



City Council Regular Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, March 17, 2026

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Land Acknowledgement

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 Agenda and Consent Agenda Items

- A. Approval of the Minutes of January 30, 2026
- B. Approval of the Minutes of February 6, 2026
- C. Approval of the Minutes of February 24, 2026
- D. Approval of the Minutes of the Dinner Meeting of March 3, 2026
- E. Approval of the Minutes of the Regular Meeting of March 3, 2026
- F. Approval of claims, wages, and transfers for February 2 through March 6, 2026

6. Public Recognitions and Presentations

- A. Lacey Youth Council Report

7. Proclamations

A. Transgender Day of Visibility

Larry Kronquist and Lucas Miller, PFLAG-Olympia

8. Public Comment

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

9. Ordinances

- A. **Ordinance No. 1698: 2025 Carryover Budget Amendment**
Chelsea Knight, Acting Financial Services Manager
- B. **Ordinance No. 1699: Repeal Social Card Prohibition**
Shannon Kelley-Fong, Assistant City Manager

10. Mayor's Report

11. City Manager's Report

- A. **Contract Award: Chatham Wastewater Looping and Annual Valves**
David Knox, Utility Engineer
- B. **Public Safety Briefing**
Robert Almada, Police Chief

12. Council 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. Joint Animal Services Commission (JASCOM)
 - 3. Lodging Tax Advisory Committee (LTAC)
- C. Councilmember Lenny Greenstein:
 - 1. Emergency Medical Services (EMS)
 - 2. TCOMM911
 - 3. Opioid Abatement Council Independent Subcommittee
 - 4. Law Enforcement Officers and Fire Fighters Plan 1 Disability Board (LEOFF-1)
- D. Councilmember Carolyn Cox:
 - 1. Intercity Transit Authority
 - 2. LOTT Clean Water Alliance
- E. Councilmember Nicolas Dunning:
 - 1. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
 - 2. Regional Housing Council
 - 3. Law Enforcement Officers and Fire Fighters Plan 1 Disability Board (LEOFF-1)
- F. Councilmember Maren Turner:
 - 1. Nisqually River Council
 - 2. Thurston County Law & Justice Council
 - 3. Thurston Regional Planning Council (TRPC)
- G. Councilmember Ryan Siu:

1. Olympic Region Clean Air Agency (ORCAA)
2. Solid Waste Advisory Committee (SWAC)
3. Thurston Climate Mitigation Collaborative (TCMC)

13. Adjourn

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 420 College Street SE, Lacey, WA 98503
Zoom:	https://us02web.zoom.us/webinar/register/WN_um8ZJ2qKRUGjsAKE-wGDhQ
Website:	https://cityoflacey.org/government/public-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=HQzu-lwjZw
Cable:	Channel 77 with your local cable provider
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 899 6477 1357)

Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

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_um8ZJ2qKRUGjsAKE-wGDhQ

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. 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 Council Retreat Meeting Minutes

Friday, January 30, 2026 8:30 a.m. Nisqually Red Wind Casino, Salmonberry Room

Day 1: Friday, January 30, 2026

Council Present

Mayor Andy Ryder
Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein
Councilmember Carolyn Cox
Councilmember Nicolas Dunning
Councilmember Maren Turner
Councilmember Ryan Siu

Staff Present

Rick Walk, City Manager
Elissa Fontaine, City Clerk

Guests Present

Nancy Campbell, Facilitator

Day one of the retreat was called to order at 8:30 a.m.

Mayor Ryder provided a welcoming message. Council welcomed members of the Nisqually River Council and shared appreciation for the relationship between the two jurisdictions.

A break was called at 9 a.m. The meeting reconvened at 9:10 a.m.

Campbell presented the purpose, priorities, and desired outcome of the two-day retreat.

Campbell introduced the opening partner exercise. Council and Walk participated in the exercise.

A break was called at 9:35 a.m. The meeting reconvened at 9:40 a.m.

Campbell introduced The Artifact exercise. Council and Walk participated in the exercise.

A break was called at 11:12 a.m. The meeting reconvened at 11:25 a.m.

Campbell presented operating agreements on how Council will work together. Council expressed support for the operating agreements.

A break was called for lunch at 12:25 p.m. The meeting reconvened at 1:11 p.m.

Campbell presented Council's mission, purpose, and roles and responsibilities for review. Councilmembers presented feedback.

A break was called at 1:55 p.m. The meeting reconvened at 2 p.m.

Walk presented Council Work Plan priorities, 2025 accomplishments, and future financial strategies. Discussion ensued.

Day two of the retreat is planned for 8 a.m. – 1 p.m. on February 6, 2026, at the Lacey Veterans Services Hub.

The meeting recessed at 3:08 p.m.



City Council Retreat Minutes

Friday, February 6, 2026

Lacey Veterans Services Hub

Day 2: Friday, February 6, 2026

Council Present

Mayor Andy Ryder (excused at 12:30 p.m.)

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein

Councilmember Carolyn Cox (excused from 8:15 – 8:48 a.m.)

Councilmember Nicolas Dunning

Councilmember Maren Turner

Councilmember Ryan Siu

Staff Present

Rick Walk, City Manager

Shannon Kelley-Fong, Assistant City Manager

Robert Almada, Chief of Police

Jen Burbidge, Parks, Culture and Recreation Director

Vanessa Dolbee, Community and Economic Development Director

Scott Egger, Public Works Director

Dave Schneider, City Attorney

Leialani Su'e, Human Resources Director

Troy Woo, Finance Director

Brian Waananen, Lacey Veterans Services Hub Coordinator

Nicole Williams, Executive Assistant

Elissa Fontaine, City Clerk

Guests Present

Nancy Campbell, Facilitator

Day two of the retreat was called to order at 8:05 a.m.

Campbell introduced an opening partner exercise. Council and the Executive Leadership Team participated in the exercise.

Campbell reviewed the agenda and presented an updated list of operating agreements. Council expressed support of the agreements.

Walk presented a review of 2025 projects, programs, and outcomes.

A break was called at 9:23 a.m. The meeting reconvened at 9:34 a.m.

Walk reviewed 2025 Work Plan "Parking Lot" items. Discussion ensued. Council participated in an exercise to eliminate "Parking Lot" items. Council expressed agreement with updating the items as proposed.

Walk outlined 2026 priority project commitments, organized into obligated, statutorily required, and financial sustainability planning categories.

Council directed staff to remove the Salary Commission as a priority. The Human Resources Department will plan to include Council salaries in their review of non-represented positions, which is planned to happen no earlier than 2027.

A break was called at 10:33 a.m. The meeting reconvened at 10:45 a.m.

Council and staff discussed regional issues for 2026. Council discussed how information from intergovernmental committees should be shared with the full Council. Council supported adding a placeholder on Council Worksession agendas for the Council to report on any pressing topics.

A break was called at 12:30 p.m. The meeting reconvened at 12:40 p.m.

Waananen presented on the Lacey Veterans Services Hub. The presentation included the mission, vision and values, services provided, client summary, location demographics, volunteer statistics, and organizational updates.

The meeting adjourned at 1:27 p.m.



Lacey City Council Worksession Minutes

Tuesday, February 24, 2026

Council Chambers and Online

1. Call to Order

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

2. Roll Call

Council Present

Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein (remote)
Councilmember Carolyn Cox
Councilmember Nicolas Dunning
Councilmember Ryan Siu

Council Excused

Mayor Andy Ryder
Councilmember Maren Turner

Staff Present

Rick Walk, City Manager
Dave Schneider, City Attorney
Jen Burbidge, Parks, Culture, and Recreation Director
Troy Woo, Finance Director
Chelsea Knight, Acting Financial Services Manager
Jenny Wilson, Senior Parks Planner
Paul J. White, Deputy City Clerk

3. Land Acknowledgement

Deputy Mayor Miller presented the abbreviated Land Acknowledgement.

4. Approval of the Agenda

Councilmember Dunning moved to approve the agenda. Councilmember Siu seconded. The motion carried.

5. Public Comment

No one registered to speak remotely or in person, and no written public comments were received.

6. Agenda Items

A. **Historical Commission 2026 Work Plan**

Jen Burbidge, Parks, Culture and Recreation Director
Historical Commission Representatives

Historical Commission members present included Kevin Wycoff, Jim Keogh, Gary Montgomery, Ed Holm, Dave Shipley, and Kimberly Goetz (remote). Wycoff and Keogh presented the commission's 2025 accomplishments, 2026 workplan and answered councilmembers' questions. Workplan approval is scheduled in March.

B. **Parks, Culture, and Recreation Board 2026 Work Plan**

Jen Burbidge, Parks, Culture and Recreation Director
Jenny Wilson, Senior Parks Planner
Parks, Culture, and Recreation Board Representatives

Parks, Culture, and Recreation Board members present included Aram Wheeler, Annette Roth, Hilary Dykstra, and Laurie Davies. Wheeler presented the board's 2025 accomplishments, 2026 workplan, and answered councilmembers' questions. Workplan approval is scheduled in March.

C. **ULID No. 25 Bond Ordinance and Debt Issuance Briefing**

Troy Woo, Finance Director
Chelsea Knight, Acting Financial Services Manager

Knight gave an overview of the process of connecting homes in Tolmie Park Estates to the municipal sewer system. To decommission the existing septic systems and install new sewer infrastructure, Utility Local Improvement District (ULID) 25 was formed. Final assessments were adopted by Ordinance 1687 on December 2, 2025, after which some property owners made pre-payments. To fund the remaining cost, the City will issue a bond and use its LID Debt Fund to manage the debt internally. A bond ordinance will be submitted for Council action in March. Knight described the benefits of this approach for property owners and City staff. Discussion ensued.

D. **Fund Level Budget Amendment Process**

Rick Walk, City Manager
Troy Woo, Finance Director

Woo presented administrative changes being made to the City's budget amendment process to strengthen enforcement of line-item budget controls. Accountability will be applied to line items, of which there are about 2,000 in the 2026 budget. Administrative amendments will be limited to a single fund, may not increase the total fund appropriation, must offset increases with corresponding reductions, and may not draw on unbudgeted reserves or result in deficit spending. No additional staffing is expected to be needed to administer the change.

E. Opioid Settlement Interlocal Agreement Update

Rick Walk, City Manager
Dave Schneider, City Attorney

Walk reported that the Washington One Memorandum of Understanding (MOU) for administering national opioid settlements requires formation of an abatement council to oversee distribution of funds. In order to pool funds regionally for better impact, an amendment to the existing interlocal agreement is needed. Schneider described the provisions of the proposed amendments to Section 5 and a new Section 6. As the lead agency, Thurston County must approve the proposed amendment. The County cannot further amend the provisions, but can engage in revisions and resubmittals with member jurisdictions. If ultimately rejected, funds would revert to the member jurisdictions for distribution pursuant to the MOU. Final action by the City Council is planned in March.

F. Council Reports

City Council

Councilmember Dunning reported on his and Councilmember Siu's orientation with the Regional Housing Council. Councilmember Cox reported on the meeting of the Intercity Transit Authority, which is preparing for comprehensive route changes in May. Deputy Mayor Miller commented on Employee Recognition Week March 2-6 and acknowledged Black History Month and the February 17 death of civil rights activist the Reverend Jesse Jackson.

7. Adjourn

Deputy Mayor Miller adjourned the meeting at 7:27 p.m.



Lacey City Council Informational Dinner Meeting Minutes

Tuesday, March 3, 2026

Lacey City Hall Community Room

1. Call to Order

Mayor Ryder called the meeting to order at 4:35 p.m.

2. Roll Call

Council Present

Mayor Andy Ryder

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein

Councilmember Carolyn Cox

Councilmember Nicolas Dunning

Councilmember Maren Turner (present after 4:42 p.m.)

Councilmember Ryan Siu

Staff Present

Rick Walk, City Manager

Elissa Fontaine, City Clerk

3. Land Acknowledgement

4. Approval of the Agenda

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

5. Discussion on Local and Regional Matters

Discussion ensued on the following topics:

1. Review of the February 27, 2026, Council Worksession
2. Canoe Journey Event
3. United Way closure announcement
4. Regional Training Center funding

5. Regional Housing Council meeting structure
6. Update on Franz Anderson project
7. Recent law enforcement activity within city limits
8. Updates regarding Councilmembers' social media accounts

No final action was taken per Lacey City Council Policies and Procedures, Chapter 7.01.

6. Adjourn

Mayor Ryder adjourned the meeting at 5:46 p.m.



City Council Regular Meeting Minutes

Tuesday, March 3, 2026

Council Chambers and Online

1. Call to Order

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

2. Roll Call

Council Present

Mayor Andy Ryder

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein

Councilmember Carolyn Cox

Councilmember Nicolas Dunning

Councilmember Maren Turner

Councilmember Ryan Siu

Staff Present

Rick Walk, City Manager

Dave Schneider, City Attorney

Troy Woo, Finance Director

Chelsea Knight, Acting Financial Services Manager

Sarah Schelling, Current Planning and Economic Development Manager

Elissa Fontaine, City Clerk

3. Pledge of Allegiance

Mayor Ryder led the flag salute.

4. Land Acknowledgement

Mayor Ryder presented the abbreviated Land Acknowledgement.

5. Approval of Agenda and Consent Agenda Items

A. January 20, 2026, Council Meeting Minutes

B. January 27, 2026, Worksession Meeting Minutes

C. February 10, 2026, Informational Dinner Meeting Minutes

- D. February 10, 2026, Worksession Meeting Minutes
- E. February 17, 2026, Council Meeting Minutes
- F. Approval of claims, wages, and transfers for February 4 through 20, 2026
- G. Project No. 26-0020 - Final Subdivision for Ventura Crossing
- H. Community Planning Division 2026 Docket and Work Program
- I. Historical Commission Work Plan
- J. Parks, Culture, and Recreation Board Work Plan

Councilmember Greenstein moved to approve the agenda and consent agenda items. Councilmember Dunning seconded. The motion carried.

6. Public Recognitions and Presentations

- A. Library Board Member Recognition: Scott Robinson
- B. Library Board Member Recognition: Amy Blondin

Mayor Ryder and Council recognized Scott Robinson and Amy Blondin for their years of service on the Library Board. Library Board Chair Desy shared a few remarks.

7. Proclamations

A. American Red Cross Month

Vic Merolla, Community Volunteer Leader, American Red Cross – South Puget Sound and Olympics Chapter

Mayor Ryder and Council proclaimed March 2026 as American Red Cross Month. Merolla was present to accept the proclamation.

8. Public Comment

Verbal Public Comment

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

Dalton Coe, Lacey resident, commented against ICE detentions and license plate readers.

Chris Lewis, Vice President of Ground Zero Outreach, commented on the organization's mission and efforts.

Craig Stevenson, Lacey resident, commented on a completed slurry seal project, and a current sidewalk repair project.

No one registered to speak remotely.

Written Public Comment

No written public comments were received.

9. Ordinances

A. Ordinance 1696: ULID No. 25 Bond

Troy Woo, Finance Director

Chelsea Knight, Acting Financial Services Manager

Knight presented Ordinance 1696, adopting the ULID No. 25 Bond, authorizing the issuance and sale of water and sewer revenue bonds, fixing the form and terms of the bond, and providing the sale to the City's LID Debt Fund. The Council was briefed in detail on the bond during the February 24, 2026, Council Worksession.

**Deputy Mayor Miller moved to adopt Ordinance 1696 as presented.
Councilmember Greenstein seconded. The motion carried.**

B. Ordinance 1697: Co-Living Housing Amendment

Jennifer Adams, Housing Coordinator

Adams presented Ordinance 1697, amending the Lacey Municipal Code to establish regulations for co-living housing as required by RCW 36.70A.535. Staff advised that recent state legislation under ESHB 1998 requires local jurisdictions planning under the Growth Management Act (GMA) to accommodate co-living housing in zones that allow multifamily development. The Council was briefed in detail on the amendments during the February 10, 2026, Council Worksession.

**Deputy Mayor Miller moved to adopt Ordinance 1697 as presented.
Councilmember Cox seconded. The motion carried.**

10. Mayor's Report

Mayor Ryder did not present any reports.

11. City Manager's Report

A. 2026 Lacey Community Academy Briefing

Jenny Bauersfeld, Communications Specialist

Bauersfeld presented the 2026 Community Academy Program. The program aims to connect with the community, offer insight into how local government operates, and provide a forum where community members can stay informed, ask questions, and learn. The presentation included a detailed program overview, including a weekly session breakdown and the timeline.

B. Economic Development Strategic Plan and 2-year Work Program

Sarah Schelling, Current Planning and Economic Development Manager

Schelling presented the Economic Development Strategic Plan and 2-year Work Program. The strategic plan is a response to key questions about how to shape Lacey's next wave of economic growth, revitalize older commercial areas, and diversify retail options and employment base. The Council was most recently briefed on both items during the February 17, 2026, Council Worksession.

Councilmember Dunning moved to approve the Economic Development Strategic Plan and 2-year Work Program as presented. Councilmember Greenstein seconded. The motion carried.

C. Interlocal Agreement: Opioid Settlement

Dave Schneider, City Attorney

Walk and Schneider presented an update regarding the opioid settlement interlocal agreement (ILA). The Council was briefed in detail on the proposed amendments to the ILA during the February 24, 2026, Council Worksession.

Councilmember Greenstein moved to approve the First Amendment to the Interlocal Agreement for Opioid Abatement Council Independent Committee as presented and authorize the City Manager to sign the amended agreement. Councilmember Turner seconded. The motion carried.

Walk recognized the Lacey MakerSpace for recently receiving the 2026 Innovation in Economic Development Award from the Washington Economic Development Association.

12. Council Reports

A. Mayor Andy Ryder:

1. Mayors' Forum
2. Thurston Chamber Shared Legislative Committee
3. Transportation Policy Board (TPB)

Mayor Ryder did not provide any reports.

B. Deputy Mayor Malcolm Miller:

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

Deputy Mayor Miller provided a report from the EDC.

C. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. Law Enforcement Officers and Firefighters Plan 1 Disability Board (LEOFF-1)

3. TCOMM911
4. Thurston County Opioid Abatement Council

Councilmember Greenstein provided reports from TCOMM911, and EMS.

D. Councilmember Carolyn Cox:

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

Councilmember Cox did not provide any reports.

E. Councilmember Nicolas Dunning:

1. Law Enforcement Officers and Fire Fighters Plan 1 Disability Board (LEOFF-1)
2. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
3. Regional Housing Council (RHC)

Councilmember Dunning provided reports from the RHC.

F. Councilmember Maren Turner:

1. Nisqually River Council
2. Thurston County Law & Justice Council
3. Thurston Regional Planning Council

Councilmember Turner did not provide any reports.

G. Councilmember Ryan Siu:

1. Olympic Region Clean Air Agency (ORCAA)
2. Solid Waste Advisory Committee (SWAC)
3. Thurston Climate Mitigation Collaborative (TCMC)

Councilmember Siu provided reports from ORCAA and TCMC.

13. Adjourn

Mayor Ryder adjourned the meeting at 7:14 p.m.



STAFF REPORT

Council Regular Meeting

March 17, 2026

Subject: Disbursement Approval
To: Lacey City Council
Prepared by: Carrie Bode, Accounting Technician
Department Director: Troy Woo, Finance Director
Reviewed By: Troy Woo, Finance Director *tw*
Final Review: Same as Department Director

Purpose: Action Item

Recommendation: Motion to Approve

Brief: The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 2/2/2026 through 3/6/2026. The disbursements consist of the items below.

Alternatives:

Not Applicable

Prior Review:

Not Applicable

Advisory Board Recommendation(s):

Not Applicable

Fiscal Impact:

Budgeted Item: No

Disbursements consist of the following:

Checks:

<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
2/27/2026	283225	283310	1,206,869.32
2/27/2026*	283311	283315	9,911.61
3/6/2026	283316	283400	1,732,412.35

Electronic Transfers:

<u>Week of</u>	<u>Amount</u>
2/2/2026	5,027.80
2/25/2026	866.00
2/26/2026	73,626.68
2/27/2026	643,855.99
2/27/2026*	22,633.76
2/27/2026*	2,043,826.06
3/2/2026	150.70
3/2/2026	2,583.07
3/2/2026	2,037.13
3/2/2026	56,562.95
3/3/2026	30.00
3/6/2026	825,993.41

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

<u>Payroll:</u>	<u>Month End</u>	<u>Wages</u>
	2/27/2026*	2,321,429.73

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
Olympia-CARPFD	73,626.68	February 2026 CARPFD
Active Construction Inc.	295,288.82	College St. NE Extension
ANC Facility Services	152,299.45	Lakeview Meadows Util. Improvements
BES Electrical Services, LLC	165,222.81	Marvin Rd. Annexation Signal Impr.
City of Tumwater	250,451.00	LERMS, Labs, NPSG
Healthequity, Inc.	51,692.00	HRA/FSA Deduction
Puget Sound Energy, Inc.	71,409.69	Utility Bills
R.W. Scott Construction	291,189.60	2025 Sidewalk Repair
Turf Star, Inc.	133,565.31	Mower for Cuoio Park
Washington Roofing Solutions	91,872.65	Jacob Smith House Roof
US Bank	56,562.95	Employee Credit Card Charges
LOTT Wastewater Alliance	121,004.47	February 2026 Reserve Capacity
LOTT Wastewater Alliance	1,449,060.86	February 2026 ERU's
Prospect Construction, Inc.	510,905.68	Lift Station 3 Replacement
Schetky Northwest Sales, Inc.	89,930.99	New ADA Van for Veterans Hub



CITY OF LACEY

Official Proclamation

WHEREAS, Transgender Day of Visibility, founded in 2009 by Rachel Crandall, honors and celebrates transgender individuals and communities, while recognizing the legacy of courageous leaders, including the transgender women of color at the Stonewall uprising in 1969, who advanced the movement for equality and justice; and

WHEREAS, this day recognizes the accomplishments, resiliency, and contributions of transgender, gender non-conforming, and non-binary individuals, while raising awareness of the ongoing work needed to eliminate discrimination, harassment, and violence based on gender identity; and

WHEREAS, we celebrate the many ways transgender Americans contribute to every facet of society, including serving in the military, building businesses, raising families, sharing their stories, and strengthening our communities; and

WHEREAS, despite progress, transgender, gender non-conforming, and non-binary individuals, particularly women and girls of color, continue to face disproportionate rates of discrimination and violence; and

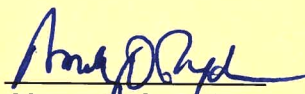
WHEREAS, on this day, and every day, the City of Lacey stands with our transgender, gender non-conforming, and non-binary community members for dignity and equal rights and to provide inclusive and healing spaces; and

WHEREAS, the City of Lacey is committed to fostering a community where all people are safe, respected, fully accepted, and free to live authentically without fear of harassment or discrimination;

NOW, THEREFORE, I, Andy Ryder, Mayor of the City of Lacey, on behalf of the City Council, do hereby proclaim March 31, 2026, as

Transgender Day of Visibility

in the City of Lacey, and encourage all community members to celebrate and respect the lives and voices of transgender, gender non-conforming, and non-binary individuals, and to work toward eliminating violence and discrimination in all forms.


Mayor Andy Ryder
March 17, 2026



STAFF REPORT

Council Regular Meeting
March 17, 2026

Subject: 2025 Carryover Budget Amendment
To: Lacey City Council
Prepared by: Chelsea Knight, Acting Financial Services Manager
Department Director: Troy Woo, Finance Director
Reviewed By: Troy Woo, Finance Director
Final Review: Rick Walk, City Manager

RW

Purpose: Action Item

Recommendation: Motion to Adopt Ordinance 1698 amending the 2026 budget to re-appropriate 2025 budgeted amounts for projects not completed in 2025

Brief: It is common for the City to have outstanding commitments and budget appropriations for goods and services that were properly authorized, budgeted, and encumbered but not fully expended prior to the fiscal year-end. The carryover budget amendment allows for the movement of those budgeted dollars from one year to the next with specific requirements.

Alternatives:

1. Motion to adopt Ordinance No. 1698 authorizing the 2025 Carryover Budget Amendment.
2. Motion amending proposed Ordinance No. 1698 to authorize amounts different than currently proposed.
3. Some other option not contemplated.

Prior Review:

Council Worksession – 3/10/2026

Fiscal Impact:

Budgeted Item: Amendment required
Amount: \$34,087,316

Attachments:

1. Ordinance No. 1698

Policy or Legal Alignment:

1. RCW 35A.33.120

Background:

Despite thorough budget planning and efforts to finalize projects and purchases before the year-end closing, staff may not always be able to complete every initiative within the designated calendar year. Various factors, including unforeseen delays, procurement challenges, and project complexities, can impact the timely execution of planned expenditures.

These uncompleted initiatives continue to be priorities and are expected to be finalized during the 2026 fiscal year. To ensure continuity and adequate budget appropriations, it becomes necessary to carry forward previously approved budget appropriations into the next year. This process maintains funding for these ongoing commitments without disrupting their progress.

The proposed budget amendments for the upcoming year are specifically limited to carryover encumbrances and capital projects. These adjustments ensure that previously allocated resources remain available to fulfill obligations and complete previously approved expenditures, ultimately supporting the City's long-term objectives and operations.

The encumbrance and capital carryover requests are restricted as follows:

- Limited to formally adopted, outstanding obligations that were properly authorized and encumbered prior to fiscal year-end.
- Capital projects and purchases were previously authorized by City Council through the adopted budget.
- Budget carryovers must remain within the same fund as the original appropriation.
- Prohibits budget carryovers that would result in deficit spending or a negative ending fund balance.

Each fund is presented individually in the proposed carryover amendment list to provide a clear and transparent breakdown of the budget adjustments. The list is structured with three key columns of financial data for each line item:

2026 Budget: The first column displays the amount currently approved for that specific line item in the adopted 2026 budget.

Budget Amendment: The second column reflects the additional amount requested for the line item as part of the carryover amendment.

2026 Budget as Amended: The final column shows the updated total for the line item, incorporating the proposed adjustment, should the amendments be approved.



To illustrate the overall financial impact, total lines are included at the bottom of each fund's section. These totals indicate both the pre-amendment and post-amendment budget appropriation amounts, which is particularly important as the budget is formally adopted by the total fund amount rather than by individual line-item details.

Additionally, each line item includes a brief explanation or description to provide context regarding the nature of the proposed adjustment.

The following table contains the total proposed budget amendment amounts by fund type:

<u>Fund Type</u>	<u>Total Proposed Amendment</u>
General Fund	6,436,668
Special Funds	3,501,918
Debt Funds	-
Capital Funds	11,258,010
Utility Funds	12,787,009
Fiduciary Funds	-
Internal Service Funds	83,711
	34,067,316

It is requested that the City Council review the proposed bond ordinance and, upon concurrence, adopt the proposed ordinance that will authorize the 2025 Carryover Budget Amendment.

ORDINANCE NO. 1698

CITY OF LACEY

AN ORDINANCE AMENDING THE 2026 FISCAL YEAR BUDGET AND ORDINANCE NO. 1693 ADOPTING SAID BUDGET TO RE-APPROPRIATE 2025 BUDGETED AMOUNTS FOR PROJECTS NOT COMPLETED IN 2025 AND ADOPTING A SUMMARY FOR PUBLICATION.

WHEREAS, at the end of the 2025 fiscal year, certain funds which had been appropriated had not been spent because the programs, improvements, contracts or orders had not, as yet, been completed, and

WHEREAS, in order to complete such programs, projects and orders, and to pay the cost thereof, it is necessary that such funds be re-appropriated in the 2026 budget, NOW, THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. The 2026 fiscal year budget and Ordinance No. 1693 adopting said budget are hereby amended in the manner set forth on Exhibit A, which is attached hereto and made a part hereof as though fully set forth at length.

Section 2. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON,
on this March 17, 2026.

CITY COUNCIL

By: _____
Andy Ryder, Mayor

Approved as to form:

Dave Schneider, City Attorney

Attest:

Elissa Fontaine, City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1698

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on March 17, 2026, Ordinance No. 1698 entitled “**AN ORDINANCE AMENDING THE 2026 FISCAL YEAR BUDGET AND ORDINANCE NO. 1693 ADOPTING SAID BUDGET TO RE-APPROPRIATE 2025 BUDGETED AMOUNTS FOR PROJECTS NOT COMPLETED IN 2025 AND ADOPTING A SUMMARY FOR PUBLICATION.**”

A section by section summary of this ordinance is as follows:

Section 1 amends the 2026 fiscal year budget and Ordinance No. 1693, adopting said budget by re-appropriating funds from the 2025 fiscal year budget which were not expended because the programs, projects, contracts and orders were not completed in 2025.

Section 2 provides provisions for corrections.

Section 3 approves this summary.

A copy of the full text of this ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: March 19, 2026

2026 Budget Amendments - Ordinance No. 1698 Exhibit "A"

Account Numbers	Account Description	2026 Budget	Budget Amendment	2026 Budget as Amended	Comments
Current Expense Fund					
Revenues					
001-0000-308-0000	Beginning Cash	4,884,056	5,414,624	10,298,680	Cash reserves
Total Current Expense Fund Revenues		61,999,390	5,414,624	67,414,014	
Expenditures					
001-0302-519-4919	Miscellaneous / Neighborhood Grant Prog	60,000	18,022	78,022	Neighborhood Grant Program
001-0304-511-4956	Miscellaneous / Youth Council	5,000	2,873	7,873	Lacey Youth Council Summit
001-0501-513-4101	Professional Services / Prof. Svc-Other	25,000	30,000	55,000	Professional Facilitator
001-0801-552-5817	Agreements / Social Svc-Local Grants	300,000	297,600	597,600	Human Services Grant
001-0802-565-4102	Professional Services / Permanent Support Housing	-	3,000,000	3,000,000	Regional Permanent Supportive Housing Project
001-0805-594-6501	Social Services / Veterans Services HUB	-	372,396	372,396	Veterans Hub Accessibility
001-1004-514-4101	Professional Services / Prof. Svc-Other	5,000	23,620	28,620	Records Project
001-2101-521-4101	Professional Services / Prof. Svc-Other	50,000	25,428	75,428	Wellness/Counseling Program
001-2104-521-4303	Travel / Registrations	47,200	840	48,040	2025 Training
001-2104-521-4905	Miscellaneous / Professional Development	62,566	8,170	70,736	Vector Solutions
001-2107-521-3102	Supplies / Small Tools & Equipment	20,000	1,707	21,707	Stop Stick Order
001-2109-521-4957	Miscellaneous / Lacey Resource Officers	3,000	2,500	5,500	Volunteer Appreciation Event
001-3301-576-4101	Professional Services / Prof. Svc-Other	5,000	19,678	24,678	Operations Facility Improvement - Planning Design
001-3301-576-4101	Professional Services / Prof. Svc-Other	24,678	1,950	26,628	Remodel Copy Room at the Shop
001-3301-576-4101	Professional Services / Prof. Svc-Other	26,628	20,000	46,628	Planning for Shop Yard Improvements
001-3601-572-4803	Repairs & Maintenance / Rep & Maint-Facilities	16,521	65,000	81,521	Library HVAC Equipment Replacement
001-3701-558-4101	Professional Services / Prof. Svc-Other	32,000	40,086	72,086	Comprehensive Plan Update Grant
001-3701-558-4101	Professional Services / Prof. Svc-Other	72,086	153,549	225,635	Climate Planning Grant
001-3701-558-4101	Professional Services / Prof. Svc-Other	225,635	81	225,716	GMA Housing
001-3701-558-4101	Professional Services / Prof. Svc-Other	225,716	12,910	238,626	BERK Population Contract
001-3701-558-4920	Miscellaneous / Special Projects	205,000	12,340	217,340	ADU Carryover ILA
001-3701-558-7000	Planning & Comm. Devel. / Economic Development	649,400	100,000	749,400	ADA Improvements - Depot
001-3701-558-7000	Planning & Comm. Devel. / Economic Development	749,400	84,126	833,526	Food Truck Feasibility
001-3701-558-7000	Planning & Comm. Devel. / Economic Development	833,526	50,000	883,526	Midtown Branding
001-3701-558-7000	Planning & Comm. Devel. / Economic Development	883,526	37,400	920,926	Food Truck Depot - Night Market
001-7401-574-4101	Professional Services / Prof. Svc-Other	172,000	40,473	212,473	McKinney House Parcel Assessment
001-7501-597-0201	Transfers Out / Transfer Out 301 Fund	-	30,000	30,000	Utility Billing Counter Improvements
001-7501-597-1003	Transfers Out / Transfer Out 303 Fund	-	519,352	519,352	Greg Cuoio Park Phase 1A
001-7501-597-1003	Transfers Out / Transfer Out 303 Fund	519,352	256,000	775,352	Longs Pond Dock Replacement
001-7501-597-1102	Transfers Out / Transfer Out 302 Fund	420,403	188,523	608,926	Equipment for Cuoio Park Maintenance
Total Current Expense Fund Expenditures		61,999,390	5,414,624	67,414,014	
Community Buildings					
Revenues					
005-0000-308-0000	Beginning Cash	183,777	159,021	342,798	Cash Reserves
Total Community Buildings Fund Revenues		962,886	159,021	1,121,907	
Expenditures					
005-7606-575-4131	Professional Services / Prof. Svc-Building Maint.	-	15,000	15,000	Replace fire alarm at Russell House
005-7612-575-4803	Repairs & Maintenance / Rep & Maint-Equip-Grnds	750	144,021	144,771	Jacob Smith House
Total Community Buildings Fund Expenditures		962,886	159,021	1,121,907	

Account Numbers	Account Description	2026 Budget	Budget Amendment	2026 Budget as Amended	Comments
City Street Fund					
Revenues					
101-0000-308-0000	Beginning Cash	-	78,447	78,447	Cash reserves
Total City Street Fund Revenues		5,005,269	78,447	5,083,716	
Expenditures					
101-4201-543-4101	Professional Services / Prof. Svc-Other	500	30,463	30,963	Operations Facility Improvement - Planning Design
101-4201-543-4101	Professional Services / Prof. Svc-Other	30,963	3,000	33,963	Remodel Copy Room at the Shop
101-4201-543-4101	Professional Services / Prof. Svc-Other	33,963	13,000	46,963	Planning for Shop Yard Improvements
101-4211-542-3201	Electrical Supplies / Electrical Supplies	90,000	31,984	121,984	Light Poles
Total City Street Fund Expenditures		5,005,269	78,447	5,083,716	
Arterial Streets Fund					
Revenues					
102-0000-308-0000	Beginning Cash	2,751,338	3,501,918	6,253,256	Cash reserves
Total Arterial Streets Fund Revenues		7,142,500	3,501,918	10,644,418	
Expenditures					
102-4101-595-9001	Preliminary Engineering	2,255,000	1,319,769	3,574,769	Carry forward preliminary engineering costs for various transportation construction projects
102-4101-595-9002	Right of Way	3,285,000	1,935,488	5,220,488	Carry forward right of way costs for various transportation construction projects
102-4101-595-9009	Traffic Control Devices	20,000	246,661	266,661	Carry forward traffic control device costs for various transportation construction projects
Total Arterial Streets Fund Expenditures		7,142,500	3,501,918	10,644,418	
Building Improvement Fund					
Revenues					
301-0000-308-0000	Beginning Cash	3,221,662	7,616,589	10,838,251	Cash reserves
301-0000-397-1101	Transfers In / Transfer in 001,003,005	-	30,000	30,000	Utility Billing Counter Improvements
Total Building Improvement Fund Revenues		3,255,462	7,646,589	10,902,051	
Expenditures					
301-0101-514-6002	Capital Outlays / Capital Outlay-Public Art	50,000	20,000	70,000	Utility Wraps
301-0101-514-6003	Capital Outlays / Capital-Improvements	-	50,000	50,000	Library Small Conference Rooms
301-0101-514-6003	Capital Outlays / Capital-Improvements	50,000	30,000	80,000	Utility Billing Counter Improvements
301-0101-514-6003	Capital Outlays / Capital-Improvements	80,000	240,161	320,161	Preliminary Design for City Hall Central Improvements
301-0101-514-6004	Capital Outlays / Capital-Buildings	3,205,462	7,108,428	10,313,890	Police Station and Training Center
301-0101-514-6005	Capital Outlays / Capital-Land	-	120,000	120,000	Parks Maintenance Portion of Property Purchase
301-0101-514-6005	Capital Outlays / Capital-Land	120,000	78,000	198,000	Street Portion of Property Purchase
Total Building Improvement Fund Expenditures		3,255,462	7,646,589	10,902,051	

Account Numbers	Account Description	2026 Budget	Budget Amendment	2026 Budget as Amended	Comments
Capital Equipment Fund					
Revenues					
302-0000-308-0000	Beginning Cash	227,054	769,576	996,630	Cash Reserves
302-0000-397-1101	Transfer In 001, 003, 005	420,403	188,523	608,926	Equipment for Cuoio Park Maintenance
Total Capital Equipment Fund Revenues		733,036	958,099	1,691,135	
Expenditures					
302-0102-519-6410	Capital Outlays / Capital-Police	75,746	7,679	83,425	Vehicle Upfit - Unit 586
302-0102-519-6410	Capital Outlays / Capital-Police	83,425	17,094	100,519	Vehicle Upfit - Unit 587
302-0102-519-6410	Capital Outlays / Capital-Police	100,519	7,990	108,509	Vehicle Upfit - Unit 588
302-0102-519-6410	Capital Outlays / Capital-Police	108,509	7,990	116,499	Vehicle Upfit - Unit 589
302-0102-519-6410	Capital Outlays / Capital-Police	116,499	34,590	151,089	Vehicle Upfit - Unit 591
302-0102-519-6410	Capital Outlays / Capital-Police	151,089	1,868	152,957	Equipment for Bike Unit
302-0102-519-6412	Capital Outlays / Capital-Public Works-Pks	153,852	188,523	342,375	Equipment for Cuoio Park Maintenance
302-0102-519-6417	Capital Outlays / Capital-City Streets	-	58,062	58,062	Sander for Dump Truck
302-0102-597-1103	Transfers Out / Transfer Out 303 Fund	-	112,328	112,328	Long Lake House & Dock Demolition
302-0104-559-6001	Capital Outlays / Economic Development	-	436,422	436,422	Midtown District Economic Development
302-0105-597-0201	Transfers Out / Transfer Out 301 Fund	-	85,553	85,553	Bush Park Playground Equipment
Total Capital Equipment Fund Expenditures		733,036	958,099	1,691,135	
Parks & Open Space Fund					
Revenues					
303-0000-308-0000	Beginning Cash	-	681,347	681,347	Cash Reserves
303-0000-334-0270	Interagency Committee / Outdoor Recreation IAC	-	500,000	500,000	Rainier Vista Park Improvements
303-0000-334-0270	Interagency Committee / Outdoor Recreation IAC	500,000	220,710	720,710	Bush Park Playground Equipment
303-0000-367-0000	Miscellaneous Revenue / Contributions	-	25,000	25,000	Rainier Vista Park Improvements
303-0000-367-0000	Miscellaneous Revenue / Contributions	25,000	5,000	30,000	Rainier Vista Park Improvements
303-0000-367-0000	Miscellaneous Revenue / Contributions	30,000	110,000	140,000	Bush Park Playground Equipment
303-0000-397-1010	Transfers In / Transfers in 307 Fund	-	112,328	112,328	Long Lake House & Dock Demolition
303-0000-397-1101	Transfers In / Transfer In 001, 003, 005	-	85,553	85,553	Bush Park Playground Equipment
303-0000-397-1101	Transfers In / Transfer In 001, 003, 005	85,553	519,352	604,905	Greg Cuoio Park Phase 1A
303-0000-397-1101	Transfers In / Transfer In 001, 003, 005	604,905	256,000	860,905	Longs Pond Dock Replacement
Total Parks & Open Space Fund Revenues		24,810	2,515,290	2,540,100	
Expenditures					
303-0106-576-6001	Capital Outlays / Capital Outlays-Equipment	-	273,866	273,866	Parks Facilities Security Camera Expansion
303-0106-576-6003	Capital Outlays / Capital-Improvements	-	554,542	554,542	Greg Cuoio Park Phase 1A
303-0106-576-6003	Capital Outlays / Capital-Improvements	554,542	256,000	810,542	Longs Pond Dock Replacement
303-0106-576-6003	Capital Outlays / Capital-Improvements	810,542	112,328	922,870	Long Lake House & Dock Demolition
303-0106-576-6003	Capital Outlays / Capital-Improvements	922,870	842,897	1,765,767	Rainier Vista Park Improvements
303-0106-576-6003	Capital Outlays / Capital-Improvements	1,765,767	416,263	2,182,030	Bush Park Playground Equipment
303-0106-576-6003	Capital Outlays / Capital-Improvements	2,182,030	59,394	2,241,424	Wonderwood Trail
Total Parks & Open Space Fund Expenditures		24,810	2,515,290	2,540,100	

Account Numbers	Account Description	2026 Budget	Budget Amendment	2026 Budget as Amended	Comments
Regional Athletic Complex-Capital					
Revenues 307-0000-308-0000	Beginning Cash	479,249	1,096,131	1,575,380	Cash reserves
Total Regional Athletic Complex-Capital Revenue		2,492,200	1,096,131	3,588,331	
Expenditures 307-0106-576-6219	Capital Outlays / Sport Com-Prel Design	1,900,000	1,096,131	2,996,131	RAC Improvements
Total Regional Athletic Complex-Capital Expenditures		2,492,200	1,096,131	3,588,331	
Water Fund					
Revenues 401-0000-308-0000	Beginning Cash	-	116,117	116,117	Cash reserves
Total Water Fund Revenues		26,568,039	116,117	26,684,156	
Expenditures 401-3401-534-4101 401-3401-534-4101 401-3401-534-4101	Professional Services / Prof. Svc-Other Professional Services / Prof. Svc-Other Professional Services / Prof. Svc-Other	59,750 139,067 143,867	79,317 4,800 32,000	139,067 143,867 175,867	Operations Facility Improvement - Planning Design Remodel Copy Room at the Shop Planning for Shop Yard Improvements
Total Water Fund Expenditures		26,568,039	116,117	26,684,156	
Wastewater Fund					
Revenues 402-0000-308-0000	Beginning Cash	-	102,200	102,200	Cash reserves
Total Wastewater Fund Revenues		29,815,305	102,200	29,917,505	
Expenditures 402-3501-535-4101 402-3501-535-4101 402-3501-535-4101	Professional Services / Prof. Svc-Other Professional Services / Prof. Svc-Other Professional Services / Prof. Svc-Other	40,000 110,000 114,200	70,000 4,200 28,000	110,000 114,200 142,200	Operations Facility Improvement - Planning Design Remodel Copy Room at the Shop Planning for Shop Yard Improvements
Total Wastewater Fund Expenditures		29,815,305	102,200	29,917,505	
Stormwater Fund					
Revenues 403-0000-308-0000	Beginning Cash	-	22,389	22,389	Cash Reserves
Total Stormwater Fund Revenues		6,204,191	22,389	6,226,580	
Expenditures 403-4201-538-4101 403-4201-538-4101 403-4201-538-4101	Professional Services / Prof. Svc-Other Professional Services / Prof. Svc-Other Professional Services / Prof. Svc-Other	54,059 68,398 69,448	14,339 1,050 7,000	68,398 69,448 76,448	Operations Facility Improvement - Planning Design Remodel Copy Room at the Shop Planning for Shop Yard Improvements
Total Stormwater Fund Expenditures		6,204,191	22,389	6,226,580	

Account Numbers	Account Description	2026 Budget	Budget Amendment	2026 Budget as Amended	Comments
Water Capital Fund					
Revenues					
410-0000-308-0000	Beginning Cash	13,375,559	6,823,214	20,198,773	Cash reserves
Total Water Capital Fund Revenues		26,118,726	6,823,214	32,941,940	
Expenditures					
410-3418-534-9001	Capital Projects / Preliminary Engineering	7,506,250	741,282	8,247,532	Carry forward preliminary engineering costs for various water construction projects
410-3418-534-9005	Capital Projects / Construction Engineering	1,255,875	388,862	1,644,737	Carry forward construction engineering costs for various water construction projects
410-3418-534-9013	Capital Projects / Construction/Utilities	15,560,375	4,693,070	20,253,445	Carry forward utility construction costs for various water construction projects
410-3418-534-9022	Capital Projects / Purchase of Land	600,000	1,000,000	1,600,000	Carry forward land acquisition cost for a water construction project
Total Water Capital Fund Expenditures		26,118,726	6,823,214	32,941,940	
Wastewater Capital Fund					
Revenues					
411-0000-308-0000	Beginning Cash	-	5,384,880	5,384,880	Cash reserves
Total Wastewater Capital Fund Revenues		12,788,382	5,384,880	18,173,262	
Expenditures					
411-3518-535-9001	Capital Projects / Preliminary Engineering	1,954,500	451,160	2,405,660	Carry forward preliminary engineering costs for various wastewater construction projects
411-3518-535-9005	Capital Projects / Construction Engineering	641,250	427,729	1,068,979	Carry forward construction engineering costs for various wastewater construction projects
411-3518-535-9013	Capital Projects / Construction/Utilities	7,741,750	4,505,991	12,247,741	Carry forward utility construction costs for various wastewater construction projects
Total Wastewater Capital Fund Expenditures		12,788,382	5,384,880	18,173,262	
Stormwater Capital Fund					
Revenues					
412-0000-308-0000	Beginning Cash	1,125,998	338,209	1,464,207	Cash reserves
Total Stormwater Capital Fund Revenues		2,522,140	338,209	2,860,349	
Expenditures					
412-4218-542-9001	Capital Projects / Preliminary Engineering	1,038,750	151,161	1,189,911	Carry forward preliminary engineering costs for various stormwater construction projects
412-4218-542-9005	Capital Projects / Construction Engineering	105,000	15,166	120,166	Carry forward construction engineering costs for various stormwater construction projects
412-4218-542-9013	Capital Projects / Construction/Utilities	1,276,250	171,882	1,448,132	Carry forward construction costs for various stormwater construction projects
Total Stormwater Capital Fund Expenditures		2,522,140	338,209	2,860,349	
Equipment Rental Fund					
Revenue					
501-0000-308-0000	Beginning Cash	1,499,364	83,711	1,583,075	Cash reserves
Total Equipment Rental Fund Revenues		6,474,561	83,711	6,558,272	
Expenditures					
501-4801-548-6002	Capital Outlays - Replacements	2,974,939	23,437	2,998,376	Vehicle Upfit - Unit 586
501-4801-548-6002	Capital Outlays - Replacements	2,998,376	14,022	3,012,398	Vehicle Upfit - Unit 587
501-4801-548-6002	Capital Outlays - Replacements	3,012,398	23,126	3,035,524	Vehicle Upfit - Unit 588
501-4801-548-6002	Capital Outlays - Replacements	3,035,524	23,126	3,058,650	Vehicle Upfit - Unit 589
Total Equipment Rental Fund Expenditures		6,474,561	83,711	6,558,272	



STAFF REPORT

Council Regular Meeting
March 17, 2026

Subject: Repeal Social Card Games Prohibition
To: Lacey City Council
Prepared by: Shannon Kelley-Fong
Department Director: Shannon Kelley-Fong, Assistant City Manager
Reviewed By: Dave Schneider, City Attorney
Final Review: Rick Walk, City Manager

SKF

RW

Purpose: Action Item

Recommendation: Motion to Adopt Ordinance 1699 repealing Chapter 5.06 of the Lacey Municipal Code, Social Card Games Prohibited

Brief: Over the past few months, the Lacey City Council reviewed and discussed potential, select revenue options for the City. In August 2025 and January 2026, the City Council discussed potential changes to gambling taxes and prohibitions on social card establishments. City Council provided the following direction: 1) return with an ordinance repealing the prohibition on social card games, 2) continue to monitor social card game taxes, and 3) consider increases to pull-tab taxes.

Alternatives:

1. No change: Continue as is. Do not repeal the prohibition of social card games in Lacey.
2. Some other option not contemplated in the above.
3. Provide direction to City staff on other elements to consider. After further diligence on these elements, City Staff would then return to the Council to review additional materials for consideration.

Prior Review:

Council Worksession - 1/13/2026 [Link](#)
Council Regular Meeting - 12/2/2025 [Link](#)
Council Worksession - 10/14/2025 [Link](#)
Council Regular Meeting - 9/16/2025 [Link](#)
Council Worksession - 9/9/2025 [Link](#)
Council Regular Meeting - 8/19/2025 [Link](#)

Advisory Board Recommendation(s):

Not Applicable

Fiscal Impact:

Budgeted Item: No

Amount: None immediately, potential long-term

Project Code: N/A

Funding Source: Revenue for the general fund

Attachments:

1. Ordinance 1699

Policy or Legal Alignment:

1. [2025 Work Plan](#): Financial Planning, Review of Potential Revenue Sources

Background: As part of the Revenue Enhancement Strategy discussions, at previous Council meetings, the Lacey City Council reviewed information on commercial gambling taxes (gambling taxes), including:

1. The statutory framework for gambling taxes. These discussions focused primarily on social card games and punchboard or pull-tab tax rates.
2. The City's current gambling tax rates, state maximum rates, and potential options available to the City.
3. An analysis of social card games and punchboard or pull tabs tax rates for comparable cities statewide.
4. Potential general fund revenue increases for gambling taxes.

Direction: After discussion, at the Worksession on January 13, 2026, the City Council provided direction to staff to:

1. Create an Ordinance for City Council consideration repealing the prohibition on new Social Card Game establishments in Lacey, see **Attachment 1**, Ordinance 1699, which would repeal Chapter 5.06 of the Lacey Municipal Code relating to Social Card Game Prohibition.
2. To monitor social card game taxes over the next few years, however, make no changes to the tax rate at this time. The City Council discussed providing a longer time duration to increase the social card game tax rate in the future, pending future City Council direction (for example, increasing the tax gradually over five years to 10%, the previous tax rate before it was reduced). However, at this time, the City Council did not direct staff to move forward with an ordinance for consideration.
3. To consider increasing the tax rate for pull-tabs. Staff has updated information on this item; see the "Updated Pull Tab Information" section below.



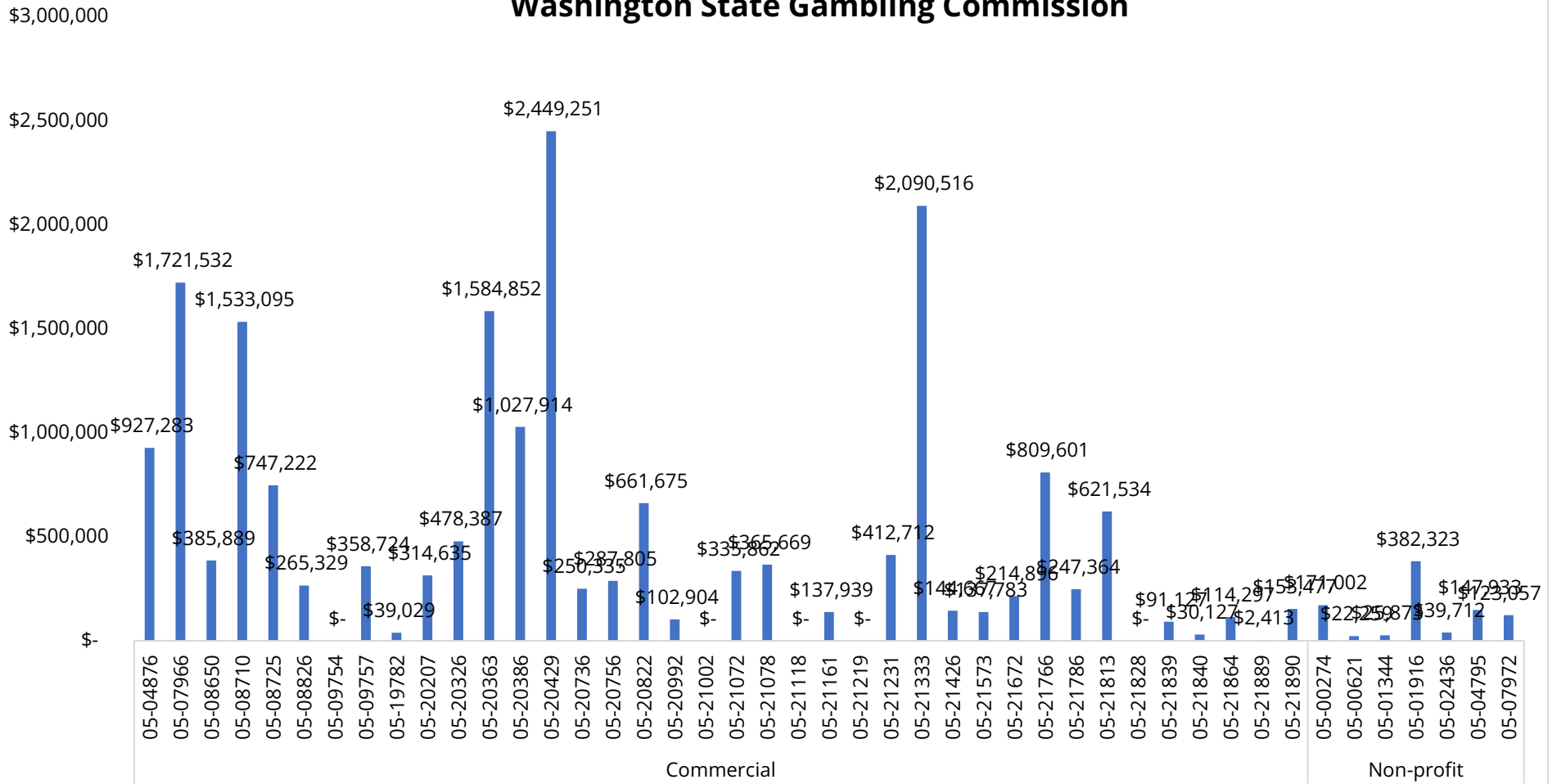
Additional Information: In addition to the above, the City Council also had questions on:

1. **The number of social card rooms statewide:** While there were some minimal fluctuations, [Financial reports](#) from the Washington State Gambling Commission (WSGC) demonstrate an overall decrease in house-banked Social Card Rooms statewide from 2019 to 2024, from 43 to 41. “House-banked” refers to the business serving as the bank, see **Table A**.

Table A	
House Banked Card Room Financial Statements, 2019-2024	
Year	# of House- Banked Card Rooms Statewide
2019	43
2020	43
2021	42
2022	41
2023	40
2024	41

2. **Entities offering Pull-Tabs in Thurston County:** With some fluctuations, in 2024, 50 licenses were listed in WSGC reports. Of these 50 licenses, 40 reported positive gross gambling receipts; 5 had gross gambling receipts of \$0. Of the 50 licenses, 43 were commercial, and 7 were non-profit, see **Figure 1**.

**Figure1: 2024 Thurston County Pull Tab license data
Washington State Gambling Commission**



3. Example of Social Card Game Tax Rate Increase Applied to Previous Years:

The City Council requested information on the potential impact on net income had the social card game tax rate been increased in previous years. **Table C** provides a hypothetical, projected net income or loss at rates of 8%, 9%, and 10%.

Table B							
Washington State Gambling Tax Card Room Financial Statements: Fortune Casino Lacey, 2018-2023							
Company	Year	Card Room Revenue	Other Revenue	Total Revenue	Total Expenses	Net Income or (Loss)	Link
Fortune	2023	\$6,959,544	\$1,952,231	\$8,911,775	\$8,655,240	\$256,535	Link
Fortune	2022	\$6,680,576	\$1,636,958	\$8,317,534	\$7,663,119	\$654,415	Link
Hawks Prairie	2021	\$3,893,250	\$890,944	\$4,784,194	\$2,604,793	\$2,179,401	Link
Hawks Prairie	2020	\$1,437,083	\$386,907	\$1,823,990	\$3,200,579	(\$1,376,589)	Link
Hawks Prairie	2019	\$4,580,299	\$1,097,852	\$5,678,151	\$4,942,287	\$735,864	Link
Hawks Prairie	2018	\$4,854,743	\$957,535	\$5,812,278	\$4,944,453	\$867,825	Link

Table C									
Washington State Gambling Tax Card Room Financial Statements: Fortune Casino Lacey, 2018-2023									
Company	Year	Actual Net Income or (Loss)	Current Rate 7.5%	8% Rate	Projected 8% - Net Income or Loss	9% Rate	Projected 9% Net Income or Loss	10% Rate	Projected 10% Net Income or Loss
Fortune	2023	\$256,535	\$521,966	\$556,764	\$221,737	\$626,359	\$152,142	\$695,954	\$82,547
Fortune	2022	\$654,415	\$501,043	\$534,446	\$621,012	\$601,252	\$554,206	\$668,058	\$487,400
Hawks Prairie	2021	\$2,179,401	\$291,994	\$311,460	\$2,159,935	\$350,393	\$2,121,003	\$389,325	\$2,082,070
Hawks Prairie	2020	(\$1,376,589)	\$107,781	\$114,967	(\$1,383,775)	\$129,337	(\$1,398,145)	\$143,708	(\$1,412,516)
Hawks Prairie	2019	\$735,864	\$343,522	\$366,424	\$712,962	\$412,227	\$667,159	\$458,030	\$621,356
Hawks Prairie	2018	\$867,825	\$364,106	\$388,379	\$843,552	\$436,927	\$795,004	\$485,474	\$746,457

Updated Pull-Tab Information

Upon further review, the option previously presented to increase the Punchboard or Pull-tab rate to 10% was incorrect.

State law distinguishes between gross receipts and net receipts:

- **Gross receipts** refer to the total amount taken in by selling the tabs.
- **Net receipts** would be what remains after prizes and costs. **Table D** provides an update on Punch Board or Pull-Tab State Requirements.

Table D			
Lacey Commercial Punch Board or Pull-Tab Rates, State Requirements, Options			
Activity	City rate	Max Rate	Options
Punchboards or pull-tables	4% of gross receipts	5% of gross receipts	Increase by up to an additional 1%
		-or-	-or-
		10% of net receipts	Move to net receipt rate (not recommended)

By state regulation ([WAC 230-14-080](#)), most pull-tab games must have a total prize payout of at least 60% of gross receipts for each series sold. That means out of every \$100 taken in, at least \$60 must be paid back as prizes. The maximum theoretical gross profit is 40% of gross receipts. However, it is unlikely that most games, if any, yield this much in profit when considering purchasing pull-tab packs, licensing, records, staff time, etc.

Net receipts are likely to be significantly lower than gross receipts, often below 50% of gross. As a result, 10% of net is usually smaller than 5% of gross, unless the profit margin is over 50%, see **Table E**. For this reason, City staff does not recommend changing from gross receipts to net receipts.

Table E						
Pull-Tabs: Gross v Net Receipt Examples						
Example	Profit Margin	Gross Receipts	Net Receipts	5% of Gross	10% of Net	Higher Amount
Example 1	30%	\$100,000	\$30,000	\$5,000	\$3,000	Gross
Example 2	50%	\$100,000	\$50,000	\$5,000	\$5,000	Same
Example 3	60%	\$100,000	\$60,000	\$5,000	\$6,000	Net

Table F provides updated Punchboard or Pull-Tab rates in other comparable-sized Washington state cities by rate type (net or gross receipts).

Table F			
Comparable cities with Punchboard or Pull-Tab Tax Rates			
City	Population	Rate	Rate type (likely)
Yakima	98,200	10%	Net
Kirkland	93,570	5%	Gross
Pasco	80,180	10%	Net
Redmond	75,270	1%	Gross
Sammamish	68,150	5%	Gross
Shoreline	60,320	5%	Gross
Lacey	58,180	4%	Gross
Olympia	54,749	3%	Gross
Burien	52,490	5%	Gross
Bothell	48,940	-	-
Issaquah	40,950	5%	Gross
Wenatchee	35,650	-	-
University Place	35,420	5%	Gross
Walla Walla	34,020	8%	Net
Des Moines	33,160	5%	Gross
SeaTac	31,910	5%	Gross
Tumwater	26,360	3%	Gross
Average	54,749	5.3% (all) 9.3% (net receipts) 4.3 (gross)	
Source: AWC 2024 Utility and Fee Survey, plus additional research			

With this taken into account, the City could increase the punchboard or pull-tab gambling tax rate from 4% to 5%. For each 0.5% increase in the rate, this would increase revenue by \$5,000. **Table G** provides an estimated projection of punchboard or pull-tab revenues, based on historical revenue from existing punchboard or pull-tab revenues.

Table G		
Pull Tabs Rate – Projected Revenues		
Rate	Est. Revenue	Difference
4.00%	\$40,000	\$0
4.50%	\$45,000	\$5,000
5.00%	\$50,000	\$10,000

ORDINANCE NO. 1699

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON, RELATED TO THE SOCIAL CARD GAME PROHIBITION, REPEALING CHAPTER 5.06 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION

WHEREAS, in 1999, Ordinance No. 1120, later modified by Ordinance 1160 in 2001, was codified in Section 5.06 of the Lacey Municipal Code, which approved the prohibition of social card games except those locations within the city vested with such right at the time of passage; and

WHEREAS, like many other jurisdictions in Washington state, the City of Lacey (City) is experiencing budgetary challenges resulting from a combination of structurally limited revenue growth, unfunded state mandates, increased community service demands, and rising costs of providing essential and community-priority services, creating pressure on the City's long-term fiscal sustainability and structural balance; and

WHEREAS, maintaining a structurally balanced budget is essential to ensuring the long-term fiscal stability of the City and its ability to continue providing essential public services, including but not limited to public safety, infrastructure maintenance, and parks, culture, and recreation services; and

WHEREAS, expenditures are outpacing revenues, and in 2025 and 2026, the City had to rely on reserves in budgeting to fund recurring expenditures, a practice that creates structural imbalances that are fiscally unsustainable; and

WHEREAS, the adopted 2025 City Council Work Plan calls for the evaluation of select potential revenue sources as a significant component of long-term fiscal sustainability planning; and

WHEREAS, in addition to the evaluation of select potential revenue sources, the City also conducted a comprehensive line-by-line budget analysis, resulting in reductions or eliminations of budgeted funding, resulting in budget savings; and

WHEREAS, the City is also pursuing long-term economic development strategies to increase public investment over the next five or more years, and will potentially conduct an expenditure reduction review, including a reevaluation of the services the City provides and the levels at which those services are delivered; and

WHEREAS, the City conducted a comprehensive study of select, potential revenue options to address the City's structural fiscal imbalance, which culminated in a report presented to the City Council outlining eight potential revenue measures for consideration; and

WHEREAS, during City Council meetings held in 2025 and 2026, the City Council reviewed the eight potential revenue measures, including potential options for gambling taxes; and

WHEREAS, the City Council finds it in the best interests of the City of Lacey to repeal Section 5.06 of the Lacey Municipal Code, removing the prohibition of social card games.

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

Section 1. Chapter 5.06 of the Lacey Municipal Code is hereby repealed.

Section 2. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 3. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make corrections to this ordinance, including, but not limited to, the corrections of scrivener's/clerical errors, references, ordinance numbering, section/subsection number, and any references thereto.

Section 4. The Summary Attached is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this March 17, 2026.

CITY COUNCIL

BY: _____
Mayor Andy Ryder

Attest:

Approved as to form:

City Clerk Elissa Fontaine

City Attorney Dave Schneider

Published: March 19, 2026

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1699

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on March 17, 2026, Ordinance No. 1699, entitled "AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON, RELATED TO THE SOCIAL CARD GAME PROHIBITION, REPEALING CHAPTER 5.06 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION."

The main points of the Ordinance are described as follows:

1. The Ordinance repeals Chapter 5.06 of the Lacey Municipal Code, relating to the Social Card Game Prohibition.
2. The Ordinance approves this summary for Publication.

Published: March 19, 2026.



STAFF REPORT

Council Regular Meeting
March 17, 2026

Subject: Chatham – WW Looping and Annual Valves
To: Lacey City Council
Prepared by: David Knox, Utility Engineer
Reviewed By: Scott Egger, Public Works Director *SE*
Final Review: Rick Walk, City Manager *RW*

Purpose: Action Item

Recommendation: Motion to Approve Awarding Contract number PW 2005-08 to qualified low bidder Rognlin's Inc. in the amount \$438,946.94

Brief: Motion to award Lacey contract number PW 2025-08 to the low bidder Rognlin's Inc. in the amount of \$438,946.94. The project work area is indicated on the attached map. Work is expected to start in late April 2026 and there are 50 working days allotted to this project. This project is part of the annual valve and looping program which is designed to maintain and improve the City's wastewater system.

Alternatives:

1. No change: Continue as is.

Fiscal Impact:

Budgeted Item: Yes

Amount: \$438,946.94

Project Code: WW22AV

Funding Source: 411-3518-535.90

Attachments:

1. Bid Summary
2. Project Vicinity Map

Policy or Legal Alignment:

1. Wastewater Comprehensive Plan.

Background: This contract provides for the installation of approximately 800 linear feet of 2-inch and 4-inch diameter sanitary sewer STEP force main, looping three existing force mains and connecting them to an existing sewer manhole to provide maintenance flexibility and a redundant relief path for more than 400 single-family residences, as well as street reconstruction on Chatham Dr. and adjoining streets.

Work includes pavement removal, trench excavation, connections to existing STEP sewer force mains, installation of sewer valves, connection to an existing sewer manhole, trench restoration, paving, adjustment of utility appurtenances, striping, and other related work.

The City advertised the project for three weeks and bids were opened on February 25, 2025. Twelve (12) bids were received and ranged from \$438,946.94 to \$632,150.96 and the Engineer's Estimate was \$509,253.89.

Rognlin's Inc. is the apparent low bidder at \$438,946.94, and they are qualified and capable of performing the work. The project start date is anticipated to be April 2026 with 50 working days allotted to complete the work. The project is expected to be completed by fall 2026.



