

MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL HELD THURSDAY,
NOVEMBER 18, 2021, REMOTE ATTENDANCE

To hear the full discussion of a specific topic, or the complete meeting, watch the recorded meeting available on YouTube – <https://youtu.be/7JMflAVieCM>

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, L. Greenstein, E. Kunkel, M. Miller, 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 October 28, 2021.
- B. Council Meeting minutes of November 4, 2021
- C. A motion to approve payment of claims, wages and transfers for October 29, 2021, through November 9, 2021

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

PUBLIC RECOGNITION AND
PRESENTATIONS:

Youth Council Deputy Mayor Linares provided an update on recent Lacey Youth Council activities.

PUBLIC COMMENT:

The deadline to pre-register to speak was 3:00 p.m. the day of the meeting.

Mark Kitabayashi, Olympia, Washington resident, spoke on behalf of Thurston County Realtors and Climate Action Task Force regarding climate change and building a sustainable community.

Claire Richmond, Olympia, Washington resident, represents several Homeowner Associations (HOA) in Lacey. She thanked Jenny Bauersfeld, Community Relations Specialist, and the City for hosting the November 13, 2021, HOA Academy.

Written public comments may also be submitted by email by 12:00 p.m. the day of the meeting. Written comments are not addressed during the meeting; however, they are added to the official record.

No written public comments were received.

PUBLIC HEARING:

Troy Woo, Finance Director, presented the 2022 Proposed Budget. The total budget of \$173,650,467 is a decrease of \$16,494,867 compared to the amended 2021 Budget. Increasing labor costs and additional workforce considerations are offset by reductions to capital expenditures and one-time transfers.

The total proposed General Fund Budget is \$60,091,615. This is a decrease of \$300,560 or 0.6 percent compared to the amended 2021 General Fund Budget.

The proposed 2022 Budget maintains all services and provides funding for a number of capital.

Subsequent to the City Manager's October 21 budget presentation, the proposed 2022 Budget has been adjusted to include property tax adjustments for the 2021 refund levy and slight increases due to new construction.

The adjustments increased the property tax projection and total budget by \$54,714.

The City Council is scheduled to adopt the budget at the December 2, 2021, Council meeting.

No one signed up to speak at the public hearing and no written public testimony was submitted for the 2022 Budget Hearing.

PROCLAMATIONS:

Mayor Ryder and Council proclaimed November 2021 as Native American Heritage Month. Hanford McCloud, Nisqually Tribal Councilmember, accepted the proclamation.

Mayor Ryder and Council proclaimed November 27, 2021, as Small Business Saturday. Blake Knoblauch, Executive Director with the Lacey South Sound Chamber, accepted the proclamation.

RESOLUTIONS:

Troy Woo, Finance Director, presented Resolution No. 1109 authorizing the 2022 Property Tax Increase.

The property tax limit factor for a taxing jurisdiction with a population over 10,000 as the lesser of 101 percent or 100 percent plus inflation is set by RCW 84.55.005(2)(c). The Thurston County Assessor's Office suggests the adoption of a separate resolution or ordinance to satisfy the provisions of RCW 84.55.120 (3)(a). The exceptions include new construction, improvements to property, annexation adjustments, newly constructed wind turbines, and state-assessed utility property.

The inflation factor to be used for the 2022 property taxes is 3.86 percent. The resolution authorizes an increase of one percent, which is equal to \$75,883.

DEPUTY MAYOR PRATT MOVED TO APPROVE RESOLUTION NO. 1109 AUTHORIZING THE 2022 PROPERTY TAX INCREASE. COUNCILMEMBER COX SECONDED. MOTION CARRIED.

Dave Schneider, City Attorney, presented Resolution No. 1110 amending Resolution No. 1087 relating to Temporary Procedures in response to COVID-19.

On March 26, 2020, the City Council adopted Resolution No. 1087 providing for temporary procedures in response to the COVID-19 emergency. On June 11, 2020, recognizing that certain provisions were no longer necessary, Council adopted Resolution No. 1093 which amended Resolution No. 1087 by removing some of the temporary procedures.

Staff recommends three further amendments:

1. Remove the suspension of interest charges, late fees and any enforcement action against delinquent utility accounts. This provision should now be removed to allow staff to begin the process of recovering fees owed for utility services previously provided.
2. The provision that allowed businesses to defer payment of first quarter B&O tax for 2020 until July 31, 2020, is no longer effective and should be removed.
3. The provision that suspended the requirements of LMC 8.06 related to carryout bags has been superseded by state law (ESSB 5323) and is no longer effective.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE RESOLUTION NO. 1110 AMENDING RESOLUTION NO. 1087 RELATING TO TEMPORARY PROCEDURES IN RESPONSE TO COVID-19. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED.

ORDINANCES:

Troy Woo, Finance Director, presented the 2022 Utility Rate Ordinances: Ordinance No. 1603 setting the 2022 Water Utility Rates; Ordinance No. 1604 setting the 2022 Wastewater Rates; and Ordinance No. 1605 setting the 2022 Stormwater Rates.

Due to the uncertain COVID-19 public health emergency economic environment, Council delayed the adoption of the 2021 utility rate increases to July 1, 2021. The mid-year adopted increases included 5.0 percent for water, 5.0 percent for sewer, and 4.5 percent for stormwater.

COUNCILMEMBER STEADMAN MOVED TO APPROVE ORDINANCE NO. 1603 SETTING THE 2022 WATER RATES, ORDINANCE NO. 1604 SETTING THE WASTEWATER RATES, AND ORDINANCE NO. 1605 SETTING THE STORMWATER RATES.
COUNCILMEMBER COX SECOND. MOTION CARRIED.

Troy Woo, Finance Director, presented Ordinance No.1606 adopting the Ad Valorem Tax Increase.

The proposed ordinance sets the 2022 general property tax at \$8,046,612, which will result in an estimated levy rate of \$0.8810 per \$1,000 of assessed valuation. This is an increase of \$458,268 or 6.04 percent compared to the 2021 general property tax collections. The adjustments to next year's levy include a \$213,197 increase due to new construction, an \$115,323 increase from annexation adjustments, a \$75,883 increase due exercising the 1.0 percent revenue limit adjustment, and a \$53,864 increase from the 2021 refund levy.

The proposed ordinance also sets the voter-approved GO Bond redemption property tax levies. The total estimated GO Bond redemption levy rate is \$0.0756 per \$1,000 of assessed valuation. In addition, the 2002 Fire

Safety GO Bonds will be retired at the end of 2021, so this voter-approved levy will expire in 2021.

DEPUTY MAYOR PRATT MOVED TO APPROVE ORDINANCE NO. 1606 ADOPTING THE AD VALOREM TAX INCREASE. COUNCILMEMBER COX SECONDED. MOTION CARRIED.

Scott Egger, Public Works Director, presented Ordinance No.1607 amending LMC 13.32.005 to update the Water General Facilities Charges.

The City's financial consultant, FCS Group, evaluated the water utility's general facilities charges (GFC), a one-time revenue collected from the sale of new connections intended to provide an equitable contribution by new customers toward the City's existing water infrastructure and its planned capacity development projects.

Staff and the FCS Group recommend amending LMC 13.32.005 to fix the 2022 GFC rates to match those calculated by the FCS Group. The FCS Group also recommends the City set its annual inflationary adjustments be calculated only from the Engineering News Records 20-city average CCI, and eliminate the "or 6%" clause.

COUNCILMEMBER STEADMAN MOVED TO APPROVE ORDINANCE NO. 1607 AMENDING LMC 13.32.005 TO UPDATE THE WATER GENERAL FACILITIES CHARGES. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

MAYOR' REPORT:

Mayor Ryder reported on his attendance at the NLC Conference. He provided information about a recent survey by NLC which indicates 81% of elected officials have received threats of violence.

CITY MANAGER'S REPORT: Sarah Schelling, Senior Planner, presented a Multi-Family Tax Exemption Agreement with DM Ventures 4444 LLC. Background was provided on the Multi-Family Tax Exemption Program created by the legislature (RCW 84.14).

The DM Ventures 4444 project includes redevelopment of a commercial site and construction of 151 multi-family units, with some ground floor commercial space. The project is located within the Lacey Midtown – Woodland Zoning District, which is the residential target area identified in LMC 3.64.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE THE MULTI-FAMILY TAX EXEMPTION AGREEMENT WITH DM VENTURES 4444 LLC. COUNCILMEMBER MILLER SECONDED. MOTION CARRIED.

Mayor Ryder recommended, and Council agreed, to move the Thurston County Home Fund Proposal agenda item to the Worksession following the regular Council meeting.

STANDING COMMITTEES: Community Relations & Public Affairs Committee
Councilmember Steadman reported the Committee met on November 1, 2021, to receive an update on the 6-Year Art Plan.

Utilities Committee

Councilmember Kunkel reported the Committee met on November 1, 2021, to discuss Water Utility General Facilities Charges and Tolmie Park Estates Sewer ULID Petitions.

Transportation Committee

Councilmember Miller reported the Committee met on November 2, 2021, and received an overview of the Public Works Transportation Maintenance Department.

Mayor Ryder adjourned to a Worksession at 5:50.

WORKSESSION

LACEY CARES PARKS OUTREACH

PRESENTERS: JEN BURBIDGE, PARKS, CULTURE & RECREATION DIRECTOR
JASON ROBERTSON, J. ROBERTSON & COMPANY

ACTION: INFORMATION ONLY

Jen Burbidge, Parks, Culture & Recreation Director, and Jason Robertson, President, J. Robertson & Company, provided a report on the Lacey Cares Parks Outreach community engagement project.

Lacey Cares is an initiative to engage community members on what they want Lacey to look, feel, and be in the future.

The results of the Parks Priorities Survey were shared. Next steps include incorporating what was learned.

2022 STATE LEGISLATIVE PRIORITIES

PRESENTERS: SHANNON KELLEY-FONG, ASSISTANT CITY MANAGER
BRIAN ENSLOW, ARBUTUS, LLC

ACTION: INFORMATION ONLY

Shannon Kelley-Fong, Assistant City Manager, and Brian Enslow, Arbutus, LLC, presented the 2022 State Legislative Priorities:

1. Continue to focus on I-5 Corridor between Mounts Road and Tumwater, including the Nisqually River Delta.
2. Work collaboratively to create affordable housing solutions that work for all.
3. Public safety concerns: return of less lethal options, use of force, and commission clarifications.
4. Request State leadership in providing strategies and tools to address the growing unsheltered population in Washington cities.
5. Capital budget requests: public electric vehicle infrastructure and Oxford Housing Program pilot with non-profit partner.

A review of significant 2021 legislative session achievements was provided to Council.

THURSTON COUNTY'S HOME FUND PROPOSAL - RESPONSE

STAFF: SCOTT SPENCE, CITY MANAGER

ACTION: INFORMATION ONLY

Scott Spence, City Manager, discussed a request from the Thurston County Board of County Commissioners for the City Council to provide a response to the County's Home Fund Proposal. The Home Fund would raise about \$3.4 to \$3.5 million annually and could be devoted to affordable housing, mental health facilities, and under-served populations.

Council discussed the County's proposal and the message they would like to include in the letter. Council directed staff to draft a letter to the County for the Mayor's review and signature.

Mayor Ryder adjourned the Worksession at 7:20 pm.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____