



CITY COUNCIL
ANDY RYDER
Mayor

CYNTHIA PRATT
Deputy Mayor

LENNY GREENSTEIN
MICHAEL STEADMAN
CAROLYN COX
ED KUNKEL
MALCOLM MILLER

CITY MANAGER
SCOTT SPENCE

LACEY CITY COUNCIL AGENDA

SEPTEMBER 2, 2021

4:00 P.M.

REMOTE ATTENDANCE

The Lacey City Council meeting will be conducted remotely, not in-person. You may view the Council meeting by watching live using one of following platforms: [Live Meetings](#), [YouTube](#), [Facebook](#), Thurston Community Media, Channel 3 with your local cable provider, or Zoom:

https://us02web.zoom.us/webinar/register/WN_0cLcIsiKSQOopXWZmP8A6A

The public may listen to the meeting via telephone by dialing toll-free: **(888) 788-0099** or **(877) 853-5247** - when prompted enter Webinar ID **858 0533 4166**

CALL TO ORDER:

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF AGENDA & CONSENT AGENDA ITEMS:***
 - A. [Council Worksession minutes of August 12, 2021](#)
 - B. [Council Meeting minutes of August 19, 2021](#)
 - C. [A motion to approve payment of claims, wages, and transfers for August 5, 2021, through August 24, 2021](#)

**Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

3. **PUBLIC RECOGNITIONS AND PRESENTATIONS:**
4. **PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA****

****VERBAL PUBLIC COMMENT**

Persons wishing to provide verbal public comment on items NOT on the agenda must preregister to speak at https://us02web.zoom.us/webinar/register/WN_0cLcIsiKSQOopXWZmP8A6A. Instructions and access details will be provided once registration is complete. Registration for verbal public comment closes at 3:00 p.m. on September 2, 2021.

****WRITTEN PUBLIC COMMENT**

Public comments may also be submitted by email to publiccomment@ci.lacey.wa.us. Written comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the Council meeting; however, comments received will be added to the official record. The commenting period will close at 12:00 p.m. on September 2, 2021.

5. PUBLIC HEARING:

6. PROCLAMATIONS:

7. REFERRAL FROM PLANNING COMMISSION:

8. REFERRAL FROM HEARINGS EXAMINER:

9. RESOLUTIONS:

10. ORDINANCES:

- A. [Ordinance 1598 - Final 2021 Budget Amendment](#) (*Troy Woo*)

11. MAYOR'S REPORT:

- A. Appointment of Gary Larson to the Board of Park Commissioners (*Mayor Andy Ryder*)

12. CITY MANAGER'S REPORT:

- A. [Pacific and Marvin Annexation, Project #19-239](#) (*Ryan Andrews*)
B. [Lake Lois Pacific Avenue Annexation, Project #21-235](#) (*Ryan Andrews*)

13. STANDING GENERAL COMMITTEE:

- A. [Finance & Economic Development Committee \(08.24.2021\)](#)
B. [General Government & Public Safety Committee \(08.24.2021\)](#)
C. [Land Use & Environment Committee \(08.24.2021\)](#)

14. OTHER BUSINESS:

15. BOARDS, COMMISSIONS AND COMMITTEE REPORTS:

- A. Mayor Andy Ryder:
1. Mayors' Forum
2. Thurston Chamber Shared Legislative Committee
3. Transportation Policy Board (TPB)
- B. Deputy Mayor Cynthia Pratt:
1. Joint Animal Services Commission (JASCOM)
2. LOTT Clean Water Alliance
3. Olympic Region Clean Air Agency (ORCAA)
- C. Councilmember Carolyn Cox:
1. Intercity Transit (IT)
2. Regional Housing Council
- D. Councilmember Lenny Greenstein:
1. Emergency Medical Services (EMS)
2. TCOMM911

E. Councilmember Malcolm Miller:

1. Lodging Tax Advisory Committee (LTAC)
2. Thurston County Coalition Against Trafficking (TCCAT)
3. Thurston Regional Planning Council (TRPC)
4. Thurston Thrives

F. Councilmember Michael Steadman:

1. Community Action Council
2. Nisqually River Council
3. Thurston County Law & Justice

G. Councilmember Ed Kunkel:

1. Economic Development Council (EDC)
2. Lacey South Sound Chamber
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
4. Solid Waste Advisory Committee (SWAC)

16. ADJOURN

MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

THURSDAY, AUGUST 12, 2021

4:00 P.M. – 5:47 P.M.

REMOTE ONLY

COUNCIL PRESENT: MAYOR RYDER, DEPUTY MAYOR PRATT, COUNCILMEMBERS
GREENSTEIN, COX, STEADMAN, KUNKEL, MILLER

STAFF PRESENT: S. SPENCE, S. KELLEY-FONG, D. SCHNEIDER, T. WOO, E. FONTAINE

ACTION: APPROVE WORKSESSION AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS GREENSTEIN
AND DEPUTY MAYOR PRATT

GOLD STAR MEMORIAL REQUEST FOR SUPPORT

PRESENTER: JERRY WILKINS, BOARD MEMBER, LACEY GOLD STAR MEMORIAL
FOUNDATION

ACTION: INFORMATION ONLY

The Gold Star Memorial Foundation is a 501c(3) nonprofit that seeks to memorialize the dedication and sacrifice of local families whose loved one has paid the ultimate sacrifice for our freedoms.

The future home of Lacey's Gold Star Memorial Monument will be located at 521 Sleater Kinney Road, at the Civic Plaza. This location was donated by the City of Lacey.

Monument designs and structures were presented, as well as review of sponsorship options for those who wish to sponsor a Gold Star Family or Veteran.

Fundraising efforts were reviewed, as well as current project financial status and anticipated expenses. The total costs of bringing this monument to Lacey is estimated at \$100,000. Gold Star Memorial requested direct funds from the City in an effort to support the project.

Staff recommended the City's Art Fund Reserve as the best source of the funds. Council directed staff to draft a recommendation for a full Council Meeting, in the amount of \$30,000. Council also advised there is an open invitation for the Gold Star Memorial to return if additional funds were required closer to project implementation.

PSE GREEN DIRECT UPDATE

PRESENTER: HEATHER MULLIGAN, MANAGER CUSTOMER CLEAN ENERGY
SOLUTIONS, PUGET SOUND ENERGY

ACTION: INFORMATION ONLY

Heather Mulligan, Manager of Customer Clean Energy Solutions with Puget Sound Energy presented an update on the Puget Sound Energy Green Direct Program.

The Puget Sound Energy Green Direct Program allows governments and industrial customers to purchase renewable energy from various specific projects under long-term energy services agreement contracts.

Updates were provided on the following projects:

Skookumchuck Wind

- Lewis County
- Phase 1 of Green Direct – 21 customers, including the City of Lacey
- Began full operation on Nov 7, 2020
- November – April has generated 244,141 MWHs of wind energy

Lund Hill Solar

- Klickitat County
- 150 MW solar facility under construction
- Phase 2 Project allowed for an additional 20 customers to enroll in Green Direct
- Largest Solar project in WA
- Power purchase agreement – start date of March 1, 2021
- Currently projected online date of December 31, 2021

A review of a Rate Case Settlement and Green Direct Credit was reviewed and contained the following highlights:

- December 2020, PSE filed a power cost only rate case (PCORC) with the UTC.
- Green Direct Credit calculation arose as an issue during closed settlement discussions.
- Some parties to the PCORC raised concerns that the methodology used to calculate the Green Direct credit was unfairly shifting costs onto other rate payers, and advocated for a significant reduction in the value of the Green Direct credit.
- A compromise was reached on a temporary methodology with agreement to convene discussion with all stakeholders, including Green Direct customers this summer.
- End result is a reduction in the credit from \$0.044883/kWh to \$0.039618/kWh, or a 11.7% reduction. The impact to total charges is roughly a 6% increase.

Next Steps:

- PSE has held meetings with Green Direct customers in preparation for collaborative discussion with broad set of stakeholders.
- First collaborative discussion shifted to mid-September to allow customers group more time to adequately prepare.
- Objective is to reach consensus among parties on a long-term, durable credit to present to Utilities and Transpiration Commission for approval.

In July 2017, the City executed an energy service agreement for the Green Direct Program. An amended 20-year agreement was approved at the November 19, 2020, Council meeting.

Council expressed concern that the credit did not produce the results as projected and asked for more information and clarity on the impacts of the 20-year projections.

Staff recommended to refer the discussion back to the Utilities Committee, and provide updates as information became available.

CAPITOL LAKE ENVIRONMENTAL IMPACT STATEMENT

PRESENTERS: TESSA GARDNER-BROWN, FLOYD/SNIDER CONSULTANTS
RAY OUTLAW, FLOYD/SNIDER CONSULTANTS
KARMEN MARTIN, ENVIRONMENTAL SCIENCE ASSOCIATES
ANN LARSON, DIRECTOR OF GOVERNMENT RELATIONS, DEPARTMENT OF ENTERPRISE SERVICES
CARRIE MARTIN, PLANNER AND PROJECT MANAGER, DEPARTMENT OF ENTERPRISE SERVICES
ACTION: INFORMATION ONLY

A review of Capitol Lake – Deschutes Estuary, Long-Term Management Project was presented.

Agenda topics included:

- Project Area
- Long-Term Management Alternatives
- Technical Evaluations and Key Findings
- Construction Impacts
- Planning-Level Costs
- Next Steps

The project area extends from Tumwater Falls to the northern point of West Bay. The Deschutes Estuary was used historically by local tribes, particularly Squaxin Island Tribe. The area includes Capitol Lake, and the 260-acre waterbody leased to Department of Enterprise Services from Department of Natural Resources.

The Long-Term Management Goals included the following:

- Improve water quality
- Improve ecological functions
- Manage sediment accumulation and future deposition
- Enhance community use of the resource
- Demonstrate economic and environmental sustainability with the preferred alternative

The presentation reviewed cost estimates from the Draft Environmental Impact Statement, as well an analysis of water quality and public service and utilities.

Water Quality Key Findings:

- Water quality in Capitol Lake is relatively good, compared to Puget Sound lowland lakes.
- Water quality standards are occasionally exceeded, primarily for temperature and dissolved oxygen.
- Perceptions of poor water quality are likely due to aquatic plant growth and use restrictions
- Seasonal and occasional violations of water quality standards would occur under all long-term management alternatives.

The following alternatives were highlighted and discussed:

No Action and Managed Lake Alternatives

- Flooding from extreme river flood events would not be addressed by the Olympia Sea Level Rise Response Plan; additional mitigation measures should be considered.
- Department of Ecology could require LOTT and other dischargers to implement more stringent actions to improve discharges; this would be a significant impact.

Estuary and Hybrid Alternatives

- Saltwater exposure could cause corrosion and reduce infrastructure life; significant impacts could be addressed through mitigation.

Estuary Alternative

- Flood evaluations predicted in Heritage Park would be mitigated by the improvements planned under the Olympia Sea Level Rise Response Plan.

Hybrid Alternative

- Presence of the barrier wall will provide flood protection in Heritage Park area.

MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL HELD THURSDAY,
AUGUST 19, 2021, REMOTE ATTENDANCE

CALL TO ORDER: Mayor Ryder called the meeting to order at 4:00 p.m.

PLEDGE OF ALLEGIANCE: Mayor Ryder led the Pledge of Allegiance.

COUNCIL PRESENT: A. Ryder, C. Pratt, C. Cox, E. Kunkel, M. Miller

COUNCIL EXCUSED: L. Greenstein, M. Steadman

STAFF PRESENT: S. Spence, R. Almada, J. Burbidge, S. Egger, M. Hardie, S. Kelley-Fong, D. Schneider, R. Walk, T. Woo, P. Edmonds

APPROVAL OF AGENDA
AND CONSENT AGENDA: Consent Agenda Items:
A. Council Worksession minutes of July 22, 2021.
B. Council meeting minutes of August 5, 2021
C. A motion to approve payment of claims, wages and transfers for July 30, 2021, through August 12, 2021.
D. A motion to approve the Department of Commerce 2020 Community Project Program Grant for the Lacey Veterans Service Hub Facility Renovations

COUNCILMEMBER COX MOVED TO APPROVE THE AGENDA AND CONSENT AGENDA.
COUNCILMEMBER KUNKEL SECONDED. MOTION CARRIED.

PUBLIC COMMENT:

Persons wishing to provide public comment on items not on the agenda must pre-register to speak. Registration closed at 3:00 p.m. today.

Anna Schlecht, Olympia, Washington resident, discussed the recent Regional Housing Council meeting and affordable housing in Thurston County.

Public comments may also be submitted by email by 12:00 p.m. today. Comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the meeting; however, comments received will be added to the official record.

One written public comment was received and will be made part of the official record.

PROCLAMATIONS:

Mayor Ryder and Council proclaimed August 2021 as Arbor Month.

Jenny Bauersfeld, Community Relations Specialist, briefed Council on the City's Tree City USA designation and the community events to celebrate Arbor Month.

Mayor Ryder and Council proclaimed August 31, 2021, as Overdose Awareness Day.

Katie Strozyk, Thurston County Opioid Response Coordinator, accepted the proclamation. A community event will be held on August 31 from 12:30-6:30 p.m. at Percival Landing in Olympia.

**REFERRAL FROM
HEARINGS EXAMINER:**

Sarah Schelling, Senior Planner, presented the Hearing Examiner's recommendation on the Preliminary Subdivision and Class IV Forest Practices for Bradley Park, Project 20-307.

The proposal requests preliminary approval to subdivide 15.66 acres into 82 lots single-family development. The project includes open space, roadway, and stormwater improvements on approximately 10 acres, with 5.16 acres set aside for future development. A Class IV Forest practices application has been submitted for timber removal. The property is zoned Mixed Use Moderate Density Corridor. Residential development is permitted at a density between 8 and 12 units per acre. The property is unaddressed; located between 6th Avenue Northeast and 15th Avenue Northeast, approximately 460 feet east of Sleater Kinney Road Northeast.

The Hearing Examiner conducted a public hearing on Monday, July 7, 2021. Staff, the applicant, and one member of the community provided testimony at the hearing. The City also received several written comments immediately prior to the hearing. Topics of concern were raised relating to traffic on 15th Avenue NE, conversion of wooded areas to urban development, and impacts to wildlife. There are conditions in the recommendation that address these concerns.

The Hearings Examiner recommended approval with conditions. Staff requests the Council approve the recommendation including adoption of findings, conclusions, and conditions.

COUNCILMEMBER KUNKEL MOVED TO APPROVE THE PRELIMINARY SUBDIVISION AND CLASS IV FOREST PRACTICES FOR BRADLEY PARK PROJECT 20-307. MAYOR RYDER SECONDED. MOTION CARRIED.

RESOLUTIONS:

Kelly Adams, Management Analyst, presented Resolution 1107 to approve the Lacey City Council Policies–Procedures Manual updates.

On June 9, 2011, the Lacey City Council adopted the Council Policies-Procedures Manual ("Manual") to standardize the process for implementing current and new Council practices, procedures, and policies. Staff presented an update to the General Government & Public Safety Committee on July 27, 2021. The Committee approved the changes and recommended review by the full City Council. The last comprehensive review and update to the Council Policies-Procedures Manual occurred on July 7, 2016.

To increase readability, accessibility, inclusivity, and incorporate changes and new sections of the Manual more effectively. No substantive policy changes occurred in this update process.

Sections added to the draft manual as a result of City Council action since the last comprehensive update include:

- Lacey Youth Council
- Naming of Public Parks, Trails, Parkways, etc.
- Naming of Historical Buildings

COUNCILMEMBER COX MOVED TO APPROVE RESOLUTION 1107 APPROVING THE LACEY CITY COUNCIL POLICIES-PROCEDURES MANUAL UPDATES. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED.

Council directed staff to draft procedures relating to technical issues that may occur during a virtual or hybrid meeting when a vote is being taken. A 5-minute pause could be taken on the vote until the technical issue is resolved, and then a call for the vote would then resume.

CITY MANAGER'S REPORT: Jason Kashani, Utility Engineer, requested Council award Contract Number PW2018-10 to low bidder Pease & Sons, Inc. from Tacoma, Washington, in the amount of \$574,787.59 for the Lift Station 49 Cross Connection Control project.

Lift Station #49 is located at 2365 Shady Glen Court NE Lacey, WA 98503. It is the largest sanitary sewer lift station within the City's wastewater system and was constructed in 2009. The lift station includes pumps, pipes, controls, odor control system and a screening system, and is located north of Britton Parkway in undeveloped acreage. Due to the size of the lift station, it has been considered a wastewater treatment plant separating it from the rest of the smaller lift stations serving the system, therefore triggering a higher level of backflow prevention.

The project was advertised for three weeks and bids were opened August 5, 2021. Two bids were received. The 2 bids were \$574,787.59 and \$592,570.57. Pease & Sons, Inc. from Tacoma, Washington, was the low bidder. The Engineer's Estimate was \$695,122.13.

Pease & Sons, Inc. is qualified and capable of performing the work. Project start date is anticipated in September 2021 with 80 working days allotted to complete the work. The project is expected to be completed by January 2022.

DEPUTY MAYOR PRATT MOVED TO AWARD LACEY CONTRACT NUMBER PW2018-10 TO LOW BIDDER PEASE & SONS, INC. FROM TACOMA, WASHINGTON IN THE AMOUNT OF \$574,787.59. COUNCILMEMBER KUNKEL SECONDED. MOTION CARRIED.

Scott Spence, City Manager, presented the Gold Star Memorial proposal. The Gold Star Memorial Foundation of Lacey is a nonprofit that seeks to memorialize the

dedication and sacrifice of local families who's loved ones that paid the ultimate sacrifice for our freedoms. Funds raised will go toward the establishment of the Gold Star Families Monument in Lacey. The site of the monument will be located at the Lacey Flag Plaza, adjacent to Sleater Kinney Road.

At the August 12, 2021, Worksession, the Gold Star Memorial Foundation requested funding for the project. Council agreed to consider a \$30,000 contribution.

COUNCILMEMBER MILLER MOVED TO COMMIT \$30,000 FROM THE CITY'S ART FUND IN SUPPORT OF THE GOLD STAR FAMILIES MEMORIAL PROJECT IN LACEY. DEPUTY MAYOR PRATT SECONDED. MAYOR RYDER, DEPUTY MAYOR PRATT, COUNCILMEMBER COX, AND COUNCILMEMBER MILLER VOTED IN FAVOR. COUNCILMEMBER KUNKEL RECUSED HIMSELF. MOTION CARRIED.

STANDING COMMITTEES:

Finance & Economic Development Committee

Mayor Ryder reported the Committee met on July 27, 2021, to discuss the Lacey MakerSpace, 2022 Budget Calendar, and Second Quarter Investment Report.

General Government & Public Safety Committee

Deputy Mayor Pratt reported the Committee met on July 27, 2021, to discuss the City Council Policies-Procedures Manual and 2021 Fireworks Calls.

Community Relations & Public Affairs Committee

Councilmember Steadman reported the Committee met on August 2, 2021, and received an update on the Parks, Culture, and Recreation Department's Summer Events.

Utilities Committee

Councilmember Kunkel reported the Committee met on August 2, 2021, to discuss the Pacific/Marvin Annexation Project 19-239 and Lake Lois/Pacific Avenue Annexation Project 21-235.

BOARDS & COMMISSIONS:

LOTT

Deputy Mayor Pratt reported on several items:

- Capitol Lake EIS
- North Henderson Property House
- Cost of Service Study Update
- Contract Awards
- Safety Issues
- COVID-19 Update

Intercity Transit Authority

Councilmember Cox reported on several items:

- Public Hearing on Van Pool Fare Study
- Re-routed bus service from Ensign Road to Martin Way and Lilly Road
- Mask Mandate
- COVID-19 Update

Thurston Thrives

Councilmember Miller reported on a presentation received by the Foundation of Delta Dental of Washington.

Olympia-Lacey-Tumwater Visitor and Convention Center

Councilmember Kunkel reported on several items:

- New technology to track travelers
- Search for office space
- Membership Status

OTHER BUSINESS:

Council directed staff to provide a quarterly housing construction report to include housing units to date, an estimate of housing units in the

future, market rates, and affordable housing. The report would be provided at a City Council meeting.

Scott Spence, City Manager, updated Council on City Hall's hours of operations, mask mandate, and virtual meetings.

Mayor Ryder adjourned the meeting at 5:34 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



LACEY CITY COUNCIL MEETING September 2, 2021

SUBJECT: Disbursement Approval

RECOMMENDATION: By motion, approve payment of claims, wages, and transfers.

STAFF CONTACT: Troy Woo, Finance Director 

ORIGINATED BY: Troy Woo, Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 8/5/2021 through 8/24/2021. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	8/13/2021	257853	258024	146,417.19
	8/20/2021	258025	258092	589,915.08

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	8/10/2021	114.10
	8/10/2021	19.08
	8/10/2021	517.01
	8/10/2021	2,820.66
	8/11/2021	19,676.14
	8/11/2021	273.00
	*8/12/2021	1,377.97
	8/12/2021	12,896.95
	8/12/2021	282.00
	8/13/2021	1,416,553.29
	8/17/2021	348.00

* Disbursements for employee out-of-pocket deductions and employee benefits.

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
Lakeside Industries, Inc.	\$1,158,694.30	2021 Overlay
Northwest Land & Water	\$ 91,062.34	Water Quality Testing
Barcott Construction, LLC	\$ 96,481.64	Ruddell Road Retaining Walls
Intermountain Slurry Seal	\$ 307,735.07	2021 Slurry Seal
SoftwareOne, Inc.	\$ 195,824.11	Annual Microsoft Licensing
Thurston Co. Pub. Works	\$ 491,845.26	Mullen Road Improvements



LACEY CITY COUNCIL MEETING September 2, 2021

SUBJECT: 2021 Budget Amendments

RECOMMENDATION: Adopt ordinance amending the 2021 Budget.

STAFF CONTACT: Scott Spence, City Manager 
Troy Woo, Finance Director 

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. [Ordinance No. 1598](#)
2. [Summary for Proposed Ordinance](#)

FISCAL NOTE: See attached [Ordinance Exhibit "A"](#).

PRIOR REVIEW: Finance and Economic Development Committee on August 24, 2021.

BACKGROUND:

Throughout the year, adjustments to the budget become necessary as a result of City Council actions, activity levels that were not anticipated during budget development, and grant awards (or other receipts of outside funding). Historically, the budget has been amended once per year immediately prior to the development of the next year's proposed budget document. Staff requests City Council adoption during September to facilitate the 2022 Budget document development.

The following are significant budget amendments that have been identified since the adoption of the 2021 Budget. The full details of the proposed budget amendments are attached to the proposed ordinance as exhibit "A".

Current Expense Fund (General Fund)

- A late 2020 audit and reconciliation of the City's liability, property, machinery, and auto insurance coverage resulted in an overall \$60,820 increase compared to the 2021 Budget projection. This affects multiple budget funds.
- \$70,000 is requested for various human resources professional services including recruitment services, legal services, and policy development & review.
- The facilitation services contract supporting the Community Workgroup on Homelessness requires an additional \$71,685.
- The Mobile Outreach Team agreement was authorized by the City Council on July 15, 2021. In partnership with Olympic Health and Recovery Services, a four-person team will provide seven-day per week outreach services relating to behavior health issues and people in crisis. The City of Lacey contribution will be \$176,463.
- At the June 24, 2021 Worksession, the City Council authorized \$95,000 to help establish the Senior Services for the South Sound Home Share pilot program. The Home Share program is a living arrangement where home providers offer accommodation to home seekers in exchange for an agreed upon level of support in the form of financial contributions, assistance with household tasks, transportation, companionship, or any combination of the above.
- \$67,061 is requested for two limited-term park aid technicians to establish a new Homeless Rapid Response Cleanup Team. The increase of homeless encampments, and subsequent dumping and littering throughout the City, highlights the need for additional personnel to adequately respond.
- \$70,000 is requested for the Veterans Services Hub First Floor Tenant Improvements project. The project is funded by \$421,852 from the City's Community Development Block Grant and \$70,000 from assigned reserves.
- The Veteran Affairs Outstation Center lease tenant improvements requires an additional \$35,000 to complete. The additional costs will be fully reimbursed by the Federal Veteran Affairs Administration.
- The Strategic Communications Plan project requires an additional \$40,000 for completion.
- A management position is needed in the Community and Economic Development Department due to increasing workloads and new service demands. The projected annual cost of the position is \$169,000.
- Two annexations (Steilacoom/Marvin and Capitol City Estates) require a census study to certify the annexation to the Office of Financial Management. The 2021

Adopted Budget did consider one \$20,000 census study. To complete both an additional \$21,217 is required.

- Staff proposes the budgeted Water Quality Assurance Fee phase-in transfer is eliminated. Due to COVID-19 revenue reductions and according to the preliminary draft of the Water Comprehensive Plan update, the \$714,286 transfer is not necessary for the water capital improvement plan.

Community Buildings Fund (General Fund)

- \$53,440 is requested for the repair of the Childcare Center building due to damage caused by water intrusion. This repair will be completed with the adopted budget painting project.

Capital Equipment Fund (General Fund)

- The adopted 2021 Budget includes \$500,000 for Police Station enhancements and the funding for the project is the City Council designated committed reserve for the Police Station project. The updated recommendation is to enhance the Police Department's equipment and technology. It is requested that the original budget appropriation be changed to equipment from building improvements and the funding source be changed to a more appropriate reserve, because equipment and technology does not meet the intent of the Police Station committed reserve.
- \$52,700 is requested for a new pickup truck and dump trailer for the new Homeless Rapid Response Cleanup Team.
- A transfer of Lacey Childcare Center reserves (\$108,235) is necessary, because a new department was implemented with the 2021 Budget. Previously, Childcare Center repairs were expended in the Capital Equipment Fund. Currently, the Childcare Center repairs are budgeted in the Community Buildings Fund.

Arterial Street Fund

- College Street and 7th Avenue (Mid-Town) Pedestrian Crossing preliminary analysis requires \$40,000. City Council committed reserves for the project will be transferred into the Arterial Street Fund.
- City staff is evaluating a potential College Street SE property purchase related to right-of-way for the future 16th Avenue and College Street SE roundabout project.

Transportation Benefit District Fund

- \$50,000 is requested for sidewalk repairs in Lacey Midtown on 10th Avenue SE and Alhadeff Lane.

Building Improvement Fund

- At its August 19, 2021 meeting, the City Council authorized the use of \$30,000 of the public art committed reserve for the Lacey Gold Star Memorial.
- Front counter glass structures will be installed in City Hall, the Maintenance Service Center, and Community Center to provide additional security and social distancing improvements. The estimated cost of the project is \$103,490.
- The adopted 2021 Budget includes \$500,000 for Police Station enhancements and the funding for the project is the City Council designated committed reserve for the Police Station project. The updated recommendation is to enhance the Police Department's equipment and technology. It is requested that the original budget appropriation be changed to equipment from building improvements and the funding source be changed to a more appropriate reserve, because equipment and technology does not meet the intent of the Police Station committed reserve.
- Well decommissioning, soil cleanup, and the Department of Archaeology and Historic Preservation (DAHP) assessment is required for the Lacey Museum and Cultural Center site (5700 Lacey Blvd) at an estimated cost of \$208,227. The Washington State Department of Ecology directed the removal of monitoring wells and soil replacement. The DAHP assessment is recommended to occur concurrently to limit the disruption of the property.
- \$25,000 is requested to initiate Lacey Museum and Cultural Center comprehensive exhibit design. Lacey Fire District No. 3 has provided the funding for the costs indicated.
- The adopted 2021 Budget created a new budget department for the Childcare Center. To complete transition the \$108,215 2020 year-end reserves for the Lacey Childcare Center need to be transferred.
- \$45,000 is requested to facilitate land acquisition for the future Police Station to include survey, tree inventory, appraisal, and related costs.
- \$3.0 million is requested for the purchase of land for the future police station building.

Parks and Open Space Fund

- A Parks Department rental house (6769 Pacific Avenue NE) required emergency electrical panel and service repairs. The cost was \$2,462.

Regional Athletic Complex Capital Fund

- \$74,083 is requested to complete the Regional Athletic Complex (RAC) security camera system upgrade project. The system will include 26 cameras covering several key areas of the park.

Water Operations Fund

- \$400,000 is requested for water meter inventory and water meter transmission units (MTU). The Water Utility's automated water meter reading system is nearly 15 years old. An increasing number of MTU batteries are failing after exceeding their expected 10-year life. Also, a combination of supply concerns and continued strong development in the City's Urban Growth Area has resulted in needing higher meter inventory levels.

Water Capital Fund

- Budget amendments are needed for the completion of the following Water capital projects:
 - o Marvin Road Well - \$115,000
 - o TCOMM911 Radio System Facilities (Hawks Prairie Sister Standpipe) - \$55,000
 - o 2020 Well Review and Rehabilitation Program - \$60,000
 - o Smith Farm capital project - \$24,000
 - o Source 19 Pipe Train - \$20,000

Wastewater Capital Fund

- Budget amendments are needed for the completion of the following Water capital projects:
 - o Liftstation 20 Abandonment (47th Avenue SE) - \$375,000

At its August 24, 2021, meeting, the Finance and Economic Development Committee reviewed the proposed amendments and recommended full City Council consideration of the proposed amendments to the 2021 adopted budget.

ADVANTAGES:

1. The proposed adjustments to the 2021 Budget reflect more accurately the necessary requirements of each fund or adjustments made by City Council action.
2. The proposed adjustments maintain a balance between the anticipated revenues and expenditures of each of the funds amended.

DISADVANTAGES:

1. Generally, budget adjustments must use cash reserves to compensate for expenditures that may exceed budget estimates by the end of the budget year.

ORDINANCE NO. 1598

CITY OF LACEY

AN ORDINANCE AMENDING THE 2021 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 1574 BY REVISING THE BUDGETED AMOUNTS FOR THE CURRENT EXPENSE, COMMUNITY BUILDINGS, REGIONAL ATHLETIC COMPLEX (M&O), CITY STREET, ARTERIAL STREET, TRANSPORTATION IMPROVEMENT, BUILDING IMPROVEMENT, CAPITAL EQUIPMENT, PARKS AND OPEN SPACE, REGIONAL ATHLETIC COMPLEX (CAPITAL), WATER M&O, WASTEWATER M&O, STORMWATER M&O, WATER CAPITAL, WASTEWATER CAPITAL, EQUIPMENT RENTAL, INFORMATION SERVICES, AND ANIMAL SERVICES FUNDS AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, there is a need for additional expenditures to be budgeted within the Current Expense, Community Buildings, Regional Athletic Complex (M&O), City Street, Arterial Street, Transportation Improvement, Building Improvement, Capital Equipment, Parks and Open Space, Regional Athletic Complex (Capital), Water M&O, Wastewater M&O, Stormwater M&O, Water Capital, Wastewater Capital, Equipment Rental, Information Services, and Animal Services Funds for expenditures which could not be contemplated at the time of adopting the 2021 fiscal year budget; and

WHEREAS, revenues, as shown on Exhibit "A" attached hereto, are available from the sources indicated on said Exhibit for the making of said expenditures; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

Section 1. The 2021 fiscal year budget and Ordinance No. 1574 adopting said budget are hereby amended by making those certain changes to the 2021 fiscal year budget set forth on Exhibit "A", attached hereto and made a part hereof as though fully set forth herein and for all purposes considered to be a portion of this ordinance.

Section 2. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. The summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, on this 2nd day of September, 2021.

Approved as to form:

Mayor

City Attorney

ATTEST:

City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1598

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on September 2, 2021, Ordinance No. 1598 entitled **“AN ORDINANCE AMENDING THE 2021 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 1574 BY REVISING THE BUDGETED AMOUNTS FOR THE CURRENT EXPENSE, COMMUNITY BUILDINGS, REGIONAL ATHLETIC COMPLEX (M&O), CITY STREET, ARTERIAL STREET, TRANSPORTATION IMPROVEMENT, BUILDING IMPROVEMENT, CAPITAL EQUIPMENT, PARKS AND OPEN SPACE, REGIONAL ATHLETIC COMPLEX (CAPITAL), WATER M&O, WASTEWATER M&O, STORMWATER M&O, WATER CAPITAL, WASTEWATER CAPITAL, EQUIPMENT RENTAL, INFORMATION SERVICES, AND ANIMAL SERVICES FUNDS AND APPROVING A SUMMARY FOR PUBLICATION.”**

A section by section summary of this ordinance is as follows:

Section 1 revises the amounts, which were budgeted for revenues and expenditures within the funds listed above by the 2021 fiscal year budget, which had been adopted by Ordinance No. 1574. The reason for revising the budgeted amounts is the fact that there exists a need for additional expenditures within those funds, which could not be contemplated at the time of adopting the 2021 fiscal year budget.

Section 2 provides provisions for corrections.

Section 3 approves this summary.

A copy of the full text of this ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

City Clerk

Published: September 6, 2021

2021 Budget Amendments - Ordinance No. 1598 Exhibit "A"

Account Numbers	Account Description	2021 Budget	Budget Amendment	2021 Budget as Amended	Comments
Current Expense Fund					
Revenues					
001-0000-308-0000	Beginning Cash	4,769,461	3,536,963	8,306,424	Cash Reserves
001-0000-333-1422	CDBG Dept of Commerce	421,852	21,638	443,490	Veterans Affairs Outstation Lease Tenant Improvements
001-0000-374-6400	Capital Contributions/Dept. of Veterans Affairs	500,000	4,500	504,500	Veteran Affairs Outstation lease tenant improvements reimbursement (Fed. Veteran Affairs)
Total Current Expense Fund Revenues		46,580,228	3,563,101	50,143,329	
Expenditures					
001-0301-511-4603	Insurance - Crime/Fidelity	2,209	(275)	1,934	WCIA Liability Insurance
001-0401-558-5802	Agreements / Thurston Region Planning	105,213	3,366	108,579	Annual assessment increase
001-0501-513-4101	Professional Services - Other	1,000	9,183	10,183	Electronic Signature software services
001-0701-516-4101	Professional Services - Other	86,529	70,000	156,529	Human Resource recruitment, legal, and policy development professional services
001-0801-565-4101	Professional Services - Other	46,258	71,685	117,943	Facilitation Services - Community Workgroup on Homelessness
001-0801-565-5826	Agreements / Mobile Outreach Team	-	176,463	176,463	Mobile Outreach Team - Olympic Health & Recovery Services
001-0801-565-5827	Agreements / Senior Services	-	95,000	95,000	Senior Services Home Share Program
001-0802-565-1001	Salaries - Regular	-	38,923	38,923	Homeless Rapid Response Cleanup Team
001-0802-565-2001	Employer Paid Benefits	-	21,638	21,638	Homeless Rapid Response Cleanup Team
001-0802-565-3102	Supplies - Small Tools & Equipment	-	4,500	4,500	Homeless Rapid Response Cleanup Team
001-0802-565-4303	Travel/Registrations	-	2,000	2,000	Homeless Rapid Response Cleanup Team
001-0805-565-4101	Professional Services - Other	60,945	990	61,935	Bio-hazard Abatement Services at the Veterans Services Hub
001-0805-565-6001	Capital Outlay - Equipment	6,048	3,937	9,985	Replace stolen Veterans Services Hub Projection Equipment
001-0805-594-6501	Social Services / Veterans Services Hub	1,084,006	70,000	1,154,006	Veterans Services Hub First Floor Tenant Improvements (CDBG Funded)
001-0805-594-6502	Social Services / Veterans Affairs Lease Improve.	500,000	35,000	535,000	Veterans Affairs Outstation Lease Tenant Improvements
001-0903-513-4101	Professional Services - Other	8,500	40,000	48,500	Strategic Communication Plan
001-1401-514-4101	Professional Services - Other	14,000	14,000	28,000	CentralSquare Naviline (Enterprise Resource Planning Software) Training and Optimization
001-1901-519-4601	Insurance - Liability	302,588	7,763	310,351	WCIA Liability Insurance
001-1901-519-4602	Insurance - Fire/Property	31,501	11,290	42,791	WCIA Fire/Property Insurance
001-1901-572-4602	Insurance - Fire/Property	9,718	3,484	13,202	WCIA Fire/Property Insurance
001-3301-576-4602	Insurance - Fire/Property	1,174	421	1,595	WCIA Fire/Property Insurance
001-3303-576-4602	Insurance - Fire/Property	5,486	1,966	7,452	WCIA Fire/Property Insurance
001-3304-576-4602	Insurance - Fire/Property	1,910	683	2,593	WCIA Fire/Property Insurance
001-3701-558-1001	Salaries - Regular	773,017	130,000	903,017	Community and Economic Development Department Management Position
001-3701-558-2001	Employer Paid Benefits	334,169	39,000	373,169	Community and Economic Development Department Management Position
001-3701-558-4920	Special Projects	481,135	21,217	502,352	Annexation census services
001-7401-574-1001	Salaries - Regular	221,337	5,000	226,337	Parks, Culture, and Rec reorganization changing a vacant DAIII to an Executive Assistant
001-7401-574-2001	Employer Paid Benefits	104,827	1,500	106,327	Parks, Culture, and Rec reorganization changing a vacant DAIII to an Executive Assistant
001-7401-574-3101	Office & Operating Supplies	2,750	15,000	17,750	Water Irrigation Meter for the Woodland Creek Community Park Food Forest
001-7410-575-4602	Insurance - Fire/Property	358	128	486	WCIA Fire/Property Insurance
001-7501-597-0201	Transfer Out 301 Fund	100,000	323,707	423,707	City Hall front counter glass structure and 5700 Pacific Avenue SE
001-7501-597-0201	Transfer Out 301 Fund	423,707	3,000,000	3,423,707	Land for New Police Station Facility
001-7501-597-1003	Transfer Out 303 Fund	-	6,142	6,142	5700 Pacific Avenue SE sprinkler system
001-7501-597-1007	Transfer Out 410 Fund	714,286	(714,286)	-	Water Quality Assurance Fee phase-in transfer
001-7501-597-1102	Transfer Out 302 Fund	133,405	13,676	147,081	Communication equipment and police outfitting equipment
001-7501-597-1501	Transfer Out	-	40,000	40,000	Transfer Out - College Street and 7th Avenue pedestrian crossing analysis
Total Current Expense Fund Expenditures		46,580,228	3,563,101	50,143,329	

Community Buildings					
Revenues					
005-0000-308-0000	Beginning Cash	60,000	56,642	116,642	Cash Reserves
005-0000-397-0000	Transfers In	-	108,215	108,215	Transfer Childcare Center reserves to new department in Fund 005
Total Community Buildings Fund Revenues		685,570	164,857	850,427	
Expenditures					
005-7601-508-9000	Estimated Ending Fund Balance	-	108,215	108,215	Transfer Childcare Center reserves to new department in Fund 005
005-7601-575-4601	Insurance - Liability	5,920	152	6,072	WCIA Liability Insurance
005-7601-575-4602	Insurance - Fire/Property	2,526	905	3,431	WCIA Fire/Property Insurance
005-7602-575-4602	Insurance - Fire/Property	479	171	650	WCIA Fire/Property Insurance
005-7603-555-4602	Insurance - Fire/Property	4,270	1,529	5,799	WCIA Fire/Property Insurance
005-7604-575-4602	Insurance - Fire/Property	1,243	445	1,688	WCIA Fire/Property Insurance
005-7615-554-4801	Repair & Maintenance	62,500	53,440	115,940	Repair of Lacey Childcare Center water damage
Total Community Buildings Fund Expenditures		685,570	164,857	850,427	

Regional Athletic Complex (M&O) Fund					
Revenues					
007-0000-308-0000	Beginning Cash	-	3,682	3,682	Cash reserves
Total Regional Athletic Complex (M&O) Fund Revenues		1,173,087	3,682	1,176,769	
Expenditures					
007-3305-576-1006	Salaries - Part-Time	90,000	11,000	101,000	Move Part-Time Salaries from Recreation Function to Maintenance Function
007-3305-576-4601	Insurance - Liability	11,136	286	11,422	WCIA Liability Insurance
007-3305-576-4602	Insurance - Fire/Property	9,473	3,396	12,869	WCIA Fire/Property Insurance
007-7401-576-1006	Salaries - Part-Time	14,000	(11,000)	3,000	Move Part-Time Salaries from Recreation Function to Maintenance Function
Total Regional Athletic Complex (M&O) Fund Expenditures		1,173,087	3,682	1,176,769	

City Street Fund					
Revenues					
101-0000-308-0000	Beginning Cash	-	1,182	1,182	Cash reserves
Total City Street Fund Revenues		3,906,339	1,182	3,907,521	
Expenditures					
101-4201-543-4601	Insurance - Liability	27,340	701	28,041	WCIA Liability Insurance
101-4201-543-4602	Insurance - Fire/Property	1,343	481	1,824	WCIA Fire/Property Insurance
Total City Street Fund Expenditures		3,906,339	1,182	3,907,521	

Arterial Streets Fund					
Revenues					
102-0000-308-0000	Beginning Cash	3,028,016	350,000	3,378,016	Cash reserves
102-0000-397-1101	Transfers In 001, 003, 005	-	40,000	40,000	Transfer In from Fund 001 Committed Reserves
Total Arterial Streets Fund Revenues		8,948,046	390,000	9,338,046	
Expenditures					
102-4101-595-9001	Capital Projects / Preliminary Engineering	878,598	40,000	918,598	College Street and 7th Avenue pedestrian crossing analysis
102-4101-595-9003	Capital Projects / Road Way	4,639,434	350,000	4,989,434	16th Ave and College Street Roundabout ROW
Total Arterial Streets Fund Expenditures		8,948,046	390,000	9,338,046	

Transportation Benefit District Fund					
Revenues					
103-0000-308-0000	Beginning Cash	59,697	50,000	109,697	Cash reserves
Total Transportation Benefit District Fund Revenues		4,641,086	50,000	4,691,086	
Expenditures					
103-4301-535-9006	Capital Projects / Sidewalks	-	50,000	50,000	Lacey Midtown Sidewalk Repairs (10th Avenue)
Total Transportation Benefit District Fund Expenditures		4,641,086	50,000	4,691,086	

Building Improvement Fund					
Revenues					
301-0000-308-0000	Beginning Cash	440,226	59,746	499,972	Cash reserves
301-0000-367-2600	Contribution / Museum Depot Project	-	7,500	7,500	Nisqually Indian Tribe funding for Salmon-Safe certification
301-0000-397-1101	Transfers In / Transfer In 001,003,005	600,000	(500,000)	100,000	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
301-0000-397-1101	Transfers In / Transfer In 001,003,005	100,000	323,707	423,707	Transfer In from Fund 001 Reserves
301-0000-397-1101	Transfers In / Transfer In 001,003,005	423,707	3,000,000	3,423,707	Transfer In from Fund 001 Reserves
Total Building Improvement Fund Revenues		1,070,182	2,890,953	3,961,135	
Expenditures					
301-0101-514-6002	Capital Outlay - Public Art	-	30,000	30,000	Lacey Gold Star Memorial
301-0101-514-6003	Capital Outlay - Improvements	100,000	103,490	203,490	City Hall front counter glass structures
301-0101-514-6003	Capital Outlay - Improvements	203,490	3,346	206,836	Senior Center Freezer Replacement
301-0101-514-6004	Capital Outlay - Buildings	440,226	(500,000)	(59,774)	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
301-0101-514-6004	Capital Outlay - Buildings	(59,774)	208,227	148,453	Well decommissioning, soil cleanup, and archaeology assessment at 5700 Pacific SE
301-0101-514-6004	Capital Outlay - Buildings	148,453	11,990	160,443	LEED Silver design services for the Lacey Museum and Civic Center
301-0101-514-6004	Capital Outlay - Buildings	160,443	25,000	185,443	Lacey Museum and Civic Center comprehensive exhibit design
301-0101-514-6004	Capital Outlay - Buildings	185,443	7,500	192,943	Salmon-Safe environmental performance and LEED Certification
301-0101-514-6004	Capital Outlay - Buildings	192,943	1,400	194,343	New camera for the City Council Chambers to facilitate virtual hybrid public meetings
301-0101-514-6005	Capital Outlay - Land	-	3,000,000	3,000,000	Land for New Police Station Facility
Total Building Improvement Fund Expenditures		1,070,182	2,890,953	3,961,135	

Capital Equipment Fund					
Revenues					
302-0000-308-0000	Beginning Cash	1,714,271	165,190	1,879,461	Cash Reserves
302-0000-397-1101	Transfer In 001, 003, 005	133,405	500,000	633,405	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
302-0000-397-1101	Transfer In 001, 003, 005	633,405	13,676	647,081	Police equipment, City Manager Office Equipment
Total Capital Equipment Fund Revenues		1,928,195	678,866	2,607,061	
Expenditures					
302-0102-519-6406	Capital Outlays / Common Facilities	425,000	3,605	428,605	Communication equipment replacements, laptop for new ACM
302-0102-519-6406	Capital Outlays / Common Facilities	428,605	4,275	432,880	Office Furniture and Equipment for new Utility Billing Supervisor
302-0102-519-6410	Capital Outlays / Police	351,110	10,071	361,181	Final equipment outfitting of police office positions approved in 2020
302-0102-519-6410	Capital Outlays / Police	361,181	500,000	861,181	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
302-0102-519-6412	Capital Outlays / Public Works Parks	44,775	52,700	97,475	Homeless Rapid Response Cleanup Team Pickup Truck and Dump Trailer
302-0102-597-1101	Transfer Out 005 Fund	-	108,215	108,215	Transfer Childcare Center reserves to new department in Fund 005
Total Capital Equipment Fund Expenditures		1,928,195	678,866	2,607,061	

Parks & Open Space Fund					
Revenues					
303-0000-397-1101	Transfer In 001, 003, 005	277,010	6,142	283,152	Transfer In from Fund 001 to fund park facility repairs
Total Parks & Open Space Fund Revenues		294,589	6,142	300,731	
Expenditures					
303-0106-576-4803	Repairs and Maintenance - Facilities	-	3,680	3,680	Fire-rated compressor for dry sprinkler system (5700 Pacific Avenue SE)
303-0106-576-4803	Repairs and Maintenance - Facilities	3,680	2,462	6,142	Rental House Emergency Electrical Panel Service and Repair
Total Parks & Open Space Fund Expenditures		294,589	6,142	300,731	

Regional Athletic Complex-Capital					
Revenues					
307-0000-308-0000	Beginning Cash	448,633	74,083	522,716	Cash Reserves
Total Regional Athletic Complex-Capital Revenue		1,567,452	74,083	1,641,535	
Expenditures					
307-0106-576-6003	Capital Outlay/Improvements	270,928	74,083	345,011	RAC Security Camera System
Total Regional Athletic Complex-Capital Expenditures		1,567,452	74,083	1,641,535	

Water Fund					
Revenues					
401-0000-308-0000	Beginning Cash	-	490,752	490,752	Cash Reserves
Total Water Fund Revenues		14,312,811	490,752	14,803,563	
Expenditures					
401-3401-534-4601	Insurance - Liability	47,724	1,225	48,949	WCIA Liability Insurance
401-3401-534-4602	Insurance - Fire/Property	1,879	673	2,552	WCIA Fire/Property Insurance
401-3402-514-1001	Salaries - Regular	453,537	29,879	483,416	Two-Year Limited-Term Department Assistant III Position
401-3402-514-1006	Salaries - Part-Time	-	32,000	32,000	Two Seasonal Positions to Assist with AMR Tech Summer Tasks
401-3402-514-2001	Employer Paid Benefits	230,296	3,200	233,496	Two Seasonal Positions to Assist with AMR Tech Summer Tasks
401-3402-514-2001	Employer Paid Benefits	233,496	8,964	242,460	Two-Year Limited-Term Department Assistant III Position
401-3402-514-3137	Supplies/Meters	100,000	400,000	500,000	Increase water meter inventory and meter transmission unit replacements
401-3403-534-4602	Insurance - Fire/Property	41,327	14,812	56,139	WCIA Fire/Property Insurance
Total Water Fund Expenditures		14,312,811	490,752	14,803,563	

Wastewater Fund					
Revenues					
402-0000-308-0000	Beginning Cash	-	4,375	4,375	Cash Reserves
Total Wastewater Fund Revenues		19,256,764	4,375	19,261,139	
Expenditures					
402-3501-535-4601	Insurance - Liability	30,205	775	30,980	WCIA Liability Insurance
402-3501-535-4602	Insurance - Fire/Property	1,644	589	2,233	WCIA Fire/Property Insurance
402-3503-535-4602	Insurance - Fire/Property	8,402	3,011	11,413	WCIA Fire/Property Insurance
Total Wastewater Fund Expenditures		19,256,764	4,375	19,261,139	

Stormwater Fund					
Revenues					
403-0000-308-0000	Beginning Cash	-	518	518	Cash Reserves
Total Stormwater Fund Revenues		4,339,476	518	4,339,994	
Expenditures					
403-4201-538-4601	Insurance - Liability	14,490	371	14,861	WCIA Liability Insurance
403-4201-538-4602	Insurance - Fire/Property	411	147	558	WCIA Fire/Property Insurance
Total Stormwater Fund Expenditures		4,339,476	518	4,339,994	

Water Capital Fund					
Revenues					
410-0000-308-0100	Estimated Beginning Cash / Construction Cash	27,947,836	1,070,182	29,018,018	Cash Reserves
410-0000-369-9000	Other Miscellaneous Revenue	-	55,000	55,000	TCOMM911 Radio System reimbursement
410-0000-397-1009	Transfer in 001 Fund	714,286	(714,286)	-	Water Quality Assurance Fee transfer in
Total Water Capital Fund Revenues		37,108,336	410,896	37,519,232	
Expenditures					
410-3418-534-9001	Preliminary Engineering	5,501,230	26,692	5,527,922	Water Rights Mitigation, Marvin Road Well, Well Rehab., TCOMM911 Radio System
410-3418-534-9005	Construction Engineering	2,400,348	26,692	2,427,040	Water Rights Mitigation, Marvin Road Well, Well Rehab., TCOMM911 Radio System
410-3418-534-9013	Construction of Utilities	27,604,758	302,512	27,907,270	Water Rights Mitigation, Marvin Road Well, Well Rehab., TCOMM911 Radio System
Total Water Capital Fund Expenditures		37,108,336	355,896	37,464,232	

Wastewater Capital Fund					
Revenues					
411-0000-308-0100	Estimated Beginning Cash / Construction Cash	11,977,672	375,000	12,352,672	Cash reserves
Total Wastewater Capital Fund Revenues		14,231,549	375,000	14,606,549	
Expenditures					
411-3518-535-9001	Preliminary Engineering	2,198,882	28,125	2,227,007	Liftstation 20 Abandonment
411-3518-535-9005	Construction Engineering	936,079	28,125	964,204	Liftstation 20 Abandonment
411-3518-535-9013	Construction of Utilities	11,046,588	318,750	11,365,338	Liftstation 20 Abandonment
Total Wastewater Capital Fund Expenditures		14,231,549	375,000	14,606,549	

Equipment Rental Fund					
Revenue					
501-0000-308-0000	Beginning Cash	139,669	10,021	149,690	Cash reserves
Total Equipment Rental Fund Revenues		3,404,103	10,021	3,414,124	
Expenditures					
501-4801-548-4602	Insurance - Vehicle	51,485	4,093	55,578	WCIA Vehicle Insurance
501-4801-548-4604	Insurance - Fire/Property	387	139	526	WCIA Fire/Property Insurance
501-4801-548-6002	Capital Outlays - Replacements	429,990	5,789	435,779	RAC Mower Unit replacement
Total Equipment Rental Fund Expenditures		3,404,103	10,021	3,414,124	

Information Services Fund					
Revenue					
502-0000-308-0000	Beginning Cash	401,356	26,650	428,006	Cash reserves
Total Information Services Fund Revenues		2,448,779	26,650	2,475,429	
Expenditures					
502-1801-518-4930	Software Maintenance	352,869	26,650	379,519	Azure Premium PI licensing for improved Microsoft Exchange security
Total Information Services Fund Expenditures		2,448,779	26,650	2,475,429	

Animal Services					
Revenue					
503-0000-308-0000	Beginning Cash	420,317	(25,000)	395,317	Cash reserves
503-0000-345-2330	Animal Services Fees / Services - Yelm	-	45,000	45,000	City of Yelm full shelter and field services
503-0000-379-1000	Capital Contributions Nongrant	-	39,100	39,100	American Society for the Prevention of Cruelty to Animals (surgery suite equipment)
Total Animal Services Revenue		2,370,181	59,100	2,429,281	
Expenditures					
503-3902-539-4803	Repairs & Maintenance - Facilities	15,000	20,000	35,000	Failed sewer lateral repair
503-3902-539-6001	Capital Outlays - Buildings	-	39,100	39,100	New Surgery Suite Equipment
Total Animal Services Expenditures		2,370,181	59,100	2,429,281	



LACEY CITY COUNCIL MEETING
September 2, 2021

SUBJECT: Pacific and Marvin Annexation. Project no. 19-239.

RECOMMENDATION: Approve a motion to proceed with the proposed Pacific and Marvin annexation proposal that includes the following provisions:

- 1) Authorize the applicants to circulate a petition and gather signatures of property owners representing at least 60% of the assessed value of the annexation property demonstrating their consent to annex;
 - 2) Require the surrounding parcels with existing power of attorney agreements (assessor's parcel no.'s 11814430500, and 11814430100) also be included within the boundary of the area to be considered for annexation;
 - 3) Require the assumption of all or of any portion of existing City indebtedness by the area to be annexed; and
 - 4) Waive the requirement for completion of an annexation study in accordance with the City's annexation policies prior to adoption of an ordinance to formally annex the area or make application to the Boundary Review Board.
-

STAFF CONTACT: Scott Spence, City Manager *SS*
Rick Walk, Community and Economic Development Director *RW*
Ryan Andrews, Planning Manager *RA*

ORIGINATED BY: Community and Economic Development Department by Private Applicant

ATTACHMENTS:

1. [Notice of Intent to Commence Annexation](#)
2. [Overview Map](#)
3. [Existing Power of Attorney Agreements](#)
4. [Existing Zoning](#)
5. [Aerial Photo](#)
6. [Existing Sewer Lines](#)
7. [Existing Water Lines](#)

FISCAL NOTE: None.

PRIOR REVIEW: August 2, 2021 Utilities Committee Meeting

BACKGROUND:

The City has received a notice of intent to commence annexation proceedings filed by DeTray Family Partnership. The filing of the notice is the first step in the annexation process under the petition method (RCW 35A.14.120), which requires a petition filed by property owners representing a minimum of 10% of the valuation of the area proposed for annexation. The City has verified that the ownership does comprise a minimum of more than 10% of the assessed valuation for general taxation purposes of the properties for which annexation is requested.

As a result of the petition, the City Council must pass a motion notifying the petitioners of its approval, rejection, or modification of the annexation area's geographical boundaries. If the Council votes to approve the 10% petition, then the applicant moves forward on obtaining a petition from a total of 60% of the assessed valuation of the area.

Proposed Annexation Area

The area proposed for annexation is located in the Tanglewilde/Thompson Place Planning Area and within the Lacey Urban Growth Area west of Marvin Road SE between Pacific Avenue SE and the property that is designated for the third phase of the Regional Athletic Complex. The area includes seven tax parcels totaling approximately 31 acres. The property contains an existing single-family residence and daycare which are accessible from Marvin Road SE. The remainder of the property is undeveloped, however, the undeveloped property does have approval through Thurston County for a 112-unit age-restricted manufactured home park known as Marvin Estates. The 2020-2021 assessed value of these properties is \$10,125,100. There are no known critical areas or buffers located on the property.

To address potential boundary issues and to prevent illogical boundaries, staff is recommending the two parcels to the south and west (8004 and 8040 Pacific Avenue SE) be included in the formal petition for annexation. These parcels are each 2.4 acres in size and contain existing churches. The City of Lacey does hold existing power of attorney agreements for both of these parcels. The 2020-2021 assessed value of these parcels are \$1,366,400 and \$933,700. Since these properties contain existing churches, they are exempt from the payment of property taxes. The total area for the annexation is approximately 36 acres with a total assessed value for all nine tax parcels of \$12,425,200.

There are two zoning districts that comprise the annexation area. The western portion of the annexation area is zoned Moderate Density Residential and the eastern portion is zoned High Density Residential. The purpose of these zones are to provide residential development of between 8-16 and 12+ units per acre. Upon annexation, the zoning of these parcels will remain as currently designated as required by an annexation agreement with Thurston County.

Annexation Boundary

The area proposed for annexation includes nine parcels located immediately south of the existing Lacey city limits that were extended as part of the recently completed Steilacoom/Marvin Annexation. The configuration is a logical extension of the city limits and

would not create any islands or illogical boundaries. The City Council does have the opportunity to modify any boundaries prior to the applicant proceeding with the annexation and it is recommended that the two existing church parcels as noted above be included in the proposed annexation area.

Utilities

The properties are located within the City of Lacey's water service area and are served by an existing 12-inch waterline located along the northern boundary of the annexation area as well as an existing 16-inch waterline located in Pacific Avenue SE. The lines are adequate to serve the existing and future development of the properties within the proposed annexation area.

City of Lacey sewer service in the area is relatively limited. An existing 8-inch STEP main is located in Pacific Avenue SE and serves the existing daycare and will serve the future manufactured home park. Upon development of the properties within the annexation area, sewer service would be required to be extended and connected to this line.

The area is also served by private utilities including Puget Sound Energy and Comcast. No issues are expected concerning provision of these utilities to the area.

Taxes, Fees, and Services

Typically, as part of an annexation proposal, a full annexation study is performed to outline all issues associated with the annexation including taxes and fees. However, with these properties, very little tax revenue is gained through the proposed annexation. It is the City Council's option to require an annexation study; however, staff believes that in this case there is little to be gained by completing a study. If the original boundaries expand beyond the original proposal (i.e., due to a governmental entity invoking jurisdiction or from a Boundary Review Board recommendation), the requirement of an annexation study needs reconsideration to ensure the full cost of providing essential services is fully understood.

The Marvin Estates manufactured home park currently has land use approval through Thurston County and would generate very limited revenue for the permit fees associated with development. A typical permit for a new manufactured home would be approximately \$450. The development does have to pay for any other fees (including utility connection fees) regardless of whether it is in the city limits.

In addition to the provision of utilities, Lacey Public Works would provide maintenance of the public streets and associated public stormwater infrastructure in the area. Upon annexation, the City would begin maintaining Pacific Avenue. Marvin Road is designated as State Highway 510.

Process

The applicant has submitted a notice of intent to commence annexation using the petition method of annexation (RCW 35A.14.120). Using the petition method, property owners representing a minimum of 10 percent of the assessed valuation of the property proposed for annexation are required to submit the notice. After filing the petition, the City Council must pass

a motion notifying the petitioners of its approval, rejection, or modification of the annexation area's geographical boundaries. Prior to full City Council review of the annexation, the City Council Utilities Committee has reviewed the application for the provision of utilities and is recommending approval. If the Council votes to approve the petition, then the applicant moves forward on obtaining a petition from a total of 60% of the assessed valuation of the area. Once the City receives the 60% petition, the City can move forward on annexation proceedings.

Recommendation

The City Council will review the annexation request under the 60% petition method and is requested to pass a motion indicating the following:

- 1) Authorize the applicants to circulate a petition and gather signatures of property owners representing at least 60% of the assessed value of the annexation property demonstrating their consent to annex;
- 2) Require the surrounding parcels with existing power of attorney agreements (assessor's parcel no.'s 11814430500, and 11814430100) also be included within the boundary of the area to be considered for annexation;
- 3) Require the assumption of all or of any portion of existing City indebtedness by the area to be annexed; and
- 4) Waive the requirement for completion of an annexation study in accordance with the City's annexation policies prior to adoption of an ordinance to formally annex the area or make application to the Boundary Review Board.

RECEIVED

NOTICE OF INTENT TO COMMENCE
ANNEXATION PROCEEDINGS

SEP 03 2019

BY 19-239

The following owners of land do hereby certify that we are the owners of not less than 10% in value, according to the assessed valuation for general taxation, of the following described property (as generally described on the attached exhibit and legal description) which is contiguous to the City of Lacey and hereby provide notice to the City Council of the City of Lacey of the landowners intent to commence annexation proceedings pursuant to Ordinance 510. Pursuant to Section 35A.14.120 of the Revised Code of Washington, the landowners request the Council to set a public meeting at which time this annexation proposal may be considered. The landowners hereby waive the requirement to set a date no later than sixty days after the filing of the request.

Exhibit and Legal Description (see attached)

Warning: Every person who signs this notice with any other that his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Property Owner	Signature	Date	Address	Acreage	Parcel No
DeTray Family Partnership L.P. E.P. DeTray Reg Agent	<i>E.P. DeTray</i>	8/1/19	825 SE Marvin Rd	17.25	11814430300
DeTray Family Partnership L.P. E.P. DeTray Reg Agent	<i>E.P. DeTray</i>	8/1/19	951 SE Marvin Rd	4.62	11814430200
DeTray Family Partnership L.P. E.P. DeTray Reg Agent	<i>E.P. DeTray</i>	8/1/19	8048 Pacific Ave SE	2.39	11814430501
DeTray Family Partnership L.P. E.P. DeTray Reg Agent	<i>E.P. DeTray</i>	8/1/19	No street address	2.39	11814430600
DeTray Family Partnership L.P. E.P. DeTray Reg Agent	<i>E.P. DeTray</i>	8/1/19	No street address	2.39	11814430601

I hereby certify that I have examined the above petition as well as the Assessor's rolls for the area described and I have determined that the petitioners are the owners of not less than 10% in value, according to the assessed valuation for general taxation, of the described area to be annexed.

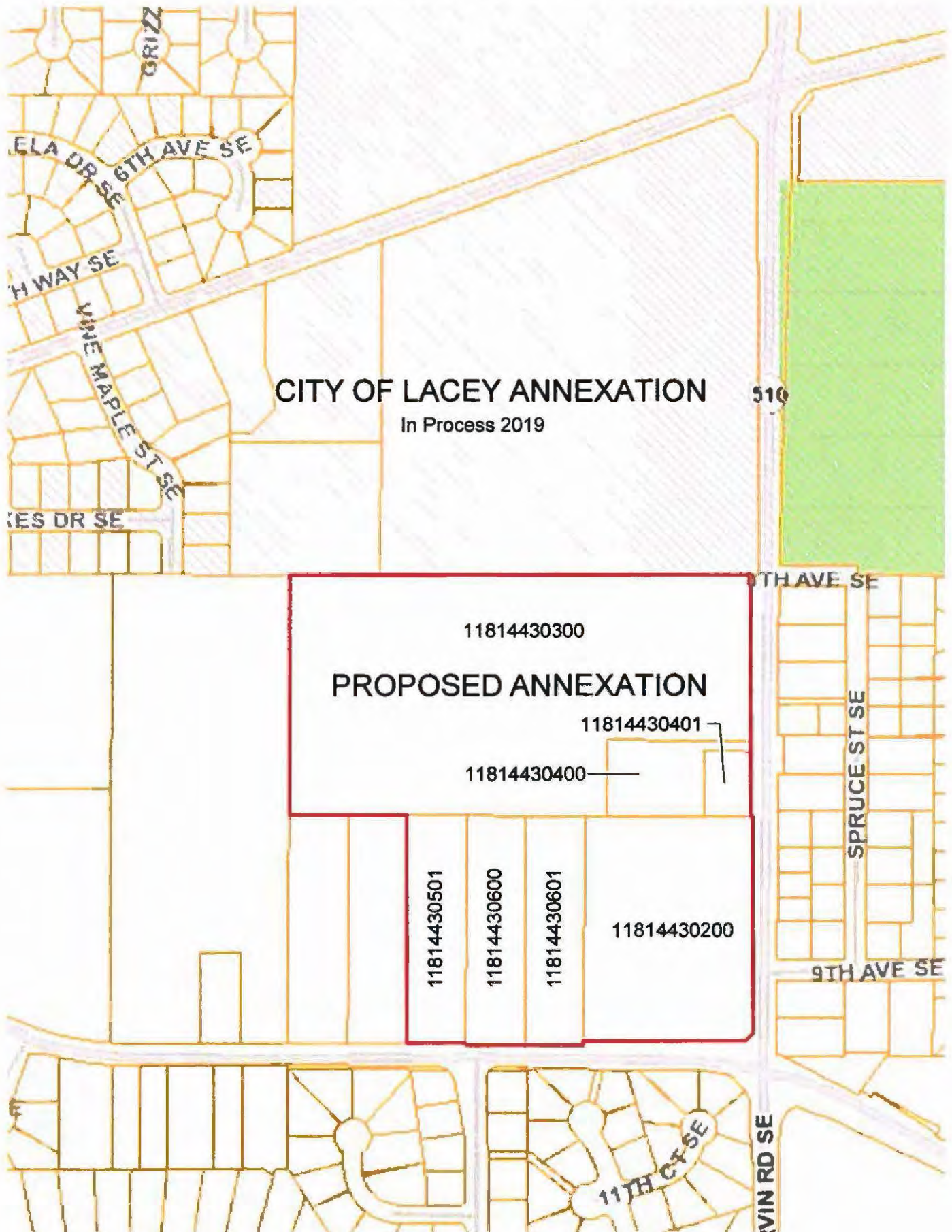
In determining whether this petition contains the signatures of owners of not less than 10% in value according to the assessed valuation for general taxation purposes I have used the same method that the Thurston County Assessor would use to define assessed valuation for general taxation purposes as of the date affixed below.

Signed this 9th day of September, 20 19

Rae Wa

Director, Community & Economic
Development Department

EXHIBIT A
MAP OF ANNEXATION SITE



COMBINED LEGAL DESCRIPTIONS:

PARCEL 1814430300

SECTION 14, TOWNSHIP 18 NORTH, RANGE 1 WEST,
W.M., SOUTHWEST QUARTER OF THE SOUTHEAST
QUARTER LESS THE EAST 446 FEET OF THE SOUTH
209 FEET LESS THE ROAD ON EAST, LESS
RIGHT-OF-WAY SR 510, JUNCTION WITH SR 5 TO
PACIFIC HWY VIC 3405072.

PARCEL 11814430400 AND 11814430401

THE SOUTH 209 FEET OF THE EAST 446 FEET OF
THE NORTH HALF OF THE SOUTHWEST QUARTER OF
SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 18
NORTH, RANGE 1 WEST, W.M.;
EXCEPTING THEREFROM COUNTY ROAD KNOWN AS
MARVIN ROAD ALONG THE EAST BOUNDARY;
ALSO EXCEPT THAT PORTION CONVEYED TO THE
STATE OF WASHINGTON BY DEED RECORDED
NOVEMBER 4, 1999, UNDER AUDITOR'S FILE NO.
3263951.
IN THURSTON COUNTY, WASHINGTON.

PARCEL 11814430200

SECTION 14, TOWNSHIP 18 NORTH, RANGE 1 WEST,
W.M., SOUTHWEST QUARTER OF THE SOUTHEAST
QUARTER THE SOUTH 660 FEET LESS THE WEST 825
FEET AND PORTION CONDEMNED FOR HWY #
85-2-01071 LESS RIGHT-OF-WAY SR 510. JUNCTION
SR 5 TO PACIFIC HWY VIC 3405072

PARCEL 11814430501

THE EAST 165 FEET OF THE WEST 495 FEET OF THE
SOUTH HALF OF THE SOUTHWEST QUARTER OF THE
SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 18
NORTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN;
EXCEPT THE SOUTH 30 FEET FOR ROAD PURPOSES.

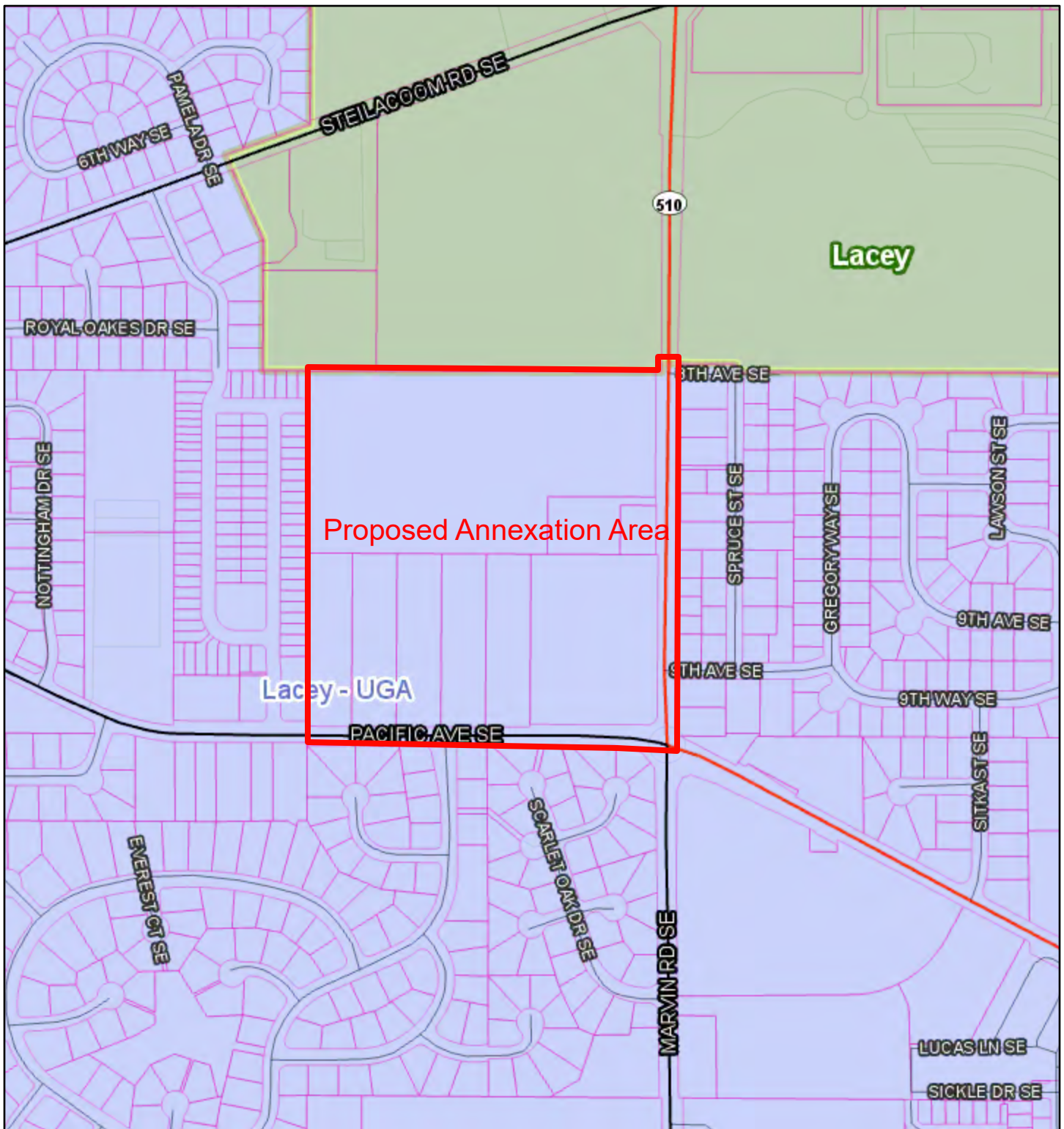
PARCEL 11814430600

THE EAST 165 FEET OF THE WEST 660 FEET OF THE
SOUTH HALF OF THE SOUTHWEST QUARTER OF THE
SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 18
NORTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN;
EXCEPT THE SOUTH 30 FEET FOR ROAD PURPOSES.

PARCEL 11814430601

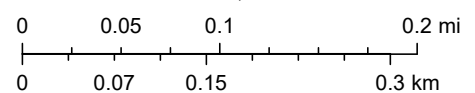
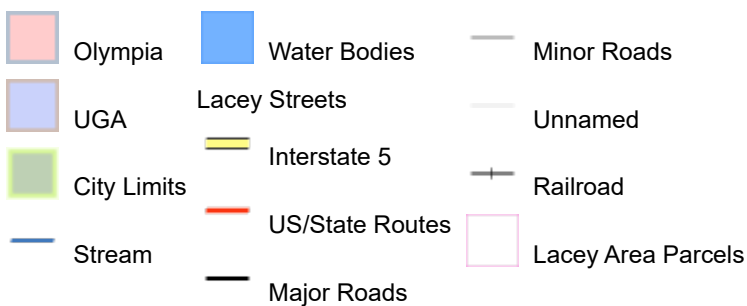
THE EAST 165 FEET OF THE WEST 825 FEET OF THE
SOUTH HALF OF THE SOUTHWEST QUARTER OF THE
SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 18
NORTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN;
EXCEPT THE SOUTH 30 FEET FOR ROAD PURPOSES.

Pacific and Marvin Annexation Overview



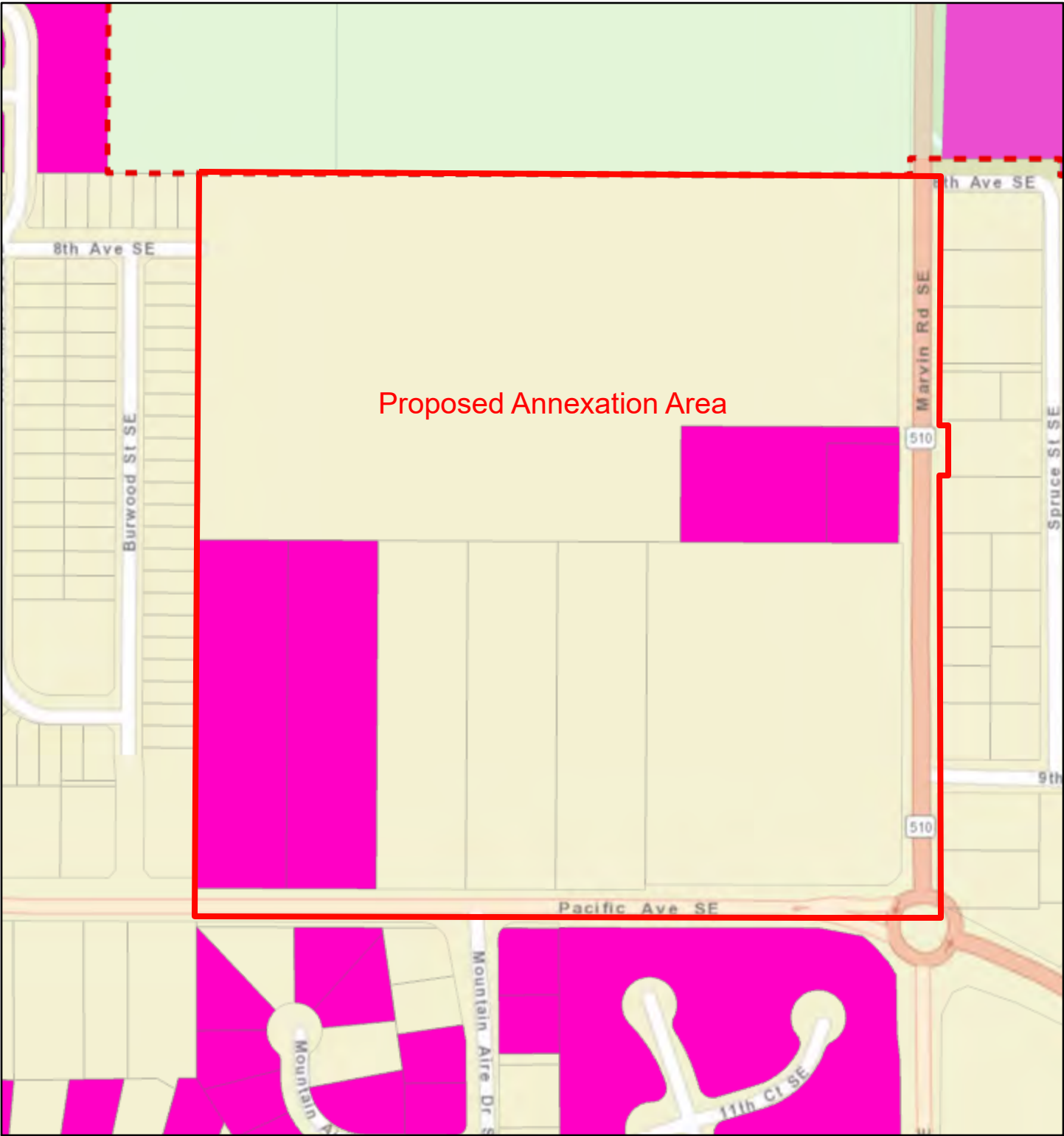
7/15/2021, 10:39:11 AM

1:9,028



GIS Coordinator, City of Lacey

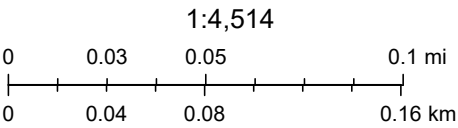
Pacific Marvin Annexation Power of Attorney Agreements



7/19/2021, 1:36:18 PM

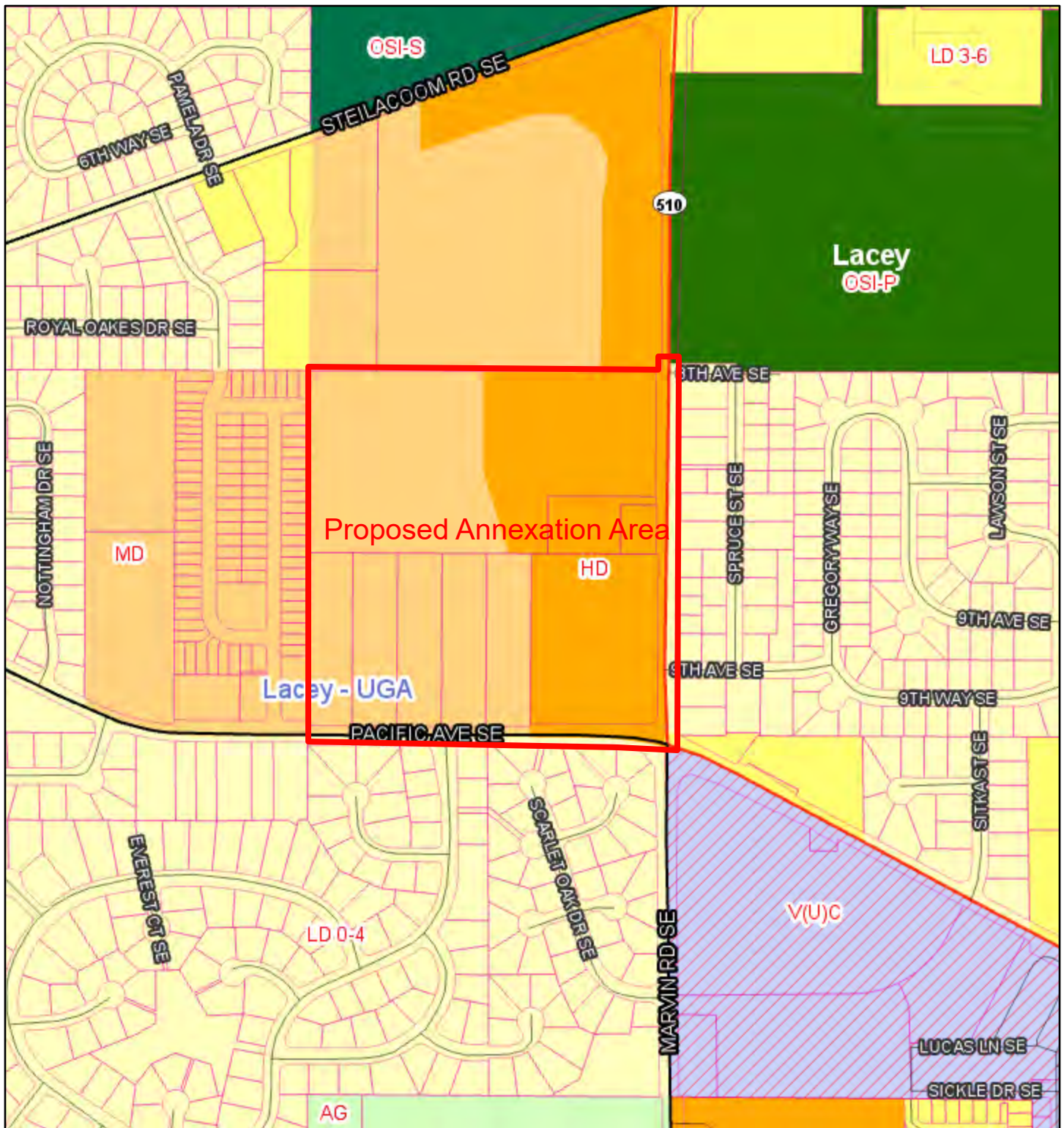
Power of Attorney Parcels

- Yes
- No
- Lacey City Limits



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Pacific and Marvin Annexation Zoning

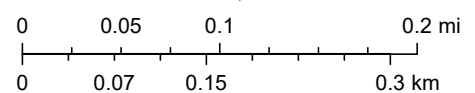


7/15/2021, 10:42:52 AM

Lacey Zoning

- MGSA McAllister Geologically Sensitive Area
- LHN Lacey Historic Neighborhood
- LD 0-4 Low Density Residential
- LD 3-6 Low Density Residential

1:9,028

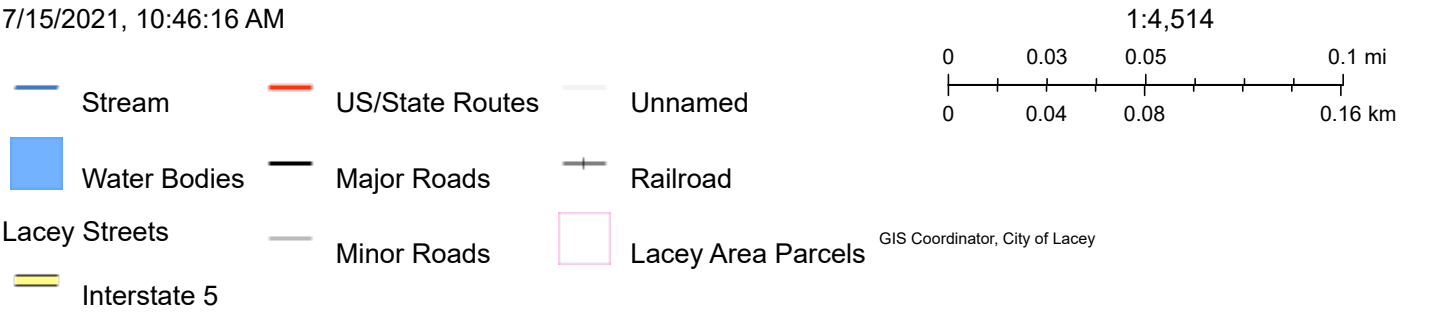


GIS Coordinator, City of Lacey

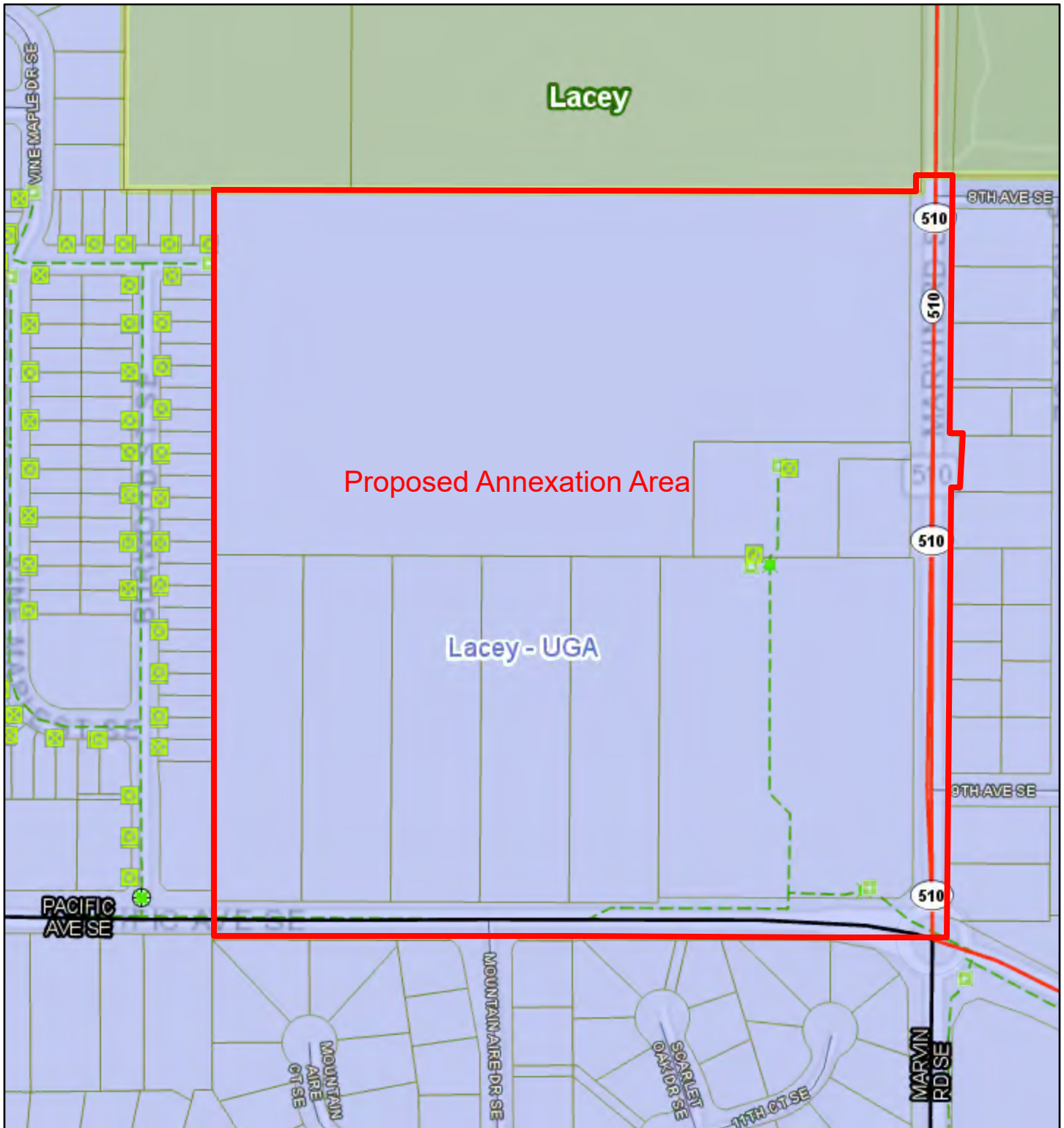
Pacific and Marvin Annexation Aerial Photo



7/15/2021, 10:46:16 AM



Pacific Marvin Annexation Sewer



7/19/2021, 1:28:22 PM

1:4,514

Lacey Streets

Interstate 5

US/State Routes

Major Roads

Minor Roads

Unnamed

Major Roads

Interstate 5

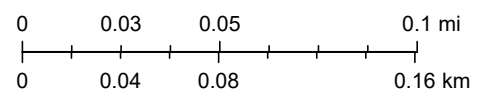
US/State Routes

Major Roads

Olympia

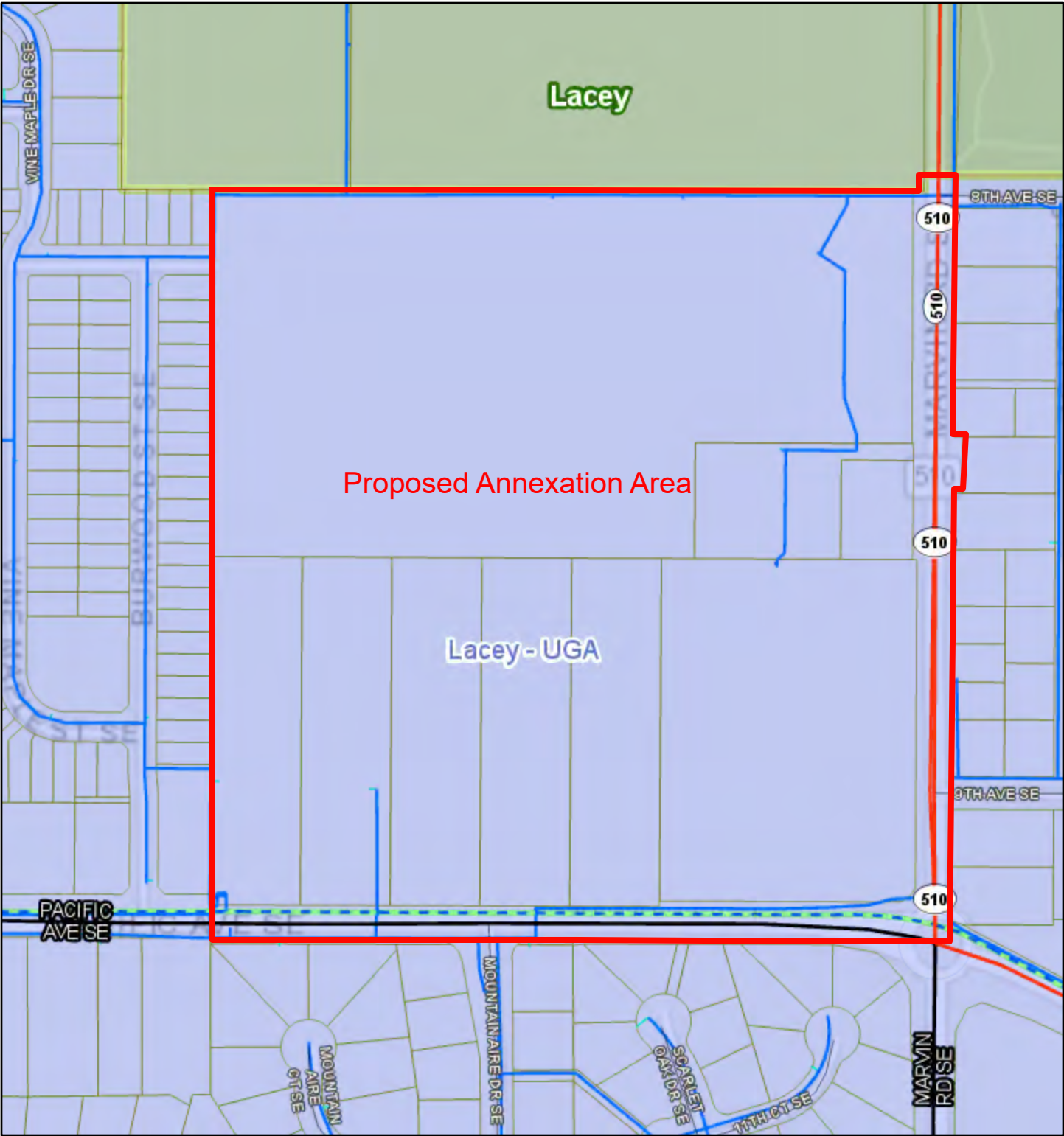
UGA

City Limits



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, GIS Coordinator, City of Lacey

Pacific Marvin Annexation Water Lines



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1:4,514

Water Mains

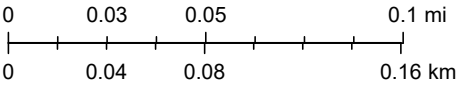
- WS, COL
- WS, PVT/OTHER
- WM, COL
- Private Water System

Lacey Streets

- Interstate 5
- US/State Routes
- Major Roads
- Minor Roads

Unnamed

- Major Roads
- Interstate 5
- US/State Routes
- Major Roads



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, GIS Coordinator, City of Lacey



LACEY CITY COUNCIL MEETING
September 2, 2021

SUBJECT: Lake Lois Pacific Avenue Annexation. Project no. 21-235.

RECOMMENDATION: Approve a motion to proceed with the proposed Lake Lois Pacific Avenue annexation proposal that includes the following provisions:

- 1) Authorize a petition be submitted representing at least 60% of the assessed value of the property to be annexed; and
 - 2) Require the assumption of all or of any portion of existing City indebtedness by the area to be annexed.
-

STAFF CONTACT: Scott Spence, City Manager *SS*
Rick Walk, Community and Economic Development Director *RW*
Ryan Andrews, Planning Manager *RA*

ORIGINATED BY: City Council

ATTACHMENTS:

1. [Annexation Petition](#)
2. [Overview Map](#)
3. [Existing Zoning](#)
4. [Aerial Photo](#)
5. [Existing Sewer Lines](#)
6. [Existing Water Lines](#)
7. [Map of Power of Attorney Parcels](#)

FISCAL NOTE: Annexation of the Lake Lois Pacific Avenue area will result in additional revenue, however, it is anticipated that the expenses associated with providing city services to this area will be equal to or greater than the revenue that is generated.

PRIOR REVIEW: August 2, 2021, Utilities Committee Meeting

BACKGROUND:

The City has initiated a notice of intent to commence annexation proceedings for the area around Lake Lois between Carpenter Road SE and Kinwood Street SE. The filing of the notice is the first step in the annexation process under the petition method (RCW

35A.14.120), which requires a petition filed by property owners representing a minimum of 10% of the valuation of the area proposed for annexation. The City has verified that the ownership does comprise a minimum of more than 10% of the assessed valuation for general taxation purposes of the properties for which annexation is requested.

As a result of the petition, the City Council must pass a motion notifying the petitioners of its approval, rejection, or modification of the annexation area's geographical boundaries. If the Council votes to approve the 10% petition, then the process associated with the formal 60% petition will move forward.

Proposed Annexation Area

The area proposed for annexation is located in the Tanglewilde Thompson Place Planning Area and within the Lacey Urban Growth Area and is generally located east of Carpenter Road SE, west of Kinwood Street SE, north of the Karen Fraser Woodland Trail and south of the Aldea Glen subdivision. The area includes approximately 95 acres in 63 separate tax parcels. The 2020-2021 assessed value of these parcels is \$15,339,000. The City of Lacey has initiated the annexation on behalf of those parcels within the annexation area where the City holds power of attorney agreements regarding annexation and for those parcels that the City owns. The 2020-2021 assessed value of these parcels is \$9,251,000 which is over the 60% required under the petition method of annexation. 11 parcels are owned by the City of Lacey and another 4 parcels are churches which are exempt from the payment of property taxes.

The area proposed to be annexed is a mixture of undeveloped property, critical areas and buffers and existing low density residential uses. Lake Lois, a designated wetland, makes up the headwaters of Woodland Creek. Lake Lois and its associated buffers are largely owned by City of Lacey and designated as Lake Lois Park and Habitat Preserve. Another wetland known as Goose Pond is on property owned by the City of Lacey in the southern portion of the annexation area. The area to be annexed contains approximately 46 dwelling units and an estimated population of 100 people.

The properties are a mixture of zoning districts including Low Density Residential 0-4 and 3-6, Moderate Density Residential on the eastern edge of the annexation area along Kinwood Street, and Open Space Institutional for Lake Lois and the other environmentally sensitive properties.

Annexation Boundary

The area proposed for annexation is a logical extension of the city limit boundary to an area that is an unincorporated island that contains an illogical boundary. The configuration is a logical extension of the city limits and would eliminate existing illogical

boundary issues. The City Council does have the opportunity to modify any boundaries prior to the applicant proceeding with the annexation.

Utilities

The properties are located within the City of Lacey's water service area and are served by a combination of City of Lacey water lines, small private water services and private wells. An existing City of Olympia water line is located within Pacific Avenue SE, however, it does not serve the area. The Lacey water system is adequate to serve the existing and future development of the properties within the proposed annexation area.

City of Lacey sewer service is limited to an existing 3" STEP main in Kinwood Street SE that serves the eastern portion of the annexation area and existing 8" force main in Carpenter Road SE at the location of the lift station at 7th Avenue SE. The majority of the residential properties are served by onsite septic systems.

The area is also served by private utilities including Puget Sound Energy and Comcast. No issues are expected concerning provision of these utilities to the area.

Governmental Services

Police services are currently provided by the Thurston County Sherriff's Office. According to Thurston County Sherriff's Office data, calls for service in this area are 100-200 per year. For reference, Lacey Police Department routinely responds to 42,000 – 46,000 calls for service per year, within current city boundaries, during non-pandemic years. The proposed annexation should not have an adverse impact on current LPD resources based upon current demand for law enforcement services, however, it is important to note that paired with other recent annexations there could be a cumulative impact upon our current police resources over time.

In addition to the provision of utilities, Lacey Public Works would provide maintenance of the public streets in the area. Upon annexation, the City would begin maintaining approximately 3.4 centerline mile of public streets within the annexation area and would also begin maintaining the bridge over Lake Lois on Carpenter Road and the signal at Kinwood Street and Pacific Avenue. The arterial and collector streets that would be maintained include Pacific Avenue, Carpenter Road and Kinwood Street from the Aldea Glen subdivision south to the Pacific Avenue intersection. These streets are generally fully improved except for some sidewalk gaps in Kinwood Street. Pavement conditions are good for Carpenter Road which has been recently reconstructed. The pavement condition index for Kinwood Street is 75 out of 100. Local access streets that would be maintained are Lake Lois Road SE and 6th Avenue SE which are limited to asphalt driving lanes with no sidewalks. The pavement condition index for these streets is 92 out of 100. Staff has inventoried the infrastructure in the area and have found that

18 street signs are in need of replacement and 3 street lights would need to be converted to LED. Street lights along public streets would be transferred to the City after annexation. Public stormwater facilities associated with the roadways would also be maintained by the City including 32 catch basins and a filter vault.

Thurston County has made city staff aware that they have obtained a federal grant to repave and make ADA improvements to the portion of Pacific Avenue between the city limits and Union Mills Road. The County has agreed to move forward with the project with the understanding that any of the grant match that is necessary for the annexed portion of Pacific Avenue would be paid by the City of Lacey. Preliminary estimates indicated the City's proportionate match share would be approximately \$87,000. A specific agreement would need to be brought forth if the area is annexed prior to Thurston County going to bid on the project by August 2023. There is a potential, that the federal grant will pay for 100% of the cost of the work without any grant match necessary. However, staff is anticipating the federal grant will require typical local match requirements.

Process

The City of Lacey has initiated a notice of intent to commence annexation using the petition method of annexation (RCW 35A.14.120). Using the petition method, property owners representing a minimum of 10 percent of the assessed valuation of the property proposed for annexation are required to submit the notice. After filing the petition, the City Council must pass a motion notifying the petitioners of its approval, rejection, or modification of the annexation area's geographical boundaries. Prior to full City Council review of the annexation, the City Council Utility Committee has reviewed the application for the provision of utilities and is recommending approval. If the Council votes to approve the petition, then the City moves forward on obtaining a petition from a total of 60% of the assessed valuation of the area.

Recommendation

The City Council will review the annexation request under the 60% petition method and is requested to pass a motion indicating the following:

1. Authorize a petition be submitted representing at least 60% of the assessed value of the property to be annexed; and
2. Require the assumption of all or of any portion of existing City indebtedness by the area to be annexed.

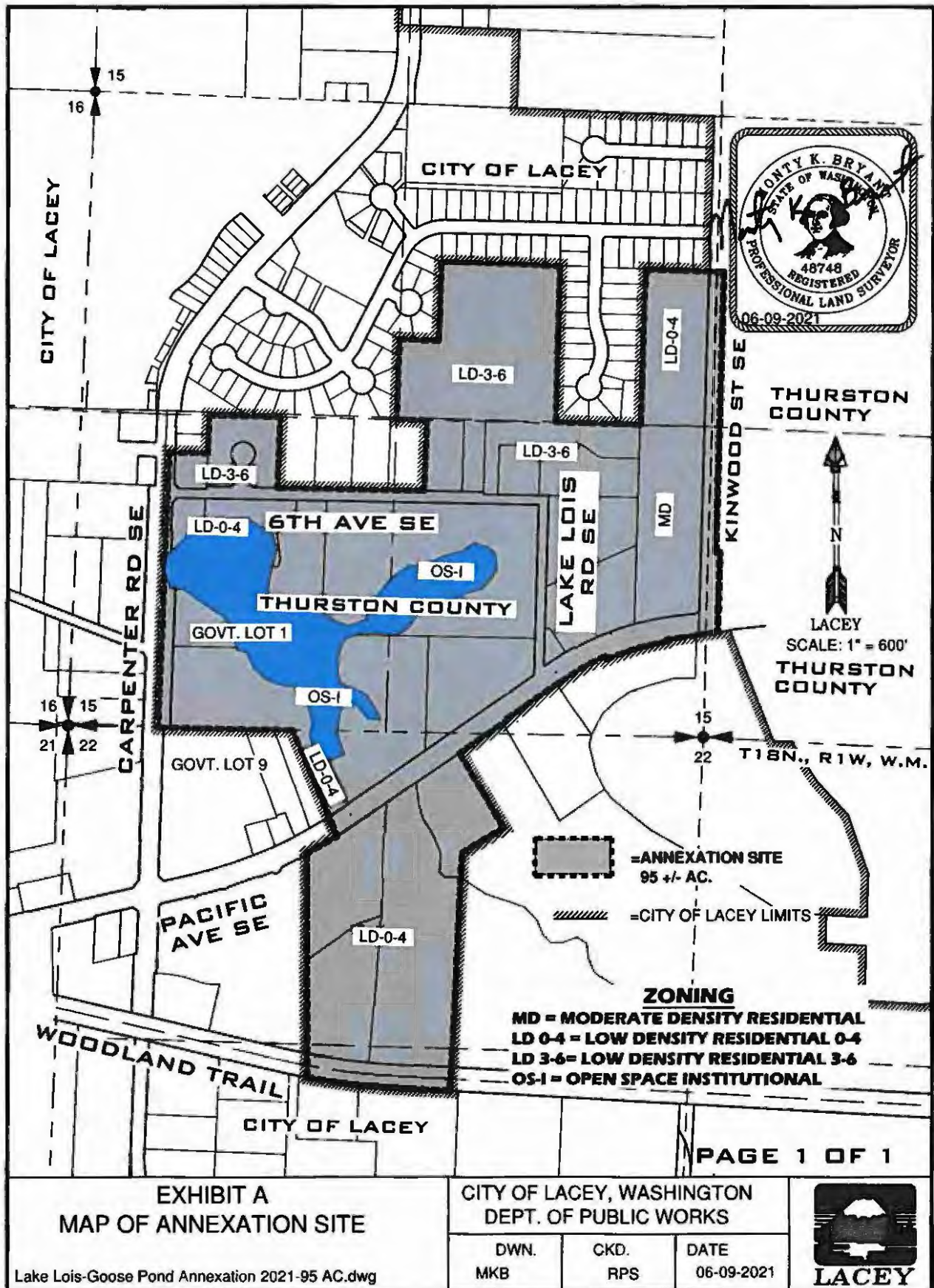


EXHIBIT B

ANNEXATION DESCRIPTION

Those portions of the South half of Section 15, and Northwest Quarter of Section 22, Township 18 North, Range 1 West, W.M., situate in Thurston County, Washington, more particularly described as follows:

Commencing at the Northwest corner of Lot 40 of the Plat of Fleetwood Acres, as recorded in Volume 10 of Plats, Page 5, records of Thurston County, Washington; thence **S88°39'56"E 163.53 feet** along the north line of said Lot 40, to the Northwest corner of Lot 3 of the Plat of Lynnwood Acres recorded under Auditor's File No. 851261 and the **POINT OF BEGINNING**; thence continuing along said north line **S88°39'56"E 300.06 feet** to the Northeast corner of Lot 4 of the above said Plat of Lynnwood Acres; thence **S02°19'47"W 298.33 feet** along the east line of said Plat of Lynnwood Acres to the northerly right of way 6th Avenue Southeast which is 30.00 feet northerly, measured perpendicular of the centerline of said road; thence **S88°51'35"E 619.17 feet** along said northerly right of way to the southeast corner of Parcel B of Boundary Line Adjustment BLA 150001 LA recorded under Auditor's File No. 4438806; thence **N02°19'47"E 296.62 feet** along the east line of said Parcel B, to the northeast corner thereof, also being on the north line of said Fleetwood Acres; thence **N88°39'56"W 129.05 feet** along said north line to the southerly extension of the west line of the Northeast Quarter of the Southwest Quarter of said Section 15; thence **N01°59'33"E 338.26 feet** along said west line to the south line of north 330 feet of the south half of the Northeast Quarter of the Southwest Quarter of said section 15; thence **S87°59'14"E 165.00 feet** along said south line to the east line of the West 165 feet of the above said Northeast Quarter of the Southwest Quarter of said section 15; thence **N01°59'33"E 330.00 feet** along said east line to the North line of South half of the Northeast Quarter of the Southwest Quarter of said section 15; thence **S87°59'14"E 501.10 feet** along said north line to the west line of the East 660 feet of the Northeast Quarter of the Southwest Quarter of said section 15; thence **S01°33'46"W 656.07 feet** along said west line to the south line of the Northeast Quarter of the Southwest Quarter of said section 15; thence **S88°17'46"E 363.00 feet** along said south line to the east line of the west 363.00 feet of the east 660.00 feet of the Northeast Quarter of the Southwest Quarter of said section 15; thence **N01°33'46"E 654.11 feet** to the North line of South half of the Northeast Quarter of the Southwest Quarter of said section 15; thence **S87°59'14"E 327 feet**, more or less along said North line extended to the easterly right of way of Kinwood Street Southeast; thence Southerly along said easterly right of way with the southerly extension thereof, to the southerly right of way of Pacific Avenue Southeast; thence southwesterly along said southerly right of way to the common corner of Parcel D of Boundary Line adjustment BLA 11-0009LA recorded under Auditor's File No. 4251258 and Parcel A of Boundary Line Adjustment BLA-0087 recorded

under Auditor's File No. 8307110008; thence southerly along the westerly boundary of Parcel D and E of said BLA 11-0009LA with the southerly extension thereof, to the southerly right of way of Woodland Trail (also known as the Northern Pacific Railroad Company) as described in Quit Claim Deed recorded under Auditor's File No. 3708400; thence westerly along said southerly right way to the southerly extension of the west line of Parcel A of Boundary Line Adjustment BLA 19 101355 TC recorded under Auditor's No. 4681207; thence northerly along said extension and westerly line of Parcel A and B of said BLA 19 101355 TC, to the southerly right of way of Pacific Avenue Southeast; thence northeasterly along said right of way 146 feet, more or less, to a point that bears S23°39'25"E 485 feet, more or less, from the Northeast corner of that certain parcel described in deed recorded under Auditor's File No. 3466921, said point being on the north line of Government Lot 9 of said Section 22, N88°54'23"E 585.41 feet from the Northwest corner of said Lot 9; thence N23°39'25"W 485 feet, more or less, to the above said Northeast corner; thence S88°54'23"W 568.91 feet along said north line to a point which is 16.50 feet easterly of the Northwest corner of said Government Lot 9; thence N02°19'47"E 1155.03 feet parallel with the west line of Government Lot 1 of said Section 15, to the westerly extension of the south line of Parcel 2 of Short Subdivision No. SS-1177, as recorded under Auditor's File No. 1101084; thence S88°51'35"E 163.54 feet along said extension and south line to the southeast corner thereof and the westerly line of the Plat of Fleetwood Acres; thence N02°19'47"E 159.32 feet along said westerly line to the point of beginning.

Containing 95+/- acres

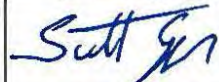
PETITION FOR ANNEXATION
60 PERCENT PETITION METHOD
RCW 35A.14.120

TO: THE HONORABLE CITY COUNCIL of the City of Lacey, State of Washington:

The undersigned, being property owner(s) and representing at least 60% of the assessed value of property herein depicted on Exhibit A and described on Exhibit B, do hereby petition to annex this property to the City of Lacey pursuant to RCW 35A.14.120 and under the following terms and conditions.

1. Adoption of Low Density (0-4), Low Density (3-6), Moderate Density Residential and Open Space Institutional comprehensive plan and zoning designation;
2. Assumption of a pro rata share of the City's bonded indebtedness.

Signature(s) of property owners:

<u>Property Owner</u>	<u>Power of Attorney</u>	<u>Address</u>	<u>Acreage</u>	<u>Parcel No</u>	<u>Assessor Value</u>	<u>Signature</u>	<u>Date</u>
DANNY WOOLLETT	YES	6530 6TH AVE SE, LACEY, WA., 98503	7.39	11815310300	\$ 627800		7/8/21
RANCE G. SMITH	YES	6610 6TH AVE SE, OLYMPIA, WA. 98503	0.53	11815310500	\$ 386900		7/8/21

1

WARNING

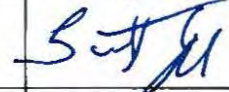
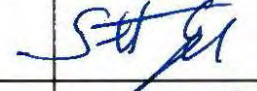
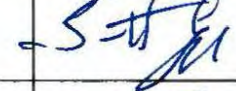
EVERY PERSON WHO SIGNS THIS PETITION WITH ANY OTHER THAN HIS/HER TRUE NAME, OR WHO KNOWINGLY SIGNS MORE THAN ONE OF THESE PETITIONS, OR SIGNS A PETITION SEEKING AN ELECTION WHEN HE/SHE IS NOT A LEGAL VOTER, OR SIGNS A PETITION WHEN HE/SHE IS OTHERWISE NOT QUALIFIED TO SIGN, OR WHO MAKES HEREIN ANY FALSE STATEMENT, SHALL BE GUILTY OF A MISDEMEANOR.

<u>Property Owner</u>	<u>Power of Attorney</u>	<u>Address</u>	<u>Acreage</u>	<u>Parcel No</u>	<u>Assessor Value</u>	<u>Signature</u>	<u>Date</u>
FRANCIS H. CHAMPNEY	YES	6614 6TH AVE SE, OLYMPIA, WA. 98503	0.46	11815310501	\$ 91700	<i>Set E</i>	7/8/21
VICTOR RASMUSSEN	YES	6620 6TH AVE SE, LACEY, WA., 98503	0.26	11815310502	\$ 223500	<i>Set E</i>	7/8/21
DANNY WOOLLETT	YES	6602 6TH AVE SE, OLYMPIA, WA., 98503	1.89	48204600200	\$ 383200	<i>Set E</i>	7/8/21
EAST CONGREGATION OF JEHOVAS WITNESSES	YES	6526 6TH AVE SE, LACEY, WA., 98503	0.83	48204600100	\$ 124900	<i>Set E</i>	7/8/21
JERI BROWN	YES	6600 6TH AVE SE, OLYMPIA, WA., 98503	1.86	48204600300	\$ 554400	<i>Set E</i>	7/8/21
KINWOOD ESTATES HOA	YES	710 KINWOOD CT SE, OLYMPIA, WA. 98503	0.49	57610000000	\$ 0	<i>Set E</i>	7/8/21
PAUL OGBURN	YES	706 KINWOOD CT SE, OLYMPIA, WA. 98503	0.20	57610000100	\$ 253800	<i>Set E</i>	7/8/21
JAMIE L. ALDRIDGE	YES	704 KINWOOD CT SE, OLYMPIA, WA. 98503	0.18	57610000200	\$ 238600	<i>Set E</i>	7/8/21
ROY S. HASUKO	YES	702 KINWOOD CT SE, OLYMPIA, WA. 98503	0.25	57610000300	\$ 261200	<i>Set E</i>	7/8/21

2

WARNING

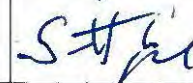
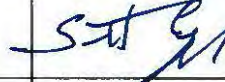
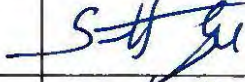
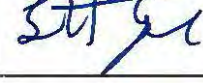
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PATRICIA J. WILSON	YES	700 KINWOOD CT SE, OLYMPIA, WA. 98503	0.20	57610000400	\$ 245900		7/8/21
WEDNY L. ORONA	YES	703 KINWOOD CT SE, OLYMPIA, WA. 98503	0.25	57610000500	\$ 269800		7/8/21
MICHAEL REGAN	YES	705 KINWOOD CT SE, OLYMPIA, WA. 98503	0.17	57610000600	\$ 229200		7/8/21
GEORGE SUMMIT	YES	707 KINWOOD CT SE, OLYMPIA, WA. 98503	0.18	57610000700	\$ 253000		7/8/21
BETTY JO ADAMS	YES	709 KINWOOD CT SE, OLYMPIA, WA. 98503	0.17	57610000800	\$ 207700		7/8/21
REBBECA L. HAYNES	YES	711 KINWOOD CT SE, OLYMPIA, WA. 98503	0.17	57610000900	\$ 212800		7/8/21
JUANITA WRIGHT	YES	713 KINWOOD CT SE, OLYMPIA, WA. 98503	0.17	57610001000	\$ 235200		7/8/21
PAM SPRINGER	YES	715 KINWOOD CT SE, OLYMPIA, WA. 98503	0.17	57610001100	\$ 224600		7/8/21
TWILA R. VOLD	YES	717 KINWOOD CT SE, OLYMPIA, WA. 98503	0.18	57610001200	\$ 234500		7/8/21

3

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CLAYTON CHARLES WAYMAN	YES	719 KINWOOD CT SE, OLYMPIA, WA. 98503	0.18	57610001300	\$ 209900		7/8/21
LAWRENCE WALTON	YES	721 KINWOOD CT SE, OLYMPIA, WA. 98503	0.29	57610001400	\$ 239100		7/8/21
CARRIE DYE	YES	720 KINWOOD CT SE, OLYMPIA, WA. 98503	0.19	57610001500	\$ 212400		7/8/21
JACOB BARBER	YES	718 KINWOOD CT SE, OLYMPIA, WA. 98503	0.21	57610001600	\$ 222000		7/8/21
JOHN C. ARMBRUSTER	YES	716 KINWOOD CT SE, OLYMPIA, WA. 98503	0.17	57610001700	\$ 219800		7/8/21
JERRY L. BROUGHTON	YES	714 KINWOOD CT SE, OLYMPIA, WA. 98503	0.20	57610001800	\$ 211500		7/8/21
MRD ENTERPRISES LLC	YES	6500 PACIFIC AVE. SE, OLYMPIA, WA., 98503	2.39	48203400000	\$ 457500		7/8/21
JUNE SMITH	YES	6602 6TH AVE SE, #B OLYMPIA, WA., 98503	0.36	11815310503	\$ 167600		7/8/21
<u>TOTALS</u>			<u>21.25</u>		<u>\$ 7,198,500</u>		

4

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<u>CITY OF LACEY</u> <u>PROPERTY</u>	YES	6415 PACIFIC AVE. SE, OLYMPIA, WA., 98503	6.97	48203400100	\$ 536400	<i>Scott Eri</i>	7/8/21
	YES	6339 PACIFIC AVE. SE, OLYMPIA, WA., 98503	3.26	48203500100	\$ 82800	<i>Scott Eri</i>	7/8/21
	YES	LAKE LOIS AREA	6.47	48203600000	\$ 259500	<i>Scott Eri</i>	7/8/21
	YES	LAKE LOIS AREA	14.96	48204200000	\$ 322200	<i>Scott Eri</i>	7/8/21
	YES	LAKE LOIS AREA	8.93	48203700000	\$ 167500	<i>Scott Eri</i>	7/8/21
	YES	LAKE LOIS AREA	0.45	48203800200	\$ 163200	<i>Scott Eri</i>	7/8/21
	YES	LAKE LOIS AREA	0.87	48203800100	\$ 197500	<i>Scott Eri</i>	7/8/21
	YES	LAKE LOIS AREA	0.33	48203900400	\$ 165700	<i>Scott Eri</i>	7/8/21

5

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	YES	LAKE LOIS AREA	0.41	48203900300	\$ 157700	<i>Set for</i>	7/8/21
<u>TOTAL CITY OWNED PROPERTY</u>			<u>42.65</u>		<u>\$ 2,052,500</u>		

6

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NATHANIEL JACKSON	NO	6335 PACIFIC AVE. SE., OLYMPIA, WA., 98503	3.41	48203500000	\$ 395100		7/12/24
KENNETH R. HAUGE	NO	6210 6TH AVE SE., OLYMPIA, WA., 98503	0.47	48204000100	\$ 320600		
JOHN M. HOVAK	NO	545 KENNETH CT SE, LACEY, WA., 98503	0.28	60050000100	\$ 270200		
JOHN A. GRIFFIN	NO	539 KENNETH CT SE, LACEY, WA., 98503	0.24	60050000200	\$ 254400		
BEVERLEY F. SPERRY	NO	533 KENNETH CT SE, LACEY, WA., 98503	0.36	60050000300	\$ 274000		
ADAM S. WIENBERG	NO	534 KENNETH CT SE, LACEY, WA., 98503	0.39	60050000400	\$ 274600		
LYNN B. WHITTERN	NO	540 KENNETH CT SE, LACEY, WA., 98503	0.21	60050000500	\$ 262100		
WILLIAM F. WILSON	NO	546 KENNETH CT SE, LACEY, WA., 98503	0.27	60050000600	\$ 254000		

7

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DAVID J. KNIGHT	NO	6510 6TH AVE SE, LACEY, WA., 98503	1.09	48204100000	\$ 336600		
DON HUDSON	NO	6516 6TH AVE SE, LACEY, WA., 98503	0.62	48204100100	\$ 266900		
LACEY BAPTIST CHAPEL	NO	6646 PACIFIC AVE SE, OLYMPIA, WA., 98503	2.98	48204500200	\$ 138100		
LACEY BAPTIST CHAPEL	NO	6646 PACIFIC AVE SE, OLYMPIA, WA., 98503	2.48	48204500000	\$ 875200		
LACEY BAPTIST CHAPEL	NO	6646 PACIFIC AVE SE, OLYMPIA, WA., 98503	0.26	48204500100	\$ 177300		
GARY S. SCHAUB	NO	607 KINWOOD ST SE., OLYMPIA, WA., 98503	2.70	11815310701	\$ 513000		
IRA MILLER	NO	549 KINWOOD ST SE., OLYMPIA, WA., 98503	0.40	11815310900	\$ 240600		
ANN LUONG SANDERS	NO	545 KINWOOD ST SE., OLYMPIA, WA., 98503	0.45	11815310800	\$ 95900		
ANN LUONG SANDERS	NO	551 KINWOOD ST SE., OLYMPIA, WA., 98503	0.17	11815310702	\$ 307200		

8

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ANN LUONG SANDERS	NO	551 KINWOOD ST SE., OLYMPIA, WA., 98503	0.26	11815310700	\$ 211100		
JULIANA C. MCMAHAN	NO	6348 PACIFIC AVE. SE., LACEY, WA. 98503	0.81	18822220100	\$ 224300		
ORIN A. HERBERT	NO	6239 6TH AVE. SE., LACEY, WA., 98503	2.98	48203800000	\$ 396800		
<u>TOTALS</u>			<u>20.83</u>		<u>\$ 6,088,000</u>		

9

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	YES		<u>21.25</u>		<u>\$ 7,198,500</u>		
<u>TOTAL CITY OWNED PROPERTY</u>	YES		<u>42.65</u>		<u>\$ 2,052,500</u>		
	NO		<u>20.83</u>		<u>\$ 6,088,000</u>		
<u>TOTALS</u>			<u>84.73</u>		<u>\$ 15,339,000</u>		
<u>RIGHT OF WAY</u>			<u>9.8</u>				
<u>TOTAL AREA</u>			<u>94.5</u>				

Total Assessed Value: \$ 15,339,000

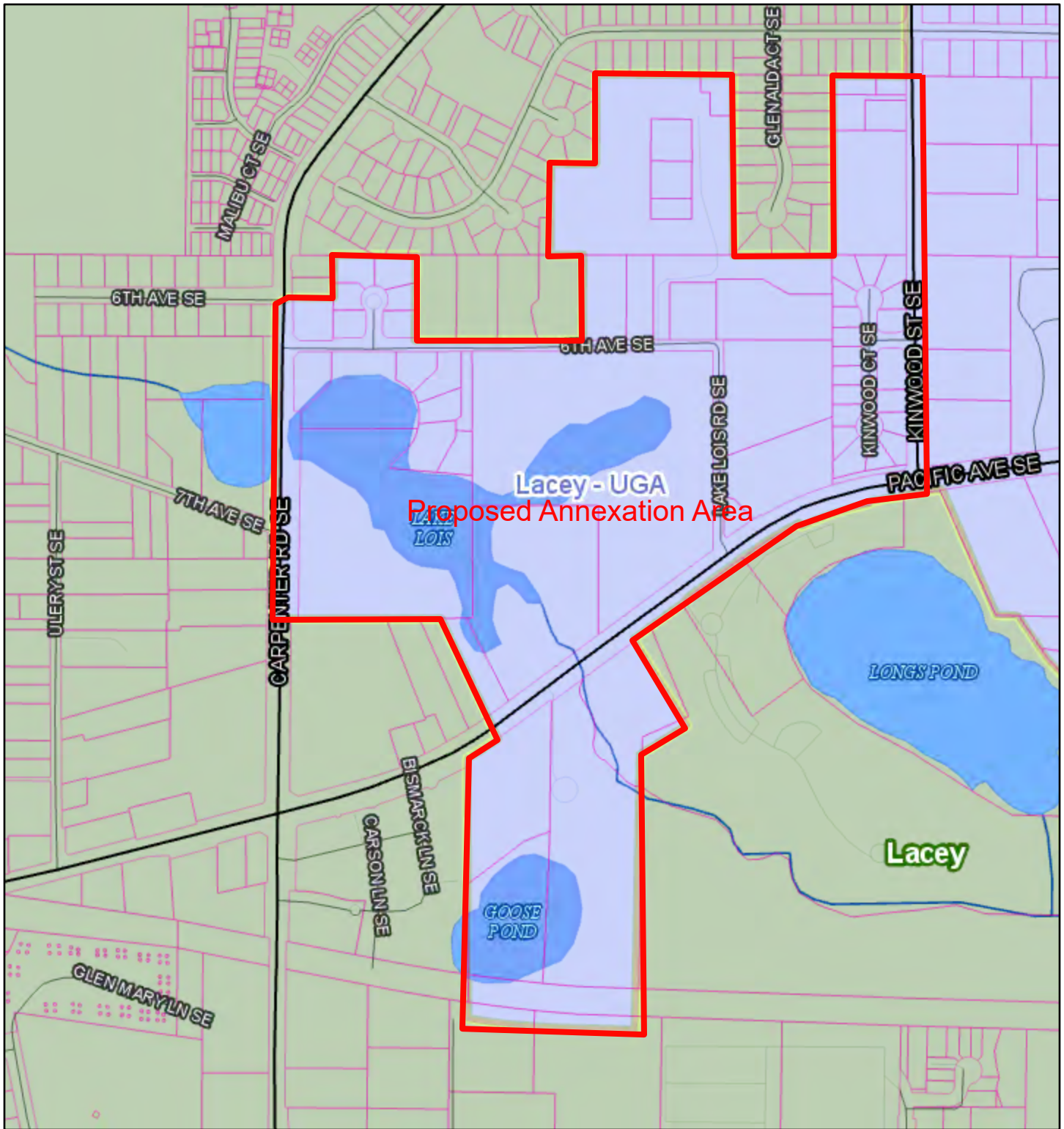
Assessed Value of Parcels with Authorized Signature: \$9,251,000

10

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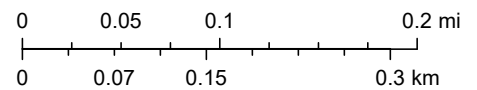
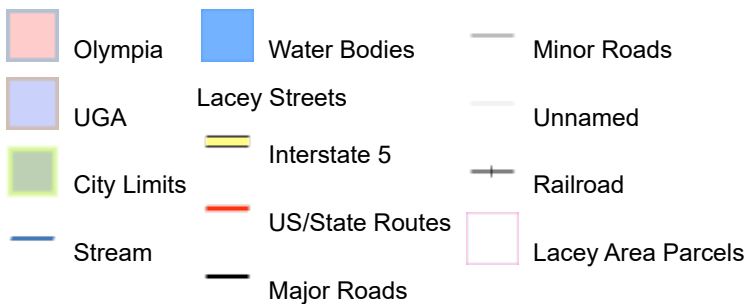
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Lake Lois Pacific Avenue Annexation Overview



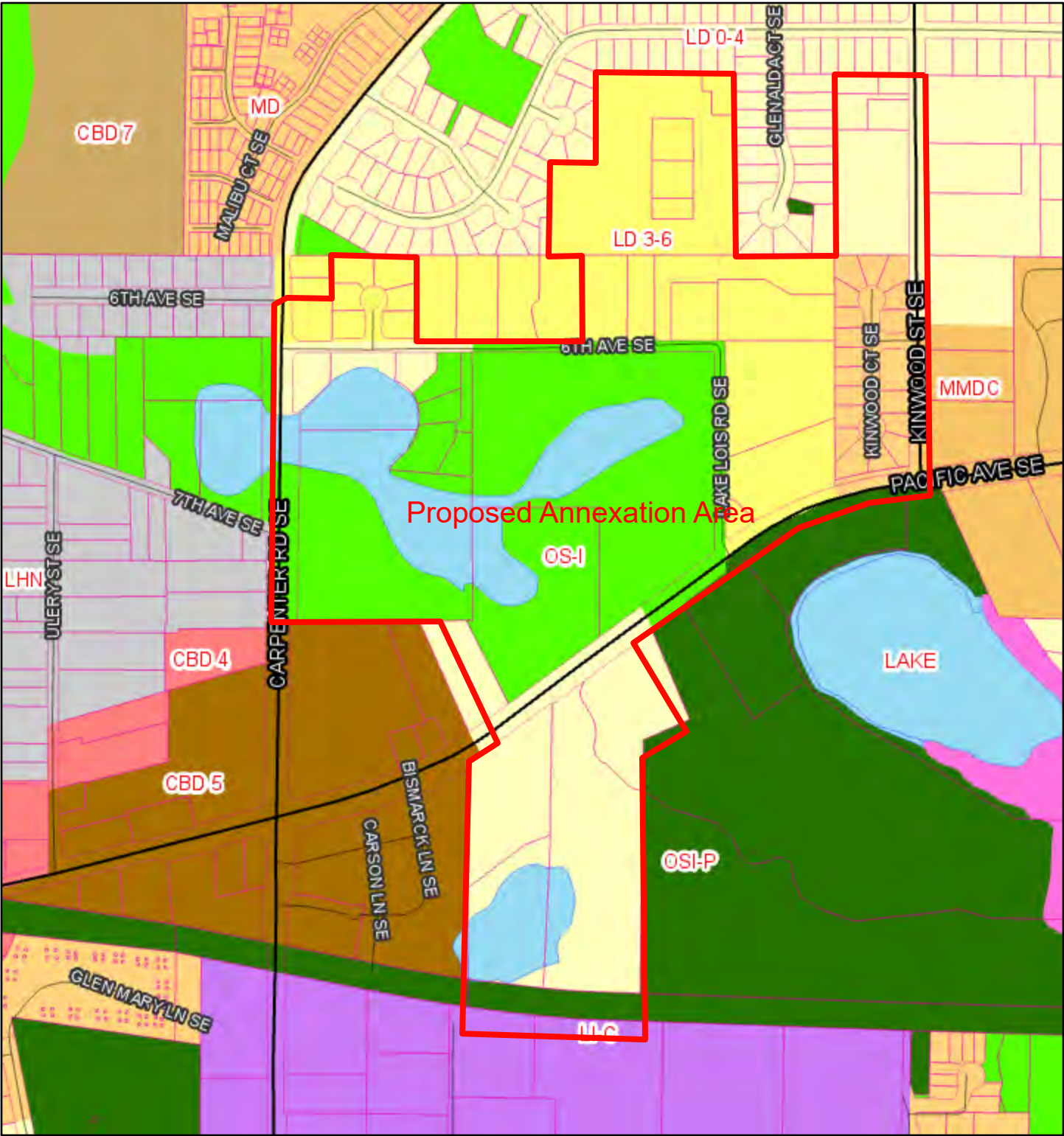
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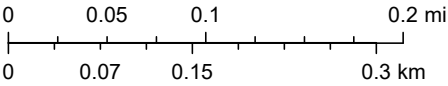
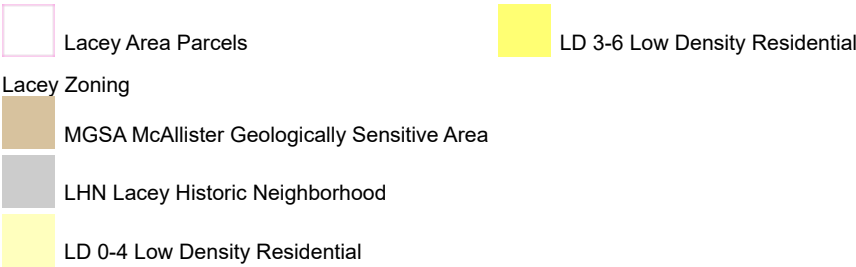
GIS Coordinator, City of Lacey

Lake Lois Pacific Avenue Annexation Zoning



7/15/2021, 8:30:13 AM

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GIS Coordinator, City of Lacey

Lake Lois Pacific Avenue Annexation Aerial Photo



7/15/2021, 8:26:47 AM

Lacey Streets

Interstate 5

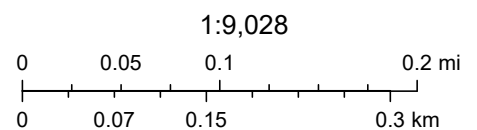
US/State Routes

Major Roads

Minor Roads

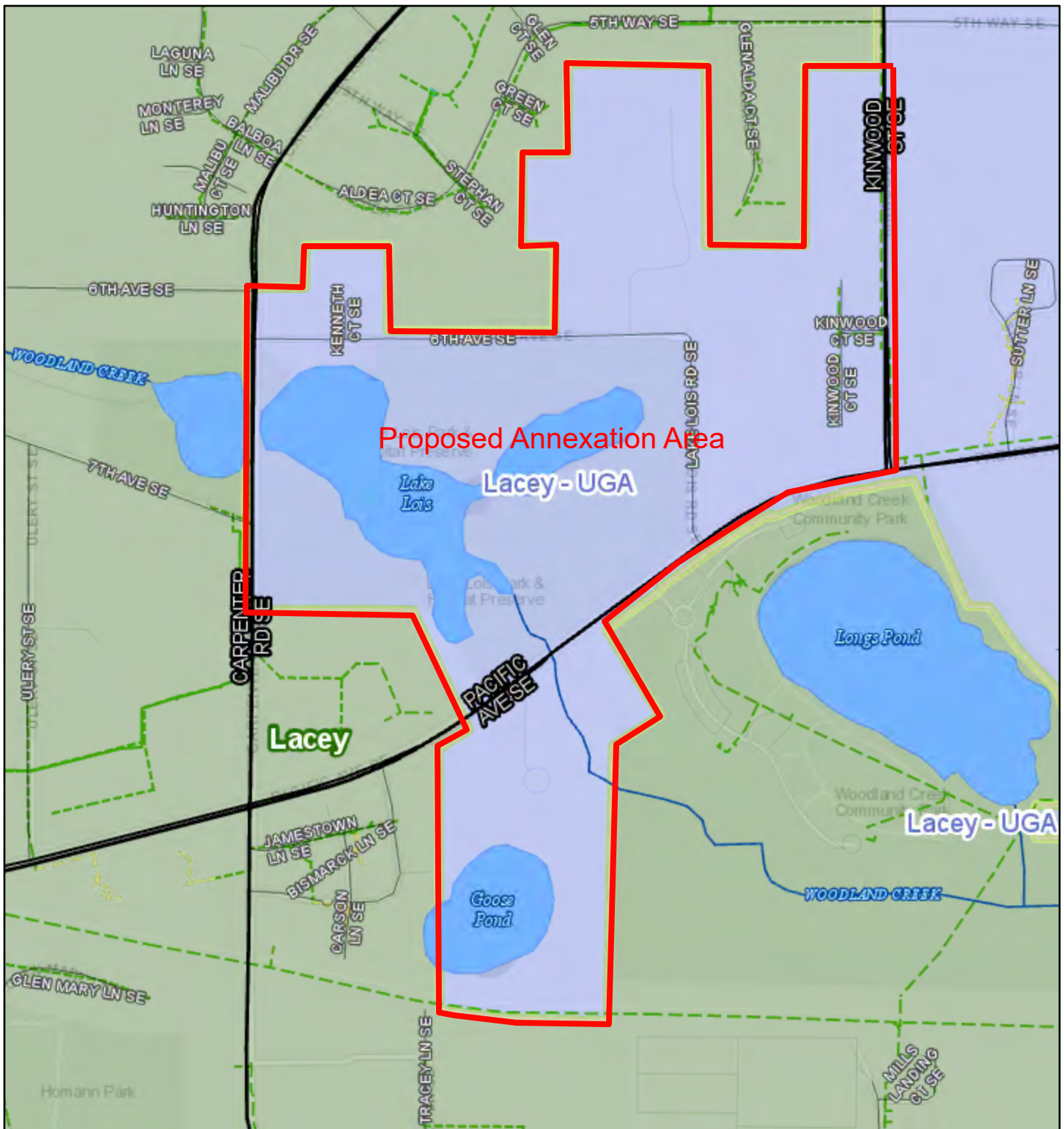
Unnamed

Railroad



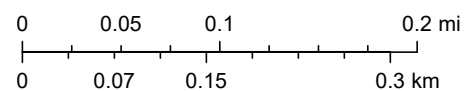
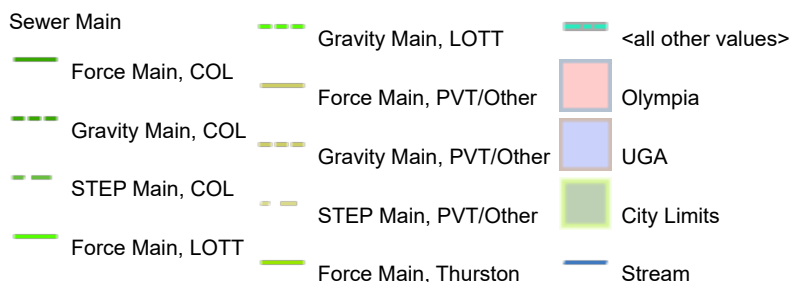
GIS Coordinator, City of Lacey

Lake Lois Pacific Avenue Annexation Sewer



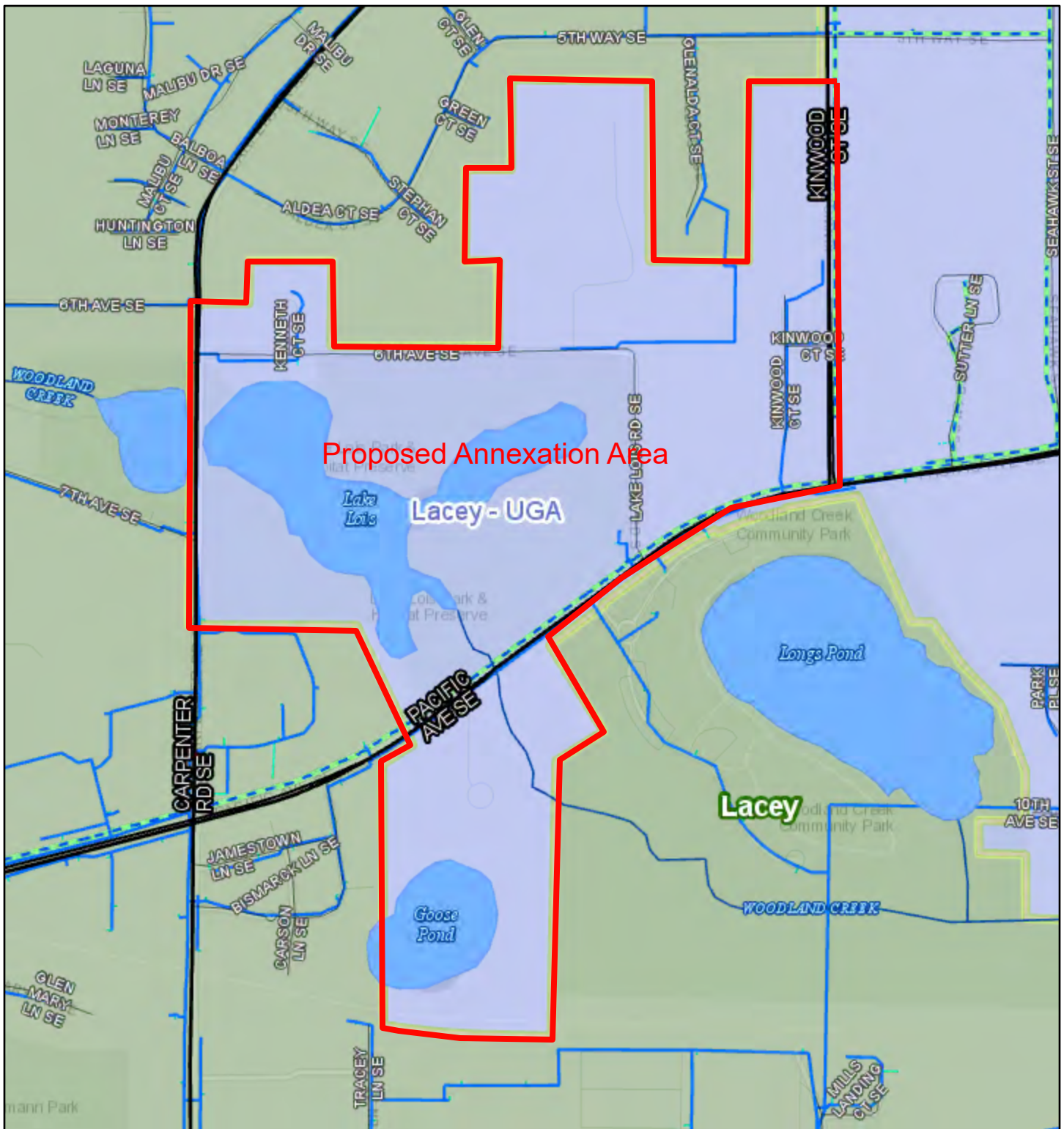
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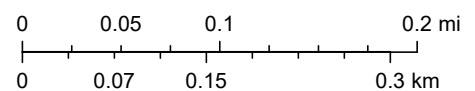
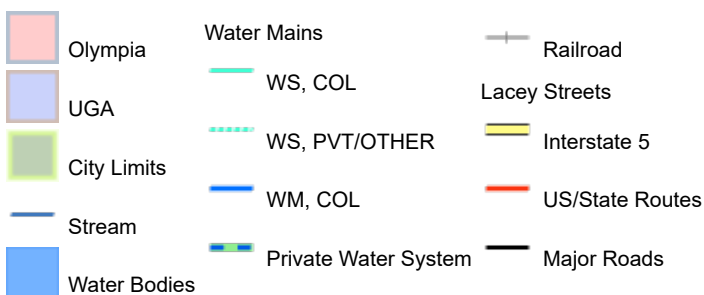
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, GIS Coordinator, City of Lacey

Lake Lois Pacific Avenue Annexation Water Lines



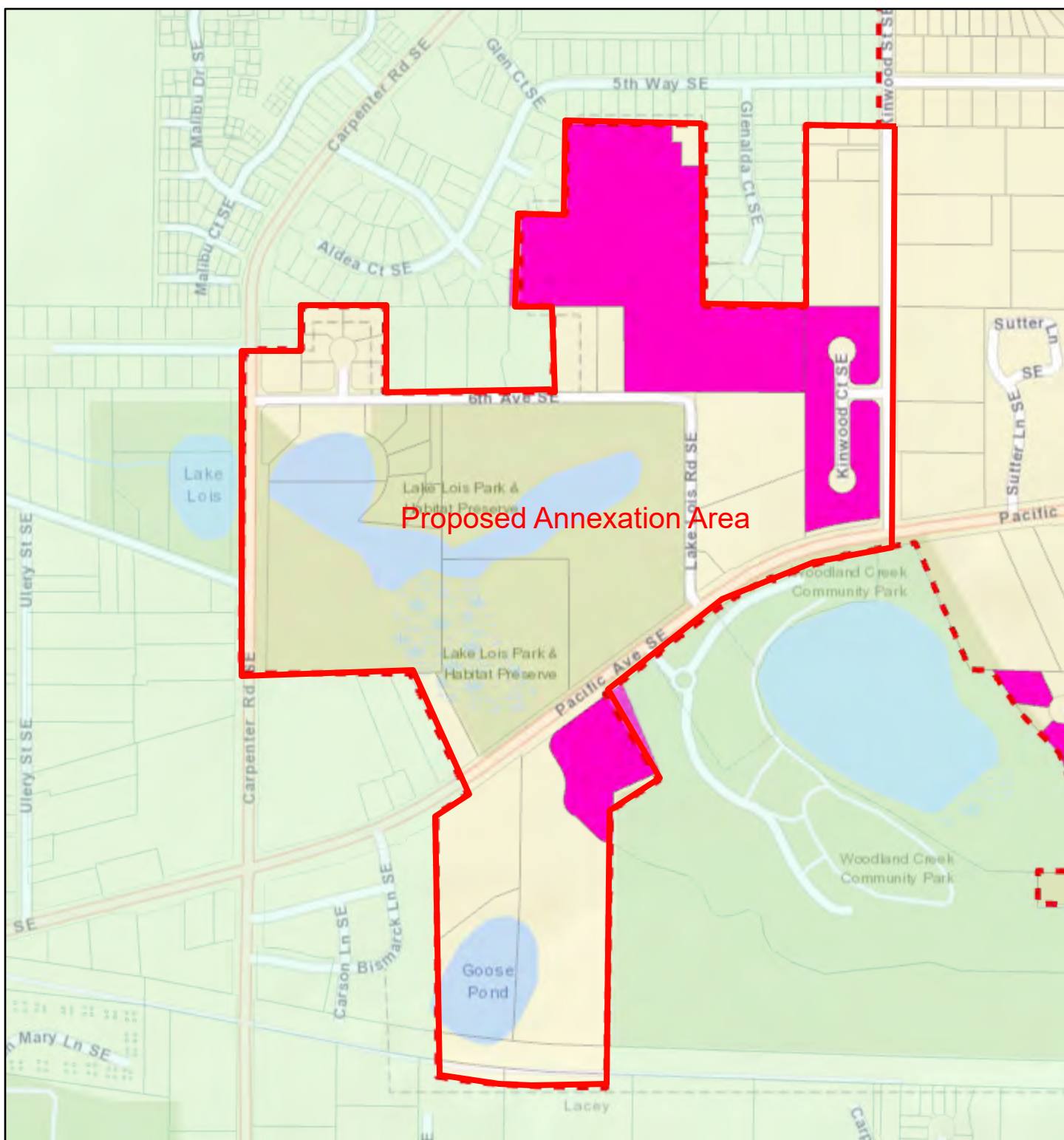
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Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, GIS Coordinator, City of Lacey

Lake Lois Pacific Avenue Annexation Power of Attorney Agreements



7/15/2021, 8:36:53 AM

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Power of Attorney Parcels



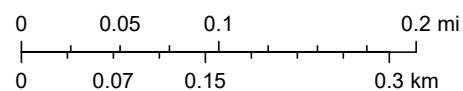
Yes



No



Lacey City Limits



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES

AUGUST 24, 2021

8:30 A.M. – 9:30 A.M.

REMOTE ONLY

COUNCIL PRESENT: MAYOR RYDER (CHAIR), DEPUTY MAYOR PRATT, COUNCILMEMBER GREENSTEIN (JOINED MEETING AT 9:04)

STAFF PRESENT: SCOTT SPENCE, RICK WALK, TROY WOO, WESLEY NGUYEN, BRANDON CARTER, PERI EDMONDS

ACTION: APPROVE FINANCE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA
MOTION: MOTION MADE, SECONDED, AND CARRIED BY DEPUTY MAYOR PRATT AND MAYOR RYDER

FINAL 2021 BUDGET AMENDMENT ORDINANCE BRIEFING

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: FORWARD THE PROPOSED BUDGET AMENDMENTS TO THE FULL COUNCIL FOR APPROVAL.
MOTION: MOTION MADE AND SECONDED BY DEPUTY MAYOR PRATT AND MAYOR RYDER. MOTION CARRIED.

Adjustments to the City budget become necessary throughout the year for unanticipated changes. Historically, the budget is amended once per year immediately prior to the development of the next year's proposed budget document. Staff communicate significant budget amendments leading up to the annual budget amendment process. The annual budget amendment ordinance adoption is scheduled for September.

Staff highlighted the following significant budget amendments:

- Community Workgroup on Homelessness Facilitation Services Contract - \$71,685.
- Olympic Behavioral Health Mobile Outreach Team Agreement - \$176,463.
- Homeless Rapid Response Cleanup Team - \$67,061.
- Veterans Services Hub First Floor Tenant Improvements project - Childcare Center Repairs - \$53,440.
- Police Station Enhancements - \$500,000.
- Homeless Rapid Response Cleanup Team - \$52,700.

- Lacey Museum & Cultural Center well decommissioning, soil cleanup, and the Department of Archaeology and Historic Preservation (DAHP) assessment - \$208,227
- Lacey Museum and Cultural Center Comprehensive Exhibit Design - \$25,000.
- Future Police Station to facilitate land acquisition - \$45,000.
- Purchase of land for future police station - \$3.0 million.
- Water Meter Inventory and Transmission Unites - \$400,000.

Staff requests that the Finance & Economic Development Committee review the proposed budget amendments and recommend full City Council adoption of the proposed budget amendment ordinance.

2021 MID-YEAR FINANCIAL REPORT

STAFF: TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

The 2021 Mid-Year Financial Report, focusing on the General Fund, was presented.

General Fund Expenditures

As of June 30, 2021, total General Fund Expenditures were \$24,996,640, or 44.8 percent, of the amended 2021 Budget, a decrease of \$2,521,151 or 9.2 percent compared to the mid-year 2020 total expenditure level. Expenditures at June 30, 2020, were 49.7 percent of the Budget. The majority of the 2021 decrease is related to the timing of one-time transfers and one-time 2020 COVID-19 community economic support. The decrease related to one-time transfers are offset by inflationary increases and rising labor costs. This variance was anticipated by the amended 2021 Budget.

General Fund Revenues

As of June 30, 2021, total General Fund Revenues were \$31,444,319, or 56.4 percent, of the amended 2021 budget. Revenues at June 30, 2020 were at 50.1 percent of budget. Mid-year General Fund revenues increased \$2,975,475 compared to the previous year. The Current Expense Fund revenues increased \$5,006,652. The primary reason for the increase is the first half payment from the American Rescue Plan Act (\$3,428,462). Consumption-based taxes were also stronger than expected.

Utility Funds

Mid-year 2021 operating expenditures for the City's utilities are consistent with projections. The Water Utility Maintenance and Operations Fund expenditures were \$398,071 or 4.3 percent lower in 2021. The decrease is due to a \$613,846 lower

capital improvement program transfer. Wastewater Utility Maintenance and Operations Fund expenditures were \$393,900 or 4.9 percent higher in 2021. The majority of the increase is due to a \$466,725 higher LOTT transfers. The Stormwater Maintenance and Operations Fund expenditures were \$703,645 or 36.8 percent higher than the previous year. The annual Stormwater capital improvement program transfer increased \$676,311 in 2021.

With the exception of the timing of the water fireflow utility tax transfer (budgeted for \$844,949), operating revenues for the utilities are meeting projections and consistent with approved rate increases and customer growth. Total water revenues were \$463,621 or 7.1 percent lower than the mid-year of 2020. Wastewater total revenues were \$442,166 or 4.9 percent higher than the previous year. Wastewater sales increased \$100,943 or 3.3 percent and LOTT sales increased \$378,683 or 6.3 percent. Stormwater revenues were \$76,246 or 3.7 percent higher than 2020, which is consistent with the Stormwater rate increase projection.

Conclusion And Forecast

While the COVID-19 public health emergency continued into 2021, Washington State fully reopened its economy on June 30 and the local economy expanded in alignment with the U.S. economy. The U.S. economy grew 6.3 percent in the first quarter and 6.5 percent during the second quarter. This is in comparison to the 2020 first quarter 5.0 percent contraction, which ended the 128-month record post-war economic recovery period, and 2020 second quarter 31.4 percent contraction.

Despite the ongoing public health emergency, the City is experiencing a stronger than anticipated financial start to the year. There are revenue categories that continue to be negatively impacted, but the Federal stimulus, Federal financial support, moratorium on evictions and utilities, safety protocols restricting travel outside of the area have all likely had impact on the improving revenue generation.

CED DEVELOPMENT REPORT

STAFF: RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

ACTION: INFORMATION ONLY

In 2020, the Community & Economic Development Department issued 3885 permits. There were 327 residential units approved, and 250 of which were multi-family. A total of 828,037 sq. ft. of industrial space was created. In response to Covid, the Community & Economic Development department worked with Business Grants, Thurston Strong, and Household Assistance.

In 2021 YTD, the Community & Economic Development department issued 2077 permits. 245 residential units have been approved, 182 of which are multi-family. 340,000 sq. ft. of commercial space has been created., 868 residential units are actively being built, with 1210 units waiting to be built. 1,040 new jobs have been created in Lacey so far.

Current northeast area projects include:

- Northpoint, a light industrial area with three warehouse buildings.
- Olympia Behavioral Health, a secured behavioral health hospital.
- Bridge Development, along Hogum Bay road, including an additional three warehouses.
- WSDOT HQ, a new regional HQ located in the City.
- Tec-Equipment, a semi-truck dealership and service center.
- Martin Way East, a mixed-use commercial/residential building.

Current mid-town area projects include:

- 6th Avenue Apartments
- 4 story apartment building with 151 units and commercial space on the bottom floor.
- Serenity Apartments, an apartment complex with 181 units and ground floor commercial/restaurant space.
- Lacey MakerSpace improvements.

FOOD TRUCK STATUS UPDATE

STAFF: WESLEY NGUYEN, ECONOMIC DEVELOPMENT COORDINATOR

ACTION: INFORMATION ONLY

Due to the time, the Committee moved this item to the General Government & Public Safety Committee meeting, which was scheduled immediately following this meeting.

GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE

AUGUST 24, 2021

9:31 A.M. – 10:27 A.M.

REMOTE ONLY

COUNCIL PRESENT: DEPUTY MAYOR PRATT (CHAIR), MAYOR RYDER, COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, SHANNON KELLEY-FONG, RICK WALK, PERI EDMONDS, ELISSA FONTAINE, KELLY ADAMS, WESLEY NGUYEN, BRANDON CARTER

The Food Truck Status Update was moved from the Finance & Economic Development Committee meeting and placed on this agenda.

ACTION: APPROVE THE AMENDED GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE AGENDA

MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN AND MAYOR RYDER

FOOD TRUCK STATUS UPDATE

STAFF: WESLEY NGUYEN, ECONOMIC DEVELOPMENT COORDINATOR

ACTION: INFORMATION ONLY

The concept of food trucks in the Depot District Subarea date back to a 2012 City Council Retreat. The Community & Economic Development Department prepared the Depot District Subarea concept in 2013, while providing updates to the Planning Commission, and completed the Depot District Subarea Plan in August 2018.

The Depot Plaza Concept was introduced to the Finance & Economic Development Committee in February 2021. A pilot food truck court was proposed on the graveled parcel adjacent to the Lacey Depot, allowing the City to quickly accommodate food trucks with minimal site improvements and cost.

The food trucks were launched on April 30, 2021. AA schedule of Wednesday through Friday during lunch on a rotating schedule was developed. Later, a pop-up market and live music were added and include three vendors for home-based goods, and two fresh produce vendors. The addition was found to create a peak flow of customers. Seven total food trucks operate on rotation at the Depot.

The food trucks offer a wide variety of food, and a variety of ownerships, including Woman-Owned, Veteran-Owned, and Minority-Owned, among others. Conservative estimates reported by vendors indicate 30 sales per lunch in June and 25 in July.

Current ideas to enhance success include:

- Collaborate with the Parks, Culture, & Recreation Department to plan events and activities at the Depot.
- Partner with local associations such as car clubs.
- Encourage local vendors to formalize a working grassroots committee to organize and operate the market in the 2022 season

PUBLIC RECORDS ACTIVITY REPORT

STAFF: PERI EDMONDS, CITY CLERK
ELISSA FONTAINE, DEPUTY CITY CLERK
ACTION: INFORMATION ONLY

In 2017, Government agencies were required to report to the Joint Legislative Audit Review Committee (JLARC) on 18 different public records metrics. The state legislature later amended this requirement, reducing it to 15.

The City has successfully reported to JLARC on their 2020 public records data. Some of the highlights include:

- 2,315 public records requests received
- 73% fulfilled electronically
- 22% were closed with no responsive records
- 81% were closed within 5 business days

The City spent an estimated \$444,011 responding to public records requests in 2020.

In 2021, the City has received 1,224 public records requests from January 1 – June 30. It is estimated a total of 2,448 will be received by year-end.

The most commonly requested records include:

- City – Emails/correspondence, building plans/permits, code violations
- Police – Collision/accident reports, investigation reports, arrest records
- Joint Animal Services – Complaints/investigations reports, JASCOM meeting minutes, adoption records

The City was subject to one Public Records Act lawsuit, filed in 2020. The court determined a total penalty of \$2,725. The court did determine that the City responded timely, was properly trained and supervised, was not dishonest, had no bad faith, but that the subject of the records had significant public interest. The court has not yet determined how much attorney fees are owed.

Due to Covid-19, Proclamations by the Governor suspended certain provisions suspending PRA and OPMA provisions related to in-person contact, and suspending public agencies from disclosure of identified contact tracing records containing personal information.

BOARDS AND COMMISSIONS STANDARDS, PROTOCOLS, AND GROUND RULES HANDBOOK UPDATE

STAFF: KELLY ADAMS, MANAGEMENT ANALYST

ACTION: MOTION TO RECOMMEND TO FULL COUNCIL THE ADOPTION OF THE BOARDS AND COMMISSIONS STANDARDS, PROTOCOLS, AND GROUND RULES HANDBOOK UPDATE

MOTION: MOTION MADE AND SECONDED BY MAYOR RYDER AND COUNCILMEMBER GREENSTEIN

On February 12, 2015, the Lacey City Council adopted the Boards and Commissions Handbook to ensure that appointed representatives from the community operate with the same standards and protocols adopted and used by the Lacey City Council.

A review of the Handbook is performed by the General Government Committee as needed, with the last update to the Boards and Commissions Handbook occurring on March 8, 2018. Significant changes have taken place since the last update, including the creation of the Commission on Equity and the Lacey Youth Council.

To increase readability, accessibility (consistent formatting and organization), inclusivity, and to incorporate new advisory bodies and specific guidance from existing bodies, staff recommends that the City Council adopt the updated Handbook provided. This includes the addition of an appendices section which contains guidance specific to the Planning Commission, Historical Commission, Board of Parks Commissioners, and Lacey Library Board.

CITY WEBSITE UPDATE

STAFF: SHANNON KELLEY-FONG, ASSISTANT CITY MANAGER

ACTION: INFORMATION ONLY

Assistant City Manager Shannon Kelley-Fong provided the Committee with an update regarding the City Website Update. Brewhouse media is assisting the City with the new updated website design.

To increase the accessibility of the website for the community, accessibility tools were incorporated into the website, including additional languages, text sizes, spacing, and color contrasts.

Staff anticipate completion of the new website by the end of the year.

LAND USE & ENVIRONMENT COMMITTEE

AUGUST 24, 2021

10:31 A.M. – 11:20 A.M.

REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBER COX (CHAIR), DEPUTY MAYOR PRATT,
COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, RICK WALK, WADE DUFFY, JESSICA BRANDT, BRANDON
CARTER, PERI EDMONDS

ACTION: APPROVE THE LAND USE COMMITTEE AGENDA

MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN
AND COUNCILMEMBER COX

THURSTON REGIONAL CLIMATE ACTION PLAN IMPLEMENTATION STRATEGY

STAFF: JESSICA BRANDT, ASSOCIATE PLANNER

ACTION: INFORMATION ONLY

The Thurston Climate Mitigation Plan will be integrated into the Environmental Element of the Comprehensive Plan upon adoption, and is a policy framework to guide the city in achieving carbon reduction targets.

Phase 3 of the Thurston Climate Mitigation Plan is a one-year agreement, and scope of work is focused on regional implementation options and approaches. Phase 3 is ongoing, in parallel with the City's local actions review and implementation planning.

The regional committee has directed TRPC staff to focus on gathering information about energy efficiency program implementation options and local and national case studies to inform the participating jurisdictions about how the region might implement such programs. The City may also consider pursuing and implementing a program at the local level without regional partners, increasing capacity to a regional level later. The TRPC implementation options will be in draft form by October, with finalization by December 2021.

Long range targets based on the most current science and methodology for emissions reductions keep the City on a path to mitigating climate change for future generations. Regional and local approaches are key to achieving a coordinated and collaborative response to climate mitigation.

The Climate Mitigation Plan requires strategic investment and long-term commitment, as well as reprioritization of existing resources to implement. Successful implementation of the TCMP is dependent upon the full participation from the community to meet targeted carbon reduction goals.

SOLAR & ENERGY EFFICIENCY PERMITTING PROCESS

STAFF: JESSICA BRANDT, ASSOCIATE PLANNER
WADE DUFFY, BUILDING OFFICIAL & FIRE MARSHALL
ACTION: INFORMATION ONLY

A number of action items in the Thurston Climate Mitigation Plan call for expedited permit processing for projects such as solar arrays, electric vehicle chargers, and energy efficiency projects. Currently, it's relatively straightforward and predictable to permit these types of projects through the Building Department. For example, an over-the-counter electrical permit with an inspection are all that is required for both a solar array and for a new EV charging station.

Energy efficiency projects can mean a number of things: sealing air leaks, adding insulation, installing energy efficient windows, doors, skylights, programmable thermostats, seal ducts, upgrade heating/cooling systems, hot water heaters, and lighting. Some of these projects don't require a permit and for most projects that do, the permits are issued over-the-counter, and can be issued in as little as 5 minutes, with a maximum turnaround time of 30.

COMMITTEE RENAMING DISCUSSION

STAFF: SCOTT SPENCE, CITY MANAGER
ACTION: INFORMATION ONLY

In November 2018, Resolution 1071 approved a change in the Land Use Committee name to Land Use & Environment Committee. Staff have updated the website and will begin using the new committee name on agendas, minutes, staff reports, and other locations as appropriate.