

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES
SEPTEMBER 27, 2022
8:31 A.M. – 8:52 A.M.
REMOTE & IN-PERSON ATTENDANCE

To view the full video or a specific topic you may watch the video-stream on the City of Lacey's
YouTube Channel: <https://youtu.be/QYcFXqEK6YQ>

COUNCIL PRESENT: MAYOR RYDER (CHAIR), DEPUTY MAYOR MILLER

COUNCIL EXCUSED: COUNCILMEMBER GREENSTEIN

STAFF PRESENT: TROY WOO, KRISTY WOLF, TABETHA RESTOULE

ACTION: APPROVE FINANCE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA
MOTION: MOTION MADE, SECONDED, AND CARRIED BY MAYOR RYDER AND DEPUTY
MAYOR MILLER

2023 REVENUE AND EXPENDITURE ESTIMATES

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: INFORMATION ONLY

Troy Woo, Finance Director, presented the 2023 Budget Revenue and Expenditure Preliminary Estimates. Staff is still in the process of balancing the budget and final decision are still being made. Highlights of the presentation included:

Budget Assumptions - Revenues

- 2023 Sales Tax - \$15,802,177
- 2023 Property Tax \$8,493,597 (\$446,985 increase)
 - New valuation projection is \$416.0 million
 - Assumes 1.0% increase
- Utility Tax - \$8,888,974 (17.2% increase)
- Business and Occupation Tax - \$3,075,390, adjusted with sales tax (\$535,288 increase)
- Admissions Tax - \$168,000 (\$84,000 decrease from pre-pandemic numbers)
- Gambling Taxes – 4403,832 (\$164,696 increase)
- Parks and Recreation Fees - \$892,940 (no change from pre-pandemic level)
- Interest and Investment Income - \$588,658 (274.0% increase).

Budget Assumptions – Single Year Utility Rates Proposal

- Proposed Single Year Utility Rate Increases:
 - Water Rates - 5.25% annual increases (2023-2027)
 - Sewer Rates - 9.50% annual increases (2023-20237)
 - Stormwater Rates - 4.50% annual increases (2023-2025)

Budget Assumptions - Expenditures

- Based on 2022 Salaries and Benefits there is an increase of 2.0% to General Funds.
- AFSCME contract expired at the end of 2021.
 - 2021 contracted salaries = 90% of 2020 Seattle-Tacoma-Bellevue CPI-W, Half 1, All items (min 2.0% and max 4.0%)
 - 2021 Seattle-Tacoma-Bellevue CPI-W, Half 1, All items = 3.3%
- Police Officers' Guild contract expired at the end of 2021.
 - 2021 contracted salaries = 0.5% plus 100% of 2020 Seattle-Tacoma-Bellevue CPI-W, Half 1, All Items (min. 2.0% and max 5.0%)
- Lacey Police Management Association contract expires the end of 2022.
 - 2022 contracted salaries increased 2.0% and maintenance of benefits.
- 2023 Police Senior Management Association contract
 - COLA = 90% of 2022 Seattle-Tacoma-Bellevue CPI-U, June-June (min. 2.0% and max. 4.0%)
 - 2022 Seattle-Tacoma-Bellevue CPI-U, June-June = 10.1%
- PERS Contribution Rate Increased Reduction
 - 7/1/2021 rate = 10.25%
 - 9/1/2022 rate = 10.39%
- Regence medical insurance will increase between 3.0% and 6.0%
- Kaiser medical insurance will increase between 4.0% and 7.0%
- Delta Dental will increase from 0.0% and 2.0%
- Willamette Dental will increase from 0.0% and 0.4%
- No change to vision
- Labor and Industries overall increase of 4.8%

Significant projects and purchases include vehicle and equipment replacements, Woodland Creek Park bridge and crossing, Street Department vehicles and equipment, building repairs, utilities, transportation.

Workforce under review include Communications, Housing Action Plan, Environmental Sustainability, Law Enforcement, Social Services, and Thurston County Climate Mitigation Plan.

Proposed budget use of reserves for ongoing operations and maintenance include police succession planning, RAC long-term financial plan, and mobile outreach team. The Budget Policy reserve amount is to be determined.

CREDIT CARD POLICY UPDATE

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: RECOMMEND TO THE FULL CITY COUNCIL APPROVAL OF THE ADOPTION OF
NEW CREDIT CARD POLICY
MOTION: MOTION MADE, SECONDED, AND CARRIED BY DEPUTY MAYOR MILLER AND
MAYOR RYDER.

Staff identified the City's travel process could be more efficient by incorporating the use of City-issued credit cards for travel expenses. Staff recommends increasing the single transaction limit from \$1,000 to \$2,500, increasing the minor equipment purchase limit from \$500 to \$1,000, and housekeeping changes within the policy.

Mayor Ryder recommended including an inflation number in the policy instead of revisiting this each year. Staff suggested implementing the changes to policy now and review again in a year. Staff anticipates coming back to Council in about a year with other policy changes that will be identified once the new credit card policy has been implemented.