



CITY COUNCIL

ANDY RYDER

Mayor

CYNTHIA PRATT

Deputy Mayor

LENNY GREENSTEIN

MICHAEL STEADMAN

CAROLYN COX

ED KUNKEL

MALCOLM MILLER

LACEY CITY COUNCIL AGENDA

FEBRUARY 27, 2020

7:00 P.M.

420 COLLEGE STREET, LACEY CITY HALL

CITY MANAGER

SCOTT SPENCE

CALL TO ORDER:

1. PLEDGE OF ALLEGIANCE

2. APPROVAL OF AGENDA & CONSENT AGENDA ITEMS*

- A. [Council Worksession minutes of February 6, 2020.](#)
- B. [Council Meeting minutes of February 13, 2020.](#)
- C. [A motion to approve payment of claims, wages, and transfers for February 7, 2020 through February 18, 2020.](#)

** 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*

The City Council will allow comments under this section on items **NOT already on the agenda. Where appropriate, the public will be allowed to comment on agenda items as they are addressed during the meeting.*

5. PUBLIC HEARING:

6. PROCLAMATION:

7. REFERRAL FROM PLANNING COMMISSION:

8. REFERRAL FROM HEARINGS EXAMINER:

9. RESOLUTIONS:

- A. [Credit Card Policy Resolution \(Troy Woo\)](#)

10. ORDINANCES:

11. MAYOR'S REPORT:

- A. [Reappointment of Nancy Clauson to the Capital Area Regional Public Facilities District \(Mayor Ryder\)](#)

12. CITY MANAGER'S REPORT:

- A. [Project Approval: Capitol City Golf Course – East, Water & Wastewater Improvements \(Jason Kashani\)](#)

13. STANDING GENERAL COMMITTEE:

- A. [Finance \(02.06.2020\)](#)
- B. [General Government and Public Safety \(02.06.2020\)](#)
- C. [Land Use \(02.06.2020\)](#)

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. Regional Housing Council
 - 2. Health & Human Services Council (HHSC)
 - 3. Intercity Transit (IT)
- D. Councilmember Lenny Greenstein:
 - 1. Emergency Medical Services (EMS)
 - 2. TCOMM911
 - 3. Thurston County Law & Justice
- E. Councilmember Malcolm Miller:
 - 1. Thurston Regional Planning Council (TRPC)
 - 2. Thurston Thrives
 - 3. Lodging Tax Advisory Committee (LTAC)
 - 4. Thurston County Coalition Against Trafficking (TCCAT)
- F. Councilmember Michael Steadman:
 - 1. Community Action Council
 - 2. Solid Waste Advisory Committee (SWAC)
- G. Councilmember Ed Kunkel:
 - 1. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
 - 2. Lacey South Sound Chamber
 - 3. Economic Development Council (EDC)

16. ADJOURN

**MINUTES OF THE JOINT WORKSESSION
LACEY CITY COUNCIL AND HISTORIC COMMISSION**

FEBRUARY 6, 2020
7:00 P.M. – 8:18 P.M.

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

COUNCIL EXCUSED: MAYOR RYDER, COUNCILMEMBER STEADMAN

HISTORIC COMMISSIONERS

PRESENT: ERICH EBEL, KIMBERLY GOETZ, ALAN TYLER, SARAH
THIRTYACRE, SETH HUFF

HISTORIC COMMISSIONERS

EXCUSED: SEIJI NAOTSUKA, JEFF CRANE, DAVID BLACK

STAFF PRESENT: S. SPENCE, R. ALMADA, J. BURBIDGE, S. EGGER, D.
SCHNEIDER, R. WALK, T. WOO, W. DUFFY, E. QUINN-VALCHO,
A. SMITH, E. FONTAINE

ACTION: APPROVE WORKSESSION AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS
GREENSTEIN AND KUNKEL

THURSTON REGIONAL PLANNING COUNCIL

PRESENTER: MARC DAILY, TRPC EXECUTIVE DIRECTOR

ACTION: INFORMATION ONLY

Marc Daily, TRPC Executive Director, presented on the Regional Transportation Plan, a regional roadmap for a complete and high-functioning transportation system over the next twenty-five years. This plan is updated every four years. A large amount of the chapters and analysis included in the plan is directed by state and federal requirements. Meeting these requirements maintains eligibility for state and federal transportation funding.

Presentation included areas of emphasis and reviewed capital projects within Lacey that have regional impacts.

A community involvement survey is currently underway and closes February 28, 2020. Council expressed the need to promote the survey on more platforms to gain more awareness. Council asked staff to utilize City of Lacey social media pages to promote the survey.

All comments and questions may be directed to Katrina Van Every, Senior Planner, with Thurston Regional Planning Council.

HISTORICAL COMMISSION WORK PROGRAM

PRESENTERS: JENNIFER BURBIDGE, PARKS & RECREATION DIRECTOR

ERICH EBEL, HISTORICAL COMMISSION CHAIR

ERIN QUINN VALCHO, LACEY MUSEUM CURATOR

SETH HUFF, HISTORIC COMMISSIONER

ACTION: APPROVE THE HISTORICAL COMMISSION 2020 WORK PLAN

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

Highlights from the Lacey Historical Commission's 2019 Key Accomplishments include new Lacey Museum project, Museum visitations, Historical Commission Policies and Procedures, Lacey History Month Proclamation, Thurston Throwback, Grants, and Historic properties.

The 2019-2028 Lacey Museum Strategic Plan was approved by the Historical Commission on August 21, 2019, and includes the following goals:

Goal 1: Plan and build the new Lacey Museum & Civic Center.

Goal 2: Create and deliver high-quality experiences at the Lacey Museum & Civic Center.

Goal 3: Preserve, care for and manage collections professionally.

Goal 4: Identify and secure stable, long-term funding and revenue sources for the museum.

Goal 5: Increase museum awareness, visibility and value throughout the city and region.

Goal 6: Build and foster community partnerships to increase capacity and sustainability.

The 2020 Historical Commission Work Plan includes:

- Assist in the development of the timeline, site plan, programming priorities, and character of the new Lacey Museum.
- Review Strategic Plan for the Lacey Museum.
- Promote the Lacey Museum to build a network of supporting patrons.
- Serve as volunteer docents and offer tours to visitors at the Museum and during special events.
- Assist staff with Museum programming.
- Approve nominations and selection of Lacey Historian of the Year.
- Accept the July is Lacey History Month Proclamation at the July City Council meeting.
- Update 1991 policies and procedures for the operation and guiding principles for the Historical Commission.
- Participate in a joint worksession with the Community & Economic Development Department to improve communication, education, and review the process for permitting and historic property review.
- Participate in development and staff a booth for Thurston Throwback.
- Continue research for the preservation opportunities and potential use of portion of the Chambers Prairie cabin in a new exhibit at Lacey Museum at the Depot.
- Identify projects for the Valerie Sivinski Grant, Thurston County Heritage Grant, Nisqually Charitable Funds, BNSF Grant, Capital Heritage Grant, and CLG Grant.
- Identify projects on historic property inventory to include in City's GIS database.
- Attend Nisqually Tribal Council meeting.
- Identify at least two properties from the historic property inventory that could be added to the Historic Register.

- Review previous McKinney House work and determine options for next steps.
- Support the Youth Commissioner in developing and implementing a student project.

HERITAGE CAPITAL GRANT UPDATE

PRESENTERS: JENNIFER BURBIDGE, PARKS & RECREATION DIRECTOR
WADE DUFFY, BUILDING OFFICIAL AND FIRE MARSHAL
ASHLEY SMITH, ENGINEER TECHNICIAN III

ACTION: INFORMATION ONLY

Staff presented on the Washington State Historical Society's Heritage Capital Grant for the Lacey Museum and Depot, and reviewed phase summaries and next steps.

The project was awarded a \$979,000 grant through the Washington State Historical Society and the City plans to explore the next Heritage Capital Grant to maximize matching funds. The City has selected to work within grant amounts to fund the phased project, with potential for fundraising opportunities in the future.

Council agreed with staff's approach to moving forward with the project.

MINUTES OF A REGULAR COUNCIL MEETING
OF THE LACEY CITY COUNCIL HELD
THURSDAY, FEBRUARY 13, 2020, IN LACEY
COUNCIL CHAMBERS

CALL TO ORDER: Mayor Ryder called the meeting to order at 7:00 p.m.

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

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

COUNCIL EXCUSED: L. Greenstein

STAFF PRESENT: S. Spence, J. Burbidge, S. Egger, D. Schneider, K. Semko, R. Walk, T. Woo, P. Edmonds

APPROVAL OF AGENDA
AND CONSENT AGENDA:

Consent Agenda Items:

- A. Council Meeting minutes of January 16, 2020
- B. Council Worksession minutes of January 9, 2020
- C. Council Worksession minutes of January 23, 2020
- D. A motion to approve payment of claims, wages and transfers for January 8, 2020, through February 6, 2020.

COUNCILMEMBER STEADMAN MOVED TO APPROVE THE AGENDA AND CONSENT AGENDA. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED.

**PUBLIC RECOGNITION AND
PRESENTATIONS:**

John Tulloch, Assistant Scout Master, and scouts from Troops 222 and 101 provided an update on the 2020 Boy Scout tree roundup.

PUBLIC COMMENT:

Jake Cuzdey spoke about the permitting process at his property located at 6360 Carpenter Road.

Chris Van Daalen, Thurston Climate Action Team, spoke in favor of the Thurston Climate Mitigation Plan and encouraged Council to begin implementing the Plan.

Frank Turner, Maya and Anders Hanson, urged Council to develop and implement the Thurston Council Mitigation Plan.

Hillary Hunt, a Lacey resident, spoke about the difficulty in getting in and out of Gabi's Cards and Comics on Pacific Avenue.

Wayne Olson, Thurston Climate Action Team, spoke about climate change, greenhouse gasses, and the Thurston Climate Mitigation Plan.

PROCLAMATIONS:

Mayor Ryder and Council proclaimed the month of February 2020 as African American History month. Bishop Peterson with New Life Baptist Church accepted the proclamation.

CITY MANAGER'S REPORT:

Rick Walk, Community & Economic Development Director, presented Council with an Interagency Agreement with the Washington State Department of Commerce for a grant to complete a Regional Housing Action Plan, and an Interlocal Agreement with the cities of Lacey, Olympia, and Tumwater, and the Thurston Regional Planning Council for Housing Action Plans.

In 2019, the state legislature approved E2SHB 1923, which directs the Washington Department of Commerce to distribute grants to cities and counties to complete housing action plans.

Together with the cities of Olympia and Tumwater, the City of Lacey applied for a grant for a regional approach to their housing action plans. The three cities were awarded grants for a total of \$300,000. Lacey and Tumwater each were awarded \$50,000, and Olympia was awarded \$200,000. Under an interlocal agreement presented separately to the City Council, Olympia will direct \$150,000 to the Thurston Regional Planning Council for public outreach, data analysis, and other tasks for the three-city region to support the cities' adoption of individual housing action plans.

The \$50,000 dollars in grant funds award to the City of Lacey will be used to off-set staff and consultant services to identify selected new housing development and redevelopment sites within Lacey and assess suitability for types of housing, supporting infrastructure, and market constraints. The funds will also support the review and evaluation of the City's existing housing element and development codes to align with public and data analysis developed by TRPC.

The bill also requires housing action plans to include multiple elements, including a housing needs assessment, which must result in a projection of housing needs by various income levels. It must also develop an income forecast and compare it to housing affordability. The regional approach will result in a menu of strategies to increase the supply of housing and variety of housing types to serve the region's projected housing needs.

The City of Lacey will form its housing action plan from this menu of strategies. The Lacey Comprehensive Plan's housing element will also be reviewed for potential updates. The housing action plan and updates to the City's housing element and development codes will be completed by June of 2021.

Under the proposed Interlocal Agreement, Olympia will direct \$150,000 of the grant funds to the Thurston Regional Planning Council (TRPC) to complete public outreach, data analysis and other tasks for the three-city region. TRPC's work products will support the cities' adoption of individual housing action plans. Olympia will manage the grant funds through their interagency agreement with the Department of Commerce. All three cities will guide TRPC's work and share the work products, which each city would then use to adopt its housing action plan.

DEPUTY MAYOR PRATT MOVED TO APPROVE THE INTERAGENCY AGREEMENT WITH THE DEPARTMENT OF COMMERCE AND AUTHORIZE THE CITY MANAGER TO SIGN THE AGREEMENT. COUNCILMEMBER COX SECONDED. MOTION CARRIED.

COUNCILMEMBER STEADMAN MOVED TO APPROVE THE INTERLOCAL AGREEMENT WITH THE CITIES OF LACEY, OLYMPIA, AND TUMWATER, AND THE THURSTON REGIONAL PLANNING COUNCIL FOR HOUSING ACTION PLANS, AND AUTHORIZE THE CITY MANAGER TO SIGN THE AGREEMENT. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED.

Ryan Andrews, Planning Manager, presented Council with the Lacey Fire District 3 Mullen Road Annexation Project No. 19-333.

The City received a notice of intent to commence annexation proceedings filed by Lacey Fire District 3. 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.

The Utilities Committee 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.

MAYOR RYDER MOVED TO PROCEED WITH THE PROPOSED LACEY FIRE DISTRICT 3 MULLEN ROAD 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 FOUR PARCELS SURROUNDING THE PARCEL SUBMITTED FOR THE NOTICE OF INTENT TO COMMENCE ANNEXATION (ASSESSOR'S PARCEL NO.'S 11834220000, 11834240100, 11834220102, 11834210000) 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.

COUNCILMEMBER KUNKEL SECONDED.
MOTION CARRIED.

Ashley Smith, Capital Projects Engineer, presented council Lacey Contract Number PW 2020-03 Coast to Coast Turf in the amount of \$683,503.19 for the replacement of the Regional Athletic Conference (RAC) synthetic infield #5 and soccer field #1.

Both fields at the RAC have exceeded their life expectancy and are the only remaining RAC fields in poor condition.

The City renewed an Interlocal Purchasing Agreement with Sourcewell in 2019 that allowed for negotiation directly with Coast to Coast Turf, the regional distributor for AstroTurf via their Cooperative Purchasing Contract #060518-AST.

A superior product is available at a lower cost than available via previously used Field Turf KCDA contracts: AstroTurf Diamond Series OPS. This product is installed at RAC Ballfields #3 & #4 and used by countless other sports organizations, including: Washington State University, University of Oregon, Seattle University, local high schools, and municipalities.

Coast to Coast Turf is qualified and capable to perform the work. Start date is anticipated for July 1, 2020, for baseball field #5, and September 1, 2020, for soccer field #1. There are 20 working days allotted for each field for a total of 40 working days.

COUNCILMEMBER STEADMAN MOVED TO AWARD LACEY CONTRACT NUMBER PW 2020-03 TO COAST TO COAST TURF IN THE AMOUNT OF \$683,503.19. MAYOR RYDER SECONDED. MOTION CARRIED.

Rick Walk, Community & Economic Development Director, presented Council with a Lacey MakerSpace funding request.

As discussed at the City Council Retreat in 2016, the City is committed to working with the Thurston Economic Development Council (EDC) to adopt

initiatives that build on Lacey's job growth, encourages new livable wage jobs, expands the tax base, supports attraction of high tech jobs, diversifies the community's business and employment sector, and ensures Lacey's competitiveness.

In support of these goals, and in recognition that makers spaces are a proven tool of economic development that effectively address all of the needs identified by Council at their 2016 retreat, a large group of community members came together to explore the feasibility of starting a makers space in Lacey. This group represented the Lacey South Sound Chamber of Commerce, North Thurston Public Schools, the Lacey Timberland Library, South Puget Sound Community College, the Evergreen State College, the City, the EDC, St. Martins University (SMU) members of the private sector and private citizen volunteers.

The request is for Council to consider funding the MakerSpace for the first year at \$175,000. During this first year, the staff and board would focus on building support and raising funding from the community as well as federal, state and local grant sources to fund the second year. If the private sector sees value and supports funding second year operations, then, the City would commit to allocating an additional \$175,000 of funding for the third year. This proposal to financially commit an additional \$350,000 will bring the City's total funding support of the Lacey MakerSpace to \$550,000 plus in-kind staff support.

DEPUTY MAYOR PRATT MOVED TO APPROVE \$350,000 OF ECONOMIC DEVELOPMENT RESERVES TO THE LACEY MAKERSPACE, WITH REQUIREMENTS, TO PROVIDE FINANCIAL SUPPORT FOR THE NEXT THREE

YEARS. COUNCILMEMBER STEADMAN
SECONDED. MOTION CARRIED.

CITY MANAGER'S REPORT: Scott Spence, City Manager, provided an update on the February 8, 2020, ADU workshop. The workshop was well attended with approximately 160 people.

STANDING COMMITTEES: Utilities Committee
Councilmember Miller reported the Committee met on February 3, 2020, to discuss the Utility Locating Program.

Community Relations & Public Affairs Committee
Councilmember Kunkel reported the Committee met on February 3, 2020, to discuss the Blue Star By-Way Memorial Marker dedication ceremony.

BOARDS & COMMISSIONS: Mayors' Forum
Mayor Ryder reported Jon Tunheim, Thurston County Prosecuting Attorney, and Fred Hutchings, Thurston County Commissioner, presented an update on the Thurston County Courthouse Complex

Transportation Policy Board

Mayor Ryder reported on several items:

- Election of officers: Mayor Ryder re-elected chair and Graeme Sackrison re-elected vice-chair
- Regional Transportation Plan
- Capitol Campus Project
- 2020 Legislative Session

JASCOM

Deputy Mayor Pratt reported on several items:

- Election of officers: Lisa Parshley re-elected chair and Deputy Mayor Pratt re-elected vice-chair

- Approved budget amendment to accept new revenue source through JBLM to fund a full-time driver position
- Changed meeting date to the first Monday of the month at 5:30 p.m.
- 30 dogs were turned over by a property owner due to the recent flooding

LOTT

Deputy Mayor Pratt reported on several items:

- Reviewed draft 2020 Work Plan
- Reclaimed Water Planning and Policy, WRIA 13, and a Feasibility Study
- Septic conversion support programs
- Appointed Commissioner Menser to the Sea Level Rise Response Plan Coordination Committee
- Election of officers: Lisa Parshley elected president, Pete Kmet elected vice-chair, Megan McAuliffe elected secretary, and Justin Long elected treasurer
- Deputy Mayor Pratt appointed as representative to TRPC and the Capital Lake Estuary EIS Executive Work Group
- Approved Sea Level Rise Interlocal Agreement with City of Olympia and the Port of Olympia
- Received Certificate of Achievement of Excellence for financial reporting for LOTT's 2018 Annual Comprehensive Finance Report

Olympic Region Clean Air Agency

Deputy Mayor Pratt reported on several items:

- Deputy Mayor Pratt re-elected to serve on the Finance Committee
- Several hearings were held on compliance issues
- January 2020 air quality report

Intercity Transit

Councilmember Cox reported on several items:

- Adopted new Route 65 for NE Lacey
- Ridership has increased 20 percent since January 1, 2020

- Election of officers: Ryan Warner elected chair, and Councilmember Cox elected vice-chair
- Councilmember Cox appointed as representative on the Thurston Regional Planning Council
- A grand opening for the Olympia Transit Center will be held on March 19, 2020

Health & Human Services Commission (HHSC) / CIP

Councilmember Cox reported on the approved the emergency needs grants funding priorities scoring criteria and process for applicants. The Thurston County Board of County Commissioners accepted their recommendations.

Thurston Thrives

Councilmember Miller reported on several items:

- \$1 million awarded to Family Support Services
- Thurston Climate Mitigation Plan
- Community Design Spring Forum
- South Sound Food Network
- Public safety for new Law Enforcement Diversion
- School Replacement Levy

Thurston Regional Planning Council

Councilmember Miller reported on several items:

- Conservation District joined as non-voting member
- Financial forecast for Regional Transportation Plan
- State fuel tax forecast
- Transportation Benefit District
- Climate mitigation
- Phase I of new emission targets
- 2020 Legislative update
- Care for homeless students

Thurston County Coalition Against Trafficking

Councilmember Miller announced the upcoming 5k event to be held on April 25, 2020, at Mt. View Church.

Lacey South Sound Chamber

Councilmember Kunkel reported on several items:

- Read Around Lacey
- Workplace Excellence Award presented to City of Lacey
- In 2019, the Chamber helped host 7 grand openings and 7 after-hour events
- Over \$10,000 was raised and donated for the Kidwiler Scholarship

Economic Development Council

Councilmember Kunkel reported on new board members, and the 2020 work plans and metrics.

Mayor Ryder adjourned the Council meeting at 8:38 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



LACEY CITY COUNCIL MEETING February 27, 2020

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 2/7/2020 through 2/18/2020. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	2/7/2020	249942	250083	1,610,712.84
	2/14/2020	250084	250168	442,220.77

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	2/6/2020	198,226.37
	2/12/2020	205.88
	2/12/2020	870.00
	*2/12/2020	5,887.67
	2/13/2020	324.41
	2/14/2020	166,649.95

Payroll:	<u>Month Ended:</u>	<u>Wages</u>
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Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
City of Olympia	\$ 171,077.00	Annual LERMS Contribution
LOTT Wastewater Alliance	\$1,080,813.81	LOTT Reserve Cap Fees/ERU's
N. Thurston Pub. Schools	\$ 53,217.94	School Impact Fees
South Sound Contractors	\$ 67,572.84	Liftstation 15 Rehabilitation
BPCI Earthworks, LLC	\$ 53,226.29	Union Mills Reservoir
Jam Construction, Inc.	\$ 95,172.26	Depot Trail Amenity
Thurston Co. Auditor	\$ 69,099.93	Voter Registration Fees

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



LACEY CITY COUNCIL MEETING

February 27, 2020

SUBJECT: Credit Card Policy

RECOMMENDATION: Motion to adopt resolution amending the system and policies relating to credit card use.

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

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS:

1. [Resolution No. 1083](#)
2. [Proposed Credit Card Policy](#)
3. [Resolution No. 767](#)
4. [Current Credit Card Policy](#)

FISCAL NOTE:

PRIOR REVIEW: Finance and Economic Development Committee on February 6, 2020

BACKGROUND:

The City's current credit card policies were adopted in November 1995. While the current policy is adequate, credit card internal controls can be strengthened and it does not allow for City employees to take full advantage of the efficiencies of a credit card system. Adoption of an updated policy is recommended.

RCW 43.09.2855 authorizes local governments to use credit cards of official governmental purchases and acquisitions provided the legislative body adopts a credit card system. The system shall include provisions for the following:

- Distribution of the credit cards
- Authorization and control of the use of credit card funds
- Credit limits

- Payment of the bills
- Any other rule necessary to implement or administer the system

The significant differences between the 1995 policies and the proposed policies are as follows:

- Credit cards may be issued to individual regular status employees rather than limiting the credit card distribution to two generic accounts subtitled “City Manager” and “Finance Director”. The proposed policy discourages the use of generic cards because of bank fraud protection limitations and it hampers the City’s ability to hold purchasers accountable. It is very difficult to isolate the employees responsible for any discrepancies when numerous employees are allowed to use the credit card. If generic cards are issued, additional internal controls will be implemented such as sign out/sign in log sheets and lower transaction limits should be imposed.
- The proposed policy enforces more restricted uses than the current policy. It is expected that the City will have options to limit allowable purchases by commodity codes, which will provide additional internal control tools. For example, travel related commodity code purchases will not be allowed. The City has a separate policy governing travel and it is proposed the City will have separate travel credit cards. The following are key purchasing restrictions included in the proposed policy:
 - o Cash advances
 - o Personal use of any kind
 - o Minor equipment over \$500
 - o Travel, lodging, or meals
 - o Fuel
- The proposed policy includes a maximum transaction amount of \$1,000 for cards assigned to individuals and monthly limits will be established by the City Manager. It is expected the monthly limit will be \$5,000. The monthly limit will be determined by the amount of aggregate credit the City is able to secure through a credit card provider. The intent of this policy is to provide a convenient and efficient method of purchasing for low value goods and services.
- If for any reason a disallowable charge is not repaid by the cardholder, the city will retain a lien against and a right to withhold funds payable to the employee. Other consequences for misuse include permanent revocation of credit card privileges, assignment of wages, notification to the Washington State Auditor to investigate the issue further, and disciplinary actions. It is expected that cardholders will sign credit card agreements acknowledging the policy and responsibilities with the City before credit cards are issued.

The proposed policy is modeled after policies used by other local governments. These policies and procedures used by other local governments have been reviewed by the Washington State Auditor’s Office.

At its February 6, 2020, meeting, the Finance and Economic Development Committee reviewed the proposed resolution and credit card use policy and recommended full City Council adoption.

ADVANTAGES:

1. Improves internal controls of credit card purchasing.
2. Provides an efficient method of procurement of low value goods and services.
3. Creates good business relationships with suppliers by shortening payment periods.

DISADVANTAGES:

1. Additional administrative and oversight duties will be necessary.

RESOLUTION NO. 1083

CITY OF LACEY

A RESOLUTION OF THE CITY OF LACEY, WASHINGTON, AMENDING
THE SYSTEM AND POLICIES RELATING TO THE USE OF CREDIT
CARDS BY THE CITY.

WHEREAS, RCW 43.09.2855 authorizes the use of credit cards by governmental
units under rules and procedures to be adopted by the legislative body; and

WHEREAS, the City Council deems that it is the best interest of the City to make
certain financial payments by using a credit card, and

WHEREAS, improved internal controls have been identified to enhance and to
expand the use of credit cards,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF LACEY, WASHINGTON, that Resolution No. 767 is hereby rescinded and those
certain policies set forth in the document entitled City of Lacey Purchasing Card Policy,
attached hereto and made a part hereof as though fully set forth at length are hereby
approved and adopted as the purchasing card policies to be followed by the City Council
and management of the City of Lacey.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON,
this 27th day of February, 2020.

CITY COUNCIL

Mayor

Attest:

Approved as to form:

City Clerk

City Attorney

CITY OF LACEY PURCHASING CARD POLICY

1. GENERAL

- A. This policy establishes the rules by which the City will conduct the Purchasing Card Program.
- B. Purchasing Cards are designed to provide a convenient and efficient method of procuring low value goods and services. City users will be able to make these small purchases simply and easily when a need arises. Purchasing Cards will reduce costs associated with processing purchase orders and accounts payable, while creating good business relations with suppliers by speeding up payments to them. These efficiencies will allow all groups and individuals involved to be more effective and focused on the value-added aspect of their jobs.
- C. This policy is divided into the following sections:

SECTION 1	GENERAL
SECTION 2	EMPLOYEE ELIGIBILITY
SECTION 3	PURCHASING CARD USE
SECTION 4	CARD RESTRICTIONS
SECTION 5	MISUSE OF PURCHASING CARD
SECTION 6	CARD CANCELLATION
SECTION 7	ADMINISTRATION

2 EMPLOYEE ELIGIBILITY

- A. Purchasing Cards will be issued to authorized regular status City employees only. The Department Director is responsible for authorizing an employee to use a Purchasing Card. Temporary or seasonal employees are not eligible to participate in the program.
- B. The employee whose name appears on the card is the only individual who may use the card.
- C. If a Department Director requests, a non-individualized “department” card, it may be issued for general use by the department, which must have security measures in place to administer its use. The “department” card has a higher potential for misuse and carries higher risk for the City. It is, therefore, generally discouraged.
- D. An authorized employee will be required to make application and sign and abide by a cardholder agreement.

3 PURCHASING CARD USE

- A. The maximum transaction amount is \$1,000 including all taxes and shipping charges. Under discretion of the City Manager or his designee, the maximum transaction limit can be increased. The maximum monthly limit per card and the City's aggregate monthly limit will be established by the City Manager or his designee.
- B. A Department Director may establish lower limits for department employees.
- C. Use of the purchasing card does not relieve the cardholder from complying with City and departmental policies and procedures. The purchasing card is not intended to replace effective procurement planning which can result in quantity discounts, reduced number of trips, and more efficient use of City resources.
- D. The cardholder will be responsible to report a lost or stolen card by phoning the contracting bank and advising the Finance Department immediately. A Police report shall be filed for a stolen credit card. The Finance Department will confirm the loss in writing to the Bank. Only the Finance Department card administrator may authorize a replacement card.
- E. The following conditions must be met when using the Purchasing Card:
 - Each single purchase may be comprised of multiple items, but the total must not exceed the \$1,000 transaction limit.
 - When a purchase exceeds the \$1,000 transaction limit, the normal procedure of using purchase orders must be followed. Purchases must not be split to circumvent the transaction limit.
 - The least expensive item that meets the needs of the department should be sought.
 - Cardholders must follow their department's administrative control of funds procedures to ensure that sufficient budgeted funds are available for the purchase.
 - The cardholder must obtain an itemized receipt from the vendor and submit the receipt along with their reconciled account statement to the Finance Department for timely payment.

4 CARD RESTRICTIONS

- A. The following list covers purchases for which the Purchasing Cards are specifically prohibited:
 - Cash advances or cash refunds
 - Personal use of any kind or any non-City purpose
 - Items purchased for departmental inventories
 - Capital expenditures
 - Minor Equipment over \$500 (Unless purchases are considered to be telecommunications or computer exemptions)

- Telecommunications equipment, software or services (Only Information Services and Finance are authorized)
- Travel, lodging, or meals while traveling (Except with designated Travel purchasing cards)
- Fuel for City vehicles (Except with designated Fuel purchasing cards)
- Computer hardware, software, or peripherals (Only Information Services employees are authorized)
- Work considered to be a public work
- Goods or services that are on current City contracts

B. A Department Director may specify further restrictions to this list.

5 MISUSE OF THE PURCHASING CARD

- A. If for any reason, disallowed charges are not repaid by the cardholder before the card billing is due and payable, the City shall retain a prior lien against and a right to withhold any and all funds payable to the employee up to an amount of the disallowed charges and interest at the same rate as charged by the purchasing card contractor.
- B. Consequences for misuse of the Purchasing Card can include:
- Permanent revocation of Purchasing Card privileges
 - Assignment of wages for repayment of discrepancies
 - Notification to the Finance Director and the Washington State Auditor to investigate the matter further, which may result in the pursuance of criminal charges
 - Disciplinary action

6 CARD CANCELLATION

- A. A Purchasing Card may be canceled for any of the following reasons:
- The card is lost or stolen
 - The employee transfers to another department
 - The cardholder whose name is on the card allows another employee to use the card
 - An employee uses a card that is not in their name
 - The employee retires, resigns, or is otherwise terminated from City employment
 - The authorizing Department Director requests cancellation for any reason
 - At the City Manager or Finance Director discretion
- B. It is the responsibility of the Department Director to advise the Finance Department of the termination or transfer of any cardholder. Finance will then cancel the cardholders Purchasing Card.

7 ADMINISTRATION

- A. The Finance Department is responsible for administering this policy.

RESOLUTION 767

CITY OF LACEY

A RESOLUTION ADOPTING A SYSTEM FOR THE DISTRIBUTION, AUTHORIZATION, CONTROL, CREDIT LIMITS, PAYMENT OF BILLS AND OTHER NECESSARY REGULATIONS RELATING TO THE USE OF CREDIT CARDS BY THE CITY.

WHEREAS, Chapter 30, Laws of 1995 expanded the authority for the use of credit cards by local governments and required the legislative authority to create a system of controls for the use said cards,

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, that a system for the use and control of credit cards by the city be adopted containing the following requirements.

1. All credit cards issued in the name of the city shall be distributed only by or through the authority of the city manager.

2. The credit limit for each credit card contract shall be set by the City Manager, provided, however, that such limit shall not exceed \$5,000.

3. Payment of the credit card billings by the city's Finance Department shall be accomplished in a manner to avoid the payment of interest charges.

4. The number of credit card contracts and the use and

purposes of such cards shall be subject to such further rules and regulations as shall be administratively established by the City Manager.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON,
this 16TH day of November, 1995.

CITY COUNCIL

By Jon W. Halverson
Mayor

Attest:

Christa In Taylor
City Clerk

Approved as to form:

[Signature]
City Attorney

USE OF BANK CREDIT CARDS

Purpose

To establish a system of use and control of bank credit cards.

Policy

All credit cards shall be issued in the name of City of Lacey and their use shall be restricted to “**official City business**” associated with travel, authorized purchases, and the acquisition of services. Cash advances are expressly prohibited. All bank credit cards issued in the name of the City of Lacey shall be distributed only by or through the authority of the City Manager. Payment of the credit card billings by the City’s Finance Department shall be accomplished in a manner to avoid the payment of interest charges.

Procedure

In order to comply with Chapter 30, Laws of 1995 and City of Lacey Resolution 767, the following system of controls and procedures have been established.

1. Credit Card Contracts and Distribution: Credit card contracts are established as part of the banking services contract negotiated by the City. Two accounts are authorized. One account is designated by the subtitle of “City Manager,” the second account has two cards with subtitles of “Finance Director” and “Finance Department.”
2. Authorized Use and Restrictions: Employees may request use of the City’s credit card for authorized travel, purchases, acquisitions, and services where established Advanced Travel and Purchase Order procedures cannot meet the need and best interest of the City. Credit card purchases are subject to the general guidelines, requirements, and limitations of the City’s adopted purchasing policies and procedures.

If anticipated credit card expenditures are estimated to exceed \$300, appropriate departmental authorization must be obtained before the card is issued. This can be accomplished on the Advance Travel Authorization form or Credit Card Use Authorization form provided by the Finance Department.

3. Authorized Signature on Credit Transactions: Before signing the credit transaction receipt, employees are to verify the date, vendor, and the correctness of the charges including the transaction total. **UNDER NO CIRCUMSTANCES ARE EMPLOYEES TO SIGN A CREDIT TRANSACTION RECEIPT THAT IS INCOMPLETE, NOT TOTALED, OR BLANK.** Credit card transaction receipts are to be signed “City of Lacey” followed by the employees signature.
4. Documentation: Upon return of the credit card to the Finance Department, the employee must provide complete documentation of the credit transaction including the “customer’s” copy of the receipt. It is the responsibility of the employee to complete the form provided by the Finance Department indicating the budget account(s) to be charged for their credit purchases.

5. Payment of Credit Card Billings: The Finance Department is charged with the responsibility of paying all credit card billings in a manner to avoid payment of penalties or interest charges. It is therefore required of employees using the City's credit card that they complete all documentation of credit transactions in a timely manner and as prescribed by the Finance Department.



LACEY CITY COUNCIL MEETING

February 27, 2020

SUBJECT: Reappointment to Capital Area Regional - Public Facilities District Board (CAR-PFD)

RECOMMENDATION: Approve reappointment of Nancy Clauson as regional representative to the CAR-PFD

STAFF CONTACT: Scott Spence, City Manager *SS*
Peri Edmonds, City Clerk *PE*

ORIGINATED BY: City Manager Department

ATTACHMENTS:

1. [RCW 35.57.010 – Creation of Corporate Board of Directors](#)
2. [2019-2020 CAR-PFD Board Roster](#)
3. [Nancy Clauson Biography](#)

FISCAL NOTE: None

PRIOR REVIEW: None

BACKGROUND:

On June 25, 2002, the Lacey City Council approved an interlocal agreement for the creation of a Public Facilities District with the cities of Olympia and Tumwater, and Thurston County. The role of the Capital Area Regional - Public Facilities District (CAR-PFD) is to satisfy the legal requirement of an organization to oversee the collection and distribution of the .033 percent of the State's share of sales tax within the member jurisdictions to fund the PFD's projects according to the law. The two regional projects, which receive funding, are the Regional Athletic Complex and the Hands on Children's Museum.

In compliance with RCW 35.57.010(3)(c), a public facilities district created by the cities and county must be governed by a board of directors consisting of seven members. Four members are appointed by the legislative authorities of the cities and county. Three members are appointed by the four jurisdictions as regional representatives.

Nancy Clauson served on the Lacey City Council from 1993 through 2007. She was elected Mayor from 1996 – 1999, and Deputy Mayor from 2004 – 2007. Prior to her public service as a Councilmember, Nancy was appointed to the Planning Commission from 1987 – 1993, serving for a time as chair.

In collaboration with former Olympia Mayor Doug Mah, Nancy was instrumental in moving the process forward to form the CAR-PFD, resulting in funding for the Hands on Children's Museum and the Regional Athletic Complex. Nancy has served on the CAR-PFD Board as a regional representative since 2012, and has expressed an interest in continuing to serve in this capacity.

Staff notified the cities of Olympia and Tumwater, and Thurston County regarding the vacancy, and of Nancy's interest in continuing to serve on the board as a regional representative. The elected officials of the city of Tumwater voted to reappoint Nancy as a regional representative at their January 21, 2020, Council meeting. The city of Olympia and Thurston County have not yet taken action.

Based on Mayor Ryder's recommendation to reappoint Nancy Clauson to another term on the CAR-PFD Board of Directors, staff requests Council consider approval of the Mayor's recommendation.

ADVANTAGES:

1. Nancy Clauson's experience, leadership, and commitment to service would be an asset to the CAR-PFD Board.

DISADVANTAGES:

1. None.

RCW 35.57.010**Creation—Board of directors—Corporate powers.**

(1)(a) The legislative authority of any town or city located in a county with a population of less than one million may create a public facilities district.

(b) The legislative authorities of any contiguous group of towns or cities located in a county or counties each with a population of less than one million may enter an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district.

(c) The legislative authority of any town or city, or any contiguous group of towns or cities, located in a county with a population of less than one million and the legislative authority of a contiguous county, or the legislative authority of the county or counties in which the towns or cities are located, may enter into an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district.

(d) The legislative authority of a city located in a county with a population greater than one million may create a public facilities district, when the city has a total population of less than one hundred fifteen thousand but greater than eighty thousand and commences construction of a regional center prior to July 1, 2008.

(e) At least three contiguous towns or cities with a combined population of at least one hundred sixty thousand, each of which previously created a public facilities district under (a) of this subsection, may create an additional public facilities district. The previously created districts may continue their full corporate existence and activities notwithstanding the creation and existence of the additional district within the same geographic area.

(2)(a) A public facilities district is coextensive with the boundaries of the city or town or contiguous group of cities or towns that created the district.

(b) A public facilities district created by an agreement between a town or city, or a contiguous group of towns or cities, and a contiguous county or the county in which they are located, is coextensive with the boundaries of the towns or cities, and the boundaries of the county or counties as to the unincorporated areas of the county or counties. The boundaries do not include incorporated towns or cities that are not parties to the agreement for the creation and joint operation of the district.

(3)(a) A public facilities district created by a single city or town shall be governed by a board of directors consisting of five members selected as follows: (i) Two members appointed by the legislative authority of the city or town; and (ii) three members appointed by legislative authority based on recommendations from local organizations. The members appointed under (a)(i) of this subsection, shall not be members of the legislative authority of the city or town. The members appointed under (a)(ii) of this subsection, must be based on recommendations received from local organizations that may include, but are not limited to the local chamber of commerce, local economic development council, and local labor council. The members shall serve four-year terms. Of the initial members, one must be appointed for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

(b) A public facilities district created by a contiguous group of cities and towns must be governed by a board of directors consisting of seven members selected as follows: (i) Three members appointed by the legislative authorities of the cities and towns; and (ii) four members appointed by the legislative authorities of the cities and towns based on recommendations from local organizations. The members appointed under (b)(i) of this subsection shall not be members of the legislative authorities of the cities and towns. The members appointed under (b)(ii) of this subsection, must be based on recommendations received from local organizations that include, but are not limited to the local chamber of commerce, local economic development council, local labor council, and a neighborhood organization that is directly affected by the location of the regional center in their area. The members of the board of directors must be appointed in accordance with the terms of the agreement under chapter 39.34 RCW for the joint operation of the district and shall serve four-year terms. Of the initial members, one must be appointed

for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

(c) A public facilities district created by a town or city, or a contiguous group of towns or cities, and a contiguous county or the county or counties in which they are located, must be governed by a board of directors consisting of seven members selected as follows: (i) Three members appointed by the legislative authorities of the cities, towns, and county; and (ii) four members appointed by the legislative authorities of the cities, towns, and county based on recommendations from local organizations. The members appointed under (c)(i) of this subsection shall not be members of the legislative authorities of the cities, towns, or county. The members appointed under (c)(ii) of this subsection must be based on recommendations received from local organizations that include, but are not limited to, the local chamber of commerce, the local economic development council, the local labor council, and a neighborhood organization that is directly affected by the location of the regional center in their area. The members of the board of directors must be appointed in accordance with the terms of the agreement under chapter 39.34 RCW for the joint operation of the district and shall serve four-year terms. Of the initial members, one must be appointed for a one-year term, one must be appointed for a two-year term, one must be appointed for a three-year term, and the remainder must be appointed for four-year terms.

(d)(i) A public facilities district created under subsection (1)(e) of this section must provide, in the agreement providing for its creation and operation, that the district must be governed by an odd-numbered board of directors of not more than nine members who are also members of the legislative authorities that created the public facilities district or of the governing boards of the public facilities districts previously created by those legislative authorities, or both.

(ii) A board of directors formed under this subsection must have an equal number of members representing each city or town participating in the public facilities district. If there are unfilled board member positions after each city or town has appointed an equal number of board members, the members so appointed must appoint a number of additional board members necessary to fill any remaining positions. For a board formed under this subsection to submit a proposition to the voters under RCW 82.14.048, a majority of the members representing or appointed by each legislative authority participating in the public facilities district must agree to submit the proposition to the voters; however, the board may not submit a proposition to the voters prior to January 1, 2011.

(4) A public facilities district is a municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

(5) A public facilities district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, and to sue and be sued.

(6) A public facilities district may acquire and transfer real and personal property by lease, sublease, purchase, or sale. No direct or collateral attack on any public facilities district purported to be authorized or created in conformance with this chapter may be commenced more than thirty days after creation by the city and/or county legislative authority.

[2010 c 192 § 1; 2009 c 533 § 1; 2007 c 486 § 1; 2002 c 363 § 1; 1999 c 165 § 1.]

CAPITAL AREA REGIONAL – PUBLIC FACILITIES DISTRICT

ESTABLISHED IN 2003

BOARD OF DIRECTORS (2019-2020)

FOUR YEAR TERM - NO TERM LIMITS

Nancy Clauson, President (2019-2020) <i>Regional Representative</i> 2103 Alonda Ln NE Olympia WA 98516 (C) 360.485.8242 nancypetey@comcast.net Appointed: 03.03.2012 Reappointed: 03.01.2016 Term Expiration: 03.01.2020	Ken Parsons, Secretary/Treasurer (2019-2020) <i>Thurston County Representative</i> 4747 Shincke Rd NE (H) 360.791.4433 wa.kenparsons@gmail.com Appointed: 02.25.2003 Reappointed: 02.12.2007, 03.01.2011, 2015, 09.18.2018 Term Expiration: 03.01.2023
Chris Leicht <i>Regional Representative</i> 920 East Bay Dr NE, 3D-301 Olympia WA 98506 (H) 360.352.1949 (C) 360.239.2179 leichtc@comcast.net Appointed: 04.01.2010 Reappointed: 05.22.2014, 07.12.2018 Term Expiration: 03.01.2022	Dennis Reed <i>City of Lacey Representative</i> 609 Enterprise Dr NE Lacey WA 98516 (H) 360.438.1352 (F) 360.438.9119 liondennis6@gmail.com Appointed: 02.25.2003 Reappointed: 03.01.2007, 2011, 2015, 12.06.2018 Term Expiration: 03.01.2023
John Grausam <i>Regional Representative</i> 4708 Belair Drive SE Lacey, WA 98503 (C) 360.456.6857 jwgrausam@gmail.com Appointed: 05.07.2019 (unexpired term) Term Expiration: 03.01.2021	David Brine <i>City of Olympia Representative</i> 1716 Camelot Park SW Olympia WA 98512 (H) 360.280.9898 d.brine@comcast.net Appointed: 12.04.2007 Reappointed: 03.01.2011, 2015, 02.05.2019 Term Expiration: 03.01.2023
City of Lacey Administrative Support City Clerk's Office Lacey City Hall 420 College St SE Lacey WA 98503 360.486.8704 pedmonds@ci.lacey.wa.us	Trent Grantham <i>City of Tumwater Representative</i> 902 "G" Street SW Tumwater WA 98512 (H) 360.556.3299 (W) 360.357.6972 trent.grantham@scjalliance.com Appointed: 03.01.2011 Reappointed: 03.01.2015, 10.16.2018 Term Expiration: 03.01.2023

CAPITAL AREA REGIONAL PUBLIC FACILITIES DISTRICT (CAR-PFD)

Nomination for re-appointment of Regional Representative: Nancy Clauson

Nancy Clauson (Peterson) served on the Lacey City Council from 1993 through 2007. She was elected Mayor from 1996 – 1999, and Deputy Mayor from 2004 – 2007. During her tenure on the council, she served on the Finance & Economic Development Committee, General Government & Public Safety Committee, and the Utilities Committee. Nancy represented the City of Lacey regionally on the LOTT Board, the Human Services Review Council, and TOGETHER!.

Nancy was appointed to serve on the Lacey Leadership Council of past mayors working on emerging regional issues, and participated in the visioning process for the Woodland District Strategic Plan. Nancy has volunteered at St. Peter's Hospital, and performs volunteer work at St. Michael's Church. She is retired from the Department of Labor & Industries.

Prior to her public service as a Councilmember, Nancy was appointed to the Lacey Planning Commission from 1987 – 1993, serving for a time as chair.

During the formation of the CAR-PFD in 2008, Nancy was an active participant throughout the process. She has served on the board as a regional representative since 2012, and is currently serving as President for 2019-2020. Nancy has expressed an interest in continuing to serve on the board.



LACEY CITY COUNCIL MEETING February 27, 2020

SUBJECT: Capitol City Golf Course – East, Water & Wastewater Improvements

RECOMMENDATION: Motion to award Lacey Contract Number PW 2020-02 to low bidder South Sound Contractors, LLC from Lacey, Washington in the amount of \$5,955,949.42

STAFF CONTACT: Scott Spence, City Manager *SS*
Scott Egger, P.E. Public Works Director *SE*
Peter Brooks, P.E., Water Resources Manager *PB*
Teri O’Neal, P.E., Senior Utilities Engineer *TO*
Jason Kashani, EIT, Utility Engineer *JK*

ORIGINATED BY: Public Works Department

ATTACHMENTS: None

FISCAL NOTE: Capitol City Golf Course – East, Water & Wastewater Improvements was bid as the first phase of a two phase project. Each utility has a separate fund code to pay for that portion of the project. The water portion of the project is provided under the fund code WA16CC and the wastewater portion of the project is funded under fund code WW18CC through the Water Budget 410-3418-534 and Wastewater Budget 411-3418-535. The project includes stormwater improvements that are funded under the fund code SW20CC that is paid for by the HOA.

PRIOR REVIEW: N/A

BACKGROUND:

Capitol City Golf Club Estates is a community located in the City of Lacey UGA that began development in the late 1960’s. It is zoned low density and has approximately 4 single family homes per acre with individual septic systems. The City has a well located within the

neighborhood of Capitol City Golf Club Estates. Due to the density of the surrounding septic systems, there is a concern of contaminants being transmitted from the drain fields into the aquifer which the existing well is drawing from.

The first phase of the project extends new sewer service to 182 lots, of which, 175 will decommission their septic systems. The project also replaces aging undersized water infrastructure throughout the neighborhood to meet current fire flow requirements. The City has also agreed to incorporate stormwater improvements, paid for by the HOA, as part of the project to reduce localized flooding throughout the neighborhood. The new utility improvements consist of approximately 11,000 LF of new 8" and 12" gravity main sewer main, approximately 11,000 LF of new 8", 6" and 4" water main, and 9 new catch basin/drywell systems for the first phase of the two phased project.

The project was advertised for four weeks and bids were opened February 14, 2020. Ten (10) bids were received. The 10 bids ranged from a low of \$5,955,949.42 to a high of \$8,797,890.38. South Sound Contractors, LLC from Lacey, Washington, is the low bidder at \$5,955,949.42. The Engineer's Estimate is \$6,826,304.19. A Bid Summary Sheet is attached.

South Sound Contractors, LLC is qualified and capable of performing the work. Project start date is anticipated in April 2020 with 260 working days allotted to complete the work. The project is expected to be completed by the end of May 2021.

ADVANTAGES:

1. This project addresses fire flow deficiencies at the neighborhood of Capitol City Golf Club Estates and surrounding areas.
2. Provides a sustainable solution for wastewater management in a densely developed area.
3. Will drastically reduce the impact of contaminants on the groundwater/aquifers in the area.

DISADVANTAGES:

1. The size and scope of the project will necessitate an increase in utility rates to pay for the overall project in the future. Utility rates are currently being analyzed as part of the City's programmed Capital Infrastructure Plan for both water and wastewater.

2/14/2020

2/14/2020

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FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES
FEBRUARY 6, 2020
1:30 P.M. - 2:13 P.M.

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

STAFF PRESENT: SCOTT SPENCE, DAVE SCHNEIDER, RICK WALK, TROY WOO,
GEORGE SMITH, PERI EDMONDS

Mayor Ryder requested amending to move Lacey MakerSpace Update as the first agenda item.

ACTION: APPROVE FINANCE & ECONOMIC DEVELOPMENT COMMITTEE AMENDED AGENDA

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

ACTION: APPOINT MAYOR RYDER AS CHAIR OF THE FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

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

LACEY MAKERSPACE UPDATE

STAFF: RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

GUESTS: GRAEME SACKRISON, JOSEPH ANDERSON, MICHAEL CADE, BRAD HOOPER, CECILIA LOVELESS, DAVE OLWELL, KAYLEE PURCELL

ACTION: RECOMMEND DEDICATING ADDITIONAL FUNDS TO PROVIDE FINANCIAL SUPPORT TO LACEY MAKERSPACE FOR THE NEXT THREE YEARS

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

As discussed at the City Council Retreat in 2016, the City is committed to working with the Thurston Economic Development Council (EDC) to adopt initiatives that build on Lacey's job growth, encourages new livable wage jobs, expands the tax base, supports attraction of high tech jobs, diversifies the community's business and employment sector, and ensures Lacey's competitiveness.

In support of these goals, and in recognition that makers spaces are a proven tool of economic development that effectively address all of the needs identified by Council at their 2016 retreat, a large group of community members came together to explore the feasibility of starting a makers space in Lacey. This group represented the Lacey South Sound Chamber of Commerce, North Thurston Public Schools, the Lacey Timberland Library, South Puget Sound Community College, the Evergreen State College, the City, the EDC, St. Martins University (SMU), and members of the private sector and private citizen volunteers. As the group worked through the process, a partnership developed between the City, the EDC, and SMU.

The Lacey MakerSpace opened late last summer, and had its formal grand opening on October 16, 2019. The work of the one permanent paid staff member has been leveraged with extensive support from volunteers, as well as the utilization of SMU's work-study program. Grants and gifts have helped to equip the program with the most essential equipment needed to get underway.

Since the MakerSpace has been operating for six months, the team can better project operation and maintenance expenses. For 2019, total revenues were \$142,683. Since operations did not begin until well into the 3rd quarter, only \$12,076 of that was from operating income. The rest came in donations, including in-kind contributions. The majority of revenues have come from memberships (\$7,576) and classes (\$4,045).

Expenditures for 2019 totaled \$156,799. A major portion of that was for purchases of equipment and supplies (\$59,325). Actual operating expenses were \$97,345. It is anticipated that operating expenses for 2020 will be in the range of \$165,000 to \$175,000.

The biggest challenge facing Lacey MakerSpace is financial. The cost of equipment, and the cost for maintenance and supplies, continues to be a challenge.

The goal of the Lacey MakerSpace board and supporting partners is for the MakerSpace to become a self-sufficient operation supported by the business community and direct users. Additional time is needed to develop the community support. To provide that time, the City Council could offer a funding proposal that would rely on a community match to use as incentive for raising support from the community. A three-year commitment would provide stability and time to engage with community funders.

The request is for Council to consider funding the maker space for the first year at \$175,000. Focus in the first year would be on building support and raising funding from the community as well as federal, state and local grant sources to fund the second year. If the private sector sees value and supports funding second year operations, the City would commit to allocating an additional \$175,000 of funding for the third year. This proposal to financially commit an additional \$350,000 will bring the City's total funding support to \$550,000, plus in-kind staff support.

CREDIT CARD POLICY

STAFF: TROY WOO, DIRECTOR OF FINANCE
ACTION: FORWARD RECOMMENDED RESOLUTION TO FULL COUNCIL FOR APPROVAL
MOTION: MOTION MADE, SECONDED, AND CARRIED BY DEPUTY MAYOR PRATT AND COUNCILMEMBER GREENSTEIN

The City's current credit card policies were adopted in November 1995. While the current policy is adequate, credit card internal controls can be strengthened and it does not allow for City employees to take full advantage of the efficiencies of a credit card system. Adoption of an updated policy is recommended.

RCW 43.09.2855 authorizes local governments to use credit cards of official governmental purchases and acquisitions provided the legislative body adopts a credit card system. The system shall include provisions for the following:

- Distribution of the credit cards
- Authorization and control of the use of credit card funds
- Credit limits
- Payment of the bills
- Any other rule necessary to implement or administer the system

The proposed policy is modeled after policies used by other local governments. These policies and procedures used by other local governments have been reviewed by the Washington State Auditor's Office.

It is requested that the Finance & Economic Development Committee review the proposed credit card policy, confirm or propose changes to the policy, and advance this issue to the full City Council with a recommendation for approval.

2019 FOURTH QUARTER INVESTMENT REPORT

STAFF: TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

The City's adopted investment policy requires quarterly reporting to the City Manager and annual reporting to the City Council. At its February 26, 2019, meeting, the Finance & Economic Development Committee requested to review the quarterly reports biannually. Consistent with the adopted investment policy, the City Manager reviews all quarterly investment reports.

The fourth quarter report was developed by the City's investment advisor Government Portfolio Advisors (GPA). The three main components of the quarterly report include the following:

1. Market commentary and discussion about the City's investment strategy.
2. An analysis to ensure the portfolio complies with the City's investment policy in terms of maturity constraints and allocation diversification. This is normally a routine monthly analysis, but it will be included in the quarterly reports for the first year to communicate compliance during the implementation/transition period.
3. A summary of the City's total invested funds including information relating to types, maturities, and investment activity, investment earnings and accruals that occurred during the report period.

In summary, Lacey's core fund portfolio continues to perform well compared to the investment strategy benchmarks.

- The core fund portfolio yield decreased from 2.21 percent to 2.00 percent. The State's Local Government Investment Pool (LGIP) yield decreased from 2.20 percent to 1.78 percent. This is a result of one Fed Fund rate cuts during the third quarter.
- The Federal Reserve cut rates at its October meeting to a range of 1.50 percent to 1.75.
- During its December meeting, the Federal Reserve forecasted that it would most likely not change the Fed Fund rates throughout all of 2020.
- At the end of the fourth quarter 2019, the portfolio duration was 1.27 years, which is lower than the benchmark duration of 1.40 years.

GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
FEBRUARY 6, 2020
2:30 P.M. – 3:30 P.M.

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

STAFF PRESENT: SCOTT SPENCE, DAVE SCHNEIDER, RICK WALK, WADE DUFFY, PERI EDMONDS

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

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

ACTION: APPOINT DEPUTY MAYOR PRATT AS CHAIR OF THE GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE

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

THURSTON COUNTY PUBLIC HEALTH & SERVICES DEPARTMENT – VAPING IN PUBLIC PLACES ORDINANCE

PRESENTER: KATERI WIMSETT, COMMUNITY ENGAGEMENT, EVIDENCE & PARTNERSHIP

ACTION: INFORMATION ONLY

The Committee received a presentation on vaping in public places. There are potential health effects from exposure to vapor, especially for vulnerable populations, a rapidly normalized use by teens and young adults, and high poisoning risk to children from concentrated nicotine e-juices.

Due to the vaping epidemic among youth, on January 1, 2020, a new law went into effect in Washington State that makes it illegal to sell tobacco and vapor products to anyone under the age of 21. The new law is intended to reduce the number of youth who develop a lifelong addiction to nicotine.

Currently, 10 of Washington's 39 counties have acted to pass regulations on vaping in places to protect public health. Thurston County will be proposing vapor product

regulations with similar language as the tobacco law, and will be made part of Thurston County's Sanitation Code.

OVERVIEW OF BUILDING DEPARTMENT SERVICES

STAFF: WADE DUFFY, BUILDING OFFICIAL AND FIRE MARSHALL

ACTION: INFORMATION ONLY

Staff provided an overview of the building permit process, types of permits, and what triggers a permit. A review of project plans prior to permit issuance verifies compliance of the applicable codes, and helps the project progress smoothly in order for completion of the project to be a success for everyone.

The inspection process is required when the proposed work is completed and before moving to the next phase of the project. Most projects will have multiple phases and, therefore, multiple inspections. If an inspection fails, a correction report is issued with the noted discrepancies, and the project cannot proceed until passing a re-inspection. In 2019, staff completed 9,346 inspections.

A Certificate of Occupancy (C/O) is required at the completion of a new commercial project, new tenant improvement, and any commercial change of use. The C/O is issued by the Building Official after the assigned departments have completed and approved all of their inspections.

New single-family residential projects receive a Certificate of Final Inspection once assigned departments have completed and approved all of their inspections.

The Building Department works closely with regulatory partners, which include City departments such as Public Works, Planning, and Stormwater, and external agencies such as Olympia Master Builders, Thurston Council Public Health & Social Services, and Lacey Fire District 3.

LAND USE COMMITTEE
FEBRUARY 6, 2020
3:30 P.M. – 3:50 P.M.

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

STAFF PRESENT: SCOTT SPENCE, DAVE SCHNEIDER, RICK WALK, RYAN ANDREWS,
JESSICA BRANDT, PERI EDMONDS

ACTION: APPROVE LAND USE COMMITTEE AGENDA
MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBERS GREENSTEIN
AND DEPUTY MAYOR PRATT

ACTION: APPOINT COUNCILMEMBER COX AS CHAIR OF THE LAND USE COMMITTEE
MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBERS GREENSTEIN
AND DEPUTY MAYOR PRATT

SHORELINE MASTER PROGRAM – PERIODIC UPDATE

STAFF: RYAN ANDREWS, PLANNING MANAGER
JESSICA BRANDT, ASSOCIATE PLANNER
ACTION: INFORMATION ONLY

Staff provided an update to the City's Shoreline Master Program (SMP). The SMP has been on the Community & Economic Development Department's work plan since last year, per a state-mandated periodic review.

The Washington State Shoreline Management Act requires that Cities and Counties review and revise their SMP, if needed, on an eight-year schedule established by the State Legislature. Starting in December 2019, Lacey started the periodic review of its SMP.

Lacey adopted its first SMP in 2011 with other background documents including a Shoreline Restoration Plan and the Cumulative Impacts Analysis for Lacey's Shorelines. The City completed a minor update in 2015 to comply with state changes to wetlands regulations.

Department of Ecology requires a Public Participation Plan, in order to describe how the City will encourage early and continuous public participation throughout the process of reviewing the SMP. The Plan is a working document and will be adjusted as needed to provide for the greatest and broadest public participation.

Staff will begin the public outreach in spring 2020, followed by drafting the proposed changes, environmental review, and a public open house. In the summer and fall 2020, the Planning Commission and Department of Ecology will review the changes, and submitted to the City Council for review.