

MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

MAY 27, 2021

4:00 P.M. – 6:11 P.M.

REMOTE ONLY

COUNCIL PRESENT: DEPUTY MAYOR PRATT (LOGGED OFF FROM 5:21 PM-5:30 PM DUE TO TECHNICAL ISSUES), COUNCILMEMBERS GREENSTEIN, STEADMAN, COX, KUNKEL, MILLER

COUNCIL EXCUSED: MAYOR RYDER

STAFF PRESENT: S. SPENCE, J. BURBIDGE, S. EGGER, D. SCHNEIDER, T. WOO, E. FONTAINE

ACTION: APPROVE WORKSESSION AGENDA

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

UTILITY RATE DISCUSSION

PRESENTERS: SCOTT EGGER, PUBLIC WORKS DIRECTOR
TROY WOO, FINANCE DIRECTOR
TAGE AAKER, PROJECT MANAGER, FCS GROUP
AMANDA LEVINE, FINANCIAL ANALYST, FCS GROUP
BRIAN CASEY, PRINCIPAL ENGINEER, MURRAYSMITH

ACTION: INFORMATION ONLY

Council received information covering Utility Rate Making, Fiscal Policies, Capital Program Summary and Rate Forecasting. Staff also presented on the following interrelated topics:

Multi-Year Plan for Water and Waste Water Rates

Lacey is currently in the process of finalizing its Water Service Plan Update (Comprehensive Plan Element Amendment) as required by Chapter 246-290 of the Washington Administrative Code.

Given Lacey's commitment to funding a septic conversion program and the connection between septic conversion and preservation of valuable water sources,

multi-year rate plans were developed for both the water and wastewater utilities as both utilities contribute to the funding of the conversion program

Tolmie Park HOA Community Septic System and potential Septic Conversion Project

Tolmie Park Estates HOA recently reached out to Lacey staff to ask for assistance to connect their homes to sewer. Tolmie Park Estates currently has 47 homes connected to an aging community septic system which has significant issues with water intrusion. Tolmie Park Estates is located adjacent to Eagle Drive NE in the UGA. More significantly, it is located near the headwaters to Eagle Creek. Connecting this neighborhood to sewer will positively influence the water quality in Eagle Creek. Staff needs direction from Council on whether the City is willing to provide financial assistance for a septic conversion project. The formation of a Local Improvement District would most likely be required to move this project forward.

Staff requested direction from Council regarding the community septic system and potential septic conversion project for the Tolmie Park HOA Community. Council expressed support of a septic conversion program.

Mid-Year Utility Rate Increase

Troy Woo, Finance Director presented on the 2021 Utility Rate Proposed increases for residential accounts.

In November 2020, the City Council decided not to raise utility rates for the first half of 2021 in an effort to provide financial relief to utility customers who may have been financially impacted by COVID. At that time, the City Council decided that they would have a follow up discussion in May 2021 to consider whether to raise utility rates for the second half of 2021. The City Council will consider whether to raise Water and Wastewater rates by 3.0 percent and Stormwater Utility rates by 4.5 percent for the second half of 2021.

Adopt rate ordinance Effective July 1, 2021

Water (3.0%) - +\$1.04 a month for residential customers

Sewer (3.0%) - +\$.66 month residential customers

Stormwater (4.5%) - +\$0.56 month for residential customers.

Staff requested direction from Council regarding the Mid-Year Utility Rate Increase. Council requested to see a (5.0%) for water and sewer effective July 1, 2021, for comparison. An updated presentation will be provided at a future meeting.

2021 STATE LEGISLATIVE SESSION RECAP

PRESENTER: BRIAN ENSLOW, STATE LOBBYIST

ACTION: INFORMATION ONLY

Brian Enslow, State Lobbyist, presented a review of the 2021 Legislative session to Council. Highlights included the following:

Investing in the 1-5 Corridor

- The legislature funded \$5 million in 2021-23 for preliminary design and environmental review to address the current design of 1-5 that is limiting salmon habitat, creating a flood risk and a major bottleneck through the region.

Heritage Capital Grant for the Lacey Museum and Cultural Center

- The legislature fully funded the Heritage Capital Program.
- A new Lacey Museum and Cultural Center has been a long-term goal of the City, and has been in development, with extensive public input.
- Project Grant in 2021 totaling \$607,709.

State Leadership on Homelessness Crises:

- The City sought leadership from the State of Washington to provide a unified set of strategies and tools to navigate this crisis and support our unsheltered community.
- Legislature provided \$3 million to WSDOT to address public health and safety risks associated with homeless encampment of department-owned rights of way.

Rent and Utility Assistance for Low-Income Tenants (\$658M)

- Additional document recording fee created by HB 1277. Funds existing programs as well as dedicates \$88.7 million for the newly created Eviction Prevention Rental Assistance Program (\$292M).
- Housing, homelessness, and utility assistance programs, such as homeowner assistance fund and the low-income home energy assistance program (\$310.4M).
- Housing and essential needs is provided one-time funding to serve approximately 1,700 additional clients.

Planning for Low Income Housing and Shelter (HB 1220)

- Requires GMA jurisdictions to address extremely low-income housing, moderate density housing options, and racially disparate impacts and displacement in the housing element of the comprehensive plan.
- Prohibits cities from banning indoor emergency shelters and indoor emergency housing in any zones where hotels are allowed, except for cities that have an adopted ordinance authorizing indoor emergency shelters and indoor emergency housing in majority of zones.

Tax Increment Financing (TIF) (HB 1189)

- Authorizes local governments to designate tax increment financing areas and to use increased local property tax collections to fund public improvements.
- A local government may designate up to two TIF areas and use resulting tax allocation revenues to pay for public improvement costs.
- Total assessed value of TIF areas may not exceed \$200 million.

The review included the small business assistance grants through the Working Washington grant program totaled \$50 million, and small business credit initiative providing access and other credit support programs totaled \$138 million.

The following bills were reviewed in depth due to their impact on local jurisdictions:

SB 5476

- Establishes possession of a controlled substance as a misdemeanor.
- Requires law enforcement officers who encounter an individual in possession of a controlled substance to offer a diversion to seek a substance use disorder assessment and treatment services.
- The ability to charge an individual with a misdemeanor expires July 1, 2023, and state law will automatically revert to whatever the law states on that date.
- The Washington State Health Care Authority (HCA) is charged with establishing a recovery services plan.

HB 1054

- Prohibits the use of a chokehold or neck restraint on another person.
- States that Tear gas may not be utilized unless necessary to alleviate a present risk of serious harm posed by a riot, barricaded subject, or a hostage situation.
- Limits vehicular pursuit when there is probable cause to believe a person has committed an escape or when there is reasonable suspicion a person has committed a driving under the influence offense; and requires the person being pursued to pose an imminent threat to the safety of others.

HB 1310

- Clarifies use of permissible uses of force by law enforcement and correctional officers.

HB 1267

- Establishes the Office of Independent Investigations (OII), which would investigate serious use of force incidents and criminal acts by a law enforcement officer that merit the filing of criminal charges.

SB 5066

- Requires law enforcement officers to intervene and report any use of excessive force by another officer.

The following policy bills impacting cities were also highlighted:

- HB 1069 – *Allowing temporary flexibility with certain existing restricted revenues, including the Real Estate excise Tax (REET).*
- SB 5051 – *Expands grounds for decertification of law enforcement officers, to include use of force violations.*
- HB 1348 – *Allows individuals to maintain Medicaid status for the first 29 days of incarceration.*
- SB 5119 – *Requires local jails to conduct investigations into unexpected deaths that occur within their correction facilities.*
- HB 1320 – *Modernizes the process for civil protection orders.*
- SB 5021 – *Eliminates impact of COVID-19 work stoppages and shutdowns on public employee pensions.*
- SB 5367 - *Ensures automatic refunds of contributions to unvested public retirement accounts.*
- HB 1070 – *Adds “acquisition” and “emergency, transitional and supportive housing” to uses of Affordable Housing and Related Services Tax.*
- SB 5235 – *Prohibits owner occupancy regulation of ADUs unless short-term rental and unrelated persons.*
- SB 5287 – *Expands and extends Multi-Family Property Tax Exemption Program.*
- SB 5022 – *Creates recycled content requirements for plastic bottles, jugs, and trash bags; styrofoam ban; and request only for single-use food service products – straws, lids, utensils, and condiments.*
- SB 5253 – *Requires 25% of public works landscaping to “bee” pollinator habitat.*
- HB 1091 – *Creates Low Carbon Fuels standards.*
- SB 5126 – *Creates a statewide CAP & Invest program.*
- HB 1016 – *Makes Juneteenth (June 19) which celebrates the end of slavery in the U.S., a state legal holiday (effective on July 25, 2021).*

3RD OF JULY EVENT UPDATE

STAFF: JEN BURBIDGE, PARKS, CULTURE & RECREATION DIRECTOR

ACTION: INFORMATION ONLY

Jen Burbidge, Parks, Culture & Recreation Director, provided an update on the 3rd of July Event.

The City will be hosting the Lacey Fireworks Spectacular - 2021 Drive Up and Watch Edition. Due to COVID-19, staff met with Thurston County Health Department and the City of Tumwater to collaborate event details and current restrictions.

Fireworks will be held from Chinook Middle School/North Thurston High School Fields and viewable by the public in various locations to park and watch. A map with best parking locations and traffic flow will be distributed. The North Thurston High School bus parking lot will be reserved for first responders.

The following restrictions will be communicated for everyone's safety:

- No Pets
- No Alcohol
- No Tobacco Products
- No Firearms
- No BBQ/Fires
- No Personal fireworks
- No Tents
- No RVs or saving spots (1 parking spot per vehicle)

A post card mailer will go out to 600 local businesses. Staff is also discussing having a live-stream to promote a "watch from home" option.