000	\$ -	\$ 200,000

Funding Sources:	2017	2018-2022	Total
Impact Fees	\$ 200,000	\$ -	\$ 200,000
Total	\$ 200,000	\$ -	\$ 200,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Transportation Projects Funded by Impact Fees

Wiggins Road and 37th Avenue Intersection Improvements

Location	Intersection of Wiggins Road and 37th Avenue
Description	Install a traffic signal within existing intersection configuration.
Justification (Need/Demand)	<p>A traffic signal provides better traffic flow during peak periods, reduces the frequency of accidents, and improves the LOS during off peak hours. In the latest annual concurrency review, traffic levels at this intersection will exceed the current LOS standard within the next six years. This improvement will bring the intersection back within the established LOS.</p> <p>If and when widening is needed at this intersection, a roundabout would be considered. Roundabout construction would include sidewalk, street lighting, bike lanes and landscaping within project limits.</p>



Capital Costs:	2017	2018-2022	Total
Construction	\$ -	\$ 405,667	\$ 405,667
Total	\$ -	\$ 405,667	\$ 405,667

Funding Sources:	2017	2018-2022	Total
Grant	\$ -	\$ 184,366	\$ 184,366
Impact Fees	\$ -	\$ 221,301	\$ 221,301
Total	\$ -	\$ 405,667	\$ 405,667

Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$2,550
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South



Transportation Projects Funded by Impact Fees

US 101 / West Olympia Access Project

Location	US 101 at Kaiser Road and the extension of Yauger Way from the Black Lake Boulevard and US 101 Interchange.
Description	The initial funding for this project will complete the design, environmental permit and mitigation work, and Right-of-way. The project will construct a new westbound off-ramp from US 101 to Kaiser Road and an eastbound on-ramp from Kaiser Road to US 101. The project will also construct a new westbound off-ramp from US 101 to Yauger Way via an at-grade connection through the existing interchange at US 101 and Black Lake Boulevard. Auxiliary lanes (one eastbound and one westbound) on US 101 will be constructed between Black Lake Boulevard and the new Kaiser Road ramps to facilitate weaving and merge/diverge movements safely.
Justification (Need/Demand)	<p>The intersection of Black Lake Boulevard and Cooper Point Road as well as the Black Lake Boulevard and US 101 Interchange are showing the strain of sustained residential and economic growth. Traffic delays during the p.m. peak period are approaching unacceptable levels and mobility for other travel modes in the area is strained. There is a need for improved access to US 101 to support planned community growth and maintain emergency access, while providing safe and acceptable levels of service on both the Local and State transportation system.</p> <p>Additional information on the project can be found at http://olympiawa.gov/city-services/transportation-services/plans-studies-and-data/west-olympia-access-study.aspx</p>

Capital Costs:	2017	2018-2022	Total
Design & Engineering	\$ -	\$ 3,989,675	\$ 3,989,675
Right-of-Way	\$ -	\$ 2,130,000	\$ 2,130,000
Total	\$ -	\$ 6,119,675	\$ 6,119,675

Funding Sources:	2017	2018-2022	Total
Grant	\$ -	\$ 2,781,241	\$ 2,781,241
Impact Fees	\$ -	\$ 3,338,434	\$ 3,338,434
Total	\$ -	\$ 6,119,675	\$ 6,119,675

Annual Operations and Maintenance	
Estimated Costs	\$15,000 per lane mile or \$4,300
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	West



General Capital Facilities Projects

Building Repair and Replacement (Program #029)

Location	City Hall	Mark Noble Regional Fire Training Center	Olympia Police – Westside Station
	Court Services	Olympia Fire – Command Training Center	Police Firing Range
	Family Support Center	Olympia Fire – Main	The Olympia Center
	Hands on Children’s Museum	Olympia Fire – 2	Olympia Timberland Library
	Lee Creighton Justice Center	Olympia Fire – 3	Washington Center
	Maintenance Center	Olympia Fire – 4	

Description This program covers major maintenance to building interior and exterior, as well as equipment replacement at the 17 locations listed above. In 2015, the annual debt service for the Washington Center Exterior Repair will be \$235,000 which comes from this programs funding.

Justification (Need/Demand) Public Works conducted a building assessment of the City’s buildings to understand the state of the major systems and equipment, identify repair and replacement needs, prioritize identified needs, and develop planning level cost estimates.

An updated building condition assessment, addressing all 17 buildings, was completed in 2013. This updated evaluation provides information on the current state of major systems and equipment and their associated cost.

Projects supported by this fund must be \$50,000 or more and the repair/replacement must have a life expectancy of five or more years. General repairs and maintenance are not made from this fund, but instead from the City’s operating budget.

Over the next six years, the City’s facility repair/replacement costs are estimated to exceed \$1.6 Million per year. The City does maintain a reserve fund, but it has never been adequately funded. It remains a priority for the City.

Capital Costs:	2017	2018-2022	Total
Major Maintenance	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
Total	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000

Funding Sources:	2017	2018-2022	Total
CIP	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000
Total	\$ 1,330,000	\$ 7,000,000	\$ 8,330,000

Annual Operations and Maintenance	
Estimated Costs	Not yet determined
Estimated Revenues	None
Anticipated Savings Due to Project	Not yet determined
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



General Capital Facilities Projects

ADA Transition Plan and Projects

Location	Various City-owned buildings and facilities
Description	Transition or modification of existing buildings/facilities to ensure accessibility.
Justification (Need/Demand)	Compliance with American with Disabilities Act (ADA) provides accessibility to City buildings and facilities.

Capital Costs:	2017	2018-2022	Total
ADA Transition	\$ 180,000	\$ 500,000	\$ 680,000
Total	\$ 180,000	\$ 500,000	\$ 680,000

Funding Sources:	2017	2018-2022	Total
CIP	\$ 180,000	\$ 500,000	\$ 680,000
Total	\$ 180,000	\$ 500,000	\$ 680,000

Annual Operations and Maintenance

Estimated Costs	There are no additional costs associated with increasing accessibility.
Estimated Revenues	N/A
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works and Parks
Quadrant Location	Citywide

Drinking Water Projects

Asphalt Overlay Adjustments—Water (Program #9021)

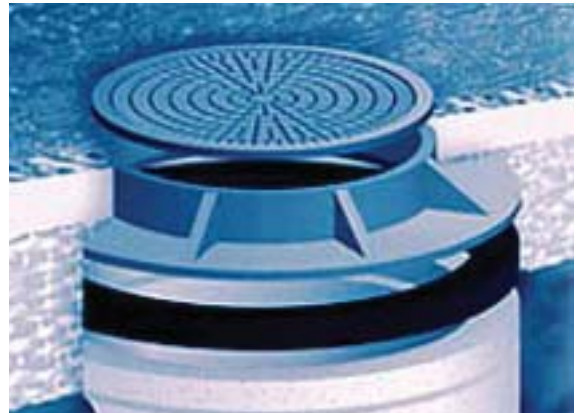
Location	Various locations Citywide
Description	Make necessary adjustments to raise water system components to street level in conjunction with the annual asphalt overlay/street reconstruction process. This is a pass-through amount that is used by the Transportation Street Repair and Reconstruction Project for water facilities.
Justification (Need/Demand)	Asphalt overlay and street reconstruction projects require the adjustment of water system structures and equipment (e.g., castings, manholes, inlets, and covers) during construction as part of the paving process.

Capital Costs:	2017	2018-2022	Total
Construction	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Annual Operations and Maintenance

Estimated Costs	None (Work conducted by transportation crew.)
Estimated Revenues	None
Anticipated Savings Due to Project	Decreases likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Drinking Water Projects

Groundwater Protection (Program #9701)

Location	Various locations Citywide see Project List.
Description	This program is targeted towards the purchase of land and other activities that will monitor and protect the groundwater that Olympia relies on for its drinking water supply.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017-2018	Groundwater Monitoring Wells–This project will drill 12 additional groundwater monitoring wells within the capture zones to provide advance warning of any water quality issues that could impact the City’s drinking water sources.	\$ 428,000
	2017-2018	Wellhead Protection Program–This is an annual program (\$215,000) to refine the capture zones for the City’s wells (areas around the wells that capture stormwater which contribute to the aquifers).	\$ 429,000
	2018-2022	Groundwater Protection (Easements, Appraisals, etc.)–This project is needed for installation of groundwater monitoring wells. Depending on the location of the wells, the City may have to obtain easements on property outside of the right-of-way and pay for those easements. The appraisals will determine the cost of the easements.	\$ 49,000

Justification (Need/Demand) The acquisition of land within the City’s designated groundwater protection areas represents the ultimate groundwater protection strategy. By owning land or easements, the City can control land uses and associated activities on land near its water sources and help prevent contamination of critical groundwater resources.

Capital Costs:	2017	2018-2022	Total
Construction	\$ 171,200	\$ 171,200	\$ 342,400
Design & Engineering	\$ 310,800	\$ 203,800	\$ 514,600
Land & Right of Way	\$ -	\$ 49,000	\$ 49,000
Total	\$ 482,000	\$ 424,000	\$ 906,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 482,000	\$ 424,000	\$ 906,000
Total	\$ 482,000	\$ 424,000	\$ 906,000



Annual Operations and Maintenance

Estimated Costs	Minimal
Estimated Revenues	None
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South, West



Drinking Water Projects

Infrastructure Pre-Design and Planning—Water (Program #9903)

Location	City water service area
Description	Perform pre-design evaluation and analysis of water project alternatives in order to recommend projects identified in the Water System Plan and support other City project planning requirements that occur outside of the annual CFP process.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017-2022	Pre-Design and Planning	\$ 132,000

Justification (Need/Demand) The City's Water System Plan and six-year Capital Facilities Plan identify projects from a planning level perspective based on detected deficiencies in a specific portion of the system. They also include planning level cost estimates done at the time the plan was developed and may not include enough detail in the scope to accurately assess project costs. This program evaluates these projects prior to their appropriation in the annual Capital Facilities Plan. It ensures accurate scope of work and cost estimates and a full evaluation of project alternatives. Other uses for this information include project scheduling, assessment of rate impacts ,and cash flow planning.

Capital Costs:	2017	2018-2022	Total
Engineering	\$ 22,000	\$ 110,000	\$ 132,000
Total	\$ 22,000	\$ 110,000	\$ 132,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 22,000	\$ 110,000	\$ 132,000
Total	\$ 22,000	\$ 110,000	\$ 132,000

Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Drinking Water Projects

Reclaimed Water—Water (Program #9710)

Location	Various Locations Citywide see Project List.
Description	This program is targeted towards delivery of reclaimed water. Reclaimed water is delivered through a completely separate distribution system that consists of purple colored pipes, connections, and distribution points for easy identification. Reclaimed water is recycled municipal wastewater that has been cleaned and treated in order to remove pollutants and contaminants so that the water can be safely reused for a variety of approved uses, such as irrigation.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2020	Reclaimed Water Filling Stations—Install reclaimed water filling stations at convenient locations for contractors to use on construction projects. This project will reduce the likelihood of cross connections occurring and increase the use of reclaimed water.	\$ 107,000

Justification (Need/Demand)	Given that sources of potable water are limited, State law and Olympia’s Water System Plan strongly encourage the use of reclaimed water as a resource to help meet current and future water needs. The LOTT Sewer Plan calls for the use of reclaimed water by each of the LOTT partner cities. LOTT is now producing reclaimed water at its Budd Inlet Reclaimed Water Plant and Martin Way Reclaimed Water Plant to help meet Federal and State water quality discharge standards to protect Budd Inlet. Water treated at the Budd Inlet Reclaimed Water Plant is now being used for irrigation at the Port of Olympia, the City’s Percival Landing Park, and near Capitol Lake by the State’s General Administration building.
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Capital Costs:	2017	2018-2022	Total
Construction	\$ -	\$ 85,500	\$ 85,500
Design and Engineering	\$ -	\$ 21,500	\$ 21,500
Total	\$ -	\$ 107,000	\$ 107,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ -	\$ 107,000	\$ 107,000
Total	\$ -	\$ 107,000	\$ 107,000

Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Drinking Water Projects

Small Diameter Water Pipe Replacement (Program #9408)

Location Various locations based on the Utility’s Small Diameter Water Pipe Upgrade Plan. Projects selected are based on service complaints, and operation and maintenance records of leaks and main breaks.

Description Replace small diameter substandard water pipes within the existing system. Project components may include hydraulic modeling, valves, vaults, and water lines.

Project List

2017-2022 Small Diameter Water Pipe Replacement Location

LOCATION - Street	FROM	TO
7th Avenue	Central Street	Boundary Street
Boundary Street	9th Avenue	8th Avenue
Fir Street	4th Avenue	State Avenue
Giles Street	Thomas Street	Division Street
Percival Street	Harrison Avenue	Jackson Avenue
Puget Street	4th Avenue	State Avenue
Union Avenue	Central Street	Fir Street
7th Avenue	Boundary Street	Central Street
Thurston Avenue	Tullis Street	Puget Street
Amhurst Street	18th Avenue	20th Avenue
Clar Mar Lane	To End	To End
Brown Street	18th Avenue	22nd Avenue
Eastside Circle	To End	To End
End of Rogers Court	South of 11th Court	End of Street
McCormick Street	13th Avenue	Union Avenue
13th Avenue	Fir Street	Fairview Street
Fir Street	14th Avenue	13th Avenue
Evergreen Park Lane	At Cul-de-sac	At Cul-de-sac
Water Street	22nd Avenue	24th Avenue

Justification (Need/Demand) The City is responsible for providing domestic and firefighting water flows at minimum pressures as established by the Department of Health. This program implements the improvements outlined in the 2015-2020 Water System Plan. The Plan identifies location, size, and timing of major and minor water main distribution line improvements. The Plan also identifies deficient areas that require looping or upgrading to improve flows and pressures. This project provides improvements to the basic system to assure adequate pressure and flow for domestic and firefighting situations. Maintenance records and service complaints are used to identify the lines needing replacement.

Drinking Water Projects

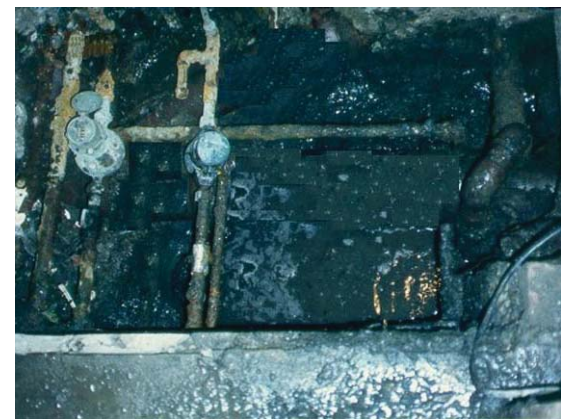
Small Diameter Water Pipe Replacement (Program #9408) (continued)

Capital Costs:	2017	2018-2022	Total
Construction	\$ 429,000	\$ 2,145,000	\$ 2,574,000
Design and Engineering	\$ 107,000	\$ 536,000	\$ 643,000
Total	\$ 536,000	\$ 2,681,000	\$ 3,217,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 536,000	\$ 2,681,000	\$ 3,217,000
Total	\$ 536,000	\$ 2,681,000	\$ 3,217,000

Annual Operations and Maintenance

Estimated Costs	None (pipe replacements)
Estimated Revenues	N/A
Anticipated Savings Due to Project	Decreases cost of line breaks — estimated at \$1,400 per repair. Some main breaks also require extensive road restoration costs.
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Drinking Water Projects

Transmission and Distribution Projects—Water (Program #9609)

Location Various locations within the existing system as service complaints and operation and maintenance records indicate. See Project List.

Description This program includes projects necessary to rehabilitate and replace existing transmission and distribution facilities, including water mains, valves, fire hydrants, service meters and booster pump stations. These projects are targeted to respond to identified capacity problems (related to flow, pressure, firefighting) as well as to replace infrastructure that is beyond its useful life. This program also includes installation of new transmission mains to connect new key facilities to the system.

Projects are often coordinated with other public works projects (e.g., road improvements), to take advantage of cost efficiencies and to minimize inconvenience to citizens. Specific components covered under this program include hydrants, hydraulic modeling, valves, vaults, water lines, and water system structures and equipment.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2017-2022	Aging Pipe Replacement – This is an annual project to replace substandard pipe throughout the City. Each year based on maintenance records and asset management scores, the City will choose which pipes to replace based on age and material. The primary focus is on Asbestos Cement (AC) pipe. Currently 40% of the City’s water system is comprised of AC pipe which is prone to leaking and breaks.	\$ 3,216,000
2017-2022	Asset Management Program – This project will begin the process to provide an asset management plan to replace, rehabilitate, and maintain the City’s water system to ensure it is reliable.	\$ 324,000
2017	Capital Village Water Main Replacement – The PVC water main near Capital Village has broken multiple times in recent years. This project will design and install a new water main intended to replace the problematic pipe, enhancing system reliability and mitigating the risk of additional breaks.	\$ 750,000
2017-2022	Corrosion Control Aeration Tower Condition Assessment & Upgrades – The City has three corrosion control towers that will need periodic large scale maintenance that is beyond the normal day to day maintenance. This project will assess the work that is needed and perform the upgrades.	\$ 162,000
2017-2022	Cross Country Mains – This project will identify watermains that are located outside of roadways and cross through neighborhoods. The project will determine if the watermains have easements and if they should be relocated to areas that have easier access for maintenance.	\$ 162,000
2017-2022	Distribution and Transmission Main Condition Assessment – This project is a part of the asset management program to assess the condition and reliability of the distribution mains to prioritize repair or replacement.	\$ 1,050,000
2017-2022	Distribution System Oversizing – This project funds oversizing of distribution pipeline projects associated with development-related improvement to provide additional capacity to meet anticipated future needs that may be greater than at the time of development.	\$ 174,000
2017	Kaiser Road Water Main Extension to Evergreen Park Way – This project will install a new 12-inch water main from the LOTT sewer lift station to Evergreen Park Drive, increasing service reliability to the Evergreen State College area. This project is partially funded by GFCs.	\$ 814,000
2017	McCormick Valve House – This will replace the original pipes and valves installed when the Fir Street tanks were constructed in 1935.	\$ 200,000

Drinking Water Projects

Transmission and Distribution Projects—Water (Program #9609) (continued)

Project List (continued)	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017-2022	On-site Generator Replacement Plan – This project sets aside money to enable replacement of on-site generators located at the water pumping facilities. The generators will be replaced as their useful life nears an end.	\$ 486,000
	2017-2022	Security and Remote Systems Program – This project will provide enhancements to the security and remote monitoring systems of Drinking Water Utility sites.	\$ 300,000
	2018-2022	Booster Station Upgrade/Rehabilitation – This is a project to upgrade pumps, electrical and other associated upgrades and rehabilitation necessary to keep the system running and reliable. Construction will occur approximately every five years at sites identified by operations staff as requiring the most upgrades.	\$ 805,000
	2018-2022	Water Meter Replacement Program – This project will provide for a systematic replacement of water meters and AMR radios.	\$ 1,250,000
	2019	Fones Road Water Main Design – This project will design a new water main to replace the existing AC water main in Fones Road from Pacific Ave to 18th Avenue, to be coordinated with planned roadway reconstruction.	\$ 300,000
	2019	Park Drive Booster Pump Station Design – This project will design a new booster pump station to increase residential pressure and fire flows in a small portion of Zone 298 just west of Ken Lake in the Park Drive area.	\$ 250,000
	2019	Pressure Reducing Valve (PRV) – East Bay Drive: Installation of PRV stations to reduce high pressures in the waterlines along East Bay Drive and allow water to flow from Zone 247 to Zone 226.	\$ 265,000
	2020	Fones Road Water Main Construction – This project installs a new water main to replace an existing AC water main in Fones Road from Pacific Avenue to 18th Avenue, to be coordinated with a planned roadway reconstruction.	\$ 2,163,000
	2020	Park Drive Booster Pump Station Construction – This project will install a new booster pump station to increase residential pressure and fire flows in a small portion of Zone 298 just west of Ken Lake in the Park Drive area.	\$ 750,000

**Justification
(Need/Demand)**

This program will ensure that existing distribution and transmission facilities are rehabilitated and replaced as needed in order to continue to secure a safe and sustainable water supply. Priority projects are targeted to those areas of the water system that fall short of meeting DOH standards for water pressure and UFC fire flow criteria or have ongoing maintenance problems (e.g., a history of repeated main breaks). This program also provides funding for the installation of new transmission mains to connect new critical source and storage facilities to the water system.

Capital Costs:	2017	2018-2022	Total
Construction	\$ 1,995,400	\$ 7,690,000	\$ 9,685,400
Design and Engineering	\$ 747,600	\$ 2,988,000	\$ 3,735,600
Total	\$ 2,743,000	\$10,678,000	\$ 13,421,000

Funding Sources:	2017	2018-2022	Total
General Facility Charges	\$ 232,500	\$ 962,000	\$ 1,194,500
Rates	\$ 2,510,500	\$ 9,716,000	\$ 12,226,500
Total	\$ 2,743,000	\$10,678,000	\$ 13,421,000

Annual Operations and Maintenance	
Estimated Costs	Minimal maintenance on new transmission main.
Estimated Revenues	N/A
Anticipated Savings Due to Project	Decreases cost of line breaks — estimated at \$2,700 per repair. Some main breaks also require extensive road restoration costs.
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Drinking Water Projects

Water Source Development and Protection (Program 9700)

Location	Various locations Citywide see Project List.
Description	The overall goal of this project is to develop and maintain a water source system that provides adequate water source and water quality in compliance with Federal and State safe drinking water standards. It would also ensure that storage reservoirs are sized sufficiently to have reserve water for fire fighting. Specific project types include water source reliability, water quality and treatment, water system structures, and equipment.

Project List:

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2017-2022	McAllister Mitigation (Smith Property Restoration)–This is an annual project to restore the Smith farm located near the Deschutes River as part of the mitigation plan related to the operations of the new McAllister Wellfield. Improvements include the construction of an engineered wetland, reforestation of a riparian zone along the Deschutes River, and also river bank stabilization to prevent erosion and improve fish habitat. This project is partially funded by GFCs.	\$ 1,260,000
2017-2022	McAllister Wellfield Mitigation (Woodland Creek Infiltration Facility) O&M Costs– This is a joint project with Lacey. Olympia will participate in the operations and maintenance costs as part of the mitigation for the McAllister Wellfield project. This project is partially funded by GFCs.	\$ 60,000
2017	Olympia Brewery Wellfield Well Decommissioning– The Cities of Olympia, Tumwater, and Lacey are joint owners of the former Olympia Brewery wells and water rights. Approximately 30 of the wells are not suitable for use as future municipal water sources and therefore need to be decommissioned. State law requires wells to be properly decommissioned when no longer in use to enhance safety and protect against groundwater contamination. This project will be a joint effort with all three Cities contributing equally to the effort.	\$ 150,000
2020	Olympia Brewery Water Engineering Analysis–This project continues the study to determine the best way to develop this new source in conjunction with Tumwater and Lacey. This project is partially funded by GFCs.	\$ 54,000

Justification (Need/Demand)

The Safe Drinking Water Act (SDWA) of 1974 signaled the beginning of a new age in public water supply. The detection of organic contaminants in drinking water throughout the United States spurred the passage of the SDWA.

The 2015–2020 Water System Plan calls for additional source water quality treatment in various areas of the City to meet State drinking water requirements.

Capital costs:	2017	2018-2022	Total
Construction	\$ 896,000	\$ 280,000	\$ 1,176,000
Design & Engineering	\$ 224,000	\$ 124,000	\$ 348,000
Total	\$ 1,120,000	\$ 404,000	\$ 1,524,000

Funding Sources:	2017	2018-2022	Total
General Facility Charges	\$ 635,000	\$ 229,000	\$ 864,000
Rates	\$ 485,000	\$ 175,000	\$ 660,000
Total	\$ 1,120,000	\$ 404,000	\$ 1,524,000

Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	N/A

Drinking Water Projects

Water Storage Systems (Program #9610)

Location Various locations Citywide see Project List.

Description The overall goal of this project is to develop and maintain a water reservoir system that provides adequate water storage and “chlorine contact time” in compliance with Federal and State safe drinking water standards. It would also ensure that storage reservoirs are sized sufficiently to have reserve water for firefighting. Specific project types include reservoirs, water lines, seismic upgrades, water quality and treatment, water system structures, and equipment.

Project List:

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2017	Boulevard Reservoir Coatings (Interior/Exterior) — This project will recoat the inside and outside of the Boulevard Reservoir in order to prolong service life by preventing rust and corrosion.	\$ 650,000
2017-2018	Elliot Reservoir – Seismic Retrofit — This project will complete recommended seismic retrofits to the Elliot Reservoir. Improvements will include interior column wrapping, dowels to tie roof slab to perimeter walls, and perimeter retaining wall.	\$ 1,339,000
2017-2018	Fir Street #1 and #2 Reservoirs – Seismic Retrofit — This project will complete recommended seismic retrofits to Fir Street Reservoirs. Improvements will include the addition of perimeter walls with reinforcing cables and the addition of collars on the interior columns.	\$ 1,071,000
2019	Hoffman Court Reservoir (Interior/Exterior) Coating Replacement — This project will recoat the inside and outside of the Hoffman Reservoir in order to prolong service life by preventing rust and corrosion.	\$ 643,000
2019-2022	Storage Reservoir Coatings (Interior/Exterior) — This project provides for the recoating of existing steel storage reservoirs on the inside and outside to prolong their life by preventing rust and corrosion.	\$ 644,000

Justification (Need/Demand) The Safe Drinking Water Act (SDWA) of 1974 signaled the beginning of a new age in public water supply. The detection of organic contaminants in drinking water throughout the United States spurred the passage of the SDWA.

One of the federally-mandated standards of the SDWA is adequate “chlorine contact time.” When added to drinking water, chlorine is a disinfecting agent. The chlorine needs time, however, to react with the water to provide adequate disinfection. Water reservoirs provide the safest and most effective method to ensure that chlorine levels and contact times are adequate to meet disinfection levels. Reservoirs also provide water storage to allow for proper domestic and firefighting flows.

The 2015-2020 Water System Plan calls for additional storage in the southeast area of the City to meet State drinking water requirements. This new reservoir in the 417 Zone will provide adequate storage for at least the next 25 years.

Updated evaluations of the Fir Street and Elliot reservoirs completed in 2011 call for seismic upgrades to improve the structural integrity of the reservoirs.

Capital costs:	2017	2018-2022	Total
Construction	\$ 1,002,000	\$ 2,475,600	\$ 3,477,600
Design & Engineering	\$ 250,500	\$ 618,900	\$ 869,400
Total	\$ 1,252,500	\$ 3,094,500	\$ 4,347,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 1,252,500	\$ 3,094,500	\$ 4,347,000
Total	\$ 1,252,500	\$ 3,094,500	\$ 4,347,000

Annual Operations and Maintenance

Estimated Costs	\$50,000. In addition, Log Cabin Reservoir requires \$3,300 annually.
Estimated Revenues	N/A
Anticipated Savings Due to Project	None
Department Responsible for Operations	Public Works
Quadrant Location	South, West

Drinking Water Projects

Water System Planning (Program 9906)

Location N/A (Planning activities)

Description Various types of planning efforts are needed on an on-going basis to ensure that the Utility is able to meet future growth needs, maintain regulatory compliance, and invest money wisely in infrastructure. Planning efforts under this program are targeted towards the comprehensive Water System Plan, updated every six years per State requirements. The 2015 Water System Plan was adopted in 2015. Work on the 2015-2020 Water System Plan began in 2013. Other smaller-scale planning efforts to evaluate project alternatives may also be conducted under this program. This program is partially funded by GFCs.

Project List:

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2020	Update of six-year Water System Plan	\$ 321,000

Justification (Need/Demand) Under State drinking water requirements, the City must complete a comprehensive Water System Plan update every six years. The Water System Plan outlines capital improvements, program efforts, and financial strategies that are necessary to ensure that the Water Utility can meet growth demands, be in regulatory compliance and maintain existing facilities over a 20-year horizon. For the first time, the 2015-2020 Water System Plan also included a 50-year planning horizon for water demand and water supply.

Capital Costs:	2017	2018-2022	Total
Pre-Design & Planning	\$ -	\$ 321,000	\$ 321,000
Total	\$ -	\$ 321,000	\$ 321,000

Funding Sources:	2017	2018-2022	Total
General Facility Charges (GFCs)	\$ -	\$ 160,500	\$ 160,500
Rates	\$ -	\$ 160,500	\$ 160,500
Total	\$ -	\$ 321,000	\$ 321,000

Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	N/A

Wastewater Projects

Asphalt Overlay Adjustments—Sewer (Program #9021)

Location Citywide as determined by the Transportation Program’s six-year Transportation Improvement Program (TIP).

Description The work of the City’s annual overlay and street reconstruction projects includes replacing and adjusting wastewater utility castings within streets. These wastewater funds are passed-through to transportation street repair and reconstruction projects for incidental wastewater upgrades.

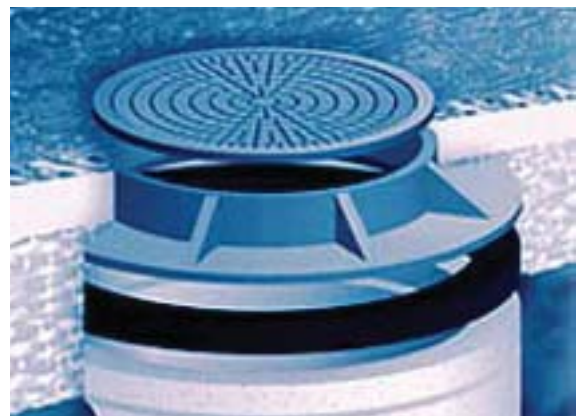
Justification (Need/Demand) Asphalt overlay and street reconstruction projects often require the adjustment/replacement of wastewater system structures (e.g., manhole frames and lids) as part of the paving process. The goal of this work is to replace damaged castings and to ensure that all castings are adjusted to the new pavement level.

Capital Costs:	2017	2018-2022	Total
Construction	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 11,000	\$ 55,000	\$ 66,000
Total	\$ 11,000	\$ 55,000	\$ 66,000

Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Efficient upgrades to existing infrastructure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Wastewater Projects

Infrastructure Pre-Design and Planning—Sewer (Program #9903)

Location City sewer service area

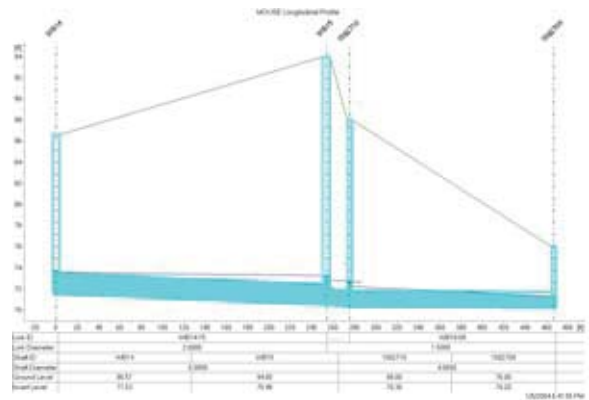
Description These funds support pre-design conceptual evaluation of wastewater projects and potential alternatives in order to refine complex projects prior to launching full permitting and design. Additionally, the funds are used to expediently respond to emergencies and other unanticipated needs.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017-2022	Pre-design and planning—Develops project scopes and cost estimates. Responds to emergencies.	\$ 240,000

Justification (Need/Demand) The City’s Wastewater Management Plan and six-year Capital Facilities Plan identify projects from a planning-level perspective based on detected deficiencies in specific portions of the system. They also include planning-level cost estimates completed at the time the Plan was developed. These estimates may not include enough detail in the scope to accurately assess project costs. This program evaluates complex projects prior to full initiation of design and permitting. It ensures accurate scope of work, cost estimates and a full evaluation of project alternatives. Other uses for this information include timely staff response to unanticipated public or environmental risks while long-term funding is secured.

Capital Costs:	2017	2018-2022	Total
Pre-Design & Planning	\$ 40,000	\$ 200,000	\$ 240,000
Total	\$ 40,000	\$ 200,000	\$ 240,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 40,000	\$ 200,000	\$ 240,000
Total	\$ 40,000	\$ 200,000	\$ 240,000



Annual Operations and Maintenance

Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Project specific savings
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Wastewater Projects

Lift Stations—Sewer (Program #9806)

Location	Various locations Citywide
Description	Aging pumps and associated systems in our lift stations need to be upgraded or reconstructed in order to provide dependable service while meeting increasing wastewater flows. Projects include providing needed increased pumping capacity, providing backup power generators and upgrading facilities to current Department of Ecology sewage pump station design criteria.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017	East Bay Marina Force Main Relocation – Install a new section of force main to relocate all or a portion of the existing 4-inch PVC sewer force main currently threatened by bank erosion, in order to mitigate the potential for a wastewater spill into the Puget Sound.	\$ 300,000
	2017	Ensign Road Generator – Install an onsite emergency generator for the lift station.	\$ 330,000
	2017	Miller and Central Lift Station Upgrade Design – Design of upgrades to the existing lift station to enhance system reliability for current and future flows. This project is partially funded by GFCs.	\$ 160,000
	2017	Water Street Lift Station Force Mains Upgrade Design – This project will design new 18-inch and 30-inch force mains to replace the existing concrete force mains serving the Water Street Lift Station. This project is partially funded by GFCs.	\$ 200,000
	2017	Water Street Soil Investigation and Cleanup – This project funds soil investigation and cleanup efforts associated with the Water Street Lift Station.	\$ 60,000
	2017–2022	Onsite Generator Replacement Program – This project funds future replacement of emergency generators that serve wastewater lift stations.	\$ 486,000
	2018	Miller and Central Lift Station Upgrade Construction – Upgrade the existing lift station for existing and future flows. This project is partially funded by GFCs.	\$ 644,000
	2018	Old Port II Lift Station Upgrade Design–Design of upgrades to the existing lift station to enhance system reliability for current and future flows. This project is partially funded by GFCs.	\$ 130,000
	2018	Water Street Lift Station Force Mains Upgrade Construction – Replace the existing 18- and 30-inch concrete sewer force mains serving the Water Street lift station. This project is partially funded by GFCs.	\$ 764,000
	2019	Old Port II Lift Station Upgrade Construction – Upgrade the existing lift station for existing and future flows. This project is partially funded by GFCs.	\$ 515,000
	2020	Roosevelt and Yew Lift Station Upgrade Design – Design of upgrades to the existing lift station to enhance system reliability for current and future flows. This project is partially funded by GFCs.	\$ 130,000
	2021	Roosevelt and Yew Lift Station Upgrade Construction – Upgrade the existing lift station for existing and future flows. This project is partially funded by GFCs.	\$ 515,000

Justification (Need/Demand)	Pumps are an integral element of our sewer infrastructure. Lift stations pose critical risks for spills and associated public and environmental health impacts. Unlike gravity sewer pipes, pump stations are complex mechanical and electrical systems susceptible to chronic or acute failure. The lift stations must operate well in order to prevent sewer overflows.
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Wastewater Projects

Lift Stations—Sewer (Program #9806) (continued)

Capital Costs:	2017	2018-2022	Total
Construction	\$ 676,800	\$ 2,762,000	\$ 3,438,800
Design & Engineering	\$ 454,200	\$ 341,000	\$ 795,200
TOTAL	\$ 1,131,000	\$ 3,103,000	\$ 4,234,000

Funding Sources:	2017	2018-2022	Total
General Facility Charges (GFCs)	\$ 130,000	\$ -	\$ 130,000
Rates	\$ 1,001,000	\$ 3,103,000	\$ 4,104,000
TOTAL	\$ 1,131,000	\$ 3,103,000	\$ 4,234,000

Annual Operations and Maintenance

Estimated Costs	Not yet determined
Estimated Revenues	Several projects support future growth
Anticipated Savings Due to Project	Projects decrease likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Wastewater Projects

Onsite Sewage System Conversions—Sewer (Program #9813)

Location	Various Locations Citywide
Description	Supporting the conversion of existing onsite sewage systems to municipal sewer services is a City priority. Efforts to pursue conversions rely on both mandatory regulations and financial incentives. This program provides funding for both minor sewer extensions typically along a short section of street and coordinated neighborhood sewer extensions covering larger areas.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017-2022	Annual Sewer Extensions – As part of the onsite sewer conversion program, this project funds minor extensions of the public pipe systems for new conversions. This project is funded by GFCs.	\$ 966,000
	2017-2022	Neighborhood Sewer Program – Similar to Annual Sewer Extensions, but focused on larger neighborhood-scale projects. This project is funded by GFCs.	\$ 1,080,000

Justification (Need/Demand)	In increasingly densely developed urban settings, onsite septic systems pose long-term threats to public and environmental health. City goals and policies provide various resources, including CFP funding, for the conversion to municipal sewer.
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Capital Costs:	2017	2018-2022	Total
Construction	\$ 272,800	\$ 1,364,000	\$ 1,636,800
Design & Engineering	\$ 68,200	\$ 341,000	\$ 409,200
Total	\$ 341,000	\$ 1,705,000	\$ 2,046,000

Funding Sources:	2017	2018-2022	Total
General Facility Charges (GFCs)	\$ 341,000	\$ 1,705,000	\$ 2,046,000
Total	\$ 341,000	\$ 1,705,000	\$ 2,046,000

Annual Operations and Maintenance	
Estimated Costs	Not yet determined
Estimated Revenues	Supports new wastewater customer through conversion program
Anticipated Savings Due to Project	Facilitates gradual expansion of sewer system
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Wastewater Projects

Replacements and Repairs —Sewer (Program #9703)

Location City sewer service area

Description Provide funds for scheduled repairs, as well as unexpected repairs, replacements and rehabilitation of existing pipe systems and manholes. When possible, trenchless technologies are used to minimize disruptions and costs. Projects include work to abandon several high-maintenance STEP systems and provide gravity service through newly-installed gravity systems.

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2017	Southeast Area Odor and Corrosion Control—Evaluate, design, and install facilities to control odor and corrosion in the southeast Olympia sewers.	\$ 204,000
2017-2022	Allocation of Prioritized Repairs—Citywide—Funds major pipe repairs and replacements.	\$ 1,704,000
2017-2022	Spot Repairs—Repairs and replaces small sections of sewer pipe.	\$ 642,000
2018	Manhole Repair and Replacement—Address structural deficiencies, leaks, and/or corrosion needs.	\$ 214,000

Justification (Need/Demand) This program provides improvements to the sewer pipe system to assure adequate service and prevent catastrophic system failure and sewage release. An annual list of priority projects is developed based on the results of televising inspections of the sewer lines and implementation of the condition rating program. Planned repairs include major prioritized work, minor spot repairs, manhole repairs, and manhole lining to address corrosion in manholes associated with STEP system effluent gases. Reducing maintenance needs is also a priority.

Capital Costs:	2017	2018-2022	Total
Construction	\$ 476,000	\$ 1,735,200	\$ 2,211,200
Design & Engineering	\$ 119,000	\$ 433,800	\$ 552,800
Total	\$ 595,000	\$ 2,169,000	\$ 2,764,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 595,000	\$ 2,169,000	\$ 2,764,000
Total	\$ 595,000	\$ 2,169,000	\$ 2,764,000



Annual Operations and Maintenance

Estimated Costs	Decreases maintenance and emergency response costs
Estimated Revenues	None
Anticipated Savings Due to Project	Decreases likelihood of system failure, sewage release and emergency repair
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Wastewater Projects

Sewer System Planning—Sewer (Program #9808)

Location Within the City’s Urban Growth Area

Description Planning and evaluation efforts necessary to address long-term infrastructure and program needs. At this point in time, projects are limited to ongoing televising and condition rating evaluations.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017-2022	Sewer System Televising and Condition Rating Program—The ongoing work effort provides pipe condition monitoring support to planning and operations staff. Repair and replacement projects stem from the condition rating program.	\$ 138,000
	2017-2022	Sewer Force Main Condition Assessment Program—This project provides ongoing funding for collection of force main condition assessment data to support planning of future force main rehabilitation and/or replacement projects.	\$ 180,000

Justification (Need/Demand) Funds are contributed annually for investigation of pipe structural conditions and overall troubleshooting. This work supports repairs of existing infrastructure.

Capital Costs:	2017	2018-2022	Total
Construction	\$ 47,700	\$ 238,500	\$ 286,200
Design & Engineering	\$ 5,300	\$ 26,500	\$ 31,800
Total	\$ 53,000	\$ 265,000	\$ 318,000

Funding Sources:	2017	2018-2022	Total
Rates	\$ 53,000	\$ 265,000	\$ 318,000
Total	\$ 53,000	\$ 265,000	\$ 318,000

Annual Operations and Maintenance	
Estimated Costs	None
Estimated Revenues	None
Anticipated Savings Due to Project	Proactive investigation of potential infrastructure problems
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Storm and Surface Water Projects

Aquatic Habitat Improvements (Program #9024)

Location	Various locations Citywide
Description	Implement habitat restoration strategies that protect and enhance aquatic and associated terrestrial habitat in Olympia.

Project List	YEAR	PROJECT	COST ESTIMATE
	2017-2022	Habitat Improvement – This project will protect and enhance aquatic and associated terrestrial habitat by implementing stewardship strategies as identified and prioritized in the Habitat and Stewardship Strategy developed by the Storm and Surface Water Utility.	\$2,160,000

Justification (Need/Demand) The quality of aquatic habitat within Olympia continues to be challenged as land is developed for urban uses. The Storm and Surface Water Utility has a responsibility to help manage and enhance our aquatic habitats. The Planning Commission and Utility Advisory Committee have recently encouraged the Utility to increase emphasis on, and funding for, aquatic habitat land acquisition and stewardship.

Capital Costs:	2017	2018-2022	Total
Construction	\$140,000	\$700,000	\$840,000
Planning & Design	\$220,000	\$1,100,000	\$1,320,000
Total	\$360,000	\$1,800,000	\$2,160,000

Funding Sources:	2017	2018-2022	Total
Rates	\$360,000	\$1,800,000	\$2,160,000
Total	\$360,000	\$1,800,000	\$2,160,000



Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	Not yet determined
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Storm and Surface Water Projects

Flood Mitigation and Collection—Stormwater (Program #9028)

Location Various locations Citywide

Description Stormwater pipe systems collect and convey runoff to appropriate locations in order to prevent or mitigate flooding. Some projects identified in the program anticipate or correct flooding; others provide for the timely replacement of old, problematic pipe systems.

The replacement of aging and deteriorating pipe systems is an increasingly important financial responsibility of the Utility. Problematic pipes are identified through ongoing Citywide pipe televising and condition rating programs. Several pipes have been identified that are currently failing or are expected to fail within five years. Some of the problems involve long sections of pipes; others involve only isolated spot repairs. These pipes are prioritized and repaired.

Project List Project list and prioritization are subject to change. Priority is based on a condition rating system.

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2017-2022	City-Owned Stormwater Pond Rehabilitation – These projects rehabilitate City-owned stormwater facilities including removing sediments, amending soils, establishing attractive low maintenance landscaping and modifying the structures within the facility as needed. Rehabilitation involves more work than is typically performed during routine maintenance, and is intended to enhance the function of the facility. This project will provide for the rehabilitation of one facility per year, on average.	\$300,000
2017-2022	Condition Rating of Existing Conveyance – Television inspection and condition rating is provided for existing stormwater conveyance systems. Condition rating outcomes are used to determine replacement and repair schedules. There are approximately 172 miles of storm sewer owned and operated by the Storm and Surface Water Utility.	\$853,200
2017-2022	Conveyance Spot Repairs (Pipe Replacement) –This project provides for relatively minor spot repairs to the stormwater conveyance system at locations determined by the condition-rating database. Repairs to the worst portions of the storm sewer system are typically accomplished within two years of problem identification.	\$474,000
2017	Cooper Point and Black Lake Conveyance Design – This project will evaluate the feasibility of and present a cost effective design for increasing the capacity of an extensive Westside stormwater conveyance system serving approximately 700 acres of development. The project builds on recent work to improve the capacity of Yauger Park. The project will reduce the potential for flooding of the Cooper Point Road and Black Lake Boulevard intersection. This project is partially funded by General Facility Charges (GFCs).	\$500,000
2017-2022	Downtown Flood Mitigation – Olympia’s downtown is currently vulnerable to tidal flooding. In the years to come, the problem could be exacerbated by sea level rise. The project will install tidal gates on key stormwater out falls to Budd Inlet thereby preventing tides from flowing up the pipes and discharging to low lying downtown streets.	\$735,000
2018	Ascension and 4th Avenue Pond Construction – This project will construct a stormwater facility on City-owned land between 4th and Ascension Avenues. It will provide flow control and water quality treatment to flows generated from existing developed areas that discharge to the downstream stormwater conveyance system.	\$276,700
2018	Cooper Point and Black Lake Conveyance Construction – This project will construct the conveyance improvements to the stormwater system south of Yauger Park. Specific construction goals will be identified in prior year analysis and design. This project is partially funded by General Facility Charges (GFCs).	\$4,700,000
2018	Ken Lake Flood Conveyance Design – This project will design a stormwater conveyance system which will eliminate historical overland flooding associated with the Gruen Swale and Stonewall Swale tributary to Ken Lake. This project is partially funded by GFCs.	\$160,700

Storm and Surface Water Projects

Flood Mitigation and Collection—Stormwater (Program #9028) (continued)

Project List (continued) Project list and prioritization are subject to change. Priority is based on a condition rating system.

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2019	Indian Creek Culverts and Conveyance Modifications Design – This project will evaluate and design modifications to the streambeds at the confluence of Indian and Moxlie Creeks to reduce culvert maintenance and prevent plugging and potential flooding. This project is partially funded by GFCs.	\$119,200
2019	Ken Lake Flood Conveyance Construction – This project will construct the stormwater conveyance system identified and designed in the prior year design phase. This project is partially funded by GFCs.	\$482,000
2020	Coleman, Bing and Walnut Conveyance Design – This project will evaluate and design the replacement of an existing regional conveyance system in the vicinity of Coleman Avenue, Bing Street and Walnut Road. The current stormwater system was installed by private properties over a period of many years. Due to increasing regional flows using the system, the City took over its maintenance and operation. This project is partially funded by GFCs.	\$124,000
2020	Indian Creek Culverts and Conveyance Modifications Construction – This project will construct improvements to the culverts and stormwater conveyance system identified in prior year design project. This project is partially funded by GFCs.	\$357,500
2021	Coleman, Bing and Walnut Conveyance Construction – This project will construct improvements identified in prior year design phase. This project is partially funded by GFCs.	\$372,200
2021	Division and Scammel Conveyance Design – The project will correct deficiencies in the stormwater conveyance system capacity and reduce the potential for flooding along Division Street. This project is partially funded by GFCs.	\$141,000
2022	Division and Scammel Conveyance Construction – The project will construct stormwater infrastructure improvements identified in prior year design phase. This project is partially funded by GFCs.	\$423,000

Justification (Need/Demand) The stormwater infrastructure needs repairs and upgrade to prevent flooding and update aging components. This program replaces parts of the existing system based on televising and a condition pipe rating system. Flooding problems have been reduced in recent years through capital development. However, some regional and localized problems still exist.

Capital Costs:	2017	2018-2022	Total
Construction	\$343,325	\$7,380,175	\$7,723,500
Design & Engineering	\$550,375	\$1,744,625	\$2,295,000
Total	\$893,700	\$9,124,800	\$10,018,500

Funding Sources:	2017	2018-2022	Total
General Facility Charges	\$250,000	\$3,055,575	\$3,305,575
Rates	\$643,700	\$6,069,225	\$6,712,925
Total	\$893,700	\$9,124,800	\$10,018,500

Annual Operations and Maintenance	
Estimated Costs	Not yet determined
Estimated Revenues	N/A
Anticipated Savings Due to Project	Decreases likelihood of system failure
Department Responsible for Operations	Public Works
Quadrant Location	Citywide

Storm and Surface Water Projects

Infrastructure Pre-Design & Planning - Stormwater (Program #9903)

Location	City stormwater service area
Description	This program provides funds for specific pre-design and planning efforts associated with the stormwater system construction, including emergency projects. Additional funding is provided under the program for pervious pavement contingency/repair work. Funding for pre-design is not needed at the present time, but could be requested in future CFPs.

Project List	YEAR	PROJECT DESCRIPTION	COST ESTIMATE
	2017-2022	Infrastructure Predesign and Planning – This project provides the means for the Storm and Surface Water utility to contract with consultants for professional services such as soils and geotechnical investigations, hydraulic modeling and computer simulations of the storm network, and project feasibility analyses for capital projects.	\$300,000
	2017-2022	Pervious Pavement Contingency Fund–This project provides a means for the City to manage one of its key innovative technologies, pervious pavement in sidewalks. In the long run, the technology is seen as an effective means for managing stormwater runoff. However, in the short-term, some level of problems or failures can be expected. The contingency fund is jointly funded by the General Fund and Stormwater as pervious pavement projects are built. The fund builds over time and is used to repair or mitigate the impacts of a potential failure of pervious pavement projects.	\$ 170,400
	2017	Wiggins Road Roadway and Storm Drainage Pre-design - This project will collaborate with Transportation to investigate and evaluate various roadway safety improvements and storm drainage conveyance alternatives.	\$100,000

Justification (Need/Demand) New technologies for stormwater management are needed. This program supports applied research in the area of pervious pavement. The work is supported by City policy decisions.

Other potential projects in this program evaluate future projects prior to their appropriation in the annual Capital Facilities Plan to ensure accurate scope of work, cost estimates, and a full evaluation of project alternatives. Initial work on emergencies and other unanticipated needs can be funded at a limited level under this program.

Capital Costs:	2017	2018-2022	Total
Pre-Design & Planning	\$ 178,400	\$ 392,000	\$ 570,400
Total	\$ 178,400	\$ 392,000	\$ 570,400

Funding Sources:	2017	2018-2022	Total
Rates	\$ 178,400	\$ 392,000	\$ 570,400
Total	\$ 178,400	\$ 392,000	\$ 570,400



Annual Operations and Maintenance	
Estimated Costs	N/A
Estimated Revenues	N/A
Anticipated Savings Due to Project	N/A
Department Responsible for Operations	Public Works
Quadrant Location	Citywide



Storm and Surface Water Projects

Water Quality Improvements (Program #9027)

Location Various locations Citywide see Project List.

Description Continue to improve water quality in Olympia’s creeks, wetlands, lakes, and marine environments through projects that treat contaminated stormwater runoff. Projects are identified and prioritized based on Citywide needs. Water quality projects are subject to grant and/or loan funding.

Project List

YEAR	PROJECT DESCRIPTION	COST ESTIMATE
2017	Harrison Avenue Water Quality Retrofit –A water quality treatment facility would be constructed to treat runoff from Harrison Avenue between West Bay Drive and Milroy Street. The Harrison Avenue drainage basin is tributary to Budd Inlet and comprises more than 20 acres zoned predominately high-density corridor.	\$523,500* \$534,000*
2017	Neighborhood Low-Impact Development Design Grant (multiple locations) – This project is subject to predesign grant funding from Ecology. Several locations will be evaluated for stormwater retrofit using low impact development best management practices such as bioretention/rain gardens. Focus will be given to neighborhood centers identified in the City’s Comprehensive Plan such as Rogers Street, San Francisco Street, and Capitol Way near the Farmers Market.	\$150,000*
2019	Capitol Way Water Quality Retrofit –The project would construct a water quality treatment facility to treat runoff from an area roughly bounded by Capitol Way, Adams Street, 7th Avenue ,and Union Avenue. The drainage basin is tributary to Capitol Lake and comprises approximately 20 fully developed acres.	\$482,300*
2020	Evergreen Park Drive Treatment Facility – This project would create a stormwater treatment facility for currently untreated runoff from Evergreen Park Drive. The project shall evaluate different treatment technologies and locations for the project. It shall also evaluate providing water quality treatment for water that currently discharges directly to Capital Lake or to Percival Cove.	\$367,800*
2021	Martin Way at Mary Elder Water Quality Retrofit – The project would construct water quality facilities providing treatment of stormwater runoff on Martin Way from Mary Elder Road to Sleater Kinney Road. Martin Way is an arterial roadway located in a High Density Corridor zone. Polluted street runoff from over eight acres of street right-of-way currently flows untreated to Woodard Creek just west of Mary Elder Road.	\$550,000*
2022	Plum Street Water Quality Retrofit – The project would construct water quality facilities providing treatment of stormwater runoff from Plum Street and areas east to Quince Street, zoned Downtown Business, Professional Office, High Density Commercial Service, and Residential Mixed Use. The Plum Street arterial and adjacent areas are tributary to Moxlie Creek and comprise approximately 42 acres of untreated high use area.	\$ 800,000*

* These projects, if qualified, will be 75% funded with available stormwater grants and loans.

Justification (Need/Demand) Managing water quality problems associated with stormwater runoff is a primary responsibility of the Storm and Surface Water Utility. Increasingly stringent Federal and State requirements (e.g., National Pollutant Discharge Elimination System) necessitate increased efforts to manage water quality.

Storm and Surface Water Projects

Water Quality Improvements (Program #9027) (continued)

Capital Costs:	2017	2018-2022	Total
Construction	\$ 400,500	\$ 1,650,075	\$ 2,050,575
Design & Engineering	\$ 283,500	\$ 550,025	\$ 833,525
Total	\$ 684,000	\$ 2,200,100	\$ 2,884,100

Funding Sources:	2017	2018-2022	Total
Rates	\$ 171,000	\$ 550,025	\$ 721,025
Storm Water Utility Grant	\$ 513,000	\$ 1,650,075	\$ 2,163,075
Total	\$ 684,000	\$ 2,200,100	\$ 2,884,100



Annual Operations and Maintenance

Estimated Costs	Harrison Ave Treatment Facility:.....	\$ 10,000 annually
	Capitol Way Treatment Facility:.....	\$ 6,000 annually
	Evergreen Park Dr Treatment Facility:.....	\$ 4,000 annually

Estimated Revenues N/A

Anticipated Savings Due to Project N/A

Department Responsible for Operations Public Works

Quadrant Location Citywide







Appendix





Appendix - Community Profile

History of Olympia, Washington

Located on the southernmost point of Puget Sound, the peninsula known as Olympia was “Cheetwoot” (the black bear place) to the Coastal Salish tribe who occupied the site for many generations before the American settlement was established.

The end of what we now know as Budd Inlet was a favorite shellfish gathering site for many Coastal Salish tribes, including the Nisqually, Duwamish, and Squaxin. Evidence exists that potlatches, the Northwest tribal custom in which tribal leaders shared their wealth with neighboring tribal groups, were held both east and west of the Inlet near Olympia.

The falls of the Deschutes River at Tumwater called “Stehtsasamish” by the Nisqually Indians may have been occupied as a permanent village site for shellfish and salmon harvesting for 500 years or more before the coming of white settlers. (From *Lacey, Olympia, and Tumwater, A Pictorial History* by Shanna B. Stevenson, published by The Donning Company/Publishers, 1985)

History of European Settlement

Peter Puget and a crew from the British Vancouver Expedition visited the site in 1792. The U.S. Exploring Expedition under Lt. Charles Wilkes came to the site in 1841 and named the waterfront bay Budd Inlet, after Midshipman Thomas A. Budd, a member of that expedition.

The first American settlers were Levi Lathrop Smith and Edmund Sylvester who claimed the town site in 1846. The town was officially

platted in 1850 by Sylvester. The Maine native laid out a town in a New England style with a town square, tree lined streets, land for schools, a Masonic Hall, and Capital grounds.

The name of Olympia was selected by Isaac N. Ebey, a local resident, and reflected the view of the majestic Olympic mountains on a clear day.

Drawn to the small peninsula as the first access to Puget Sound from the Columbia River on the Cowlitz Trail, American settlers numbered 996 in the area by 1853. Olympia welcomed the first Custom House on Puget Sound in 1851, and by 1852 was the county seat for the newly organized Thurston County.

Soon after the first Americans settled Olympia in the mid-1840s, Chinese immigrants arrived in the City. Olympia’s first Chinatown was on 4th Avenue between Columbia and Main (Capitol Way) where several buildings housed a hand laundry, stores and lodging for residents.

In 1854, Daniel Bigelow, an attorney, and his wife, Ann Elizabeth White Bigelow built their home in Olympia overlooking Budd Inlet (900 Glass Street). Today it is a Museum, and remains one of the oldest frame buildings in the State of Washington.

Olympia’s first fire fighting unit, Barnes’ Hook and Ladder Brigade, was organized in the early 1850s. Columbia Number 1, the first fire engine company to be established in Washington Territory, was formed in Olympia in 1865.

Olympia residents elected the town’s first Mayor in 1873—William Winlock Miller.



In 1890, one year after statehood, Olympia City Marshal, George Savidge, was the first in City history to be officially referred to as Chief of Police. In the years from 1889-1892, the Olympia Police Department was comprised of the chief, a captain and six patrolmen.

Olympia as the Territorial and State Capital

When Washington Territory was formed in 1853, Olympia was named the provisional territorial capital by Isaac Stevens, Washington's first territorial governor. In 1855, the designation was confirmed by the territorial legislature. Olympia's incorporation as a town occurred on January 28, 1859.

In the mid-1850s, Olympia developed around the waterfront and quickly became a hub of maritime commerce. Federal officers and those seeking the opportunities of the capital flocked to the City which, at one time, boasted the largest population of any town on Puget Sound.

In 1856, the territorial legislature appointed a board of commissioners to oversee construction of a new bridge connecting downtown Olympia with the westside. Lack of funds held up the project until 1868 when Thurston County loaned the City of Olympia \$1,500. The first westside bridge was built the following year.

An especially difficult blow fell when Olympia was bypassed by mainline railroads in the 1870s. City residents had to build their own line to connect with the Northern Pacific mainline at Tenino—15 miles to the south.

Olympia's title of capital was often contested during the early years, but townspeople fought challenges by Vancouver, Steilacoom, Seattle, Port Townsend and Tacoma for location of the territorial seat of and later, State government.

In early 1889, Olympia resident and jeweler, Charles Talcott, was commissioned to create a State seal in time for the convening of the first State legislature in November of the same year. The simple round design with a copy of the Gilbert Stuart portrait of George Washington in the center and the words "The Seal of the State of Washington, 1889" is still the official seal of Washington State.

Washington was given statehood designation on November 11, 1889, as the forty-second state to enter the Union.

When Washington became a state in 1889 with Olympia as the capital, the City grew and prospered adding amenities such as an opera house, City water system, street car line, street lamps, and a new hotel to accommodate visiting legislators. State government has been housed in a series of buildings in Olympia, including the former county courthouse in downtown.

Twentieth Century Growth

Changes were made to the topography of the City in 1911-12, when almost 22 blocks were added to the downtown area in a gigantic dredging and filling effort to create a deep water harbor and fill the sloughs to the north and east of the City.

In 1919, the City awarded a contract to Union Bridge Company to build a more reliable concrete bridge connecting downtown Olympia with the westside. The amount of the contract was \$132,750.

With increased growth in State government and the economic stimulus of World War I, the City began to grow in population and development. Olympia became a center of lumber processing and the City boasted as new smokestacks went up on the waterfront. Downtown buildings were constructed and residential areas south and west of the City developed. By the time of the completion of the grand domed legislative building in 1927, the City had become a fitting setting for such an imposing structure.

A devastating earthquake in 1949 damaged or destroyed many historic downtown buildings, which were quickly rebuilt. Today, downtown Olympia is a charming mix of historic, mid-century, and contemporary architecture.



State government grew rapidly in Olympia after World War II, but many State offices were moving to other parts of the State. A Washington State Supreme Court decision in 1954 mandated that Olympia was the seat of government and that State office headquarters must locate here.

The 1950s ushered in construction of a new freeway through Olympia and her neighboring communities of Tumwater and Lacey. Interstate 5, which runs from the southern tip of California to the Washington State/Canadian border, is a vital transportation link for Olympia and the Puget Sound region.

Long time residents still mention the “Columbus Day” storm which hit the northwest on October 12, 1962, with seventy-eight mile per hour winds. Two people were killed in the Olympia area and extensive damage was caused to buildings and trees.

In the 1960s, the time of smokestacks and plywood mills drew mostly to an end along Olympia’s waterfront when the Simpson, Georgia Pacific, and St. Regis mills closed, victims of changing markets.

A new era began at the close of the 1960s when The Evergreen State College was authorized by the State legislature on Cooper Point Road at the site of historic Athens University, just west of the Olympia City limits. The institution has changed and enlivened the Capital City’s cultural and social climate.

In recent years, Olympia, with its neighbors of Lacey and Tumwater, have witnessed phenomenal growth. The small, muddy, bustling village of the 1850s is only a memory, but the tenacious spirit of Olympians over more than a century echoes through the vibrant City of Olympia.

Twenty-First Century Vision

On May 16, 2004 the Olympia community dedicated a new bridge and gateway corridor spanning the same location as the old 4th Avenue Bridge. The Olympia City Council named the new bridge the Olympia-Yashiro Friendship Bridge in honor of Olympia’s Sister City, Yashiro, Japan (now reincorporated as Kato City, Japan).

The bridge is much more than a transportation corridor. With public art incorporated in the structure, dramatic accent lighting, and spacious pedestrian walkways and overlooks, the new bridge symbolizes Olympia as a community and expresses the City’s relationship to the surrounding natural environment.

In 2009, the City of Olympia celebrated its 150th birthday of incorporation. The year began with several hundred residents celebrating the City’s birthday on January 17, 2009 at The Washington Center for the Performing Arts in downtown Olympia. It ended with publication of a commemorative book edited by local historian Drew Crooks, *Olympia, Washington: A People’s History*.

In 2009 the City created the first Transportation Benefit District (TBD) in Washington state. A TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvements within the City.

New City Hall

On March 26, 2011 the City of Olympia opened the door to its new City Hall. The building combined employees and services from five departments previously housed in eight different buildings. The move greatly improved the ease in which citizens can access their City government and efficiency among various departments.

Metropolitan Parks District

In 2015 the voters approved the establishment of a Metropolitan Parks District to increase dedicated funding for the City’s parks and programs. The City will begin collecting revenue from the Olympia Metropolitan Park District (OMPD) in May 2017.

Constant Change

One thing evident during our sesquicentennial—Olympia is constantly changing. Our City is resilient.





Beautiful Site

Olympia sits on a low flat at the southern end of Puget Sound on the shores of Budd Inlet's two bays, between Seattle and the Olympic Mountains to the north, Mt. Rainier to the northeast, and Mt. Saint Helens to the south. The City is further divided by Capitol Lake.

The City and the surrounding area experience fair-weather summers and the grey, wet overcast winters of the Pacific Northwest. Tempered by the Japanese trade current, the mild northwest climate favors lushly forested landscapes replete with ferns and mosses. Rainfall tends to be spread out over a large number of days. With about 52 clear days out of the year, Thurston County residents live under some form of cloud cover 86 percent of the year, with more than a trace of rain falling on almost half of the days of the year.

Area: 20.1 square miles

Average Temperatures: January, high of 46° F and low of 34° F; July, high of 77° F and low of 51° F; annual average, 49.95° F

Average Annual Precipitation: 50 inches

Government

Olympia was named the capital city of Washington Territory on November 28, 1853 and was incorporated as a town on January 28, 1859.

The governing body elected in 1859 was a five-member Board of Trustees, and the office of mayor was not created until November 11, 1873. At that time, a mayor and six-member Council (from three wards) were elected for one-year terms.

On November 16, 1925, the City government body was changed to a three-member elected commission composed of the mayor, commissioner of finance, and commissioner of public works. The commission began as three-year terms, but increased to four years in 1950.

On May 18, 1982, the voters of Olympia approved the Council-Manager form of government. A new, seven-member Council was elected on November 2, 1982 and assumed office on November 18, 1982. The first meeting of the newly elected City Council was November 23, 1982. The mayor was selected by the Councilmembers for a two-year term in January of each even numbered year.

In 1991, the voters approved the selection of the Mayor through election by the citizens, rather than through appointment by the Council. The Mayor is elected to serve a four-year term.

Olympia is a Council/Manager City as authorized by Washington State law, RCW 35A.13. The Council/Manager form of government is different than the Mayor-Council form in Seattle, the Commission form at Thurston County, or the Town form in many East Coast communities.

According to the International City-County Management Association, under the Council/Manager form, power is concentrated in the elected council, which hires a professional administrator to implement its policies. The Mayor and Council as a collegial body are responsible for setting policy, approving the

budget, and determining the tax rate. The manager serves as the Council's chief advisor. The Council provides legislative direction, while the manager is responsible for day-to-day administrative operations of the City, based on the Council's decisions.

In Olympia, the City Council makes policy and serves as the legislative group responsible for approving City ordinances and establishing City policy. Councilmembers are part-time employees, although Olympia's Councilmembers estimate that, on average, they devote from 25-40 hours per week to Council business. Many Councilmembers hold full-time jobs in addition to their duties on the City Council.

Olympia's City Council positions are nonpartisan, are elected for four-year terms, and represent the community at-large rather than designated districts. The seven positions are staggered, with positions ending for three members at one time and four members the next.

The Mayor presides at all meetings of the Council and is recognized as the head of the City for ceremonial purposes and by the Governor for purposes of military law. The Council selects another member to serve a two-year term as Mayor Pro Tem. State law requires that Councilmembers reside within the City limits and be registered voters, 18 years of age or over.

Population

The age of the population in Thurston County as a whole is getting older. Census figures show that the median age of the county’s population was 38.5 years in 2010, up from 36.5 years in 2000 and 33.6 years in 1990. Some interesting distinctions in median age, however, do exist between different areas of the county. For example, Yelm has the youngest population of Thurston County cities. Its median age (29.0 years) was lower than the county’s median age (38.5), and the proportion of its population under age 18 (36 percent) was higher than the county average (27 percent).

Individuals aged 65 and over are a growing segment of the population in Thurston County, and migration plays a key role in this population growth. Amenities that an older population finds attractive, such as advanced health care and retirement facilities, draw many retirement-aged people to Thurston County. In 2010, persons age 65 and older constituted 13% of the total County population. This percentage of residents age 65 and older is expected to climb to roughly 17% by 2020 and should reach 20% by 2030. The first of the “baby boomers” turned 65 in 2011.

Population forecasts for Olympia project growth of 19% by 2025 (population 60,750) and 34% by 2035 (population 68,410).

Population

Year	Olympia	Thurston County	Olympia % Increase
2016	51,600	272,690	1.1
2015	51,020	267,410	2.7
2014	49,670	264,000	2.5
2013	48,480	260,100	2.1
2012	47,500	256,800	1.5
2011	46,780	254,100	0.6
2010	46,478	252,264	0.8
2009	46,109	249,336	1.3
2008	45,538	244,853	1.0
2007	45,087	239,570	1.9
2006	44,260	234,083	1.1

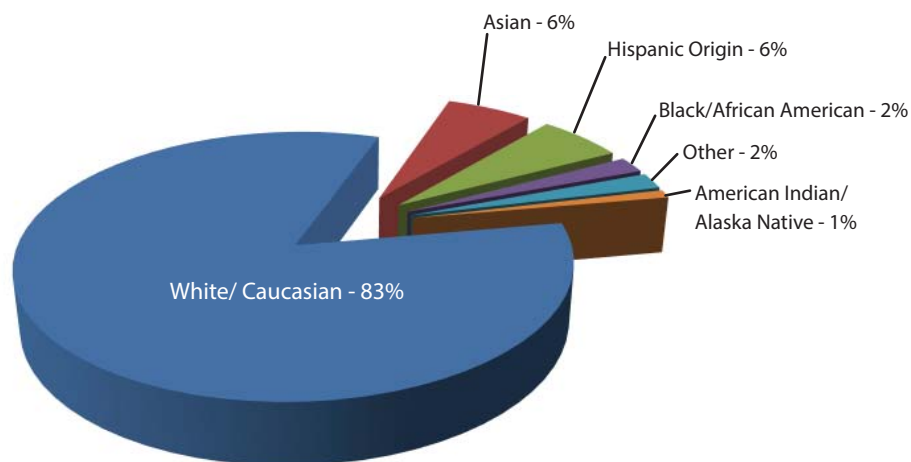
Source: State of Washington, Office of Financial Management, April 1, 2016

Households by Family Type

	1970	%	1980	%	1990	%	2000	%	2010	%
Average Household Size, Olympia	2.54		2.32		2.22		2.21		2.18	
Thurston County - Total Households	25,186		46,375		62,150		81,625		100,650	
Married-Couple Families	18,045	72%	28,383	61%	35,433	57%	43,352	53%	50,237	50%
One Parent Families	2,097	8%	4,992	11%	7,903	13%	11,599	14%	15,924	16%
One-Person Families and Non-Family Households	5,044	20%	13,000	28%	18,814	30%	26,674	33%	34,489	34%

Source: TRPC’s *The Profile - Population & Demographics* (2010 US Census)

Population by race in Olympia



Source: TRPC’s *The Profile - Race & Ethnicity* (2010 US Census)

Urban Cost of Living Index

The Olympia-Lacey-Tumwater area cost of living generally hovers around the national average of approximately 310 cities that participate in the C2ER (The Council for Community and Economic Research) survey. In the fourth quarter of 2016, the area was 2.5% higher than the national average. Source: TRPC Cost of Living Data

Employment:

Annual Average Thurston County	2015*	2016*
Civilian Labor Force	129,046	131,530
Employed Persons	121,437	124,061
Unemployed Persons	7,609	7,469

Source: WA State Employment Security Dept., Labor Market and Performance Analysis, Labor Area Summaries

*Preliminary December 2016

Unemployment Rates:

	2013	2014	2015	2016 Est.
Olympia	6.8%	6.1%	5.7%	5.6%
Thurston County	7.6%	6.7%	5.9%	5.7%
Washington State	7.0%	6.2%	5.7%	5.2%
United States	7.4%	6.2%	5.3%	4.9%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Economic Indicators

Median Household Income, Thurston County (In current dollars)
(Source: US Census Bureau: American Fact Finder, Dec 2016)

2013	2014 Est.	2015 Est.
\$ 62,229	\$ 62,286	\$ 61,677

Poverty Rate, Thurston County (Five Year Averages)
(Source: US Census Bureau: American Fact Finder, Dec 2016)

2009-2013	2010-2014	2011-2015
11.7%	11.9%	12.4%

Home Ownership, Olympia
(Source: U.S. Census Bureau, Oct. 2010)

	2010
Own Home	63.2%
Rent/Other	36.8%

Housing Average Sales Price (Source: The Profile via Northwest Multiple Listing Service, Nov. 2016)

	Olympia	Thurston County
2013	\$260,537	\$241,093
2014	\$274,338	\$247,828
2015	\$283,218	\$260,469

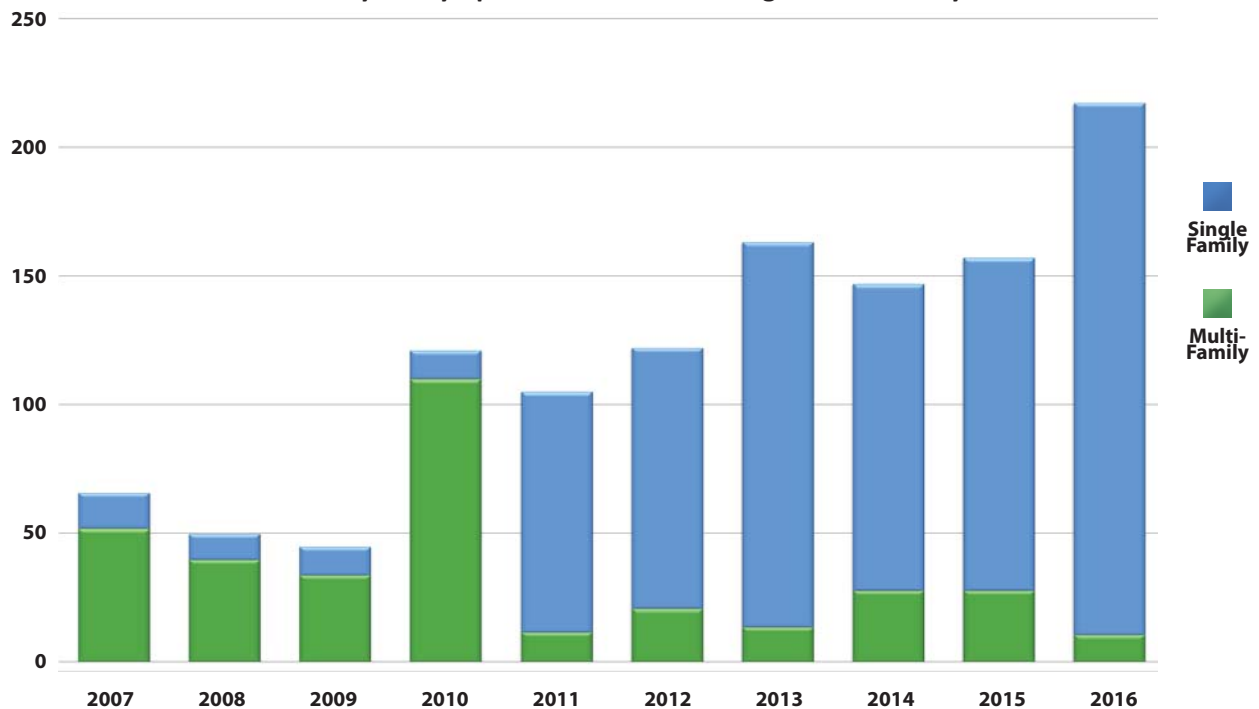
Apartment Rental Rates, Thurston County
(Source: The Profile, Oct 2016)

	2015	2016
Average 1 Bedroom Apartment Rental	\$ 790	\$ 836
Average 2 Bedroom Apartment Rental	\$ 885	\$ 911

Building Permits Issued, Olympia
(Source: City of Olympia, CP&D)

	2015	2016
Single Family	129	206
Multi Family	28	11
Commercial	15	27

City of Olympia - Residential Building Permit Activity



Education

Thurston County has a variety of educational opportunities available to the students and adults of the community. These include both private and public primary, secondary, and higher education institutions.

Eight school districts provide primary and secondary education to most of Thurston County's students. These school districts offer a wide variety of services and opportunities for students, including the Head Start Program for preschoolers, advanced placement services for high school students, and numerous community-based learning experiences for all grade levels.

South Puget Sound Community College (SPSCC) is the largest institution of higher education in Thurston County. SPSCC currently serves more than 7,000 students, including degree-seeking students, high school students, veterans, international students, and underemployed workers. The college offers day and evening classes, continuing education courses, basic education, job skills training, and personal enrichment courses. In 2016, SPSCC was listed as one of the nation's 150 best community colleges by the Aspen Institute College Excellence Program.

The Evergreen State College is a public college of liberal arts and sciences with a national reputation for innovation in teaching and learning. Founded in 1967, Evergreen opened its doors in 1971 and now enrolls around 4,300 students. While most of Evergreen's students are enrolled at the Olympia campus in full-time undergraduate programs, the College also provides an evening and weekend studies program and three graduate programs (Environmental Studies, Public Administration, and Teaching). Evergreen has 60+ fields of study to explore and 88% of graduates or employed or pursuing graduate/professional studies within one year of graduation.

Saint Martin's University is a four-year coeducational, comprehensive university with a strong liberal arts foundation. It is one of 14 Benedictine colleges and universities in the U.S. an Canada and the only one west of the Rockies. It offers 27 undergraduate programs in the liberal arts and professions, seven graduate programs and numerous pre-professional and certification programs. Established in 1895 by the Roman Catholic Benedictine Order, Saint Martin's is located on a 300-acre campus in Lacey. More than 1,600 students attend the University's main campus, about 370 students are enrolled in courses at extension campuses at Joint Base Lewis-McChord, and at Centralia Community College, and Tacoma Community College.

Thurston County College Enrollment 2006-2016

Enrollment		South Puget Sound Community College	St. Martin's University	The Evergreen State College
Fall 2006	Head Count	6,974	1,256	4,416
	FTE	3,964	1,035	4,294
Fall 2007	Head Count	7,458	1,270	4,586
	FTE	4,015	1,093	4,483
Fall 2008	Head Count	8,361	1,228	4,696
	FTE	4,404	1,063	4,616
Fall 2009	Head Count	7,133	1,272	4,891
	FTE	4,672	1,073	4,835
Fall 2010	Head Count	7,110	1,335	4,833
	FTE	4,857	1,122	4,779
Fall 2011	Head Count	6,558	1,392	4,794
	FTE	4,309	1,161	4,811
Fall 2012	Head Count	6,308	1,416	4,509
	FTE	N/A	1,163	4,794
Fall 2013	Head Count	6,154	1,443	4,170
	FTE	4,200	1,181	4,794
Fall 2014	Head Count	6,152	1,437	3,989
	FTE	4,162	1,124	3,985
Fall 2015	Head Count	6,075	1,380	3,985
	FTE	4,148	1,081	4,021
Fall 2016	Head Count	6,081	1,355	4,089
	FTE	4,232	1,114	4,094

Source: TRPC's *The Profile - Education - Higher Education Enrollment*, Nov 2016.

Note: Includes only those persons enrolled at campuses located in Thurston County. Head count includes both full- and part-time persons. FTE is full-time equivalent.

Educational Attainment 2011-2015

	Olympia	Thurston County	Washington State	U.S.
High School Graduate or Higher	93.3%	93.4%	90.4%	86.7%
Bachelor's Degree or Higher	42.4%	33.4%	32.9%	29.8%

Source: U.S. Census Bureau, Quick Facts

Racial and Ethnic Distribution of Thurston County Public School Students 2015-2016

	Olympia		Thurston County	
	Total	%	Total	%
American Indian	36	0.4	641	1.5
Asian	740	7.4	2077	4.9
Black / African American	234	2.3	1,241	2.9
Hispanic	1044	10.4	6,082	14.3
Pacific Islander	20	0.2	458	1.1
Two or More Races	968	9.7	4,415	10.2
White	6,963	69.5	27,528	64.9

Source: WA State Superintendent of Public Instruction, Jan 2017

Business and Industry

The City's early development was based on its port facilities and lumber-based industries, and later oyster farming and dairying. During the mid-twentieth century, the decline of the local timber industry resulted in the loss of many of the local associated milling and secondary operations. During the 1970s, Olympia expanded as a center of offices and homes for State employees, military personnel, and their respective families.

In the late 1960s and early 1970s, the State legislature approved and financed construction of the Evergreen State College. The four-year public institution became an economic and cultural fixture in Thurston County with faculty, staff, and students contributing to the local housing and retail sectors. On a smaller scale, South Puget Sound Community College and Saint Martin's University in nearby Lacey also drove the housing demand. In the late 1980s, the Olympia waterfront and downtown were revitalized, and an effort began to draw new businesses to the area.

Manufacturing continued to be a major economic segment in the early 2000s, though a setback was experienced with the closure of the Miller Brewing plant in June 2003. Wood and food processing segments stagnated, while plastics, industrial supplies, and machinery experienced growth.

Agriculture, another industry traditional to Olympia, also wanes, although production is still higher than in nearby counties. The size of farms continues to decrease, while the number of farms is actually increasing. On the same lines as agriculture, the timber industry is dominated by smaller, family-owned operations.

As the capital of the State of Washington, Olympia relies on the State government to be a stabilizing factor for the local economy. In addition to the jobs it supports directly, state government also supports the economy by attracting tourists, as does the region's gambling industry.

The annual sessions of the State legislature in the winter and spring mark the first tourist season of the year, with summertime recreation and attractions, including tours of State buildings. Compared to other regions in the state, Olympia and Thurston County are home to a relatively small number of technology companies. To attract them, economic development officials promote the area's telecommunication infrastructure, low property price, and educated workforce.

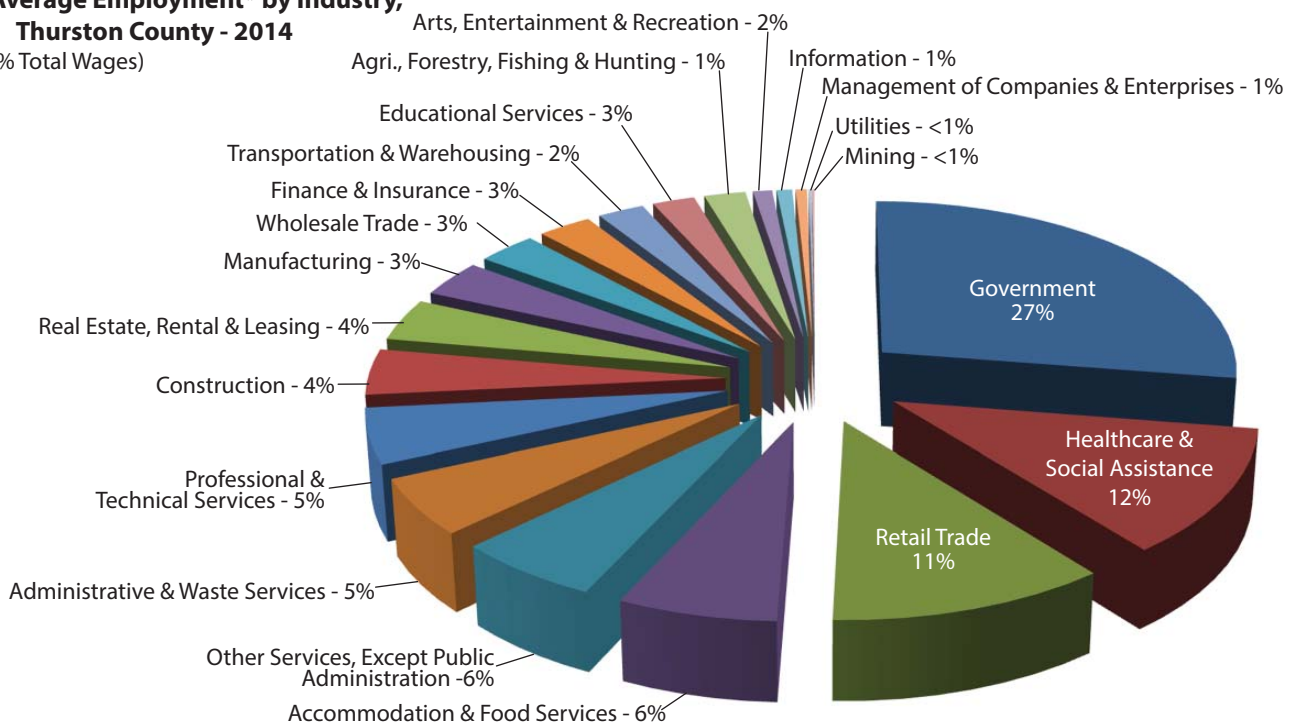
Top Employers in Thurston County

Employer	Employees
State Government, including education	24,800
Local Government, including education	17,600
Providence St. Peter Hospital	1,600
WalMart	1,023
Federal Government	1,000
Safeway	876
South Puget Sound Community College	780
Xerox	650
Capital Medical Center	600
Macy's	600
Nisqually Red Wind Casino	600
Lucky Eagle Casino	600
Weyerhaeuser Company	565
YMCA	551
Evergreen State College	550
Great Wolf Lodge	500

Source: Thurston Economic Development Council, May 2014

Average Employment* by Industry, Thurston County - 2014

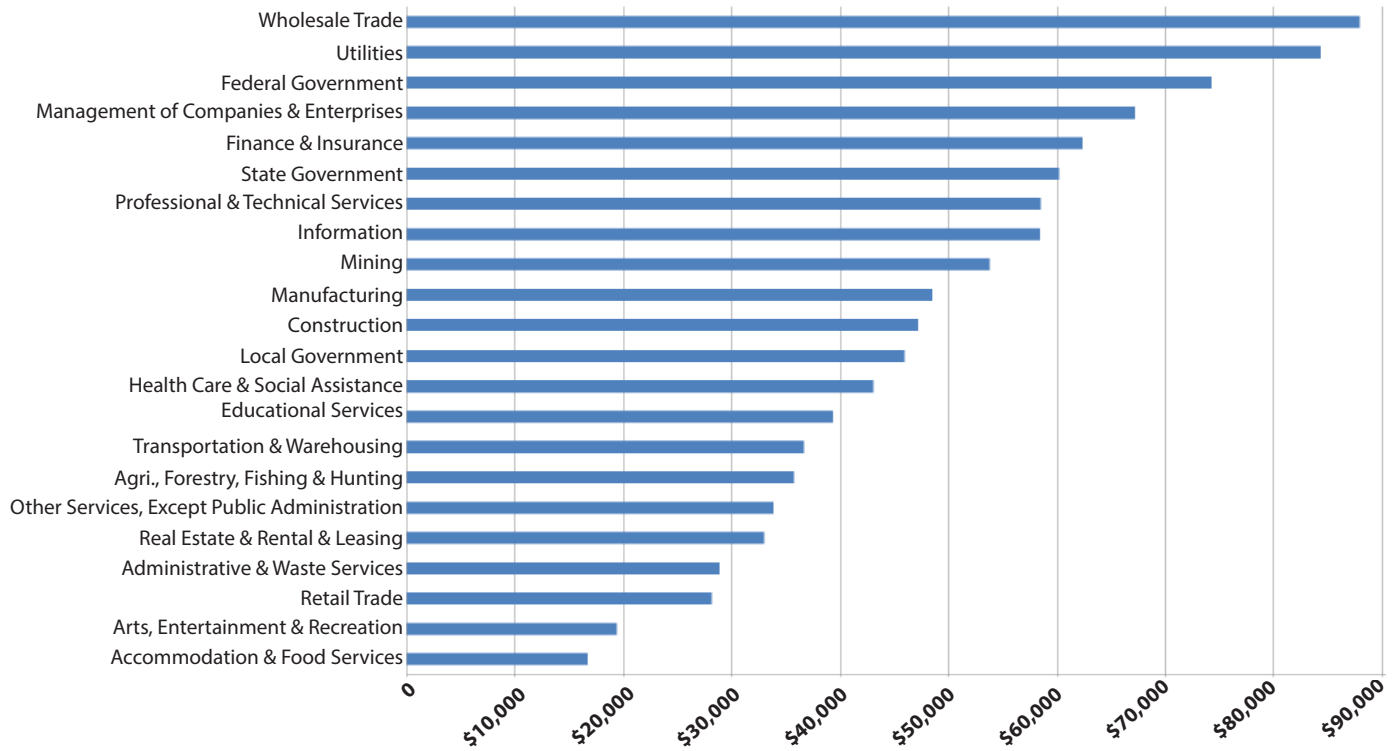
(% Total Wages)



* Employment of Persons Covered by Unemployment Insurance

Source: TRPC's *The Profile*, Employment by Sector, Oct 2016

Average Yearly Wages - Thurston County - 2015



Source: TRPC's *The Profile*, Covered Employment Wages by Industry, October 2016

Top Taxpayers for Tax Year 2017

Rank	Taxpayer	Taxable Assessed Value
1	Capital Mall	\$127,033,000
2	Puget Sound Energy	81,076,140
3	Vine Street Investors	77,468,350
4	Capital Medical Center	48,045,950
5	Washington State Employees CU	35,572,700
6	Continental Cambridge	30,900,550
7	Group Health Coop Of Puget Sound	28,865,250
8	Black Lake Apartments	26,942,195
9	Woodland Apartment Associates II LLC	26,225,850
10	MGP X Properties LLC	24,574,650
11	Cafaro Northwest Partnership	21,978,550
12	Olympia Orthopedic Properties LLC	20,404,150
13	Overlake Management Co	19,842,750
14	Bellwether #215 LLC	19,780,000
15	Fern Street Partners LLC	19,643,400
16	DA Environs Apple Park LLC	19,405,700
17	Bowen Properties LLC	19,099,950
18	Columbia Heights Partners LLC	17,815,850
19	Cooper Point Pavillion LLC	17,727,700
20	De Tray, E Paul	16,940,900

Using taxable values within the City of Olympia as of 01/16/2017

Source: Thurston County

Public Transportation

Communities throughout the Thurston region have adopted comprehensive strategies to meet the mobility needs of people, goods, and services well into the future. These strategies address all aspects of the region's transportation system, including streets and roads, public transportation, rail, bicycle and pedestrian facilities, and marine and aviation facilities.

Transportation alternatives—like public transportation, bike lanes, sidewalks, and rail—provide more people with feasible options for getting from Point A to Point B. These alternatives also improve the quality of life for neighborhoods, downtown core areas, and busy corridors linking important activity centers.



Utilities

Through a combination of public and private enterprises, Olympia offers first-rate utility services. The City of Olympia maintains an aggressive capital program to improve and maintain facilities for drinking water, stormwater, and wastewater utilities. The use of reclaimed water can be used by agencies and businesses for irrigation, commercial processes, decorative fountains and ponds, pressure washing, dust control, toilet flushing, groundwater recharge and streamflow, and wetland enhancement. The City also provides a Waste ReSources utility which offers a wide range of solid waste, recycling and organic services. Natural gas and electricity is provided for most residents by Puget Sound Energy, and local telephone service is provided by several different providers, with Century Link being the major provider.

Neighborhood Recognition Program



Olympia's Neighborhood Recognition Program was started in 1989 as a way to foster ongoing communication between City government and neighborhood associations. Neighborhoods voluntarily choose to participate in the Olympia program and all neighborhoods located within the City of Olympia and its Urban Growth Area are eligible to apply.

Benefits of the program are:

- Notification of certain zoning and land use proposals
- As-needed meetings with City staff and other associations to discuss issues and learn about City programs and services
- Authorize street closure for up to two neighborhood block parties per year

Participating associations are also eligible to bi-annually apply to the City for a neighborhood matching grant of up to \$4,000 to initiate an activity to benefit the neighborhood in general. In recent years, neighborhoods have used the matching grants to landscape common areas, construct entrance signage, develop emergency response programs, maintain stormwater retention ponds, create neighborhood walking paths, and publish a neighborhood history.

Culture that Supports our Mission: Working Together to Make a Difference

The City of Olympia champions its mission in meaningful ways to ensure our City is a great place to live, work and play. One of the most visible ways is through our Public Art program, City-owned park land, and our partnerships with private organizations. Creative uses of our resources allow us to create an environment where we fuel our citizens' minds and creativity; provide spaces to be physically active, enjoy nature, and the companionship of other community members; and promote activities and events that bring our community together through shared experiences.

Public Art

In 1990, the City of Olympia passed an ordinance setting aside one dollar per person and one percent of major City construction projects for public art. Projects range from small local artist projects in neighborhood parks to major installations and design teams. In 1998, the Olympia Arts Commission created a long-range plan for public art in Olympia. The vision for the future states:

We envision a public art program that is inspiring-thought provoking and functional, inclusive and diverse. We envision a public art program that is woven into the community and our daily lives-our neighborhoods, parks, buildings, infrastructure and public spaces. We invite all segments of our community to work with the City to sustain the current vitality of the arts and embrace new challenges.

Guided walking tours are available in the summer and our entire collection may be viewed online. For citizens and visitors who prefer a self-guided approach to art appreciation, we offer walking maps marked with public art locations. Not all pieces are on display year-round.

Parks

The City of Olympia park system has grown to over 1,000 acres and includes all of the traditional amenities one would look for such as ballfields, tennis courts, playgrounds, restrooms and picnic shelters. Olympia parks also provide substantial open space and natural areas, complemented by multiple opportunities to access the Puget Sound shoreline and our historical waterfront.

Partnerships

The City of Olympia cultivates a sense of belonging and cohesiveness in the community by creating opportunities for citizens to share experiences. Citizens look forward to annual events such as the City-sponsored Arts Walk and Procession of the Species Parade. We devote resources and partner with private organizations for events such as the Capital Lakefair Festival and Parade, Dragon Boat Festival, Capital City Marathon, Pet Parade, Olympia Harbor Days, Toy Run Motorcycle Rally and more! For these particular events, the City provides event space and in-kind services.

The City also provides space for some of our City's best-loved places. We own the buildings at the Farmers Market, the buildings housing the Hands On Children's Museum, the Olympia Timberland Regional Library, and the Washington Center for the Performing Arts – all places our citizens can go to learn new things, appreciate the arts, and gather with friends old and new.



"Ad Astra" Artist: Sylvia Perle

Do We Make a Difference?

We believe so. There is a reason property prices are higher in Olympia than surrounding Thurston County cities and towns. Scarcity is one obvious economic factor. But also, as Olympia residents know, there is a feeling associated with living here – a palpable sense of belonging to something bigger, something important, something that is growing and changing to help direct our future in positive ways. The things we do to support our mission – Working Together to Make a Difference – make Olympia a great place to live, work, and play. Olympia is a wonderful example of Aristotle's famous quote, "The whole is greater than the sum of its parts," and the City of Olympia is proud to be a contributing part.

Acronyms

Term	Stands for	Term	Stands for
AEGIS	City's Police Information System	LOS	Level of Service
AFSCME	American Federation of State, County, & Municipal Employees	LOTT	Lacey-Olympia-Tumwater-Thurston County
ASE	Automated Service Excellence	LTFS	Long Term Financial Strategy
AWC	Association of Washington Cities	LTGO	Long Term General Obligation
BARS	Budget & Accounting Reporting System	MRT	Moral Reconation Therapy
CAFR	Comprehensive Annual Financial Report	MNRFTC	Mark Noble Regional Fire Training Center
CAMP	Capital Asset Management Program	MOU	Memorandum of Understanding
CAPCOM	Thurston County Communications	MVET	Motor Vehicle Excise Tax
CDBG	Community Development Block Grant	NLC	National League of Cities
CFP	Capital Facilities Plan	NPDES	National Pollutant Discharge and Elimination System
CIP	Capital Improvement Program	O&M	Operations & Maintenance
CIPP	Cured in Place Pipe	ODA	Olympia Downtown Association
CNA	Coalition of Neighborhood Associations	OFD	Olympia Fire Department
COLA	Cost of Living Adjustment	OMPD	Olympia Metropolitan Park District
CPI	Consumer Price Index	OPD	Olympia Police Department
CPTED	Crime Prevention Through Environmental Design	OSHA	Occupational Safety and Health Administration
DRC	Day Reporting Center	PBIA	Parking & Business Improvement Area
DRS	Department of Retirement Systems	PC	Personal Computer
DUI	Driving under the Influence	PFD	Public Facilities District
EDC	Economic Development Council	PPACA	Patient Protection & Affordable Care Act
EDDS	Engineering and Developmental Design Standards	PPP	Priest Point Park
EHM	Electronic Home Monitoring	PRAC	Parks and Recreation Advisory Committee
EMS	Emergency Medical Services	PREA	Prison Rape Elimination Act
EOC	Emergency Operations Center	PSE	Plans, Specs and Estimates
ERU	Equivalent Residential Unit	PWTF	Public Works Trust Fund
FDCARES	Fire Dept. Community Assistance Referrals & Education Service	RCW	Revised Code of Washington
FEMA	Federal Emergency Management Act	SAAS	Software as a Service
FTE	Full Time Equivalent	SAFER	Staffing for Adequate Fire & Emergency Response
GAAP	Generally Accepted Accounting Principles	SCBA	Self Contained Breathing Air Bottles
GASB	Government Accounting Standards Board	SEPA	State Environmental Policy Act
GFC	General Facility Charge	SRO	School Resource Officer
GFOA	Government Finance Officers Association	STEP	Septic Tank Effluent Pump
GMA	Growth Management Act	STEP	Strategic Technology Enhanced Policing
GO	General Obligation	TBD	Transportation Benefit District
HUD	Housing and Urban Development	TCTV	Thurston Community Television Board
HVAC	Heating, Ventilation, and Air Conditioning	TRPC	Thurston Regional Planning Council
ISP	Intensive Supervisor Training	UGA	Urban Growth Area
IT	Information Technology Line of Business	VAC	Victims' Assistance Coordinator
IUOE	International Union of Operating Engineers	VCB	Visitor and Convention Bureau
LEED	Leadership in Energy and Environmental Design	VIP	Volunteers in Parks
LED	Light Emitting Diode	WAC	Washington Administrative Code
LEOFF	Law Enforcement Officers and Fire Fighters	WARC	Waste and Recovery Center
LERMS	Law Enforcement Records Management System	WCIA	Washington Cities Insurance Authority
LID	Local Improvement District and/ or Low Impact Developments	WISHA	Washington Industrial Safety and Health Act
LOB	Line of Business	WPR	Waste Prevention and Reduction
		WSDOT	Washington State Department of Transportation
		WTSC	Washington Traffic Safety Commission

Glossary of Terms

Accrual Basis of Accounting - The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

American Federation of State, County, and Municipal Employees (AFSCME) - A bargaining unit covering Parks and Public Works maintenance employees and Parking Enforcement employees.

Agency Funds - A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds.

Allocation - To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

Appropriation - An authorization made by the legislative body of a government, which permits officials to incur obligations against, and to make expenditures of, governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriation Ordinance - An official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Assessed Value (AV) - The fair market value of both real (land and building), and personal property as determined by the Thurston County Assessor's Office for the purpose of setting property taxes.

Assets - Property owned by a government, which has monetary value.

Audit - A systematic examination of resource utilization concluded in a written report. It is a test of management's internal accounting controls and is intended to: ascertain whether financial statements fairly present financial position and results of operations; test whether transactions have been legally performed; identify areas for possible improvements in accounting practices and procedures; ascertain whether transactions have been recorded accurately and consistently; and ascertain the stewardship of officials responsible for governmental resources.

Balanced Budget - refers to a budget in which revenues are equal to expenditures. More generally, it refers to a budget that has no budget deficit, but could possibly have a budget surplus.

Baseline -The cost to repeat the current level of service. Baseline includes inflation costs. They do not reflect increased levels of service.

Bond - A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s) along with periodic interest at a specified percentage of the principal (interest rate).

Bond Anticipation Notes (BANs) - Short-term interest bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Budget (Operating) - A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which a government and its departments operate.

Budget 365 - City's year round budget process designed to inform and educate citizens about how to get involved in the City's budget decision making process.

Budget Calendar - The schedule of key dates or milestones which a government follows in the preparation and adoption of the budget.

Capital Budget - A plan of proposed major capital improvements, which are beyond the routine operation of the City, and the means of financing them. The capital budget is enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on a Capital Facilities Plan (CFP).

Capital Facilities Plan (CFP) - A six-year plan for capital expenditures that identifies the expected beginning and ending date for each project, the amount to be expended in each year on each project, and the method of financing those expenditures. Only expenditures and revenues proposed for the first year of a project are incorporated into the Annual Operating Budget as the Capital Budget.

Capital Improvement - A project to create, expand or modify a capital facility. The project may include design, permitting, environmental analysis, land acquisition, construction, landscaping, site improvements, initial furnishings, and equipment. The project cost must exceed \$50,000.

Capital Improvement Plan (CIP) Fund - A fund used to pay for general municipal projects (excludes utilities). The money is derived from the real estate excise tax, interest, utility tax (1%) and the year-end cash surplus.

Capital Outlays (Expenditures) - Expenditures for the acquisition of, or addition to, fixed assets not included in the Capital Facilities Plan. The useful life of these expenditures must be two years or more with a value of at least \$5,000. Examples include construction projects, land acquisition, major renovations or repairs to existing grounds or facilities, and equipment purchases.

Capital Projects - Projects which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a new building or facility, with a life expectancy of more than 10 years. It may also include major maintenance or renovation of a current asset.

Glossary of Terms (continued)

Cash Basis - The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

Collective Bargaining Agreement - A legal contract between employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, benefits, and matters affecting health and safety of employees).

Constrained Prioritization - Budget-setting process where priority setting survey is used to categorize general fund services into four quadrants. The highest priority services are assigned to Quadrant Level 1, the next important services to Level 2, etc. Only a specific number of services can be assigned to each level, thus creating a constrained prioritization process. Then it is decided whether the general fund budget for the different quadrants should be increased, maintained at the current level, or reduced.

Consumer Price Index (CPI) - A statistical description of price levels provided by the United States Department of Labor. The index is used as a measure of change in the cost of living.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost of Living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

Council Priorities - Each year the Olympia City Council develops target issues which are a set of priority topics to be addressed by the Council and staff during the upcoming year. Target issues may extend beyond the current operating budget. Also referred to as Council Emphasis Areas or Target Issues.

Debt Service - Payment of interest and repayment of principal to holders of a government's debt instruments.

Deficit - 1. The excess of an entity's liabilities over its assets (see Fund Balance). 2. The excess of expenditures or expenses over revenues during a single accounting period.

Depreciation - 1. Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence. 2. That portion of the cost of a capital asset, which is charged as an expense during a particular period.

Double Budgeting - The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

Enterprise Fund - Funds used for services provided to the public on a user charge basis, similar to the operation of a commercial enterprise. Water and sewage utilities are common examples of government enterprises.

Equipment Rental - The Equipment Rental Fund operates as a self-sufficient motor and equipment pool. Customer departments pay for the equipment used through charges billed monthly. These charges include a form of depreciation, which is accumulated as a sinking fund for future asset replacement, a factor for maintenance of the equipment, and charges for fuel (if applicable).

Expendable Trust Fund - Fund where the money in the fund (principal) and the interest may be spent as designated by the donor.

Expenditures - Where accounts are kept on the accrual or modified basis of accounting, the cost of goods received or services rendered, whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when cash payments for the above purposes are made.

Fiduciary Funds - Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. This includes pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fiscal Year - A twelve-month period designated as the operating year by an entity. For Olympia, The fiscal year is the same as the calendar year (also called budget year).

Full Faith and Credit - A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

Fund - a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

Fund Balance - The excess of an entity's assets over its liabilities. The City's policy is to maintain a fund balance of at least 10% of the general operating revenues.

General Fund - This fund is used to pay the expenses and liabilities of the City's general services and programs for citizens that are not separately accounted for in special revenue funds.

General Obligation Bonds - When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are General Obligation (GO) Bonds. Sometimes the term is also used to refer to bonds, which are to be repaid from taxes and other general revenues.

Glossary of Terms (continued)

Government Finance Officers Association (GFOA) - Association that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

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

Grant - A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

Infrastructure - The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends (e.g., streets, roads, sewer, and water systems).

Insurance 1 - Medical insurance plan offered to non-represented, AFSCME, IUOE, and Teamsters employees hired prior to January 1, 2013.

Insurance 2 - Medical insurance plan offered to non-represented, AFSCME, IUOE, and Teamsters employees hired on or after January 1, 2013.

Interdepartmental Charges - A revenue similar to program revenues but paid by other units of the City of Olympia.

Interfund Services/Revenue - The term "interfund" refers to transactions between individual Funds of the City of Olympia (rather than transactions between the City and private companies,) other receiver must budget and pay for service received. The service provider will budget for the cost of providing the service and receive a revenue in the form of a payment from the service receiver. Interfund revenues can be either payment for intracity services or contributions of revenue from one City organization to another. Prime examples would be equipment rental charges, self-insurance premiums, and contributions for debt service obligations. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as "double budgeting." (The term interfund is also referred to as intracity.)

Internal Control - A plan of organization for purchasing, accounting, and other financial activities, that includes, but is not limited to:

- Employees' duties are assigned so that no single employee handles a financial action from beginning to end.
- Proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed.

- Records and procedures are arranged appropriately to facilitate effective control

Internal Service Fund - Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

Investment - Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

International Union of Operating Engineers (IUOE) - Union covering Public Works operating supervisors.

LEAN - A production philosophy that considers the expenditure of resources in any aspect other than the direct creation of value for the end customer to be wasteful, and thus a target for elimination.

Liability - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

LOTT Alliance - A nonprofit corporation established by an interlocal cooperation agreement by the cities of Lacey, Olympia, Tumwater, and Thurston County. The Alliance is responsible for regional sewage treatment.

Major Fund - funds would be classified as major if the following two conditions are met:

1. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total of all funds of that category or of that type; AND
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the total for all governmental and enterprise funds combined.

Modified Accrual Basis - The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred, and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

Non-expendable Trust Funds - Funds where only the interest earned on the principal may be spent as designated by the donor.

Object of Expenditure - Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditure include:

- Personnel services (salaries and wages)
- Contracted services (utilities, maintenance contracts, travel)
- Supplies and materials
- Capital outlays

Glossary of Terms (continued)

Olympia Metropolitan Parks District - A junior taxing district established by the voters in 2015 for the purpose of funding parks acquisition, maintenance, development and safety. The District may levy up to \$0.75 per \$1,000 of assessed property value.

Operating Budget - The annual appropriation to maintain the provision of City services to the public.

Operating Transfer In - Transfer (payment) from other funds, which are not related to rendering of services.

Optiview - The document management software used to image and organize the City's documents.

Permanent Fund - Permanent funds are required to be used to report resources that are legally restricted to the extent that only earnings (and not principal) may be used for purposes that support the reporting government programs.

Personnel Services - Includes total wages and benefits.

Program - A specific and distinguishable unit of work or service performed.

Program Enhancement - Programs, activities or personnel requested to improve or add to the current baseline services.

Program Revenue - These are revenues which are produced as a result of an activity of a program and are dependent upon the quantity of services provided to the public or governmental units (e.g., permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (e.g., grants, taxes or debt funds).

Proprietary Funds - Recipients of goods or services pay directly to these funds. Revenues are recorded at the time services are provided, and all expenses incurred in earning the revenues are recorded in the same period.

Real Estate Excise Tax (REET) - A tax upon the sale of all residential and commercial property within the City of Olympia a rate of 1/2 of 1% of the purchase price. This tax is restricted by state law to Transportation and Park capital projects.

Reclaimed Water - Recycled municipal wastewater that has been cleaned and treated in order to remove pollutants and contaminants so that the water can be safely reused for a variety of approved uses, such as irrigation.

Reserve - An account used to indicate that a portion of Fund Equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

Revenue - The term designates an increase to a fund's assets that:

- Does not increase a liability (e.g., proceeds from a loan)
- Does not represent a repayment of an expenditure already made
- Does not represent a cancellation of certain liabilities
- Does not represent an increase in contributed capital (e.g., taxes, grants, fines)

Revenue Bonds - Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund.

Service Profiles - Specific quantitative measures of work performed within an activity or program (e.g., total miles of streets cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program). Also referred to as Service Measures.

Special Revenue Funds - Funds that are dedicated for a specific purpose (e.g., roads, surface water, etc.), require an additional level of accountability, are collected in a separate account, and are not part of the General Fund.

Step Sewer Systems - Sewage treatment effluent pump systems are an alternative to the traditionally gravity flow sewage system.

Supplies and Services - All supplies and services such as office supplies, professional services, and intergovernmental services.

Tax Anticipation Notes (TANs) - Notes issued in anticipation of taxes that are retired, usually from taxes collected (typically used by school districts).

Tax Rate Limit - The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

Teamsters - Chauffeurs, Teamsters, and Helpers Union covers Police Support employees and jail corrections staff.

Transfers - Interfund activity with and among the three fund categories (governmental, proprietary, and fiduciary).

Transportation Benefit District (TBD) - is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving and funding transportation improvement within the City.

VueWorks - The web-enabled, integrated GIS, enterprise asset management solution software the City uses.

Warrant - An order drawn by a municipal officer(s) directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current date or some future date.

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