



## City of Lacey, Washington

### City Council Regular Meeting **Amended\*** Agenda

Refer to the bottom of the agenda for meeting information.

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Tuesday, November 5, 2024

4:00 PM

Council Chambers and Online

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**1. Call to Order**

**2. Roll Call**

**3. Pledge of Allegiance**

**4. Land Acknowledgment**

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

**5. Approval of **Amended\*** Agenda and Consent Agenda Items**

**Amended the agenda to remove Item 16.A: Executive Session Pursuant to RCW 42.30.110(1)(i) - This item will be held at a later date.**

A. Approval of the Minutes of October 8, 2024

B. Approval of the Minutes of October 15, 2024

C. Approval of wages, claims, and transfers for September 12 through October 25, 2024

**6. Public Recognitions and Presentations**

A. **Native American and Indigenous Heritage Month**

**7. Public Comment**

Refer to the bottom of the agenda for instructions on how to provide public comment.

## **8. Public Hearing**

### **A. 2025 Revenue Hearing**

Troy Woo, Finance Director

## **9. Proclamations**

## **10. Resolutions**

### **A. Adoption of Resolution 1158: Small Works Roster Update**

Ashley Smith, Engineering Design Manager

## **11. Ordinances**

## **12. Mayor's Report**

A. Human Services Work Group Appointment: Angelina Goldwell

B. Parks, Culture, and Recreation Board Re-Appointment: Wendy Goodwin

## **13. City Manager's Report**

### **A. Massage and Reflexology Services, LMC 5.38**

Robert Almada, Police Chief

David Schneider, City Attorney

### **B. Designation of Greg Couio Park Monument Sign as Public Art**

Jennifer Burbidge, Parks, Culture, and Recreation Director

## **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 Malcolm Miller:**

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)
3. Thurston County Coalition Against Trafficking (TCCAT)
4. Joint Animal Services Commission (JASCOM)

### **C. Councilmember Lenny Greenstein:**

1. Emergency Medical Services (EMS)
2. TCOMM911
3. Opioid Abatement Council Independent Subcommittee

### **D. Councilmember Michael Steadman:**

1. Nisqually River Council
2. Thurston County Law & Justice Council



3. Olympic Region Clean Air Agency (ORCAA)
- E. Councilmember Carolyn Cox:
  1. LOTT Clean Water Alliance
  2. Regional Housing Council
  3. Intercity Transit Authority
- F. Councilmember Robin Vazquez:
  1. Thurston Climate Mitigation Collaborative
  2. Thurston Regional Planning Council (TRPC)
  3. Thurston County Board of Health
- G. Councilmember Nicolas Dunning:
  1. Thurston Thrives
  2. Solid Waste Advisory Committee (SWAC)
  3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)

## **16. Executive Session**

- ~~A. Executive Session Pursuant to RCW 42.30.110(1)(i)~~

## **17. Adjourn**

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### **Attendance and Public Comment**

#### **Attend Remote or In-Person**

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

- |           |                                                                                                                                                     |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| In-Person | Council Chambers at Lacey City Hall<br>420 College Street SE, Lacey, WA 98503                                                                       |
| Zoom:     | <a href="https://us02web.zoom.us/webinar/register/WN_Xcp1DfGpRtCANXV9hIWe3w">https://us02web.zoom.us/webinar/register/WN_Xcp1DfGpRtCANXV9hIWe3w</a> |
| Website:  | <a href="https://cityoflacey.org/government/public-meetings/">https://cityoflacey.org/government/public-meetings/</a>                               |
| Facebook: | <a href="https://www.facebook.com/cityoflacey">https://www.facebook.com/cityoflacey</a>                                                             |
| YouTube:  | <a href="https://www.youtube.com/watch?v=LXhPdcUPEoI">https://www.youtube.com/watch?v=LXhPdcUPEoI</a>                                               |
| Cable:    | Channel 77 with your local cable provider                                                                                                           |
| Phone:    | (888) 788-0099 or (877) 853-5247 (Webinar ID 847 8229 2084)                                                                                         |

#### **Verbal Public Comment**

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items. Testimony related to a public hearing will be taken



during the hearing as it appears on the agenda.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person: Use the sign-up sheet located in the Council Chambers.

Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:

[https://us02web.zoom.us/webinar/register/WN\\_Xcp1DfGpRtCANXV9hIWe3w](https://us02web.zoom.us/webinar/register/WN_Xcp1DfGpRtCANXV9hIWe3w)

Instructions and access details will be provided once registration is complete.

### **Written Public Comment**

Public comments may also be submitted by email to [PublicComment@cityoflacey.org](mailto:PublicComment@cityoflacey.org) The commenting period will close two hours before the meeting time.

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.





## City of Lacey, Washington Lacey City Council Worksession Minutes

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Tuesday, October 8, 2024

6:00 PM

Council Chambers and Online

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### 1. Call to Order

Deputy Mayor Miller called the meeting to order at 6:00 p.m.

### 2. Roll Call

#### Council Present

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein (remote, present until 8:34 p.m.)

Councilmember Michael Steadman

Councilmember Carolyn Cox

Councilmember Robin Vazquez

Councilmember Nicolas Dunning

#### Council Excused

Mayor Andy Ryder

#### Staff Present

Rick Walk, City Manager

Dave Schneider, City Attorney

Vanessa Dolbee, Community and Economic Development Director

Troy Woo, Finance Director

Ryan Andrews, Planning Manager

Jennifer Adams, Housing Coordinator

Michelle Chavez, Human Services Coordinator

Nicole Williams, Executive Assistant to the City Manager

Brandy Legomina, Deputy City Clerk

### 3. Land Acknowledgment

Deputy Mayor Miller presented the abbreviated Land Acknowledgment.

#### 4. Approval of the Agenda

**Councilmember Steadman moved to approve the agenda. Councilmember Vazquez seconded. The motion carried.**

#### 5. Public Comment

One person signed up to speak at the meeting.

Peter Condyles, Senior Project Manager for Toyer Strategic Advisors Inc., provided public comment on the Multi-Family Tax Exemption Program.

No one registered to speak via Zoom, and no written comments were received.

#### 6. Agenda Items

##### A. **Thurston County Property Tax Assessment Overview**

Steven Drew, Thurston County Assessor

Drew presented an overview of the Thurston County Property Tax Assessment. This presentation included discussion on budget-based property taxes through home values and renovations; jurisdictional levies and how prior lawful budgets and new construction increase those levies; how construction values are reflected through permit progress; the Washington tax system; levy distribution among property owners; applying for various exemptions; the levy lid lift; innovative investments in infrastructure; home values and the appeal process; home values and land values; and the Real Estate Excise Tax (REET).

##### B. **LMC 3.64 Multi-Family Tax Exemption Program - Target Zone Amendment**

Vanessa Dolbee, Community and Economic Development Director

Ryan Andrews, Planning Manager

Jennifer Adams, Housing Coordinator

Dolbee, Adams, and Andrews presented the LMC 3.64 Multi-Family Tax Exemption (MFTE) Program - Target Zone Amendment. This presentation included discussion and updates on Lacey's various exemptions; streamlined development processes; design review; zoning incentives; middle housing, residential, and affordable housing zones.

Adams provided an overview of the Area Median Income (AMI) in Thurston County; the U.S. Department of Housing and Urban Development's (HUD's) 2024 fiscal year income limits; the Multifamily Tax Exemption (MFTE) program; advantages and considerations of the MFTE, MFTE options of 8-year, 12-year, and 20-year exemptions with a 12-year extension option on the 8-year and 12-year options; Lacey housing policy objectives; and current and proposed residential target areas to expand the MFTE program. Discussion ensued.



Council recessed from 7:41 p.m. until 7:47 p.m.

**C. Human Services Grant Awards**

Michelle Chavez, Human Services Coordinator

Chavez presented the Human Services Grant Award. This presentation included discussion on the 16 Human Services Grant Program (HSGP) applications received with a total request of over \$1.1 million. Applicants emphasized their requests for funding for housing, survival, and security. The Human Services Workgroup reviewed applications and recommended awarding grants equally to organizations that scored an average of 90 on the rubric - \$30,000 or the total requested by the applicant, whichever is less. Discussion ensued regarding allotting remaining funds to those who scored over 90.

**D. Washington Center Free Day Discussion**

Rick Walk, City Manager

Nicole Williams, Executive Assistant to the City Manager

Walk and Williams presented the Washington Center Free Day Discussion. This presentation included discussion on the 2025 applicants, their proposed events, and if multiple events could be held in a single day. Discussion ensued.

Without objection, the City Council awarded the Washington Center free day to the Capital City Chorus.

**7. Adjourn**

Deputy Mayor Miller adjourned the meeting at 8:48 p.m.





**City of Lacey, Washington**  
**City Council Regular Meeting Minutes**  
**Tuesday, October 15, 2024 - Council Chambers and Online**

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**1. Call to Order**

Mayor Andy Ryder called the meeting to order at 6:00 p.m.

**2. Roll Call**

Council Present

Mayor Andy Ryder  
Deputy Mayor Malcolm Miller  
Councilmember Lenny Greenstein  
Councilmember Michael Steadman (remote)  
Councilmember Carolyn Cox

Council Excused

Councilmember Robin Vazquez  
Councilmember Nicolas Dunning

Staff Present

Rick Walk, City Manager  
Shannon Kelley-Fong, Assistant City Manager  
Jen Burbidge, Parks, Culture and Recreation Director  
Vanessa Dolbee, Community and Economic Development Director  
Dave Schneider, City Attorney  
Troy Woo, Finance Director  
Ryan Andrews, Planning Manager  
Jennifer Adams, Housing Coordinator  
Elissa Fontaine, City Clerk

**3. Pledge of Allegiance**

Mayor Ryder led the flag salute.

#### **4. Land Acknowledgment**

Mayor Ryder presented the abbreviated Land Acknowledgment.

#### **5. Approval of Agenda and Consent Agenda Items**

- A. Approval of the Worksession minutes of September 10, 2024
- B. Approval of the Council minutes of September 17, 2024
- C. Approval of the Worksession minutes of September 24, 2024
- D. Approval of the Council minutes of October 1, 2024
- E. Approval of wages, claims, and transfers for August 27 through October 4, 2024
- F. Approval of Human Services Grant Awards as recommended

**Councilmember Greenstein moved to approve the agenda and consent agenda. Councilmember Cox seconded. The motion carried.**

#### **6. Public Recognitions and Presentations**

- A. **Lacey Youth Council Report**  
Lacey Youth Council Representatives

The 2024-2025 Youth Councilmembers introduced themselves. The youth members also provided their schools and advisory board representations.

#### **7. Public Comment**

##### Verbal Public Comment

Three (3) people signed up to speak at the meeting.

Stephen Bernath, community member, provided public comment regarding climate mitigation efforts.

Matthew Landers, a North Thurston District School Teacher, provided public comment regarding climate mitigation efforts.

Nick Demerice, with Intercity Transit, provided public comment on initiative 2117.



Due to a technical malfunction, no one was able to register to speak via Zoom. However, the raised hand feature was used to show interest in providing public comment.

Wayne Olsen, a Lacey resident, provided public comment regarding a recent presentation to Panorama City residents about the Thurston Climate Mitigation Plan.

Written Public Comment

One (1) written public comment was received.

## **8. Public Hearing**

## **9. Proclamations**

### **A. Walk to School Month**

Nick Demerice, Intercity Transit Marketing, Communications, & Outreach Manager  
Angela Brooks, North Thurston Public School's Director of Activities, Arts, & Athletics

Mayor Ryder and Council proclaimed October 2024 as Walk to School Month. Demerice and Brooks were present to accept the proclamation.

### **B. Domestic Violence Awareness Month**

Dan Hillard, Family Justice Center Program Manager

Mayor Ryder and Council proclaimed October 2024 as Domestic Violence Awareness Month. Hillard was present to accept the proclamation.

## **10. Resolutions**

## **11. Ordinances**

## **12. Mayor's Report**

### **A. Appointment: Troy Kirby, CAR-PFD Board of Directors**

Mayor Ryder

The Capital Area Regional Public Facilities District (CAR-PFD) Board of Directors has a vacant district-wide representative position. The elected officials of Lacey, Olympia, Tumwater, and Thurston County must each take formal action regarding the recommended appointment.



**Mayor Ryder moved to appoint Troy Kirby to a first term as a district-wide representative to the CAR-PFD Board of Directors. Deputy Mayor Miller seconded. The motion carried.**

### **13. City Manager's Report**

#### **A. Multi-Family Tax Exemption Contract - 629 Woodland Square Loop**

Jennifer Adams, Housing Coordinator

The Lacey City Council established a Multi-Family Tax Exemption (MFTE) program in 2018, and designated Lacey Midtown as a Residential Target Area as authorized by Chapter 84.14 RCW. Adoption of the ordinance provides an incentive for property owners and developers to construct new multi-family and new or redeveloped mixed-use buildings within the identified target area.

Adams presented a briefing on the contract between DM Ventures 629 LLC and the City of Lacey. Staff recommend authorizing the City Manager to enter into an 8-year MFTE contract with DM Ventures 629 LLC for a project located at 629 Woodland Square Loop SE.

**Councilmember Greenstein moved to authorize the City Manager to enter into an 8-year MFTE contract with DM Ventures 629 LLC for the project located at 629 Woodland Square Loop SE. Deputy Mayor Miller seconded. The motion carried.**

#### **B. HB 1220 Housing Allocations and Land Capacity**

Vanessa Dolbee, Community and Economic Development Director

Ryan Andrews, Planning Manager

In 2021, the State Legislature passed HB 1220, requiring cities, towns, and counties to plan for and accommodate future housing meeting affordability requirements at a range of incomes. To meet these requirements, Thurston County and the cities of Lacey, Olympia, Tenino, Tumwater, and Yelm contracted with Thurston Regional Planning Council (TRPC) to facilitate a process to reach regional agreement on a housing needs allocation method and provide the necessary data analysis to meet the state's requirements.

Andrews highlighted the two phases of the project in detail and advised a consensus was reached for both a revised housing need allocation method and next steps for adopting allocations for use in the Comprehensive Plan periodic updates due in 2025 and beyond. Andrews outlined the next steps and recommendations identified by the workgroup. Andrews advised that TRPC is responsible for the final decision and no action is required by the City Council.



C. **City Manager Budget Presentation**

Rick Walk, City Manager

Walk presented a detailed review of the City's 2025 Budget. The presentation included information on some of the following topics:

- Budget Approach
- Private Community Investments
- General Fund Expenditures
- Sales Tax History
- Property Tax Revenue
- Staffing Growth
- Workforce Enhancements
- Public Enhancements
- Capital Projects
- New Police Station
- Utilities
- Debt
- Internal Services Funds

Next steps include a public hearing on the revenue sources scheduled for November 5, 2024. The 2025 Budget Ordinance is currently scheduled for adoption on December 17, 2024.

D. **Other Items**

**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)

**Mayor Ryder provided a report from the Mayor's Forum.**

B. Deputy Mayor Malcolm Miller:

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)
3. Thurston County Coalition Against Trafficking (TCCAT)



4. Joint Animal Services Commission (JASCOM)

**Deputy Mayor Miller provided reports from EDC, LTAC, and JASCOM.**

C. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. TCOMM911
3. Opioid Abatement Council Independent Subcommittee

**Councilmember Greenstein provided reports from EMS and TCOMM911.**

D. Councilmember Michael Steadman:

1. Nisqually River Council
2. Thurston County Law & Justice Council
3. Olympic Region Clean Air Agency (ORCAA)

**Councilmember Steadman provided a report from ORCAA.**

E. Councilmember Carolyn Cox:

1. Lacey-Olympia-Tumwater-Thurston Clean Water Alliance (LOTT)
2. Regional Housing Council
3. Intercity Transit Authority

**Councilmember Cox provided reports from the Intercity Transit Authority and LOTT.**

F. Councilmember Robin Vazquez:

1. Thurston Climate Mitigation Collaborative (TCMC)
2. Thurston Regional Planning Council (TRPC)
3. Thurston County Board of Health

**Councilmember Vazquez was excused and did not provide any reports.  
Councilmember Cox provided a report from TRPC as the alternate.**

G. Councilmember Nicolas Dunning:

1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)



**Councilmember Dunning was excused and no reports were provided.**

**16. Adjourn**

Mayor Ryder adjourned the meeting at 8:31 p.m.

DRAFT





## LACEY CITY COUNCIL MEETING

November 5, 2024

**SUBJECT:** Disbursement Approval

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

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**STAFF CONTACT:** Troy Woo, Finance Director *TW*  
Alix Turcotte, Senior Accountant *AT*  
Carrie Bode, Accounting Technician *CB*

**ORIGINATED BY:** Finance Department

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**BACKGROUND:**

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 9/12/2024 through 10/25/2024. The disbursements consist of the following:

| Checks: | <u>Week of</u> | <u>Beg. Check No.</u> | <u>End. Check No.</u> | <u>Amount</u> |
|---------|----------------|-----------------------|-----------------------|---------------|
|         | 10/11/2024     | 276903                | 276977                | 535,130.28    |
|         | 10/18/2024     | 276978                | 277039                | 138,163.80    |
|         | 10/25/2024     | 277040                | 277108                | 171,560.18    |

| Electronic Transfers: | <u>Week of</u> | <u>Amount</u> |
|-----------------------|----------------|---------------|
|                       | 9/12/2024      | 28,561.89     |
|                       | 10/1/2024      | 27,692.84     |
|                       | 10/4/2024      | 438.00        |
|                       | 10/8/2024      | 127.60        |
|                       | 10/8/2024      | 28.00         |
|                       | 10/8/2024      | 8,494.57      |
|                       | 10/8/2024      | 149,158.82    |
|                       | 10/10/2024     | 193.21        |
|                       | 10/10/2024     | 30.00         |
|                       | 10/11/2024     | 1,558,675.02  |
|                       | 10/11/2024     | 1,879.86      |
|                       | *10/16/2024    | 439,232.08    |
|                       | 10/17/2024     | 16.03         |
|                       | 10/17/2024     | 148.41        |
|                       | 10/18/2024     | 356,771.05    |
|                       | *10/22/2024    | 1,193.97      |
|                       | 10/22/2024     | 610.87        |
|                       | 10/25/2024     | 1,696,768.48  |

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

Significant Disbursements:

| <u>Vendor</u>                  | <u>Amount</u>   | <u>Description</u>                |
|--------------------------------|-----------------|-----------------------------------|
| Department of Revenue          | \$ 149,158.82   | September 2024 Excise Taxes       |
| Baker Underground & Const.     | \$ 98,015.21    | 2024 Water Annual Valves          |
| Bud Clary Ford/Hyundai         | \$ 53,367.76    | Patrol Car Replacement            |
| City of Olympia                | \$ 74,643.80    | Utility Bill                      |
| Forma Construction Company     | \$ 1,237,170.78 | New Police Station                |
| Heritage Bank                  | \$ 59,058.88    | Retainage-Forma Construction Co.  |
| Miles Resources, LLC           | \$ 92,257.82    | RAC Parking Lot Extension         |
| Motorola Solutions, Inc.       | \$ 60,905.14    | Police Vehicle Mobile Radios      |
| Stripe Rite, Inc.              | \$ 63,743.00    | Thermoplastic Edge Line           |
| Superion, LLC                  | \$ 77,718.92    | Central Square Yearly Maintenance |
| Baker Underground & Const.     | \$ 91,363.82    | 2024 Water Annual Valves          |
| Nisqually Indian Tribe         | \$ 107,194.50   | August 2024 Inmate Services       |
| Lakeside Industries, Inc.      | \$ 1,095,206.62 | Yelm Hwy Pavement Rehab           |
| Pacific Civil & Infrastructure | \$ 244,148.31   | Madrona & Westside pH Treatment   |
| Pumptech LLC                   | \$ 59,688.87    | Upsized Pumps for LS18            |

# CITY OF LACEY

## *Official Proclamation*

**WHEREAS**, since time immemorial, Native Americans, Alaska Natives, Native Hawaiians, and Indigenous peoples have built vibrant and diverse cultures — safeguarding land, language, spirit, knowledge, and tradition across generations; and

**WHEREAS**, Indigenous people have played a vital role in every stage of our nation's history and their contributions have enhanced the social, political, environmental, and economic well-being of the United States of America and local communities, like Lacey; and

**WHEREAS**, we acknowledge the Indigenous People who called this land home before the arrival of settlers and have been here since time immemorial; and

**WHEREAS**, the City would like to recognize that we are on the lands of the Tribal People of the Medicine Creek Treaty and other Indigenous communities, and acknowledge the history of dispossession that allowed for the growth of our community; and

**WHEREAS**, the City offers respect to the Tribal People of the Medicine Creek Treaty and their Elders, past, present, and emerging, as well as all Indigenous communities in Thurston County, Washington State, and across the nation; and

**WHEREAS**, our community reaffirms its commitment to respect and preserve the traditions and culture and to honor the unique heritage of our first inhabitants;

**NOW, THEREFORE**, I, Andy Ryder, Mayor of the City of Lacey, on behalf of the City Council, do hereby proclaim the month of November 2024, as

### ***Native American and Indigenous Heritage Month***

in the City of Lacey, and I encourage all community members to commemorate this month with appropriate programs and activities.



*Andy D. Ryder*

Mayor Andy Ryder  
November 5, 2024



## LACEY CITY COUNCIL MEETING November 5, 2024

**SUBJECT:** 2025 Revenue Hearing

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**RECOMMENDATION:** Conduct 2025 Revenue Hearing

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**STAFF CONTACT:** Rick Walk, City Manager *RW*  
Troy Woo, Finance Director *TW*

**ORIGINATED BY:** Troy Woo, Finance Department

**ATTACHMENTS:** 1. 2025 General Fund Revenue Sources – Table  
2. 2025 Budget Revenue by Category – Pie Chart

**FISCAL NOTE:** Proposed 2025 General Fund Revenues - \$78,282,984

**WORK PLAN GOAL  
AND STRATEGY:** None

**PRIOR REVIEW:** Proposed property tax increases and revenue projections were discussed at the September 24, 2024 Budget Workshop and the Budget Presentation made on October 15, 2024.

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### BACKGROUND:

Chapter 251, Laws of 1995, codified as RCW 84.55.120, requires that a public hearing be conducted on revenue sources for the coming year's budget, including the consideration of possible increases in property tax revenues. It is required that this November 5 hearing be conducted before setting next year's property tax levy. The City Council is scheduled to set the 2025 property tax levies on November 19, 2024.

2025 projected General Fund revenues are \$19,402,833 lower when compared to the amended 2024 General Fund budget. This are slight changes compared to the proposed budget that was presented on October 15, 2024. The changes are related to an updated

property tax projection, lower miscellaneous revenues, and lower use of reserves. The property tax projection now includes the addition of the 2024 refund levy and slightly lower adjustments for additional new construction. The miscellaneous revenue change is related to a lower administrative Joint Animal Services charges. To balance the overall budget \$117,217 less in reserves are now included in the Proposed 2025 Budget.

A table titled “General Fund Revenue Sources” (see attached) provides a comparison of the 2024 amended budget revenues and the 2025 proposed revenue budget. Sales tax continues to be the single largest resource for the General Fund followed by service fees, utility taxes, and property taxes. The 2025 Budget Revenue by Category – Pie Chart (see attached) illustrates the projected 2025 General Fund revenues by category in terms of percentage of the total General Fund Budget.

### SIGNIFICANT GENERAL FUND REVENUE CHANGES

- The 2025 property tax projection includes an increase of \$444,734 or 5.04 percent compared to the 2024 certified property tax levy. The adjustments consist of a combination of new construction additions (\$209,284), exercising the 1.0 percent revenue limit (\$88,282), and adjustments from the previous year’s refunds (\$147,167). The preliminary assessed value is indicating a \$1.04 billion or 8.6 percent increase. The new construction value is projected to increase assessed valuation \$288.5 million. The new construction value increase is important, because it increases the overall assessed valuation without being subject to the 1.0 percent revenue limit. New construction adjustments generally lower the individual property impact from property taxes. The City’s regular property tax levy is estimated to be \$9,272,934. The City’s regular property tax levy rate is projected to decrease \$0.0235 to \$0.7020 per \$1,000 of assessed valuation. The levy rate is projected to be slightly higher compared to the rate previously reported due to refund levy and recent adjustments to the new construction value and preliminary assessed value.
- The 2025 sales tax is projected \$796,506 or 4.3 percent higher than the 2024 budgeted sales tax. The majority of increase is related the full-year collection of the 2024 voter-approved 0.2 percent sales tax dedicated to public safety. The public safety sales tax is expected to increase \$709,491. The 2025 projection is based upon trend changes that began in 2024.

2024 sales tax receipts began along the same growth trend of recent years, but the trend changed shortly into the year. Sales tax receipts peaked in January and then began a downward trend. The most recent five months including October, the City’s tax collections have experienced year-over-year declines. This marks the first time since the early 2010s that the City has faced as many consecutive months of decline in this key revenue source.

Year-to-date, the City’s largest sales tax category, retail trade, has shown a modest increase of 0.8 percent, reflecting stable consumer spending in this sector, but lower than inflationary increases. In contrast, the second-largest category, construction, has

seen a decline of 3.1 percent compared to the previous year. This downward trend in construction-related sales tax receipts is mirrored by a decrease in development-related fees, signaling a slowdown in construction and development activity.

The following table shows the top 20 sales tax category collections over the last 12 months.

| <u>Category</u>                                          | <u>Year-To-Date</u>  |                      | <u>% Chg</u> | <u>Last 12 Months</u> |
|----------------------------------------------------------|----------------------|----------------------|--------------|-----------------------|
|                                                          | <u>This Year</u>     | <u>Last Year</u>     |              |                       |
| General Merchandise Retailers                            | \$ 2,194,430         | \$ 2,107,331         | 4.1          | \$ 2,587,238          |
| Sporting Goods, Hobby, Musical Instrument, Book          | 1,505,413            | 1,542,370            | (2.4)        | 1,810,558             |
| Construction of Buildings                                | 1,365,411            | 1,398,769            | (2.4)        | 1,710,575             |
| Food Services and Drinking Places                        | 1,370,058            | 1,295,734            | 5.7          | 1,654,088             |
| Specialty Trade Contractors                              | 816,594              | 796,009              | 2.6          | 1,013,596             |
| Building Material and Garden Equipment and Supplies      | 780,883              | 848,655              | (8.0)        | 947,170               |
| Motor Vehicle and Parts Dealers                          | 624,069              | 506,368              | 23.2         | 711,124               |
| Merchant Wholesalers, Durable Goods                      | 494,290              | 628,405              | (21.3)       | 609,941               |
| Administrative and Support Services                      | 480,681              | 460,719              | 4.3          | 577,956               |
| Furniture, Home Furnishings, Electronics, and Appliances | 445,938              | 459,966              | (3.0)        | 543,533               |
| Professional, Scientific, and Technical Services         | 381,450              | 400,879              | (4.8)        | 476,000               |
| Food and Beverage Retailers                              | 308,384              | 281,364              | 9.6          | 359,956               |
| Repair and Maintenance                                   | 276,913              | 260,121              | 6.5          | 329,177               |
| Clothing, Clothing Accessories, Shoe, and Jewelry        | 274,724              | 274,872              | (0.1)        | 329,044               |
| Telecommunications                                       | 235,171              | 232,959              | 0.9          | 280,301               |
| Merchant Wholesalers, Nondurable Goods                   | 200,314              | 188,778              | 6.1          | 240,389               |
| Rental and Leasing Services                              | 181,077              | 202,828              | (10.7)       | 219,348               |
| Health and Personal Care Retailers                       | 179,051              | 231,675              | (22.7)       | 219,220               |
| <i>Couriers and Messengers</i>                           | 164,339              | 140,033              | 17.4         | 193,150               |
| Amusement, Gambling, and Recreation Industries           | 139,270              | 128,847              | 8.1          | 166,029               |
|                                                          | <b>\$ 12,418,463</b> | <b>\$ 12,386,683</b> |              | <b>\$ 14,978,393</b>  |

- Overall, utility tax collections are projected to increase \$357,973 in 2025. The increase is due to growth related demands, adjustments based on trend analysis, and incorporating rate increases. The most significant utility tax increases are projected in the electrical utility (+\$135,232) and Lacey-owned utilities (+\$453,875) categories.
- Service fees are projected to increase \$2,182,970 in 2025. Interfund service charges relating to engineering, park maintenance, and water resources are projected to increase \$1,622,230 in 2025 due to labor cost increases. Indirect costs (overhead) charged to the City's utilities are projected to increase \$619,740. Parks and Recreation fees are projected slightly higher. Other services fees included in this category are intergovernmental service revenues.
- An increase of \$163,636 is expected from other taxes (business & occupation, admission, and gambling taxes). The business and occupation (B&O) tax budget is being increased \$193,636 based on actual collection trends. B&O taxes usually follow a similar trend as sales taxes. Admissions tax, which is one area that is not expected to return to pre-pandemic activity levels, is projected to decrease \$30,000.
- The broad category of all other revenues is projected to decrease \$23.2 million in 2025. This category is decreasing primarily due to the lower use of reserve balances

(-\$21.9 million). During 2024, \$19.1 million of General Fund reserves was transferred to the Building Improvement Fund for the construction of the new Police Station and Training Facility.

### ARTERIAL STREET FUND REVENUES

The funding plan for the new Police Station and Training Facility includes significant use of past and future real estate excise tax (REET). The plan includes the use of \$18.0 million of REET reserves and an estimated \$1.5 million per year of future REET collections for the debt service of 20-year limited tax general obligation bonds (LTGO) in the amount of \$18 million. Since the majority of future REET collections will be used for this annual debt service, future collections will be shifted from transportation to a new Capital Project Revenue fund. This change will improve the accountability of the REET funds. In the future, REET dollars will be expended by capital transfers to eligible infrastructure uses.

The funding sources for the Arterial Street Fund will now primarily consist of grants, motor vehicle fuel tax (MVFT), and mitigation fees.

### TRANSPORTATION IMPROVEMENT FUND REVENUES

Until 2012, the General Fund provided the funding for the highly successful annual street overlay program. From 2013 through 2016, the program was funded by City Council committed reserves. At the February 2017 special election, the voters overwhelmingly supported a 0.2 percent transportation benefit sales tax. These special revenues are accounted for in a separate budget fund. Using the same basis as the General Fund's sales tax projection, the transportation benefit district 0.2 percent sales tax will generate \$3.8 million during 2025.

### UTILITY FUND REVENUES

The proposed 2025 Budget includes increase included the multi-year utility rate ordinances adopted in 2023:

|            | <b>2025<br/>Percentage Increase</b> | <b>Residential Account<br/>Increase (700 cu.ft.)</b> |
|------------|-------------------------------------|------------------------------------------------------|
| Water      | 5.25%                               | \$1.91/month                                         |
| Wastewater | 9.50%                               | \$2.87/month                                         |
| Stormwater | 4.50%                               | \$0.64/month                                         |

Ordinance Nos. 1646 and 1647 established water and sewer rates for the years 2024 through 2027. Ordinance No. 1648 established stormwater rates for the years 2024 through 2025.

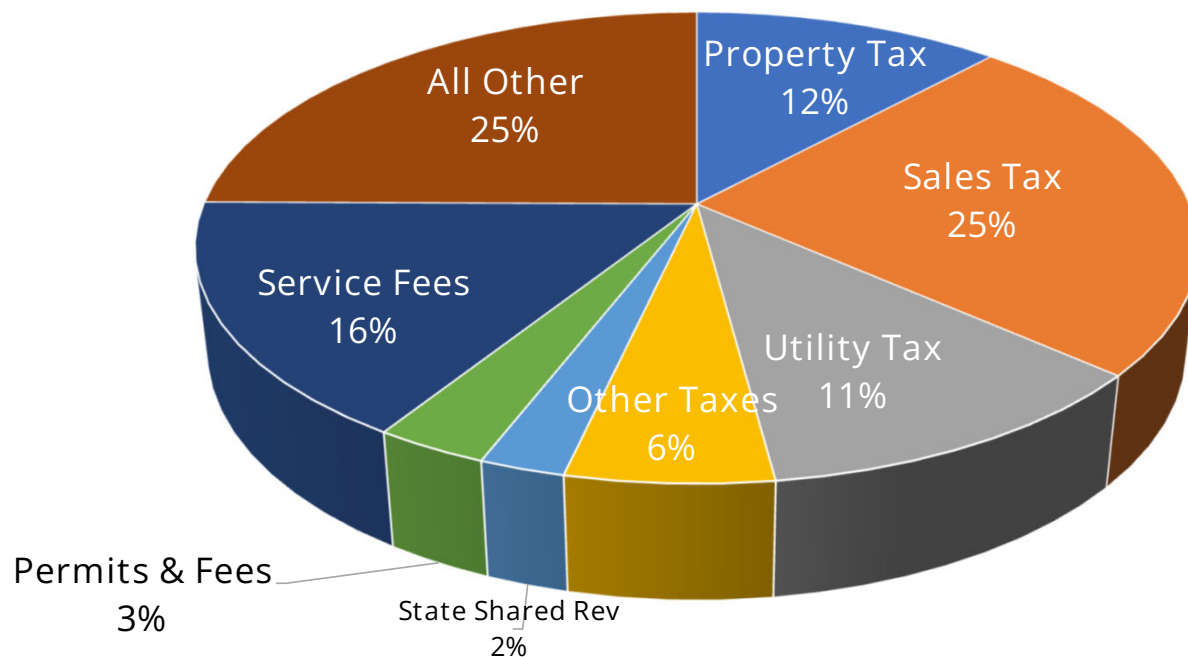
The purpose of the revenue hearing is to accept public comment and for the City Council to provide guidance on the proposed 2025 revenues. The City Council is scheduled to adopt the 2025 ad valorem tax on November 19, 2024.

# General Fund Revenue Sources

|                  | 2024 Budget       | 2025 Proposed     | Variance            |
|------------------|-------------------|-------------------|---------------------|
| Property Tax     | \$ 8,830,520      | \$ 9,272,933      | \$ 442,413          |
| Sales Tax        | 18,521,737        | 19,318,244        | 796,507             |
| Utility Tax      | 8,560,899         | 8,918,872         | 357,973             |
| Other Taxes      | 4,244,477         | 4,408,113         | 163,636             |
| State Shared Rev | 1,854,830         | 1,827,977         | (26,853)            |
| Permits & Fees   | 2,432,461         | 2,426,480         | (5,981)             |
| Service Fees     | 10,409,322        | 12,648,273        | 2,238,951           |
| All Other        | <u>42,831,571</u> | <u>19,462,092</u> | <u>(23,369,479)</u> |
|                  | \$ 97,685,817     | \$ 78,282,984     | \$ (19,402,833)     |



# General Fund 2025 Revenue by Category





## LACEY CITY COUNCIL MEETING November 5, 2024

**SUBJECT:** Small Works and Consulting Services Roster Resolution

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**RECOMMENDATION:** Motion to: Adopt Resolution No. 1158 updating the City's Small Works Roster process consistent with Senate Bill 5268.

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**STAFF CONTACT:** Rick Walk, City Manager *RW*  
Troy Woo, Finance Director *TW*  
Scott Egger, Public Works Director *SE*  
Aubrey Collier, City Engineer *AC*  
Ashley Smith, Engineering Design Manager *AS*

**ORIGINATED BY:** Ashley Smith, Public Works Department

**ATTACHMENTS:** 1. Resolution No. 1158

**FISCAL NOTE:** N/A

**WORK PLAN GOAL AND STRATEGY:** N/A

**PRIOR REVIEW:** Resolution No. 949 was adopted on July 23, 2009.  
Resolution No. 1096 was adopted on November 5, 2020.

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### BACKGROUND:

Resolution No. 1096, adopted in 2020, replaced Resolution No. 949 that was adopted in 2009. The resolution allowed City staff to use the Small Works Roster to award contracts for public works and authorized the use of consultant rosters. This resolution eliminated duplicated language from the RCWs and instead just references the applicable RCWs.

2024 Senate Bill (SB) 5268 repealed RCW 39.04.155 and 39.04.156 and replaced them with RCW 39.04.151-154, which went into effect July 1, 2024. The following is a summary of changes:

- The limited public works process (under \$50k) is no longer an allowed process.
- The option to invite only 5 bidders for projects between \$50,000 and \$250,000 is no longer allowed.
- New option allows direct contracting, with additional requirements, for projects <\$150k (Small Business focus)
- When using the statewide small works roster, you must document bids and awards in the platform; You no longer need to post a separate list on your own website.

This resolution updates referenced RCWs consistent with changes resulting from SB 5268.

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**NEXT STEPS:**

**Option 1:** Motion to adopt Resolution No. 1158

**Option 2:** No change; All PW projects, including those under \$350k, will require full advertisement without the option to utilize Small Works processes.

RESOLUTION NO. 1158

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, RELATED TO THE SUBJECTS OF THE SMALL PUBLIC WORKS ROSTER PROCESS TO AWARD PUBLIC WORKS CONTRACTS AND THE CONSULTING SERVICES ROSTER FOR ARCHITECTIURAL, ENGINEERING AND OTHER PROFESSIONAL SERVICES AND RESCINDING RESOLUTION 1096.

WHEREAS, RCW 39.04.151 and other laws regarding contracting for public works by municipalities, allow certain contracts to be awarded by a small works roster process; and

WHEREAS, in order to utilize the small works roster processes, the City of Lacey is required by law to adopt a resolution implementing the provisions of RCW 39.04.151; and

WHEREAS, RCW 39.80.030 requires that an agency publish in advance that agency's requirement for professional services and that one of the ways to accomplish that notification is to announce generally to the public its projected requirements for any category or type of professional services and request qualification statements to be kept on file with the agency; and

WHEREAS, on November 5, 2020, the City Council adopted Resolution 1096 which established using MRSC Rosters as the City's small public works roster process and the consulting services roster for architectural, engineering and other professional services; and

WHEREAS, RCW 39.04.155 has been subsequently repealed and replaced with amended RCW 39.04.151 necessitating certain amendments to the City's small public works roster process contained in Resolution 1096.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON as follows:

Section 1. Resolution No. 1096 of the City of Lacey is hereby rescinded.

Section 2. **MRSC Statewide Rosters.**

The City of Lacey wishes to contract with the Municipal Research and Services Center of Washington (MRSC) to adopt for the City's use those statewide electronic databases for small public works roster and consulting services for architectural, engineering and other professional services developed and maintained by MRSC and authorizes the City of Lacey staff to sign that contract. In addition, paper and/or electronic rosters may be kept on file by appropriate city departments.

Section 3.      **Small Public Works Roster**

The City of Lacey hereby establishes a small works roster process and adopts the provisions as set forth in RCW 39.04.151 and RCW 39.04.152, as the same may hereafter be amended, as those specific procedures for use by the City of Lacey. The City Manager shall have authority to award all contracts under this section without City Council approval.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON,

this \_\_\_\_ day of \_\_\_\_\_, 2024.

CITY COUNCIL

By \_\_\_\_\_  
Mayor

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney



## Human Services Work Group Application

The City of Lacey is seeking seven community members to serve on an ad hoc Human Services Work Group as a result of Resolution 1145

- Five members will reside within the City limits
- Two members will reside in the Lacey Urban Growth Area
- Two members will have human services professional work experience
- If appointed, you will be eligible to opt in for a stipend of \$50 per meeting and a maximum of \$500.00 in a year

### Primary Duties and Responsibilities

- Meet at least once per month or as needed through 2024
- Review 2024 human services grant applications
- Make recommendations to the City Council for 2024 funding allocations
- Advise the City and Council on a human services needs assessment
- Make a recommendation on longer-term priorities for funding
- Make a recommendation on a human services commission

Questions, contact [Michelle.Chavez@CityofLacey.org](mailto:Michelle.Chavez@CityofLacey.org) or call 360-486-8746

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First Name \*

Angelina

Last Name \*

Goldwell

Personal Pronouns

She, Her, Hers

Email address \*

Phone Number \*

Do you live in Lacey or the Lacey UGA? \*

Lacey Urban Growth Area

Address \*

City, State and ZIP Code \*

How long have you been a resident? \*

9 years

**Interest\***

*What is your interest in being a part of the Lacey Human Services Work Group?*

I have over fifteen years of serving faith based nonprofits, participating in & facilitating consensus based decision making processes and believe my combination of skills and experience can be used to benefit my community.

**WorkGroupExperience\***

*Have you been a member of a board, commission or work group in the past? If yes, please describe your experience.*

No

**WorkGroupExperience\***

*If yes, please describe your experience.*

**EducationExperience\***

*Please indicate your level of education.*

Masters Degree

### **WorkandLivedExperience\***

*Please describe any knowledge, skills or experience that would assist in your ability to serve on the work group.*

Adaptability, decision making, nonprofit work, consensus building, meeting facilitation, large picture thinking, detail oriented, friendly, engaged, thoughtful, kind.

### **LicensesandCredentials**

*Please list any licenses or credentials that you hold in social work, human services, health care, behavioral health, etc.*

### **TimeCommitment\***

*Approximately how many hours each month can you volunteer for this work group?*

2-4

### **PublicRecordsNotice**

The information entered in this form may be considered a record subject to public review.

### **Certification**

I certify that all information on this application is true and correct.





## LACEY CITY COUNCIL MEETING

November 5, 2024

**SUBJECT:** Proposed Lacey Municipal Code 5.38 – Massage and Reflexology Services

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**RECOMMENDATION:** Review and discussion only.

At a future meeting, tentatively November 19, 2024, City staff recommends proceeding with Option 1:

Motion to... “Adopt Ordinance (# forthcoming) amending Lacey Municipal Code, 5.38 – Massage and Reflexology Services.”

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**STAFF CONTACT:** Rick Walk, City Manager   
Robert Almada, Chief of Police 

**ORIGINATED BY:** Lacey Police Department

**ATTACHMENTS:** 1. Draft LMC 5.38 with Proposed Revisions

**FISCAL NOTE:** None

**WORK PLAN GOAL AND STRATEGY:** A Safe and Secure Community - (H)(12)  
None  
Ongoing Services

**PRIOR REVIEW:** Lacey City Attorney’s Office

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### BACKGROUND:

There are recognized health and wellness benefits to massage and reflexology services when provided by trained practitioners who are certified and licensed. Massage and reflexology businesses in the City of Lacey (City) serves a legitimate and beneficial purpose in our community. Unfortunately, some businesses that portray themselves as massage and reflexology businesses employ unlicensed and uncertified persons to provide services who fail to follow state health and licensing requirements, and do not have the

proper training required to obtain a state license or certification. In addition, these businesses that employ unlicensed or uncertified persons to provide massage and reflexology services can be used to facilitate the commission of various criminal acts including but not limited to, prostitution, human trafficking, and money laundering. Businesses that permit unlicensed or uncertified persons to perform massage and reflexology or permit the commission of unlawful acts undermine the business and reputation of legitimate licensed businesses and practitioners and present a threat to public health, safety, and welfare.

The proposed amendments to Lacey Municipal Code 5.38 are intended to prevent an individual or business from engaging in the practice of providing unlicensed massage and reflexology, deter criminal activity, and support the legitimate delivery of these services by licensed massage practitioners and reflexologists.

Over the past year, the Lacey Police Department has received information from concerned community members and property owners referencing suspicious activity at massage and reflexology businesses in the City. Community members reported unconventional tipping requirements, female massage practitioners dressed in lingerie, massage and reflexology businesses being utilized to house employees, female customers being denied services, and general concerns of prostitution and human trafficking.

In January of 2024, Lacey Police officers assisted the Lacey Fire Code Inspector at a massage and reflexology business. The officer observed non-permitted sleeping quarters and a female employee dressed in lingerie.

Officers conducted online research of massage and reflexology businesses in Lacey. Officers identified seven current massage and reflexology businesses that appear to be associated with potential prostitution and human trafficking. These businesses have explicit advertisements on websites for “escorts”, “erotic massages”, and other euphemisms for prostitution. The businesses have phone numbers with non-local area codes and these phone numbers are associated with online prostitution services. Several of the businesses have online reviews of the services provided by female employees. The reviews posted by the customers are graphic and sexual in nature. The ages of all the female employees described in the online reviews are unclear but appear to vary. Undercover Lacey Police operations support that these illegitimate massage and reflexology businesses may involve minors.

In February of 2024, officers met with a local law enforcement agency that had identified similar issues in their community. The agency identified approximately 21 illegitimate massage and reflexology businesses in their jurisdiction. After conducting undercover prostitution operations and drafting a similar municipal code to this proposal, that city now has no illegitimate massage and reflexology businesses. Unfortunately, the city advised many businesses simply moved to surrounding cities to avoid their municipal code.

The agency supported the Lacey Police Department’s suspicions regarding illegitimate massage and reflexology businesses operating in Lacey. Adopting this municipal code will

provide the City and police department with a tool to ensure our businesses are operating properly and with transparency. The proposed municipal code will not only deter and prevent criminal behavior in Lacey but will legitimize those businesses that are in compliance with the updated Lacey Municipal Code and Health Department certifications. Most importantly, it will protect potential victims of prostitution, sexual exploitation, and human trafficking.

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**NEXT STEPS:** Review and discussion only. At a future meeting, tentatively November 19, 2024, the City Council could consider one of the following.

**Option 1:** Adopt Ordinance (# forthcoming) amending Lacey Municipal Code, 5.38 – Massage and Reflexology Services.

**Option 2:** No change. Continue as is.

**Option 3:** Provide direction to City staff on other elements to consider in regards to this issue. After further diligence on these elements, City Staff would then return to the Lacey City Council to review.

**Option 4:** Some other option not contemplated in the above options.

## Chapter 5.38

### MASSAGE AND REFLEXOLOGY BUSINESSES~~PARLORS AND EMPLOYEES~~

5.38.010

Definitions.

Wherever the following words and terms appear in this chapter, they shall have the following meanings:

A. "Advertise" includes, but is not limited to, signs located at a massage business or reflexology business; signs located in places other than at a massage business or reflexology business; advertisements on vehicles; advertisements in paper media such as newspapers, magazines, fliers, cards, or business cards; or advertisements in electronic media such as Internet websites, social media, electronic classified advertisements, cell phone applications, and television or radio advertisements.

~~A. "Massage business" means a place in the incorporated area of the city where massages or like treatments are performed upon the body of one person by another person, or where sauna baths, Turkish baths, Swedish baths or the like are made available to members of the public.~~

B. "Breast massage" shall have the same meaning as set forth in WAC 246-830-005(7).

~~B. "Massage business employee" means any person who gives massages to, or attends in any other way upon, patrons of a massage business, or who supervises the work of such a person.~~

C. "Conspicuously display" shall mean the display of licenses and certificates in a manner that can be viewed and read by a person immediately upon entry into the initial common area of a massage business or reflexology business without having to request to see the license or certification.

~~C. "Reflexology" means a health care service that is limited to applying alternating pressure with thumb and finger techniques to reflexive areas of the lower one-third of the extremities, feet, hands, and outer ears based on reflex maps. Reflexology does not include the diagnosis of or treatment for specific diseases, or joint manipulations.~~

D. "Gross misdemeanor and misdemeanor" shall have the same meaning as set forth in RCW 9A.20.021.

~~D. "Reflexology business" means the operation of a business in the incorporated area of the city where reflexology services are provided.~~

E. “License, certificate and certification” mean a license, certificate or certification issued pursuant to Chapter 18.108 RCW.

~~E. “Reflexology business employee” means any person who performs reflexology services for, or attends in any other way upon, patrons of a reflexology business, or who supervises the work of such a person.~~

F. “Massage business” means a place within the city limits where massages or like treatments are performed upon the body of one person by another person, or where sauna baths, Turkish baths, Swedish baths or the like are made available to members of the public.

G. “Massage business employee” means any person who gives massages to, or attends in any other way upon, patrons of a massage business, or who supervises the work of such a person.

H. “Mobile” massage or reflexology shall mean massage or reflexology services where the practitioner travels to the location of the client, and that location is other than the business address on the massage or reflexology business license issued by the city of Lacey. A company, business, or government sponsored wellness event during business hours at a place of business or government building may include massage and is not prohibited by this statute.

I. “Reflexology” means a health care service that is limited to applying alternating pressure with thumb and finger techniques to reflexive areas of the lower one-third of the extremities, feet, hands, and outer ears based on reflex maps. Reflexology does not include the diagnosis of or treatment for specific diseases, or joint manipulations.

J. “Reflexology business” means the operation of a business within the city limits where reflexology services are provided, set forth in RCW 18.108.010.

K. “Reflexology business employee” means any person who performs reflexology services for, or attends in any other way upon, patrons of a reflexology business, or who supervises the work of such a person. (Ord. 1473 §1, 2015; Ord. 86 §1, 1968).

~~A.L.~~ “Represent themselves as a reflexologist” shall have the same meaning as set forth in RCW 18.108.030(2)(b).

5.38.020

Massage business and reflexology business license required.

Any person who owns, manages, directs, or operates a massage business or reflexology business for which a current, unrevoked massage business or reflexology business license has not been issued pursuant to this chapter shall be guilty of a misdemeanor.

Owner, director, manager – Proof.

A. For purposes of this chapter, whether a person is an owner, director, manager, or other person in charge of a massage business or reflexology business may be established from evidence such as, but not limited to:

1. The person holds themselves out as an owner, director, manager, or some other like title evidencing control over business decisions;
2. The person is responsible for the general business decisions of the business;
3. The person is considered by those who provide massage or reflexology services as an owner, director, manager, or other person in charge;
4. The person is in control or partial control of when, how, or how much those who provide massage or reflexology services work or are paid, or whether those who provide massage or reflexology services are employees or contractors retained to provide services on behalf of the business;
5. The person is listed as a registered agent of the business;
6. The person is listed as a “governing person” by the Washington State Business Licensing Service;
7. The person is an applicant or is listed as an owner on a city or state business license or license application;
8. The person receives income from the business that is dependent on revenue generated by another person providing massage or reflexology services on behalf of or at the business;
9. The person has signed a lease or rental agreement for property at which the business is operated or is responsible for lease or rent payments;
10. The person has signed for a loan on behalf of the massage or reflexology business;
11. The person is financially responsible for the massage business or reflexology business utilities or services such as water, electricity, garbage, sewer, telephone, Internet, cable television, security, cleaning, maintenance, or accounting;
12. The person pays taxes on behalf of the business; or
13. The person is responsible for ensuring the business is properly supplied with resources necessary to carry out the work of the business or maintain the business.

B. The presence of any of the circumstances described in subsection (A) of this section shall be sufficient to establish that a person is the owner, director, manager, or other person in charge of a massage business or reflexology business. The circumstances described in subsection (A) of this section are not exclusive and other evidence may demonstrate a person is an owner, director, manager, or other person in charge of a massage business or reflexology business.

Massage business or reflexology business employee license required.

~~Any person whose conduct is that of a massage business or reflexology business employee and who is not the holder of a current, unrevoked massage business or reflexology business employee's license issued pursuant to this chapter shall be guilty of a misdemeanor.~~

A. Massage practitioner or reflexologist – License or certificate required – Violation.

1. It shall be unlawful for any person to practice massage or represent themselves as a massage practitioner in the city of Lacey without a valid and current massage practitioner's license issued by the Washington State Department of Health.
2. It shall be unlawful for any person to practice reflexology or represent themselves as a reflexologist in the city of Lacey without a valid and current massage practitioner's license or certificate in reflexology issued by the Washington State Department of Health.
3. An unissued license or certificate, or an expired, revoked, or suspended license or certificate, or license issued in another city, state or country shall not be considered a valid license or certificate.

B. Massage practitioner or reflexologist – Owner, director, manager, or other person in charge to ensure valid license or certificate – Violation.

1. It shall be the responsibility of any owner, director, manager, or other person in charge of a massage business or reflexology business in the city of Lacey to ensure that each person who practices massage, or represents themselves as a massage practitioner, is validly and currently licensed in Washington State, and to ensure that each person who practices reflexology or represents themselves as a reflexologist is validly and currently licensed as a massage practitioner or certified as a reflexologist by the State of Washington Department of Health.
2. It shall be unlawful for any owner, director, manager, or other person in charge of a massage business or reflexology business to facilitate or, with knowledge or criminal negligence, permit a person who does not have a valid and current Washington State massage practitioner's license to practice massage or represent themselves as a massage practitioner.
3. It shall be unlawful for any owner, director, manager, or other person in charge of a massage business or reflexology business to facilitate or, with knowledge or criminal negligence, permit a person who does not have a valid and current Washington State massage practitioner's license or who is not a certified reflexologist to practice reflexology or represent themselves as a reflexologist.
4. A person with an unissued license or certificate, or whose license or certificate is expired, revoked, or suspended, shall not be considered validly licensed or certified.
5. For the purposes of this section, the failure of the owner, director, manager, or other person in charge of a massage business or reflexology business to confirm the validity of a massage license or reflexology certificate through the Washington Department of Health shall constitute criminal negligence.

C. Display of massage practitioner or reflexologist license or certificate required – Violation.

1. At any massage business or reflexology business, a copy of the valid and current Washington State license of each person who practices massage or represents themselves as a massage practitioner at or on behalf of the massage business or reflexology business, and the valid and current Washington State massage practitioner's license or reflexology certificate of each person who practices reflexology or represents themselves as a reflexologist at or on behalf of the massage business or reflexology business, shall be conspicuously displayed and shall be made available to persons receiving massage or reflexology services or to law enforcement for inspection upon request.
2. It shall be unlawful for any owner, director, manager, or other person in charge of a massage business or reflexology business to fail to conspicuously display the valid and current massage practitioner's license of each person who practices massage or represents themselves as a massage practitioner at or on behalf of the massage business or reflexology business.
3. It shall be unlawful for any owner, director, manager, or other person in charge of a massage business or reflexology business to fail to conspicuously display the valid and current Washington State massage practitioner's license or Washington State certificate to practice reflexology of each person who practices reflexology or represents themselves as a reflexologist at or on behalf of the massage business or reflexology business.
4. Each person who practices massage or represents themselves as a massage practitioner, and each person who practices reflexology or represents themselves as a reflexologist, shall have their valid and current Washington State license or certificate at each location in which they practice massage or represent themselves as a massage practitioner, and at each location in which they practice reflexology or represent themselves as a reflexologist, and the valid and current Washington State license or certificate shall be provided to the person receiving the massage or reflexology service or to law enforcement for inspection upon request.
5. It shall be unlawful for any person who practices massage or represents themselves as a massage practitioner to fail to have their valid and current Washington State massage practitioner's license at each location in which massage services are provided, or display their valid and current Washington State license to the person receiving the massage service or to law enforcement for inspection when requested.
6. It shall be unlawful for each person who practices reflexology or represents themselves as a reflexologist to fail to have their valid and current Washington State massage practitioner's license or reflexology certificate at each location in which reflexology services are provided, or display their valid and current Washington State license or certificate to the person receiving the reflexology service or to law enforcement for inspection when requested.
7. It shall be unlawful for any person to present or conspicuously display an expired, altered, fake, or fraudulently obtained license, certificate, or certification. It shall be unlawful for an owner, director, manager, or other person in charge of a massage business or reflexology business to facilitate or permit another to present or conspicuously display an expired, altered, fake, or fraudulently obtained license, certificate, or certification.

8. It shall be unlawful for any person to offer or provide “mobile” massage or reflexology services within the city limits of Lacey without having on their person a valid city of Lacey massage business license and a valid Washington State massage practitioner’s license.

D. Receipt of massage or reflexology services from unlicensed massage practitioner or reflexologist – Unlawful.

1. It shall be unlawful for any person to receive massage services from another whom the recipient knows, or reasonably should know, is not validly or currently licensed to provide massage services. It shall be unlawful for any person to receive reflexology services from another whom the recipient knows, or reasonably should know, is not validly or currently licensed as a massage practitioner or certified to provide reflexology services.
2. It shall be an affirmative defense to a violation of this section that the person receiving the massage or reflexology services inquired of the license or certification status of the person providing the services and was provided a document purporting to be a valid and current license of the massage practitioner or valid and current certificate of the reflexologist.

5.38.040

Exemptions to chapter applicability. Exemptions – Limitations – Name or structure of business.

~~The provisions of this chapter shall not apply to massages or reflexology services performed or baths provided in any hospital or at the athletic department of any public or private secondary school or college, or by any person who has been certified or licensed by the state of Washington to practice medicine, surgery, drugless therapy, physical therapy, massage, osteopathy, osteopathy and surgery, chiropractic, podiatry, or nursing.~~

A. This chapter shall not apply to the following:

1. Activities set forth in RCW 18.108.050 when performed as provided in that statute; or
2. Massage or reflexology that is not provided in exchange for a fee, donation, tip, property, or other consideration.

B. The exemptions set forth in subsection (A) of this section shall not apply to any person who practices or represents themselves as a massage practitioner or who practices reflexology or represents themselves as a reflexologist and who advertises for the massage or reflexology services, to any business that advertises for massage or reflexology services, or to any person who provides massage or reflexology services at a business that advertises for such services.

C. The exemptions set forth in subsection (A) of this section shall not apply to any person who obtains massage or reflexology services from a person who advertises for the massage or reflexology services, from a business that advertises for massage or reflexology services, or from any person who provides massage or reflexology services at a business that advertises for such services.

D. The fact that a person or business that provides massage or reflexology services describes or advertises such services by a name other than massage or reflexology shall not exempt that person or business from this chapter.

E. In the event the services provided fall within the definition of massage or reflexology, the manner in which a business is incorporated or structured shall be of no consequence in determining if a business provides massage or reflexology services.

F. A club or cooperative arrangement in which a person pays a fee or makes a donation to become a member of the club or cooperative, and as a result of such membership, they obtain massage or reflexology services, shall be considered a massage business or reflexology business.

Minors practicing massage or reflexology – Responsibility of owner, director, manager, or other person in charge – Receipt of massage or reflexology services from minor unlawful.

A. It shall be the responsibility of the owner, director, manager, or other person in charge of a massage business or reflexology business to verify that each person who provides massage or reflexology services has attained the age of eighteen (18). It shall be unlawful for any owner, director, manager, or other person in charge of a massage business or reflexology business to permit or facilitate the provision of massage or reflexology services by a person who has not reached the age of eighteen (18).

B. It shall be unlawful for any person to receive massage or reflexology services from another whom the recipient knows, or reasonably should know, has not reached the age of eighteen (18). It shall be an affirmative defense to a violation of this section that the person receiving the massage or reflexology services inquired of the age of the person providing the services and was provided a document purporting to be a valid and current license of the massage practitioner or valid and current certificate of the reflexologist.

### **Advertising.**

It shall be unlawful to advertise the practice of massage or practice of reflexology except in accordance with RCW 18.108.040.

5.38.050

Licenses--Application and issuance conditions--Protests and appeals from denial.

A. Applications for massage business, reflexology business, massage business employee, and reflexology business employee licenses shall be made to the city's finance department on forms provided by the police department. Each application for a massage business or reflexology business license shall be accompanied by a nonrefundable fee of \$50.00.

B. Each application for a massage business employee or reflexology business employee license shall be accompanied by a nonrefundable fee of \$20.00. Each application for a massage business employee or reflexology business employee license shall fully describe the applicant's name, business address, copy of a current and valid Washington State massage therapist and/or reflexology license, location of premises upon which the massage business or reflexology business will be operated, and the name, address and previous occupation of the person or persons who shall manage the massage business or reflexology business. If the applicant is a corporation, the application shall contain names, addresses and occupations of the applicant's officers and principal shareholders. Each application for a massage business employee or reflexology business employee license shall fully describe the applicant's name, home address, copy of a current and valid Washington State massage therapist and/or reflexology license, previous occupation, and previous employer. Every person whose name appears on an application shall provide all assumed names or aliases which have been or are used by such person.

C. Upon the filing of any application for a massage business or reflexology business license, the finance department shall promptly provide copies thereof to the chief of police and the community

and economic development director or their designees. Within ten business days after receiving the same, the chief of police shall notify the finance department ~~of whether or not~~ the applicant, the massage business or reflexology business manager, and (if the applicant be a corporation) the corporation's officers and the principal shareholders, or any of the foregoing, have been convicted of violating federal, state or local laws relating to sexual offenses, or to possession, use or sale of narcotics or alcoholic beverages. If records available to the chief of police indicate that any such person has been so convicted, the finance department shall notify the applicant, by registered letter, that the application has been denied. Within ten business days after receiving a copy of the application, the community and economic development director shall notify the finance department ~~whether that~~ the premises upon which the massage business or reflexology business operation shall be conducted are ~~or are not~~ located on property which, under provisions of the city zoning code, can be put to such a use. If the premises are not so located, the finance department shall notify the applicant, by ~~registered~~ electronic letter, that the application has been denied. If there are indications of previous business ownership associated with allegations of the above listed crimes, the ten business day requirement may be postponed for further investigation.

D. Any ~~citizen-community member~~ or public officer may, while an application for a massage business or reflexology business license is pending, petition the city ~~council~~ hearings examiner to deny the license. If the petition fails to set forth in detail alleged facts tending to show that issuance of the license will harm the public health, safety or morals, the petition shall be summarily stricken ~~by the council~~. If the petition does set forth such allegations, the ~~mayor~~ hearings examiner shall transmit copies of the petition to the finance department and to the applicant, and the ~~council~~ hearings examiner shall set a date for a public hearing, of which all interested parties shall be notified, at which the ~~council~~ hearings examiner shall receive evidence bearing on the question of whether issuance of the license will tend to harm the public health, safety or morals. At the conclusion of the hearing, or any continued hearing, the ~~council~~ hearings examiner shall decide whether ~~or not~~ the health, safety or morals of residents of the community may be harmed by issuance of the license. The ~~council~~ hearings examiner shall notify the finance department of its decision, and ~~he~~ they shall issue or deny the license in accordance with the decision.

E. Any applicant whose application has been denied on information supplied to the finance department by the chief of police or community and economic development director may, within ten business days following notification of the denial, file a petition for a hearing before the city ~~council~~ hearings examiner. The ~~council~~ hearings examiner shall set a date of hearing of which all interested parties shall be notified, and shall receive evidence bearing on the accuracy of the information supplied to the finance department. If the ~~council~~ hearings examiner determines that the information was substantially inaccurate, and that the public health, safety or morals will apparently not be harmed by issuance of the license, the ~~council~~ hearings examiner shall so notify the finance department, who shall thereupon issue the license.

F. Upon the filing of any application for a massage business or reflexology business employee license, the finance department shall promptly provide copies thereof to the chief of police and the Thurston County health director. Within ten business days after receiving the same the chief of police shall notify the finance department that the applicant has or has not been convicted of

violating federal, state or local laws relating to sexual offenses, or to possession, use or sale of narcotics or alcoholic beverages. If records available to the chief of police indicate that the applicant has been so convicted the finance department shall notify the applicant, by registered letter, that the application has been denied. ~~Within ten days after filing the application, the applicant shall submit to a physical examination to determine whether the applicant is free from contagious or infectious disease. The health director shall report the results of the examination to the finance department, and if the examination indicates the applicant has a contagious or infectious disease, the finance department shall notify the applicant, by registered letter, that the application has been denied.~~ Within ten business days following notification of denial, the applicant may petition the city council hearings examiner for a hearing to determine the accuracy of the information upon which the denial was based, and the petition shall be processed in the manner prescribed for processing similar petitions of applicants for massage business and reflexology business licenses.

#### 5.38.060 Repealed.

Repealed by Ord. 1018.

#### 5.38.070

Licenses—Period of validity—Renewal—Transferability.

Licenses issued pursuant to this chapter shall be valid for one year following the date of issuance (unless revoked earlier), and may be renewed annually by filing an application for renewal with, and paying a nonrefundable renewal fee equal to the initial application fee to, the finance department. Licenses issued pursuant to this chapter shall not be assigned or transferred from one holder to another. Premises of a massage business or reflexology business may be relocated; provided, that the finance department is notified of the relocation and the relocation does not violate provisions of the Lacey zoning code.

#### 5.38.080

Petition alleging violations--Filing and ~~council~~ city action.

Upon the filing of a petition with the city ~~council~~ hearings examiner by any community member~~citizen~~ or public officer alleging that a licensee supplied false information on a license application, or has been charged with committing acts of prostitution, human trafficking, narcotics or illegal drug offenses, a crime involving dishonesty, fraud, deceit, or moral turpitude; a criminal offence relating to the operation of a massage establishment, its massage practitioners, or the

massage property, liquor law violations or related offenses, or has violated the provisions of LMC 5.38.020, 5.38.030, 5.38.040, 5.38.060, 5.38.100, 5.38.110, 5.38.120 or 5.38.130, the ~~council~~ hearings examiner may, in its discretion, revoke the license or order its holder to show cause why the license should not be revoked. If the ~~council~~ hearings examiner summarily revokes a license, its holder shall be afforded an opportunity to show cause why the license should not be reinstated.

#### 5.38.090

Hearings on license issuance, revocation or reinstatement.

At hearings at which the issuance, revocation or reinstatement of a license are contested, the ~~council~~ hearings examiner may receive and weigh all relevant evidence, irrespective of whether such evidence would be technically admissible in a court of law. Any interested person may appear and give evidence at such a hearing, personally or through a representative.

#### 5.38.100

~~Premises – Safe and sanitary operation.~~ Practice requirements and limitations – Responsibility of owner, director, manager, or other person in charge.

The premises of all massage businesses and reflexology businesses shall be maintained in a safe and sanitary manner.

A. It is unlawful for any person who practices massage therapy or represents **themselves** as a massage therapist, or who practices reflexology or represents **themselves** as a reflexologist, to touch the body parts identified in WAC 246-830-550(1).

B. It is unlawful for any person who practices massage therapy or represents **themselves** as a massage therapist, or who practices reflexology, or represents **themselves** as a reflexologist to perform breast massage except in accordance with WAC 246-830-555.

C. It is unlawful for any person who practices massage therapy or represents **themselves** as a massage therapist, or who practices reflexology or represents **themselves** as a reflexologist, to fail to comply with the coverage and draping requirements of WAC 246-830-560.

D. It is unlawful for any person who practices massage therapy or represents **themselves** as a massage therapist, or who practices reflexology or represents **themselves** as a reflexologist, to fail to comply with the equipment, sanitation, and hygiene requirements of WAC 246-830-500 and 246-830-510.

E. It is unlawful for any person who practices massage therapy or represents themselves as a massage therapist, or who practices reflexology or represents themselves as a reflexologist, to fail to comply with the recordkeeping requirements of WAC 246-830-565 and 246-830-570.

F. It shall be unlawful for any owner, director, manager, massage therapist, reflexology practitioner, or any employee or agent of the business to disrobe or partially disrobe in the presence of another while in any facility defined in this chapter.

G. It shall be unlawful for any owner, director, manager, or other person in charge of a massage business or reflexology business to facilitate or, with knowledge or criminal negligence, permit another person to violate any provision of this section.

The prohibited conduct in this chapter are deemed to be nuisances under LMC 9.52, in addition to being crimes, and will make the premise subject to abatement proceedings.

#### 5.38.110

Premises—Hours of operation.

All massage businesses and reflexology businesses shall be closed, and all services performed therein discontinued, between the hours of 12:00 a.m. (midnight) and 8:00 a.m.

#### 5.38.120

Premises--Inspection authorized.

All massage businesses and reflexology businesses shall be open for inspection at all times by agents of the Lacey ~~Pp~~olice ~~Dd~~epartment, Lacey Fire District 3, Lacey Community and Economic Development ~~license-Dd~~epartment, and Thurston County ~~hH~~health ~~Dd~~epartment.

A. Said inspections shall be performed during normal business hours and be limited to the areas of the premises where massage services are provided, clients have access to, and business occurs.

B. Such inspections shall be limited to the following purposes:

1. To ascertain whether ~~or not~~ the massage business or reflexology business has obtained a license from the city of Lacey.
2. To ascertain whether ~~or not~~ the massage business or reflexology business employees, working on the massage business's or reflexology business's premises, possess the proper license from the city of Lacey and Washington State.

3. To ascertain whether ~~or not~~ the premises are safe and sanitary.
4. To ascertain whether the business is operating during the restricted hours, between 12:00 a.m. (midnight) and 8:00 a.m.
5. To ascertain whether ~~or not~~ any acts of prostitution, human trafficking, or related acts are being performed on the premises.
6. To ascertain whether ~~or not~~ any liquor or controlled substances are being used, sold, or held on the premises.
7. To ensure compliance with the requirement that licenses and certifications are conspicuously displayed and valid.
8. To ensure that those providing massage or reflexology services are validly licensed and of proper age; and
9. To ensure compliance with the advertising requirements.

5.38.130

Premises—Liquor prohibited.

Liquor (as that term is defined in the Washington State Alcoholic Beverage Control Act) shall not be distributed or consumed on the premises of any massage business or reflexology business.

5.38.140

Violation--Penalty.

Any person convicted of a violation of this chapter shall be guilty of a misdemeanor and punished by a fine of not more than \$~~1,055~~00.00 or by imprisonment for not more than ~~6 months~~ 90 days, or by both such fine and imprisonment.

5.38.150

References to Revised Code of Washington and Washington Administrative Code.

References in this chapter to chapters or specific sections or subsections of the Revised Code of Washington, or to chapters or specific sections or subsections of the Washington Administrative Code, shall include the chapter and sections or subsections as currently enacted and as amended or recodified in the future.



## LACEY CITY COUNCIL MEETING

November 5, 2024

**SUBJECT:** Greg Cuoio Park Phase 1A – Public Art Requirement

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**RECOMMENDATION:** Motion to: Designate Greg Cuoio Park monument sign as Public Art in accordance with City of Lacey Ordinance 1022.

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**STAFF CONTACT:** Rick Walk, City Manager *RW*  
Jen Burbidge, Parks, Culture & Recreation Director *JB*

**ORIGINATED BY:** Parks, Culture and Recreation

**ATTACHMENTS:** 1 - Monument Sign Rendering

**FISCAL NOTE:** \$16,200 is required for public art for the Greg Cuoio Park Phase 1A project. If the monument sign is approved as public art, funds are already identified and included in the project budget.

**PRIOR REVIEW:** [Council Worksession – September 10, 2024](#)

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### BACKGROUND

The Greg Cuoio Park Phase 1A project is subject to [Ordinance 1022](#), which requires one fourth of 1% of the estimate for City projects (except transportation and utility projects) over \$500,000 to be allocated to public art. This project is required to include \$16,200 in either installed art or transfer into the City's art fund to install art elsewhere in the City.

Per the Lacey City Council Policies and Procedures, the City Council retains final authority on the selection and placement of all art to be located on city-owned properties within Lacey. Due to its unique design, the Greg Cuoio Park monument sign is a candidate to be considered installed art and could meet funding appropriations as identified in [Ordinance 1022](#).

Dedicating the monument sign as public art would satisfy the art funding requirement, and in addition meets the City's adopted [Public Art Policy](#), found in Section 10.03 of the [City Council Policies and Procedures Manual](#), as described below. Should the Council decide not to dedicate the monument sign as public art, an amount equal to one-fourth of 1% of the estimated construction cost would need to be allocated from a funding source and deposited into the City's public art fund.

The proposed Greg Cuoio Park monument sign is unique, playfully nodding to the surrounding nature within the park with its use of a leaf and salmon motif presented as a water jet cut, cutouts on the main sign panel, and in the large maple leaf side panels.

These motifs highlight the character of the park and serve as a linking thread throughout all of the park's signage.

The monument sign will be located at the entrance of the park, highly visible from Carpenter Road whether traveling north or south, and is vastly different than existing City of Lacey Parks monument signs.

The monument sign utilizes Lacey Parks, Culture & Recreation's "Tours Ochre" branded color, which is a warm goldenrod that pops amongst the green trees and meadows of the park at a variety of distances. The sign is fabricated from fluoropolymer coated steel, with all steel galvanized prior to coating for added durability. All lettering and seals will be metal pin mounted, or direct welded to the central sign panel. The selected materials were chosen for their durability and ease of maintenance.

Due to the scale and beauty, staff is presenting the proposed Greg J. Cuoio Community Park monument sign for dedication of public art.

### **Considerations of the City's Public Art Policy**

The Greg Cuoio Park monument sign accomplishes several of the Public Art Policy objectives:

- Creates a sense of community, identity, and character;
- Provides a pleasing living, working, and playing environment;
- Enhances economic development and attracts visitors;
- Provides sustainable maintenance and operation costs; and
- Evokes a sense of fun.

It additionally reflects several of the Public Art Policy ideas and themes:

- The natural beauty of the City as reflected in its trees and lakes;
- Northwest themes (salmon / trees); and
- Park entry signs.

Lastly, the sign meets and identified placement parameter ("Should be placed at the following locations to compliment or enhance the surroundings"): Lacey parks, trails and publicly owned spaces.

Recommendation: Staff recommends Option 1

**Option 1:** Designate Greg Cuoio Park monument sign as Public Art in accordance with City of Lacey Ordinance 1022.

**Option 2:** Do not designate the Greg Cuoio Park monument sign as Public Art and allocate \$16,200 to the City art fund in accordance with Ordinance 1022.

## COLORS

- P1: TEXT (D37210)
- P2: OCHRE (5C7287)
- P3: SIGN (B3888C)

