



Lacey City Council Approved Worksession Minutes Tuesday, February 25, 2025 - Council Chambers and Online

1. Call to Order

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

2. Roll Call

Council Present

Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein
Councilmember Michael Steadman (remote)
Councilmember Carolyn Cox
Councilmember Robin Vazquez
Councilmember Nicolas Dunning

Council Excused

Mayor Andy Ryder

Staff Present

Rick Walk, City Manager
Shannon Kelley-Fong, Assistant City Manager
Dave Schneider, City Attorney
Kristy Wolf, Financial Services Manager
Ryan Andrews, Planning Manager
Hans Shepherd, Senior Planner
Paul J. White, Deputy City Clerk

3. Land Acknowledgement

Deputy Mayor Miller presented the abbreviated Land Acknowledgment.

4. Approval of the Amended* Agenda

Councilmember Greenstein moved to approve the agenda, as amended to remove item 6b - Development Guidelines and Public Works Standards Briefing. Councilmember Dunning seconded. Motion carried.

5. Public Comment

One person signed up to speak at the meeting.

Jon Hegwood, resident of Lacey, commented on transgender and immigrant communities in Lacey and advocated Lacey declaring itself a Sanctuary City.

No one registered to speak remotely, and no written comment was received.

6. Agenda Items

A. 4th Quarter 2024 Investment Report

Kristy Wolf, Financial Services Manager

Wolf presented the 2024 Fourth Quarter Investment Report, prepared by Government Portfolio Advisors (GPA). The City's core portfolio narrowly over-performed the investment strategy benchmark during the reporting period. Wolf summarized portfolio measures for unrealized loss, total book yield, and compliance with investment policy; noting federal fund rate activity and national economic trends. The City's core portfolio remains slightly overweighted toward Treasury securities due to the continuing tight spread of corporate securities.

Wolf reported that staff are satisfied with GPA's performance and recommendation to align the Weighted Market Average from 2.0 to 2.5 years to better align with the City's 0-5 year investment range policy. Council will consider that policy change following review of the City's investment policy in June.

Regarding proposed financing for the Tolmie Parks Estates Utility Local Improvement District No. 25, Finance proposes using a bond rather than going to market because the total amount is expected to be below \$350,000.

B. Development Guidelines and Public Works Standards Briefing

This item was removed from the agenda for consideration at a subsequent Council meeting.

C. Critical Areas Code Updates

Hans Shepherd, Senior Planner

Ryan Andrews, Planning Manager

Shepherd and Andrews presented the Critical Areas Code updates, which are scheduled for review on a 10-year cycle under the Growth Management Act and are due in 2026. Washington statutes require use of best available science (BAS), which is defined in the Lacey Municipal Code and Washington Administrative Code. Shepherd identified the lead agencies and subject-matter experts for critical area BAS, including the Departments of Ecology, Fish & Wildlife, and Natural Resources.

Changes proposed included the following:

- Updates to language and definitions

- Clarifications regarding subdivision limitations for areas adjacent to or containing wetlands and buffers
- Updates to mitigation sequencing, or the hierarchy of mitigation options
- Language to emphasize no net loss of ecological function and value with respect to development activities
- Updated exemptions for Category III and IV wetlands
- Mitigation requirements connected to temporary emergency work around wetlands
- Updated references and citations based on recent studies and best available science

Shepherd provided additional information regarding new methodology for setting riparian buffers, or buffers around streams, that involve soil data and "site-potential tree height," which staff are not recommending at this time. Shepherd outlined the review process and next steps for the code changes, which includes a public hearing and final determination by the Hearing Examiner.

D. Additional Regular Meetings

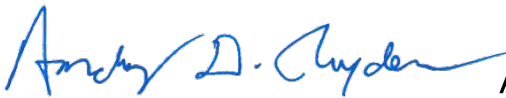
Rick Walk, City Manager

Dave Schneider, City Attorney

Schneider and Walk revisited a retreat discussion concerning opportunities to hold informal council conversations on emerging and regional topics. The proposal to accomplish goals and comply with government transparency laws is to hold additional regular public meetings with the option of submitting written public comment. Meetings would be held in person without recording or streaming and would provide publication of notice and agenda beforehand and summary by way of minutes. No final actions would be taken and a quorum of councilmembers would be required to hold the meetings, which would include limited staff attendance. Schneider commented on the agenda requirements for regular meetings under the Open Public Meetings Act. Councilmembers discussed the frequency and scheduling of the additional meetings and when they might commence. To implement the new schedule, the City Council would need to amend their policies and procedures by resolution.

7. Adjourn

Deputy Mayor Miller adjourned the meeting at 7:03 p.m.

MAYOR: 
Andy Ryder, Mayor

ATTEST: 
Elissa Fontaine, City Clerk

APPROVED: March 18, 2025