

MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

OCTOBER 1, 2020

4:00 P.M. – 6:30 P.M.

REMOTE ONLY

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

STAFF PRESENT: S. SPENCE, J. BURBIDGE S. EGGER, M. HARDIE, D. SCHNEIDER,
R. WALK, T. WOO, G. SMITH, E. FONTAINE

ACTION: APPROVE WORKSESSION AGENDA

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

COVID-19 RELIEF FUNDING – 2ND ROUND

STAFF: RICK WALK, DIRECTOR OF COMMUNITY & ECONOMIC DEVELOPMENT
GEORGE SMITH, ECONOMIC DEVELOPMENT COORDINATOR
KIRSTEN YORK, DIRECTOR OF FAMILY SERVICES, COMMUNITY ACTION
COUNCIL

ACTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS
STEADMAN AND DEPUTY MAYOR PRATT TO FORWARD THE STAFF
RECOMMENDATION FOR THE CITY MANAGER TO NEGOTIATE AND SIGN AN
AGREEMENT WITH SERVICE PROVIDER, COMMUNITY ACTION COUNCIL, IN
THE AMOUNT OF \$779,050.00 TO ADMINISTER CARES ACT FUNDS FOR
SECOND ROUND CARES ACT FUNDING TO FULL CITY COUNCIL FOR
FORMAL ADOPTION

Staff reviewed with Council the first round of CARES Act funding in the amount of \$1,538,100, which was used for economic recovery and social service support:

Economic Recovery

- Emergency grants to local Lacey businesses - \$1 million
- Thurston Economic Development Council - \$70,000
- Thurston Strong - \$194,050 (PPE - \$10,000; Childcare Support \$184,050)
- Unassigned - \$10,000

Social Services

- Homeless Backpacks - \$10,000
- United Way of Thurston County - \$50,000
- United Way of Thurston County - \$204,050
 - Senior Services
 - Thurston County Food Bank
 - Homeless Backpacks

The City of Lacey was authorized to receive a second round of CARES Act Funding in the amount of \$769,050. Staff recommends including the unexpended \$10,000 from the initial funding, bringing the total for the second round to \$779,050. The funding recommendation would focus on social services, such as rental assistance, mortgage assistance, basic utilities assistance (sewer, water, power, electricity, and WIFI/internet), and childcare assistance.

Staff recommended the following allocation for the second round of CARES Act Funding:

Social Services

- Priority to basic utilities – Up to \$400,000
 - Any funds not used, may be used for rental and mortgage assistance (\$4,500 per house)
- Assistance to families with school-aged children with childcare costs – Up to \$100,000
- Assistance to families with school-aged children lacking internet access for remote learning – Up to \$30,000

Administrative costs of 5% - Up to \$39,000

Staff recommended Council authorize the City Manager to negotiate and sign an agreement with service provider, Community Action Council, in the amount of \$779,050 to administer CARES Act Funds for assistance to City of Lacey as recommended.

In order to include more citizens impacted, Mayor Ryder and Council discussed broadening the definitions of AMI in order to provide more flexibility, while still providing priority to lower AMI qualifications.

Council and staff also expressed support in rental/mortgage assistance allotment of up to 3 months.

2021 BUDGET WORKSHOP

STAFF: SCOTT SPENCE, CITY MANAGER
TROY WOO, FINANCE DIRECTOR
ACTION: INFORMATION ONLY

Troy Woo, Finance Director presented the following information as a part of the Budget Workshop to Council:

- 2021 Revenue Assumptions
- 2021 Expenditure Assumptions
- Major Budget Initiatives
- Long-Term Budget Outlook
- Six-Year Strategic Financial Plan
- 2021 Budget City Council Direction
- 2021 Budget Summary Schedule

Staff requested guidance on whether certain items should be included in the 2021 Proposed Budget. The City Council provided direction on the following items:

1. Exercise City Council authority to increase property taxes by 1.0%.
 - Council agreed to move the recommendation forward for further discussion.
2. Utility Rate Increases for Residential Accounts:
 - Option 1 - No 2021 rate increases
 - Option 2 - 2021 Rate Increases
 - Option 3 - Delayed 2021 rate increases (July 1, 2021)
 - Council concurred with staff's recommendation of Option 3 as presented.
3. Implement use of reserves for the following:
 - Pension - \$926,042
 - Limit-Term Employee Program - \$593,574
 - Succession Planning - \$399,000
 - Parks comp Plan Priorities - \$200,000

- Unencumbered/Budget Priorities - ~\$700,000
- Limited capital Projects/Equipment (one-time)

➤ Council concurred with staff's recommendations as presented.

4. Implement expenditure reductions for the following:

- Facility Capital line item - \$80,000
- Equipment Capital line item - \$353,902

➤ Council concurred with staff's recommendations as presented.

5. Adopt one-year O&M Water, Wastewater, and Stormwater rate increases for 2021:

- Water = 3.0%
- Wastewater = 3.0%
- Stormwater = 4.5%

➤ Council concurred with staff's recommendations as presented.

6. One-year Stormwater rate increase for 2021 or multi-year rate schedule (2021-2025):

➤ Council agreed to move the recommendation forward for further discussion.

7. Continue phased-in approach for Septic to Sewer dedicated fee for 2021 conversions:

➤ Council concurred with staff's recommendations as presented.

Next Steps

- October 22 City Council Meeting
 - City Manager Budget Presentation
- November 5 City Council Meeting
 - 2021 Revenue Sources Public Hearing
 - Budget Public Hearing

- November 19 City Council Meeting
 - Final Budget Public Hearing
 - Adopt Property Tax Ordinance
 - Adopt Utility Rate Ordinances
- December 3 City Council Meeting
 - Adopt 2021 Budget Ordinance

BUDGET RESERVE DISCUSSION

STAFF: SCOTT SPENCE, CITY MANAGER
TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

Troy Woo, Finance Director, presented past balance/reserve designations to Council in order to establish new fund balances and designations.

Council expressed support in re-designating Parks & Recreation Comp Plan Priorities for partial Regional Athletic Complex operations for two years, instead of three.