



FINANCE & ECONOMIC DEVELOPMENT COMMITTEE
TUESDAY, AUGUST 24, 2021
8:30 A.M.
REMOTE ATTENDANCE

The Finance & Economic Development Committee meeting will be conducted remotely, not in person. However, you may view the meeting by watching live through Zoom.

Link: <https://us02web.zoom.us/j/88629157782>

The public may also listen to the meeting via telephone by dialing toll-free:

(888) 788-0099 or **(877) 853-5247** – when prompted, enter Webinar ID: **886 2915 7782**
press # (participant ID not required)

FINAL 2021 BUDGET AMENDMENT ORDINANCE BRIEFING

TROY WOO, FINANCE DIRECTOR
(STAFF REPORT)

2021 MID-YEAR FINANCIAL REPORT

TROY WOO, FINANCE DIRECTOR
(STAFF REPORT)

CED DEVELOPMENT REPORT

RICK WALK, COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR
(PRESENTATION)

FOOD TRUCK STATUS UPDATE

WESLEY NGUYEN, ECONOMIC DEVELOPMENT COORDINATOR
(STAFF REPORT)



**FINANCE & ECONOMIC
DEVELOPMENT COMMITTEE**
August 24, 2021

SUBJECT: 2021 Budget Amendments

RECOMMENDATION: Upon review and concurrence, recommend full City Council adoption of the proposed ordinance.

STAFF CONTACT: Scott Spence, City Manager 
Troy Woo, Finance Director 

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. [Proposed Ordinance](#)
2. [Summary for Proposed Ordinance](#)

FISCAL NOTE: As outlined in staff report.

PRIOR REVIEW: Finance and Economic Development Committee on February 23, 2021 and May 25, 2021.

BACKGROUND:

Throughout the year, adjustments to the budget become necessary as a result of City Council actions, activity levels that were not anticipated during budget development, and grant awards (or other receipts of outside funding). Historically, the budget has been amended once per year immediately prior to the development of the next year's proposed budget document. It is staff's practice to communicate significant budget amendments leading up to the annual budget amendment process. The annual budget amendment ordinance adoption is scheduled for September.

The following are significant budget amendments that have been identified since the adoption of the 2021 Budget.

Current Expense Fund (General Fund)

- A late 2020 audit and reconciliation of the City's liability, property, machinery, and auto insurance coverage resulted in an overall \$60,820 increase compared to the 2021 Budget projection. This affects multiple budget funds.
- \$70,000 is requested for various human resources professional services including recruitment services, legal services, and policy development & review.
- The facilitation services contract supporting the Community Workgroup on Homelessness requires an additional \$71,685.
- The Mobile Outreach Team agreement was authorized by the City Council on July 15, 2021. In partnership with Olympic Behavioral Health, a four-person team will provide seven-day per week outreach services relating to mental health issues and people in crisis. The City of Lacey contribution will be \$176,463.
- At the June 24, 2021, Worksession, the City Council authorized \$95,000 to help establish the Senior Services for the South Sound Home Share pilot program. The Home Share program is a living arrangement where home providers offer accommodation to home seekers in exchange for an agreed upon level of support in the form of financial contributions, assistance with household tasks, transportation, companionship, or any combination of the above.
- \$67,061 is requested for two limited-term park aid technicians to establish a new Homeless Rapid Response Cleanup Team. The increase of homeless encampments, and subsequent dumping and littering throughout the City, highlights the need for additional personnel to adequately respond.
- \$70,000 is requested for the Veterans Services Hub First Floor Tenant Improvements project. The project is funded by \$421,852 from the City's Community Development Block Grant and \$70,000 from assigned reserves.
- The Veteran Affairs Outstation Center lease tenant improvements requires an additional \$35,000 to complete. The additional costs will be fully reimbursed by the Federal Veteran Affairs Administration.
- The Strategic Communications Plan project requires an additional \$40,000 for completion.
- A management position is needed in the Community and Economic Development Department due to increasing workloads and new service demands. The projected annual cost of the position is \$169,000.

- Two annexations (Steilacoom/Marvin and Capitol City Estates) require a census study to certify the annexation to the Office of Financial Management. The 2021 Adopted Budget did consider one \$20,000 census study. To complete both an additional \$21,217 is required.
- Staff proposes the budgeted Water Quality Assurance Fee phase-in transfer is eliminated. Due to COVID-19 revenue reductions and according to the preliminary draft of the Water Comprehensive Plan update, the \$714,286 transfer is not necessary for the water capital improvement plan.

Community Buildings Fund (General Fund)

- \$53,440 is requested for the repair of the Childcare Center building due to damage caused by water intrusion. This repair will be completed with the adopted budget painting project.

Capital Equipment Fund (General Fund)

- The adopted 2021 Budget includes \$500,000 for Police Station enhancements and the funding for the project is the City Council designated committed reserve for the Police Station project. The updated recommendation is to enhance the Police Department's equipment and technology. It is requested that the original budget appropriation be changed to equipment from building improvements and the funding source be changed to a more appropriate reserve, because equipment and technology does not meet the intent of the Police Station committed reserve.
- \$52,700 is requested for a new pickup truck and dump trailer for the new Homeless Rapid Response Cleanup Team.
- A transfer of Lacey Childcare Center reserves (\$108,235) is necessary, because a new department was implemented with the 2021 Budget. Previously, Childcare Center repairs were expended in the Capital Equipment Fund. Currently, the Childcare Center repairs are budgeted in the Community Buildings Fund.

Arterial Street Fund

- College Street and 7th Avenue (Mid-Town) Pedestrian Crossing preliminary analysis requires \$40,000. City Council committed reserves for the project will be transferred into the Arterial Street Fund.
- City staff is evaluating a potential College Street SE property purchase related to right-of-way for the future 16th Avenue and College Street SE roundabout project.

Transportation Benefit District Fund

- \$50,000 is requested for sidewalk repairs in Lacey Midtown on 10th Avenue SE and Alhadeff Lane.

Building Improvement Fund

- Front counter glass structures will be installed in City Hall, the Maintenance Service Center, and Community Center to provide additional security and social distancing improvements. The estimated cost of the project is \$103,490.
- The adopted 2021 Budget includes \$500,000 for Police Station enhancements and the funding for the project is the City Council designated committed reserve for the Police Station project. The updated recommendation is to enhance the Police Department's equipment and technology. It is requested that the original budget appropriation be changed to equipment from building improvements and the funding source be changed to a more appropriate reserve, because equipment and technology does not meet the intent of the Police Station committed reserve.
- Well decommissioning, soil cleanup, and the Department of Archaeology and Historic Preservation (DAHP) assessment is required for the Lacey Museum and Cultural Center site (5700 Lacey Blvd) at an estimated cost of \$208,227. The Washington State Department of Ecology directed the removal of monitoring wells and soil replacement. The DAHP assessment is recommended to occur concurrently to limit the disruption of the property.
- \$25,000 is requested to initiate Lacey Museum and Cultural Center comprehensive exhibit design. Lacey Fire District No. 3 has provided the funding for the costs indicated.
- The adopted 2021 Budget created a new budget department for the Childcare Center. To complete transition, the \$108,215 of 2020 year-end reserves for the Lacey Childcare Center need to be transferred.
- \$45,000 is requested to facilitate land acquisition for the future Police Station to include survey, tree inventory, appraisal, and related costs.
- \$3.0 million is requested for the purchase of land for the future police station building.

Regional Athletic Complex Capital Fund

- \$74,083 is requested to complete the Regional Athletic Complex (RAC) security camera system upgrade project. The system will include 26 cameras covering several key areas of the park.

Water Operations Fund

- \$400,000 is requested for water meter inventory and water meter transmission units (MTU). The Water Utility's automated water meter reading system is nearly 15 years old. An increasing number of MTU batteries are failing after exceeding their expected 10-year life. Also, a combination of supply concerns and continued strong development in the City's Urban Growth Area has resulted in needing higher meter inventory levels.

Water Capital Fund

- Budget amendments are needed for the completion of the following Water capital projects:
 - Marvin Road Well - \$115,000
 - TCOMM911 Radio System Facilities (Hawks Prairie Sister Standpipe) - \$55,000
 - 2020 Well Review and Rehabilitation Program - \$60,000
 - Smith Farm capital project - \$24,000
 - Source 19 Pipe Train - \$20,000

Wastewater Capital Fund

- Budget amendments are needed for the completion of the following Water capital projects:
 - Liftstation 20 Abandonment (47th Avenue SE) - \$375,000

Staff requests that the Finance and Economic Development Committee review the proposed budget amendments and upon concurrence recommend full City Council adoption of the proposed budget amendment ordinance.

ADVANTAGES:

1. The proposed adjustments to the 2021 Budget reflect more accurately the necessary requirements of each fund or adjustments made by City Council action.
2. The proposed adjustments maintain a balance between the anticipated revenues and expenditures of each of the funds amended.

DISADVANTAGES:

1. Generally, budget adjustments must use cash reserves to compensate for expenditures that may exceed budget estimates by the end of the budget year.

ORDINANCE NO. XXXX

CITY OF LACEY

AN ORDINANCE AMENDING THE 2021 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 1574 BY REVISING THE BUDGETED AMOUNTS FOR THE CURRENT EXPENSE, COMMUNITY BUILDINGS, REGIONAL ATHLETIC COMPLEX (M&O), CITY STREET, ARTERIAL STREET, TRANSPORTATION IMPROVEMENT, BUILDING IMPROVEMENT, CAPITAL EQUIPMENT, PARKS AND OPEN SPACE, REGIONAL ATHLETIC COMPLEX (CAPITAL), WATER M&O, WASTEWATER M&O, STORMWATER M&O, WATER CAPITAL, WASTEWATER CAPITAL, EQUIPMENT RENTAL, INFORMATION SERVICES, AND ANIMAL SERVICES FUNDS AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, there is a need for additional expenditures to be budgeted within the Current Expense, Community Buildings, Regional Athletic Complex (M&O), City Street, Arterial Street, Transportation Improvement, Building Improvement, Capital Equipment, Parks and Open Space, Regional Athletic Complex (Capital), Water M&O, Wastewater M&O, Stormwater M&O, Water Capital, Wastewater Capital, Equipment Rental, Information Services, and Animal Services Funds for expenditures which could not be contemplated at the time of adopting the 2021 fiscal year budget; and

WHEREAS, revenues, as shown on Exhibit "A" attached hereto, are available from the sources indicated on said Exhibit for the making of said expenditures; NOW, THEREFORE,

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

Section 1. The 2021 fiscal year budget and Ordinance No. 1574 adopting said budget are hereby amended by making those certain changes to the 2021 fiscal year budget set forth on Exhibit "A", attached hereto and made a part hereof as though fully set forth herein and for all purposes considered to be a portion of this ordinance.

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 2nd day of September, 2021.

Approved as to form:

Mayor

City Attorney

ATTEST:

City Clerk

DRAFT

SUMMARY FOR PUBLICATION

ORDINANCE NO. XXXX

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on September 2, 2021, Ordinance No. XXXX entitled “**AN ORDINANCE AMENDING THE 2021 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 1574 BY REVISING THE BUDGETED AMOUNTS FOR THE CURRENT EXPENSE, COMMUNITY BUILDINGS, REGIONAL ATHLETIC COMPLEX (M&O), CITY STREET, ARTERIAL STREET, TRANSPORTATION IMPROVEMENT, BUILDING IMPROVEMENT, CAPITAL EQUIPMENT, PARKS AND OPEN SPACE, REGIONAL ATHLETIC COMPLEX (CAPITAL), WATER M&O, WASTEWATER M&O, STORMWATER M&O, WATER CAPITAL, WASTEWATER CAPITAL, EQUIPMENT RENTAL, INFORMATION SERVICES, AND ANIMAL SERVICES FUNDS AND APPROVING A SUMMARY FOR PUBLICATION.**”

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

Section 1 revises the amounts, which were budgeted for revenues and expenditures within the funds listed above by the 2021 fiscal year budget, which had been adopted by Ordinance No. 1574. The reason for revising the budgeted amounts is the fact that there exists a need for additional expenditures within those funds, which could not be contemplated at the time of adopting the 2021 fiscal year budget.

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.

City Clerk

Published: September 6, 2021

2021 Budget Amendments - Ordinance No. 15XX Exhibit "A"

Account Numbers	Account Description	2021 Budget	Budget Amendment	2021 Budget as Amended	Comments
Current Expense Fund					
Revenues					
001-0000-308-0000	Beginning Cash	4,769,461	3,536,963	8,306,424	Cash Reserves
001-0000-333-1422	CDBG Dept of Commerce	421,852	21,638	443,490	Veterans Affairs Outstation Lease Tenant Improvements
001-0000-374-6400	Capital Contributions/Dept. of Veterans Affairs	500,000	4,500	504,500	Veteran Affairs Outstation lease tenant improvements reimbursement (Fed. Veteran Affairs)
Total Current Expense Fund Revenues		46,580,228	3,563,101	50,143,329	
Expenditures					
001-0301-511-4603	Insurance - Crime/Fidelity	2,209	(275)	1,934	WCIA Liability Insurance
001-0401-558-5802	Agreements / Thurston Region Planning	105,213	3,366	108,579	Annual assessment increase
001-0501-513-4101	Professional Services - Other	1,000	9,183	10,183	Electronic Signature software services
001-0701-516-4101	Professional Services - Other	86,529	70,000	156,529	Human Resource recruitment, legal, and policy development professional services
001-0801-565-4101	Professional Services - Other	46,258	71,685	117,943	Facilitation Services - Community Workgroup on Homelessness
001-0801-565-58xx	Agreements / Mobile Outreach Team	-	176,463	176,463	Mobile Outreach Team - Olympic Health & Recovery Services
001-0801-565-58xx	Agreements / Senior Services	-	95,000	95,000	Senior Services Home Share Program
001-0802-565-1001	Salaries - Regular	-	38,923	38,923	Homeless Rapid Response Cleanup Team
001-0802-565-2001	Employer Paid Benefits	-	21,638	21,638	Homeless Rapid Response Cleanup Team
001-0802-565-3102	Supplies - Small Tools & Equipment	-	4,500	4,500	Homeless Rapid Response Cleanup Team
001-0802-565-4303	Travel/Registrations	-	2,000	2,000	Homeless Rapid Response Cleanup Team
001-0805-565-4101	Professional Services - Other	60,945	990	61,935	Bio-hazard Abatement Services at the Veterans Services Hub
001-0805-565-6001	Capital Outlay - Equipment	6,048	3,937	9,985	Replace stolen Veterans Services Hub Projection Equipment
001-0805-594-6501	Social Services / Veterans Services Hub	1,084,006	70,000	1,154,006	Veterans Services Hub First Floor Tenant Improvements (CDBG Funded)
001-0805-594-6502	Social Services / Veterans Affairs Lease Improve.	500,000	35,000	535,000	Veterans Affairs Outstation Lease Tenant Improvements
001-0903-513-4101	Professional Services - Other	8,500	40,000	48,500	Strategic Communication Plan
001-1401-514-4101	Professional Services - Other	14,000	14,000	28,000	CentralSquare Naviline (Enterprise Resource Planning Software) Training and Optimization
001-1901-519-4601	Insurance - Liability	302,588	7,763	310,351	WCIA Liability Insurance
001-1901-519-4602	Insurance - Fire/Property	31,501	11,290	42,791	WCIA Fire/Property Insurance
001-1901-572-4602	Insurance - Fire/Property	9,718	3,484	13,202	WCIA Fire/Property Insurance
001-3301-576-4602	Insurance - Fire/Property	1,174	421	1,595	WCIA Fire/Property Insurance
001-3303-576-4602	Insurance - Fire/Property	5,486	1,966	7,452	WCIA Fire/Property Insurance
001-3304-576-4602	Insurance - Fire/Property	1,910	683	2,593	WCIA Fire/Property Insurance
001-3701-558-1001	Salaries - Regular	773,017	130,000	903,017	Community and Economic Development Department Management Position
001-3701-558-2001	Employer Paid Benefits	334,169	39,000	373,169	Community and Economic Development Department Management Position
001-3701-558-4920	Special Projects	481,135	21,217	502,352	Annexation census services
001-7401-574-1001	Salaries - Regular	221,337	5,000	226,337	Parks, Culture, and Rec reorganization changing a vacant DAIII to an Executive Assistant
001-7401-574-2001	Employer Paid Benefits	104,827	1,500	106,327	Parks, Culture, and Rec reorganization changing a vacant DAIII to an Executive Assistant
001-7401-574-3101	Office & Operating Supplies	2,750	15,000	17,750	Water Irrigation Meter for the Woodland Creek Community Park Food Forest
001-7410-575-4602	Insurance - Fire/Property	358	128	486	WCIA Fire/Property Insurance
001-7501-597-0201	Transfer Out 301 Fund	100,000	323,707	423,707	City Hall front counter glass structure and 5700 Pacific Avenue SE
001-7501-597-0201	Transfer Out 301 Fund	423,707	3,000,000	3,423,707	Land for New Police Station Facility
001-7501-597-1003	Transfer Out 303 Fund	-	6,142	6,142	5700 Pacific Avenue SE sprinkler system
001-7501-597-1007	Transfer Out 410 Fund	714,286	(714,286)	-	Water Quality Assurance Fee phase-in transfer
001-7501-597-1102	Transfer Out 302 Fund	133,405	13,676	147,081	Communication equipment and police outfitting equipment
001-7501-597-1501	Transfer Out	-	40,000	40,000	Transfer Out - College Street and 7th Avenue pedestrian crossing analysis
Total Current Expense Fund Expenditures		46,580,228	3,563,101	50,143,329	

Community Buildings					
Revenues					
005-0000-308-0000	Beginning Cash	60,000	56,642	116,642	Cash Reserves
005-0000-397-0000	Transfers In	-	108,215	108,215	Transfer Childcare Center reserves to new department in Fund 005
Total Community Buildings Fund Revenues		685,570	164,857	850,427	
Expenditures					
005-7601-508-9000	Estimated Ending Fund Balance	-	108,215	108,215	Transfer Childcare Center reserves to new department in Fund 005
005-7601-575-4601	Insurance - Liability	5,920	152	6,072	WCIA Liability Insurance
005-7601-575-4602	Insurance - Fire/Property	2,526	905	3,431	WCIA Fire/Property Insurance
005-7602-575-4602	Insurance - Fire/Property	479	171	650	WCIA Fire/Property Insurance
005-7603-555-4602	Insurance - Fire/Property	4,270	1,529	5,799	WCIA Fire/Property Insurance
005-7604-575-4602	Insurance - Fire/Property	1,243	445	1,688	WCIA Fire/Property Insurance
005-7615-554-4801	Repair & Maintenance	62,500	53,440	115,940	Repair of Lacey Childcare Center water damage
Total Community Buildings Fund Expenditures		685,570	164,857	850,427	

Regional Athletic Complex (M&O) Fund					
Revenues					
007-0000-308-0000	Beginning Cash	-	3,682	3,682	Cash reserves
Total Regional Athletic Complex (M&O) Fund Revenues		1,173,087	3,682	1,176,769	
Expenditures					
007-3305-576-1006	Salaries - Part-Time	90,000	11,000	101,000	Move Part-Time Salaries from Recreation Function to Maintenance Function
007-3305-576-4601	Insurance - Liability	11,136	286	11,422	WCIA Liability Insurance
007-3305-576-4602	Insurance - Fire/Property	9,473	3,396	12,869	WCIA Fire/Property Insurance
007-7401-576-1006	Salaries - Part-Time	14,000	(11,000)	3,000	Move Part-Time Salaries from Recreation Function to Maintenance Function
Total Regional Athletic Complex (M&O) Fund Expenditures		1,173,087	3,682	1,176,769	

City Street Fund					
Revenues					
101-0000-308-0000	Beginning Cash	-	1,182	1,182	Cash reserves
Total City Street Fund Revenues		3,906,339	1,182	3,907,521	
Expenditures					
101-4201-543-4601	Insurance - Liability	27,340	701	28,041	WCIA Liability Insurance
101-4201-543-4602	Insurance - Fire/Property	1,343	481	1,824	WCIA Fire/Property Insurance
Total City Street Fund Expenditures		3,906,339	1,182	3,907,521	

Arterial Streets Fund					
Revenues					
102-0000-308-0000	Beginning Cash	3,028,016	350,000	3,378,016	Cash reserves
102-0000-397-1101	Transfers In 001, 003, 005	-	40,000	40,000	Transfer In from Fund 001 Committed Reserves
Total Arterial Streets Fund Revenues		8,948,046	390,000	9,338,046	
Expenditures					
102-4101-595-9001	Capital Projects / Preliminary Engineering	878,598	40,000	918,598	College Street and 7th Avenue pedestrian crossing analysis
102-4101-595-9003	Capital Projects / Road Way	4,639,434	350,000	4,989,434	16th Ave and College Street Roundabout ROW
Total Arterial Streets Fund Expenditures		8,948,046	390,000	9,338,046	

Transportation Benefit District Fund					
Revenues					
103-0000-308-0000	Beginning Cash	59,697	50,000	109,697	Cash reserves
Total Transportation Benefit District Fund Revenues		4,641,086	50,000	4,691,086	
Expenditures					
103-4301-535-9006	Capital Projects / Sidewalks	-	50,000	50,000	Lacey Midtown Sidewalk Repairs (10th Avenue)
Total Transportation Benefit District Fund Expenditures		4,641,086	50,000	4,691,086	

Building Improvement Fund					
Revenues					
301-0000-308-0000	Beginning Cash	440,226	29,746	469,972	Cash reserves
301-0000-367-2600	Contribution / Museum Depot Project	-	7,500	7,500	Nisqually Indian Tribe funding for Salmon-Safe certification
301-0000-397-1101	Transfers In / Transfer In 001,003,005	600,000	(500,000)	100,000	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
301-0000-397-1101	Transfers In / Transfer In 001,003,005	100,000	323,707	423,707	Transfer In from Fund 001 Reserves
301-0000-397-1101	Transfers In / Transfer In 001,003,005	423,707	3,000,000	3,423,707	Transfer In from Fund 001 Reserves
Total Building Improvement Fund Revenues		1,070,182	2,860,953	3,931,135	
Expenditures					
301-0101-514-6003	Capital Outlay - Improvements	100,000	103,490	203,490	City Hall front counter glass structures
301-0101-514-6003	Capital Outlay - Improvements	203,490	3,346	206,836	Senior Center Freezer Replacement
301-0101-514-6004	Capital Outlay - Buildings	440,226	(500,000)	(59,774)	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
301-0101-514-6004	Capital Outlay - Buildings	(59,774)	208,227	148,453	Well decommissioning, soil cleanup, and archaeology assessment at 5700 Pacific SE
301-0101-514-6004	Capital Outlay - Buildings	148,453	11,990	160,443	LEED Silver design services for the Lacey Museum and Civic Center
301-0101-514-6004	Capital Outlay - Buildings	160,443	25,000	185,443	Lacey Museum and Civic Center comprehensive exhibit design
301-0101-514-6004	Capital Outlay - Buildings	185,443	7,500	192,943	Salmon-Safe environmental performance and LEED Certification
301-0101-514-6004	Capital Outlay - Buildings	192,943	1,400	194,343	New camera for the City Council Chambers to facilitate virtual hybrid public meetings
301-0101-514-6005	Capital Outlay - Land	-	3,000,000	3,000,000	Land for New Police Station Facility
Total Building Improvement Fund Expenditures		1,070,182	2,860,953	3,931,135	

Capital Equipment Fund					
Revenues					
302-0000-308-0000	Beginning Cash	1,714,271	165,190	1,879,461	Cash Reserves
302-0000-397-1101	Transfer In 001, 003, 005	133,405	500,000	633,405	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
302-0000-397-1101	Transfer In 001, 003, 005	633,405	13,676	647,081	Police equipment, City Manager Office Equipment
Total Capital Equipment Fund Revenues		1,928,195	678,866	2,607,061	
Expenditures					
302-0102-519-6406	Capital Outlays / Common Facilities	425,000	3,605	428,605	Communication equipment replacements, laptop for new ACM
302-0102-519-6406	Capital Outlays / Common Facilities	428,605	4,275	432,880	Office Furniture and Equipment for new Utility Billing Supervisor
302-0102-519-6410	Capital Outlays / Police	351,110	10,071	361,181	Final equipment outfitting of police office positions approved in 2020
302-0102-519-6410	Capital Outlays / Police	361,181	500,000	861,181	Reclassify Police Facility and Equipment Enhancements to Capital Equipment Fund
302-0102-519-6412	Capital Outlays / Public Works Parks	44,775	52,700	97,475	Homeless Rapid Response Cleanup Team Pickup Truck and Dump Trailer
302-0102-597-01xx	Transfer Out 005 Fund	-	108,215	108,215	Transfer Childcare Center reserves to new department in Fund 005
Total Capital Equipment Fund Expenditures		1,928,195	678,866	2,607,061	

Parks & Open Space Fund					
Revenues					
303-0000-397-1101	Transfer In 001, 003, 005	277,010	6,142	283,152	Transfer In from Fund 001 to fund park facility repairs
Total Parks & Open Space Fund Revenues		294,589	6,142	300,731	
Expenditures					
303-0106-576-4803	Repairs and Maintenance - Facilities	-	3,680	3,680	Fire-rated compressor for dry sprinkler system (5700 Pacific Avenue SE)
303-0106-576-4803	Repairs and Maintenance - Facilities	3,680	2,462	6,142	Rental House Emergency Electrical Panel Service and Repair
Total Parks & Open Space Fund Expenditures		294,589	6,142	300,731	

Regional Athletic Complex-Capital					
Revenues					
307-0000-308-0000	Beginning Cash	448,633	74,083	522,716	Cash Reserves
Total Regional Athletic Complex-Capital Revenue		1,567,452	74,083	1,641,535	
Expenditures					
307-0106-576-6003	Capital Outlay/Improvements	270,928	74,083	345,011	RAC Security Camera System
Total Regional Athletic Complex-Capital Expenditures		1,567,452	74,083	1,641,535	

Water Fund					
Revenues					
401-0000-308-0000	Beginning Cash	-	490,752	490,752	Cash Reserves
Total Water Fund Revenues		14,312,811	490,752	14,803,563	
Expenditures					
401-3401-534-4601	Insurance - Liability	47,724	1,225	48,949	WCIA Liability Insurance
401-3401-534-4602	Insurance - Fire/Property	1,879	673	2,552	WCIA Fire/Property Insurance
401-3402-514-1001	Salaries - Regular	453,537	29,879	483,416	Two-Year Limited-Term Department Assistant III Position
401-3402-514-1006	Salaries - Part-Time	-	32,000	32,000	Two Seasonal Positions to Assist with AMR Tech Summer Tasks
401-3402-514-2001	Employer Paid Benefits	230,296	3,200	233,496	Two Seasonal Positions to Assist with AMR Tech Summer Tasks
401-3402-514-2001	Employer Paid Benefits	233,496	8,964	242,460	Two-Year Limited-Term Department Assistant III Position
401-3402-514-3137	Supplies/Meters	100,000	400,000	500,000	Increase water meter inventory and meter transmission unit replacements
401-3403-534-4602	Insurance - Fire/Property	41,327	14,812	56,139	WCIA Fire/Property Insurance
Total Water Fund Expenditures		14,312,811	490,752	14,803,563	

Wastewater Fund					
Revenues					
402-0000-308-0000	Beginning Cash	-	4,375	4,375	Cash Reserves
Total Wastewater Fund Revenues		19,256,764	4,375	19,261,139	
Expenditures					
402-3501-535-4601	Insurance - Liability	30,205	775	30,980	WCIA Liability Insurance
402-3501-535-4602	Insurance - Fire/Property	1,644	589	2,233	WCIA Fire/Property Insurance
402-3503-535-4602	Insurance - Fire/Property	8,402	3,011	11,413	WCIA Fire/Property Insurance
Total Wastewater Fund Expenditures		19,256,764	4,375	19,261,139	

Stormwater Fund					
Revenues					
403-0000-308-0000	Beginning Cash	-	518	518	Cash Reserves
Total Stormwater Fund Revenues		4,339,476	518	4,339,994	
Expenditures					
403-4201-538-4601	Insurance - Liability	14,490	371	14,861	WCIA Liability Insurance
403-4201-538-4602	Insurance - Fire/Property	411	147	558	WCIA Fire/Property Insurance
Total Stormwater Fund Expenditures		4,339,476	518	4,339,994	

Water Capital Fund					
Revenues					
410-0000-308-0100	Estimated Beginning Cash / Construction Cash	27,947,836	1,070,182	29,018,018	Cash Reserves
410-0000-397-1009	Transfer in 001 Fund	714,286	(714,286)	-	Water Quality Assurance Fee transfer in
Total Water Capital Fund Revenues		37,108,336	355,896	37,464,232	
Expenditures					
410-3418-534-9001	Preliminary Engineering	5,501,230	26,692	5,527,922	Water Rights Mitigation, Marvin Road Well, Well Rehab., TCOMM911 Radio System
410-3418-534-9005	Construction Engineering	2,400,348	26,692	2,427,040	Water Rights Mitigation, Marvin Road Well, Well Rehab., TCOMM911 Radio System
410-3418-534-9013	Construction of Utilities	27,604,758	302,512	27,907,270	Water Rights Mitigation, Marvin Road Well, Well Rehab., TCOMM911 Radio System
Total Water Capital Fund Expenditures		37,108,336	355,896	37,464,232	

Wastewater Capital Fund					
Revenues					
411-0000-308-0100	Estimated Beginning Cash / Construction Cash	11,977,672	375,000	12,352,672	Cash reserves
Total Wastewater Capital Fund Revenues		14,231,549	375,000	14,606,549	
Expenditures					
411-3518-535-9001	Preliminary Engineering	2,198,882	28,125	2,227,007	Liftstation 20 Abandonment
411-3518-535-9005	Construction Engineering	936,079	28,125	964,204	Liftstation 20 Abandonment
411-3518-535-9013	Construction of Utilities	11,046,588	318,750	11,365,338	Liftstation 20 Abandonment
Total Wastewater Capital Fund Expenditures		14,231,549	375,000	14,606,549	

Equipment Rental Fund					
Revenue					
501-0000-308-0000	Beginning Cash	139,669	10,021	149,690	Cash reserves
Total Equipment Rental Fund Revenues		3,404,103	10,021	3,414,124	
Expenditures					
501-4801-548-4602	Insurance - Vehicle	51,485	4,093	55,578	WCIA Vehicle Insurance
501-4801-548-4604	Insurance - Fire/Property	387	139	526	WCIA Fire/Property Insurance
501-4801-548-6002	Capital Outlays - Replacements	429,990	5,789	435,779	RAC Mower Unit replacement
Total Equipment Rental Fund Expenditures		3,404,103	10,021	3,414,124	

Information Services Fund					
Revenue					
502-0000-308-0000	Beginning Cash	401,356	26,650	428,006	Cash reserves
Total Information Services Fund Revenues		2,448,779	26,650	2,475,429	
Expenditures					
502-1801-518-4930	Software Maintenance	352,869	26,650	379,519	Azure Premium PI licensing for improved Microsoft Exchange security
Total Information Services Fund Expenditures		2,448,779	26,650	2,475,429	

Animal Services					
Revenue					
503-0000-308-0000	Beginning Cash	420,317	(25,000)	395,317	Cash reserves
503-0000-345-2330	Animal Services Fees / Services - Yelm	-	45,000	45,000	City of Yelm full shelter and field services
503-0000-379-1000	Capital Contributions Nongrant	-	39,100	39,100	American Society for the Prevention of Cruelty to Animals (surgery suite equipment)
Total Animal Services Revenue		2,370,181	59,100	2,429,281	
Expenditures					
503-3902-539-4803	Repairs & Maintenance - Facilities	15,000	20,000	35,000	Failed sewer lateral repair
503-3902-539-6001	Capital Outlays - Buildings	-	39,100	39,100	New Surgery Suite Equipment
Total Animal Services Expenditures		2,370,181	59,100	2,429,281	



**FINANCE & ECONOMIC
DEVELOPMENT COMMITTEE**
August 24, 2021

SUBJECT: 2021 Mid-Year Financial Report

RECOMMENDATION: Review Mid-Year Financial Report

STAFF CONTACT: Scott Spence, City Manager 
Troy Woo, Finance Director 

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. [Expenditure and Revenue Reports for the Quarter Ending June 30, 2021](#)

FISCAL NOTE:

PRIOR REVIEW:

BACKGROUND

The 2021 Mid-Year Financial Report has been completed. This report focuses on the General Fund. The revenue and expenditure summaries are attached.

GENERAL FUND EXPENDITURES

As of June 30, 2021, total General Fund Expenditures were \$24,996,640 or 44.8 percent of the amended 2021 Budget. This is a total decrease of \$2,521,151 or 9.2 percent compared to the mid-year 2020 total expenditure level. Expenditures at June 30, 2020, were 49.7 percent of the total 2020 General Fund Budget. The majority of the 2021 decrease is related to the timing of one-time transfers and one-time 2020 COVID-19 community economic support. The decrease related to one-time transfers are offset by inflationary increases and rising labor costs. This variance was anticipated by the amended 2021 Budget.

Although all mid-year expenditure categories show variances from the previous year, only the most significant variances are described below.

- A decrease in the Contracted Services Department of \$289,552 is due timing differences and continued COVID-19 public health emergency impacts. District Court (-\$179,343) and Public Defender (-\$25,803) are the most significant reasons for the decrease.
- The Social Services Department expenditures increased \$1,254,455 primarily due to the Veterans Services Hub building improvements projects.
- An increase of \$201,726 occurred in the Police Department during the first half of 2021. This is attributed to inflationary increases to labor costs and nearly fully staffed labor costs (\$159,063) and an increase to equipment rental charges (\$87,915).
- The Public Works – Parks Maintenance Department’s expenditures increased \$130,256 compared the mid-year 2020. Contributing to the increase is the filling of a previously frozen journey level maintenance technician position.
- A decrease of \$156,378 occurred in the Parks and Recreation Department. Part-time salaries and benefits decreased \$90,924 and professional services related to recreation programs decreased \$56,939. This is result of the COVID-19 safety restrictions.
- Transfers Out decreased \$2,986,845. There are timing differences and a lower level of one-time transfers for capital expenditures and CARES Act assistance.
- The Community Building Fund experienced a \$152,879 decrease compared to mid-year 2020. The most significant increase is related to the 2020 Community Center HVAC system replacement.
- A \$1,280,965 decrease occurred in the Capital Equipment Fund. The primary differences include the following 2020 expenditures:
 - \$1,000,000 Small Business Stabilization Fund
 - \$175,000 for operational support for the Lacey MakerSpace
 - \$70,000 for economic development support for the Thurston Economic Development Council.

Additional details are provided in the attached expenditure summaries for the General Fund departments and other funds.

GENERAL FUND REVENUES

As of June 30, 2021, total General Fund Revenues were \$31,444,319 or 56.4 percent of the amended budget. Last year at this same time, revenues were 50.1 percent of budget. Mid-year General Fund revenues increased \$2,975,475 compared to the previous year. The

Current Expense Fund revenues increased \$5,006,652. The primary reason for the increase is the first half payment from the American Rescue Plan Act (\$3,428,462), but consumption-based taxes were stronger than expected, too.

- Through June 2021, \$3,774,370 of property taxes have been collected. This is equal to 52.1 percent of the annual property tax budget. This is an increase of \$597,202 compared to the previous year. An increase was expected for 2021 due to a combination of the one percent increase, new construction credit, and refund levy. However, this increase is higher than expected. The increase is likely partially due to the very strong and active housing market, which results in earlier property payments at closing.
- 2021 sales tax receipts totaled \$7,289,726 at the end of June. This is \$855,008 or 13.3 percent higher than last year. The increase is likely due to a combination of factors including pent up demand, Federal stimulus, Federal financial assistance, continued higher than usual local shopping due to pandemic restrictions, and the phased reopening of the Washington State economy. The following table shows the year-to-date top 20 sales tax sources.

	Year-To-Date			Last 12 Months
	This Year	Last Year	% Chg	
General Merchandise Stores	1,214,048	1,084,284	12.0	2,344,574
Construction of Buildings	584,745	1,033,160	-43.4	1,498,264
Food Services and Drinking Places	574,515	514,755	11.6	1,157,418
Building Material and Garden Equipment and Supplies	504,306	395,194	27.6	1,077,145
Miscellaneous Store Retailers	531,517	374,159	42.1	989,261
Specialty Trade Contractors	419,081	328,064	27.7	888,164
Merchant Wholesalers, Durable Goods	567,117	330,686	71.5	821,651
Motor Vehicle and Parts Dealers	266,490	179,189	48.7	563,435
Administrative and Support Services	242,331	180,792	34.0	471,961
Sporting Goods, Hobby, Musical Instrument, and Books	221,764	179,101	23.8	420,282
Electronics and Appliance Stores	207,443	179,770	15.4	405,624
Professional, Scientific, and Technical Services	187,487	174,153	7.7	361,826
Clothing and Clothing Accessories Stores	185,976	127,083	46.3	331,183
Repair and Maintenance	126,496	124,223	1.8	292,509
Food and Beverage Stores	141,348	136,491	3.6	289,540
Health and Personal Care Stores	148,360	125,070	18.6	279,491
Telecommunications	125,793	123,500	1.9	241,619
Nonstore Retailers	125,733	85,264	47.5	237,879
Furniture and Home Furnishings Stores	107,815	81,757	31.9	218,049
Rental and Leasing Services	<u>93,272</u>	<u>99,915</u>	-6.6	<u>204,079</u>
	6,575,636	5,856,611		13,093,953

The top 20 sources provide 90.9 percent of all sales tax. The “Construction of Buildings” category is experiencing significant decline following a multi-year period of very strong growth due to commercial and industrial activity in northeast and central Lacey. The City’s largest sales tax category, “General Merchandise Stores”, experienced a mid-year 12.0 percent increase compared to 2020. Nearly all of the

top 20 categories are experiencing growth consistent with a recovering local economy due to the reopening status of the state. However, the impacts of the Federal stimulus, Federal financial assistance, and pent up demand are not easily separated from the sustainable revenue increases.

- The General Fund business & occupation (B&O) tax mid-year revenues total \$1,516,269 or 72.4 percent of the amended budget estimate. B&O taxes increased \$274,273 or 22.1 percent. It is expected the service business activity has started to recover. The service related businesses were heavily impacted by the COVID-19 safety restrictions.
- Overall, utility tax collections for the mid-year were \$174,503 higher than the previous year. Electric (+\$117,952) and City-owned utilities (+\$114,239) experienced the largest increases. Telephone utility taxes continued to experience significant declines. The trend to eliminate landline phones and the implementation of a recent accounting standard, which changed the accounting of bundled contracts, continue to contribute to the declines.
- In total, taxes increased \$1,789,524 during the first half of 2021. However, Admissions Tax declined \$60,407 and Gambling Taxes declined \$58,627 due to the COVID-19 safety restrictions.
- Non-business license (includes building, mechanical, plumbing, and electrical permits fees) revenues have been collected at 51.1 percent of the budget estimate. Building permits decreased \$112,426. Building permit activity can be an indicator of future one-time sales tax increases, ongoing property, and utility tax increases.
- Plan check fees increased \$229,954. This category can be an indicator of future development.
- Interfund Engineering Services decreased \$88,814 during the first half of 2021. These internal services are related to design and construction management of transportation and utility capital projects.
- Interest earnings experienced significant decreases due to two swift 2020 emergency Federal Reserve rate cuts to zero percent in reaction to the COVID-19 public health emergency. The Current Expense Fund's interest earnings decreased \$284,160 compared to the first half of 2020. Fortunately, the recent implementation of a new investment policy and strategy has resulted in the City holding longer-term investments, which preserve a higher than market interest rates. It should be noted that many of these higher interest rate investments will mature in the second half of 2021 and 2022.
- The Community Buildings Fund revenues decreased \$891,347 due to a 2020 one-time \$750,000 transfer for the emergency replacement of the Community Center's HVAC system.

- First half 2021 revenues of the Capital Equipment Fund were \$1,321,469 lower than 2020. This was the result of lower budgeted capital transfers and some timing differences.

UTILITY FUNDS

Mid-year 2021 operating expenditures for the City's utilities were mainly consistent with projections. The Water Utility Maintenance and Operations Fund expenditures were \$398,071 or 4.3 percent lower in 2021. The decrease is due to a \$613,846 lower capital improvement program transfer. Wastewater Utility Maintenance and Operations Fund expenditures were \$393,900 or 4.9 percent higher in 2021. The majority of the increase is due to a \$466,725 higher LOTT transfers. The Stormwater Maintenance and Operations Fund expenditures were \$703,645 or 36.8 percent higher than the previous year. The annual Stormwater capital improvement program transfer increased \$676,311 in 2021.

With the exception of the timing of the water fireflow utility tax transfer from the General Fund, operating revenues for the utilities are meeting projections and consistent with approved rate increases and customer growth. Total water revenues were \$463,621 or 7.1 percent lower than the mid-year of 2020. The aforementioned utility tax transfer has not yet occurred and is budgeted for \$844,949. Wastewater total revenues were \$442,166 or 4.9 percent higher than the previous year. Wastewater sales increased \$100,943 or 3.3 percent and LOTT sales increased \$378,683 or 6.3 percent. Stormwater revenues were \$76,246 or 3.7 percent higher than 2020, which is consistent with the Stormwater rate increase projection.

CONCLUSION AND FORECAST

While the COVID-19 public health emergency continued into 2021, Washington State fully reopened its economy on June 30 and so far, the local economy expanded in alignment with the U.S. economy. The U.S. economy grew 6.3 percent in the first quarter and 6.5 percent during the second quarter. It is worth noting the second quarter expansion was considered a disappointment compared to the expected 8.4 percent expansion. This is in comparison to the 2020 first quarter 5.0 percent contraction, which ended the 128-month record post-war economic recovery period, and 2020 second quarter 31.4 percent contraction.

Despite the ongoing public health emergency, the City is experiencing a stronger than anticipated financial start to the year. There are revenue categories that continue to be negatively impacted, but the Federal stimulus, Federal financial support, moratorium on evictions and utilities, safety protocols restricting travel outside of the area have all likely had impact on the improving revenue generation. The question is: what will happen when these protections and financial support end?

General Fund Revenues

Sales tax, the General Fund's single largest source of revenue, historically provides about 25 percent of all revenue. Sales tax is 13.3 percent higher through the mid-year. The City's

largest sales tax category, General Merchandise Stores, is 12.0 percent higher than 2020. Year-to-date all major sales tax categories are higher than the same period last year except the Construction of Buildings category. Based on permit activity and the known cyclical nature of construction, the decrease was anticipated. The Construction of Buildings category is 43.4 percent lower than 2020. Careful monitoring of sales tax will continue because the COVID-19 financial support and economic protections will end and likely impact the current level of collections.

Based on decreasing construction sales tax, the 2022 property tax growth from new construction is expected to be lower than recent growth, but still stronger than historic levels. Property tax growth from new construction has been strong in recent years. The following table illustrated the recent property tax growth due to new construction.

Year	Property Tax Increase from Construction
2021	\$306,555
2020	\$267,223
2019	\$208,770
2018	\$190,651
2017	\$133,103

The 2021 new construction increase was based on \$311.8 million of new assessed valuation. For 2022, it is estimated that every \$100.0 million of new construction will generate \$96,276 increase in property tax revenue. The preliminary estimate is \$175.0 million of new construction will be added to the City's assessed valuation generating an estimated \$168,483 of new property taxes.

Projected Labor Costs

The cost of labor costs constitutes approximately two-thirds of all General Fund operating expenditures. Historically, the cost of labor has increased faster than the rate of inflation.

Based on the 2021 salary budget, each 1.0 percent of salary and benefits increase is equal to \$202,407. During the most recent ten-year period (2011-2020), the total General Fund salary and wage annual increase averaged 3.42 percent per year.

Medical benefit increases have been lower since the Association of Washington Cities (AWC) Benefit Trust change to self-insurance on January 1, 2014. However, the 2022 health insurance premium increases are projected to be higher than recent years. The preliminary 2022 rate projections for the Regence plans are not expected to exceed 7.0 percent and Kaiser Permanente plans are not expected to exceed 9.0 percent. The 2021 premium increases for Regence and Kaiser Permanente were 4.0 percent and 5.0 percent, respectively. Delta Dental premiums are not expected to exceed 4.0 percent and no increase is projected for Willamette Dental. No increase is projected for the vision service plan.

Recent history (2011-2020) indicates that employee benefits in total have increased 4.64 percent annually. Based on the 2021 benefits budget, each 1.0 percent of benefits increase is equal to \$82,671.

COVID-19 Continues to Impact the Economy

As the summer reaches its end, the COVID-19 public health emergency continues in world, nation, and the local region. The Washington State economy, through a phased approach, fully reopened during the first half of 2021. As a result, the levels of business activity and employment took a large step forward towards normal. However, in July, despite many people receiving the vaccination the latest COVID variant began to dominant landscape. Now, areas are seeing record numbers of positive cases, including Thurston County. The economic impact of this latest COVID-19 wave will not be fully known until the end of October.

Again, the health of the economy will be highly dependent on the magnitude and length of the resurgence of COVID-19 cases, the potential of additional restrictive safety protocols, and compliance with restrictions and safety measures.

Many of the financial protections such as eviction moratoriums and financial support and aid such as additional unemployment benefits continue, which have kept the economy afloat. The Coronavirus State and Local Fiscal Recovery Funds (established by the American Rescue Plan Act) are just beginning to provide additional financial relief. This should help keep the economy on the path of recovery, but it is anticipated the additional funding and relief will expire at some point.

The monitoring of the City's economic condition and indicators will continue. The high level of uncertainty will make the 2022 revenue projections very challenging.

2022 Recommendations

Repeating the message and tone included within the 2022 Budget Call and Instructions memorandum dated June 11, 2021:

“Due to the unpredictability and uncertainty of both the revenue and expenditure projections, the 2022 Budget will not be one of expansion with the exception of critical/essential needs. Even prior to the COVID-19 public health emergency, there were concerns about the sustainability of the ongoing expenditure levels of the organization. It will be difficult to consider nonessential budget requests unless offsetting reductions in other areas or an identified revenue source is identified.”

It is recommended that the 2022 Budget be considered with caution due to the continued uncertainty related to the ongoing public health emergency. Continuing Lacey's conservative budget approach will be crucial for its financial stability and success, which will maintain the level of services its citizen have come to enjoy and expect.

City of Lacey
Monthly Expenditure Summary
June 2021

Expenditures: General Fund	2020 Amended Budget	YTD 6/30/2020 Actual	2020 YTD % of Budget	2021 Amended Budget	YTD 6/30/2021 Actual	2021 YTD % of Budget	2021-2020 YTD Variance
City Council	\$ 432,877	\$ 209,324	48.4%	\$ 546,767	\$ 213,817	39.1%	\$ 4,493
Contracted Services	2,605,557	965,321	37.0%	2,829,292	675,769	23.9%	(289,552)
City Manager	504,776	202,149	40.0%	781,882	333,032	42.6%	130,883
Human Resources	1,321,299	505,065	38.2%	1,361,190	599,638	44.1%	94,574
Social Services	3,268,421	307,454	9.4%	2,626,585	1,561,909	59.5%	1,254,455
Public Affairs/City Clerk	972,176	454,797	46.8%	935,671	488,799	52.2%	34,002
Finance	1,416,440	631,270	44.6%	1,411,780	628,423	44.5%	(2,848)
Legal & Judicial	673,087	330,842	49.2%	705,289	350,628	49.7%	19,786
Common Facilities Overhead	1,537,359	886,213	57.6%	1,591,989	923,188	58.0%	36,976
Police	11,564,500	5,179,881	44.8%	12,068,954	5,381,607	44.6%	201,726
Public Works - Support SVC	120,389	53,253	44.2%	147,203	63,251	43.0%	9,998
Public Works - Engineering	3,832,054	1,862,659	48.6%	3,947,610	1,788,461	45.3%	(74,198)
Public Works - Parks Maint.	3,016,942	1,262,466	41.8%	3,284,057	1,392,722	42.4%	130,256
Public Works - Facilities Maint.	652,786	263,433	40.4%	745,834	264,682	35.5%	1,249
Planning & Community Dev.	2,821,466	1,299,270	46.0%	3,689,481	1,272,017	34.5%	(27,252)
Public Works - Water Resources	1,641,124	732,839	44.7%	1,543,672	721,159	46.7%	(11,680)
Parks & Recreation	3,074,343	1,038,960	33.8%	3,312,846	882,582	26.6%	(156,378)
Transfers Out	6,649,949	6,244,331	93.9%	5,050,126	3,257,486	64.5%	(2,986,845)
Total Current Expense Fund:	\$ 46,105,545	\$ 22,429,528	48.65%	\$46,580,228	\$ 20,799,171	44.65%	\$ (1,630,357)
Criminal Justice Fund	\$ 724,856	\$ 441,385	60.9%	\$ 1,487,168	\$ 720,915	48.5%	\$ 279,530
Community Buildings Fund	1,358,336	404,986	29.8%	685,570	252,107	36.8%	(152,879)
Regional Athletic Complex	951,441	483,220	50.8%	1,173,087	527,663	45.0%	44,443
Street Fund	3,864,837	1,722,964	44.6%	3,906,339	1,942,040	49.7%	219,076
Capital Equipment Fund	3,784,926	2,035,708	53.8%	1,928,195	754,743	39.1%	(1,280,965)
Total General Fund Expenditures	\$ 56,789,941	\$ 27,517,791	48.46%	\$ 55,760,587	\$ 24,996,640	44.83%	\$ (2,521,151)
Expenditures: Other Funds							
Arterial Street Fund	\$ 10,136,027	\$ 2,296,173	22.7%	\$ 8,948,046	\$ 1,317,786	14.7%	\$ (978,387)
Transportation Improvement	2,989,152	213,197	7.1%	4,641,086	119,060	2.6%	(94,137)
Lodging Tax	274,812	124,191	45.2%	403,500	269,750	66.9%	145,559
Community Block Grant	267	-	0.0%	170	-	0.0%	-
Hicks Lake Management District	47,136	-	0.0%	46,581	-	0.0%	-
General Obligation Bond	1,712,639	146,675	8.6%	1,718,174	124,900	7.3%	(21,775)
LID Debt	102,629	-	0.0%	79,593	-	0.0%	-
Building Improvement	1,935,267	659,622	34.1%	1,070,182	449,664	42.0%	(209,957)
Parks & Open Space	895,068	389,099	43.5%	294,589	109,918	37.3%	(279,180)
Regional Athletic Complex Capital	2,428,749	1,351,190	55.6%	1,567,452	581,842	37.1%	(769,348)
Water Utility	14,354,588	9,190,613	64.0%	14,312,811	8,792,542	61.4%	(398,071)
Wastewater Utility	18,109,622	8,071,197	44.6%	19,256,764	8,465,097	44.0%	393,900
Stormwater Utility	3,864,260	1,968,342	50.9%	4,339,476	2,671,986	61.6%	703,645
Reclaimed Water	1,313	-	0.0%	645	-	0.0%	-
Water Capital	22,436,245	2,822,561	12.6%	37,108,336	7,643,344	20.6%	4,820,783
Wastewater Capital	16,471,006	2,279,197	13.8%	14,231,549	3,017,610	21.2%	738,413
Stormwater Capital	938,755	163,997	17.5%	1,649,556	199,179	12.1%	35,182
Reclaimed Water Capital	25,510	-	0.0%	12,540	-	0.0%	-
Water Debt Service	4,034,285	123,942	3.1%	4,426,190	119,513	2.7%	(4,429)
Wastewater Debt Service	2,494,812	29,286	1.2%	2,643,369	27,341	1.0%	(1,946)
Stormwater Debt Service	1,752,286	20,946	1.2%	2,101,867	20,050	1.0%	(896)
Equipment Rental	3,298,351	1,170,546	35.5%	3,404,103	878,014	25.8%	(292,532)
Information Management	2,020,632	872,938	43.2%	2,448,779	896,575	36.6%	23,637
Total Expenditures	\$ 167,113,352	\$ 59,411,501	35.55%	\$ 180,465,945	\$ 60,700,811	33.64%	\$ 1,289,310

City of Lacey
Monthly Revenue Summary
June 2021

Revenues: <u>General Fund</u>	2020 Amended Budget	YTD 6/30/2020 YTD Actual	2020 YTD % of Budget	2021 Amended Budget	YTD 6/30/2021 YTD Actual	2021 YTD % of Budget	2021-2020 YTD Variance
Taxes:							
Property	\$ 6,693,326	\$ 3,177,168	47.5%	\$ 7,247,499	\$ 3,774,370	52.1%	\$ 597,202
Sales	8,152,327	6,434,718	78.9%	10,881,375	7,289,726	67.0%	855,008
Business & Occupation	1,830,846	1,241,996	67.8%	2,095,279	1,516,269	72.4%	274,273
Admissions	112,500	63,213	56.2%	112,500	2,806	2.5%	(60,407)
Utility - Electric	2,314,531	1,239,650	53.6%	2,333,333	1,357,603	58.2%	117,952
Utility - Natural Gas	664,116	545,278	82.1%	831,002	581,011	69.9%	35,733
Utility - Solid Waste	534,683	215,223	40.3%	400,724	229,953	57.4%	14,730
Utility - Telephone	848,053	389,228	45.9%	682,617	281,077	41.2%	(108,152)
Utility - Water/Sewer/Storm	3,396,016	1,398,661	41.2%	3,100,727	1,512,899	48.8%	114,239
Excise - Forest/Leasehold	25,000	4,974	19.9%	20,000	12,546	62.7%	7,572
Gambling	220,100	106,630	48.4%	239,136	48,003	20.1%	(58,627)
Total Taxes	\$ 24,791,498	\$ 14,816,740	59.77%	\$ 27,944,192	\$ 16,606,264	59.43%	\$ 1,789,524
Penalties & Interest	\$ 250	\$ 864	345.7%	\$ 250	\$ 788	315.3%	\$ (76)
Franchises	616,044	340,283	55.2%	626,963	347,336	55.4%	7,053
Licenses & Permits	1,478,703	992,240	67.1%	1,749,200	894,496	51.1%	(97,744)
Inter-Governmental:							
Criminal Justice	\$ -	\$ -		\$ -	\$ 23,651		\$ 23,651
Traffic Safety	5,000	-		-	-		-
Liquor Excise	286,599	147,077	51.3%	299,471	182,133	60.8%	35,056
Liquor Profits	388,114	205,778	53.0%	417,989	209,083	50.0%	3,305
Other State Entitlements	57,935	39,187	67.6%	59,259	39,342	66.4%	154
Inter-Gov. Service Charges	266,055	63,910	24.0%	126,055	65,510	52.0%	1,600
Other Grants	2,031,000	10,496	0.5%	1,092,006	374,260	34.3%	363,764
Total Inter-Governmental	\$ 3,034,703	\$ 466,448	15.37%	\$ 1,994,780	\$ 893,979	44.82%	\$ 427,531
Service Charges:							
General Government	\$ 52,100	\$ 13,397	25.7%	\$ 51,750	\$ 8,567	16.6%	\$ (4,830)
Security of Persons/Property	5,500	167,186	3039.7%	181,500	89,762	49.5%	(77,424)
Economic Environment/Plan Checking	314,500	254,462	80.9%	579,500	484,417	83.6%	229,954
Culture and Recreation	525,112	125,113	23.8%	542,912	177,754	32.7%	52,641
Total Service Charges	\$ 897,212	\$ 560,158	62.43%	\$ 1,355,662	\$ 760,500	56.10%	\$ 200,341
Interfund Charges:							
Engineering Services	\$ 3,146,045	\$ 1,528,622	48.6%	\$ 3,180,046	\$ 1,439,808	45.3%	\$ (88,814)
Park Maintenance	469,049	170,585	36.4%	481,975	274,623	57.0%	104,037
Water Resources	2,149,628	952,664	44.3%	1,940,619	847,520	43.7%	(105,144)
Other Interfund Charges	1,234,455	617,226	50.0%	1,383,954	691,980	50.0%	74,754
Total Interfund Charges	\$ 6,999,177	\$ 3,269,098	46.71%	\$ 6,986,594	\$ 3,253,931	46.57%	\$ (15,167)
Violations	\$ 250,000	\$ 87,790	35.1%	\$ 250,000	\$ 78,429	31.4%	\$ (9,362)
Interest Earnings	157,622	172,281	109.3%	255,050	(111,879)	-43.9%	(284,160)
Other Miscellaneous	37,050	41,491	112.0%	23,576	3,485,689	14784.9%	3,444,199
Contributions	556,000	22,002	4.0%	576,000	76,915	13.4%	54,914
Financing	-	-		-	-		-
Transfers	558,900	558,900	100.0%	48,500	48,500	100.0%	(510,400)
Beginning Cash	6,728,386	-		4,769,461	-		-
Total Current Expense Fund Revenues	\$ 46,105,545	\$ 21,328,295	46.26%	\$ 46,580,228	\$ 26,334,947	56.54%	\$ 5,006,652
Criminal Justice Fund	\$ 724,856	\$ 528,034	72.8%	\$ 1,487,168	\$ 658,694	44.3%	\$ 130,660
Community Buildings Fund	1,358,336	1,243,065	91.5%	685,570	351,718	51.3%	(891,347)
Regional Athletic Complex Fund	951,441	547,282	57.5%	1,173,087	864,191	73.7%	316,909
Street Fund	3,864,837	3,496,600	90.5%	3,906,339	3,230,669	82.7%	(265,930)
Capital Equipment Fund	3,784,926	1,325,569	35.0%	1,928,195	4,100	0.2%	(1,321,469)
Total General Fund Revenues	\$ 56,789,941	\$ 28,468,844	50.13%	\$ 55,760,587	\$ 31,444,319	56.39%	\$ 2,975,475

Revenues:	2020	YTD	2020	2021	YTD	2021	2021-2020
<u>Other Funds</u>	<u>Amended</u>	<u>6/30/2020</u>	<u>YTD % of</u>	<u>Amended</u>	<u>6/30/2021</u>	<u>YTD % of</u>	<u>YTD</u>
	<u>Budget</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Variance</u>
Arterial Street Fund	\$ 10,136,027	\$ 2,838,876	28.0%	\$ 8,948,046	\$ 2,168,349	24.2%	\$ (670,526)
Transportation Improvement Fund	2,989,152	1,523,405	51.0%	4,641,086	1,798,802	38.8%	275,397
Lodging Tax	274,812	171,867	62.5%	403,500	155,214	38.5%	(16,654)
Community Block Grant	267	10,313	3862.6%	170	(83)	-49.0%	(10,396)
Hicks Lake Management District	47,136	27,108	57.5%	46,581	29,127	62.5%	2,019
General Obligation Bond	1,712,639	1,144,361	66.8%	1,718,174	1,189,392	69.2%	45,030
LID Debt	102,629	34,372	33.5%	79,593	10,374	13.0%	(23,998)
Building Improvement	1,935,267	106,590	5.5%	1,070,182	248,886	23.3%	142,296
Parks & Open Space	895,068	396,965	44.4%	294,589	11,359	3.9%	(385,606)
Regional Athletic Complex Capital	2,428,749	753,311	31.0%	1,567,452	755,562	48.2%	2,250
Water Utility	14,354,588	6,499,597	45.3%	14,312,811	6,035,976	42.2%	(463,621)
Wastewater Utility	18,109,622	9,095,451	50.2%	19,256,764	9,537,617	49.5%	442,166
Stormwater Utility	3,864,260	2,075,045	53.7%	4,339,476	2,151,291	49.6%	76,246
Reclaimed Water	1,313	401	30.5%	645	(279)	-43.2%	(679)
Water Capital	22,436,245	6,732,584	30.0%	37,108,336	6,104,122	16.4%	(628,462)
Wastewater Capital	16,471,006	1,420,870	8.6%	14,231,549	1,835,927	12.9%	415,057
Stormwater Capital	938,755	897,740	95.6%	1,649,556	1,429,845	86.7%	532,105
Reclaimed Water Capital	25,510	7,782	30.5%	12,540	(5,412)	-43.2%	(13,193)
Water Debt Service	4,034,285	510,580	12.7%	4,426,190	499,542	11.3%	(11,039)
Wastewater Debt Service	2,494,812	840	0.0%	2,643,369	(1,032)	0.0%	(1,873)
Stormwater Debt Service	1,752,286	101,890	5.8%	2,101,867	101,503	4.8%	(388)
Equipment Rental	3,298,351	1,581,281	47.9%	3,404,103	1,654,545	48.6%	73,265
Information Management	2,020,632	937,058	46.4%	2,448,779	1,015,425	41.5%	78,367
Total Revenues	\$ 167,113,352	\$ 65,337,131	39.10%	\$ 180,465,945	\$ 68,170,371	37.77%	\$ 2,833,240



**FINANCE & ECONOMIC
DEVELOPMENT COMMITTEE**
August 24, 2021

SUBJECT: Food Truck Project

RECOMMENDATION: Brief the committee on the status and operations of the food truck court on property adjacent to the Lacey Depot.

TO: Scott Spence, City Manager *SS*
Rick Walk, Director of Community Development *RW*
Wesley Nguyen, Economic Development Coordinator

ORIGINATED BY: Community & Economic Development Department

ATTACHMENTS:

1. [August, 24, 2021 Briefing slide deck](#)
2. [Staff Report, February 23, 2021 \(Finance & Econ Committee\)](#)
3. [2018 COL's Depot District Subarea Plan](#)

FISCAL NOTE: None

PRIOR REVIEW: None

BACKGROUND:

On February 23, 2021, staff provided a report to the Finance & Economic Development Committee summarizing the history of the Depot District sub-area vision, including the concept of food trucks dating back 9 years to the 2012 City Council Retreat. The Community & Economic Development department started preliminary work on the Depot District Subarea concept in 2013 and provided briefings and updates to the Planning Commission. On August 2018, the City completed a Depot District Subarea Plan. The Plan was created to articulate a realistic, yet compelling, vision for Lacey's "Depot District." It outlines strategies to achieve this vision, fostering transformation appropriate to the area including scale, rate of change, and location of new investment.

At the February 23, 2021, Finance & Economic Development Committee, the Community & Economic Development Department introduced the Depot Plaza Concept. Staff proposed to launch a "pilot" food truck court on the graveled parcel adjacent to Lebanon Street, between Lacey Boulevard and the Lacey Depot. Utilizing the gravel parking area allowed the City to quickly establish a site to accommodate food trucks with

minimal site improvements and cost and more importantly test the market for a food truck court in this location.

Staff moved forward with the food truck proposal as one of the first steps in implementing the Depot District Subarea Plan with the official launch on April 30. In preparing for the launch, we worked with interested vendors to get feedback with how they would like to set up and hours of operation. Based on this feedback, the initial schedule for the food trucks was Wednesday through Friday during the lunch hour with a rotating truck schedule.

The opening was well received by the community and the food trucks consistently sold out of food. After the first month of and half of operation we tested a pop-up market and also live music. Through the first three months we found the need to establish one or more food trucks that could be at the location on a daily basis to provide predictability and consistency for customers. After testing the pop-up market idea and live music, we found that we need time to develop a consistent group of vendors and to coordinate “special events” with music to create a peak flow of customers. This would not only help the vendors but also create stronger connection and awareness to the depot location as a potential future civic location. While we learned quite a bit over the past three months, we also experienced a lot of success and received great feedback from not only the vendors but also the community as a whole. Some project highlights from the first three months of the food truck proposal include the following:

City Cost:

- \$3,000 over the course of 3 months (excluded staff time).
- Multiple city departments and staff provided a lot of support and work to prepare and promote the site and project.

Food trucks:

- Seven total food trucks operated on rotation, initially 4 days a week/usually lunch time. Currently, five days a week including Saturday. The seven food trucks include:
 1. Hawaii Five-O Island – Woman-owned
 2. Uncle Pete’s BBQ – Veteran-owned
 3. Funnel of Love – Woman-owned
 4. Taco California – Minority owned
 5. Foodphoria – Young entrepreneurs
 6. Sweetlee Ice Cream – Minority-owned
 7. Kona Ice – Family-owned franchise

Estimated sales:

- June - average sale for each truck is 30 sales (@\$10 = \$300 per lunch time)
 - July – average sale for each truck is 25 sales (@\$10 =\$250 per lunch time)
- *estimates are conservative based on number of sales informely reported by vendors

Pop-Up Market (3 times as of 8/03/2021) on Friday:

- 3 vendors (home based products) – woman-owned enterprise
- 2 farming groups (fresh produce)

*Sales activity was not reported.

In summary, through our experience of the past three months we identified several challenges in establishing the food truck court and learning from these challenges developing a strategy going into next year. The challenges include:

- Cost and approval timeframe for the county “mobile unit” operating permit; especially for out-of-county vendors
- Low customer traffic
- Variety of food truck vendors on each day
- New location on the “food truck circuit” and the market
- Limited amenities; i.e. electricity and complementary services/product to food
- Signage and marketing/promotion
- Parking space/traffic (on busy days)

Based on these challenges we will develop a strategy to build off this year’s success.

Current ideas include:

- Collaborate with Parks and Rec Department to plan events/activities at the Depot and incorporating the market/food trucks
- Partner with local associations, i.e. car club, to co-host meetup event/activities to brand the location and the services
- Encourage local vendors to formalize a working grassroots committee to take the lead to organize and operate the market in the 2022 season
- Committee could create marketing channel, i.e. Facebook group to obtain more vendors, share events and business opportunities
- Continue to expand the project to garner more food trucks and market vendor to grow the location present in the community and create a destination that will enhance the future home of the Lacey Historic Museum.

At the Committee meeting, staff will provide a presentation and overview of the project, the benefits to the community and small businesses, and discuss with committee members the operations, challenges, and future plans for the project.

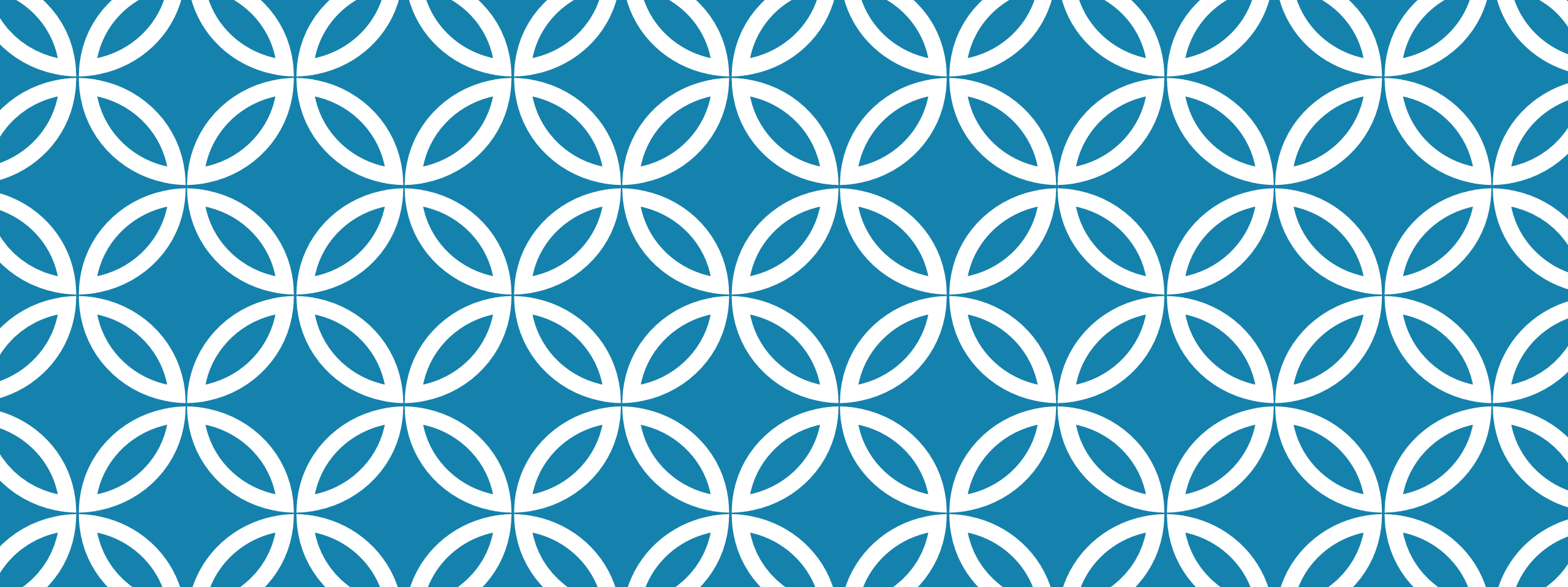
ADVANTAGES:

1. Create vibrant, integrated and well-designed commercial districts in designated areas in the community to enhance local residents experience with a diversity of food options in our community.
2. Provide interest, identity, complementary character, compatibility, and sense of place for the area/district.

3. Encourage emphasis on interconnection of pedestrian corridors and development of pedestrian opportunities through projects like this and others throughout the Depot District.
4. Provide value-added elements to the Depot Park/Playground and the future home of the Lacey Historic Museum.
5. Service the microbusiness entrepreneurs (food truck vendors) with a new location to sell their food creations and create a new stream of income.

DISADVANTAGES:

1. None



Finance and Economic Development Council Committee

August 24, 2021

Community and Economic Development

@THE DEPOT | UPDATE



@THE DEPOT

Food Truck Pilot Project

- Rent-free location for vendors to market and sell their creations
- Compliment the existing train-theme playground and the replica “depot”

Goals:

- Create gathering spots, activities and identity
- Create economic opportunities

Launch:

- Food Trucks – April 30, 2021
- Pop-up Market - June 18, 2021

FOOD TRUCK VENDORS



SCHEDULE COMPARISON

Lacey Food Truck Depot

FOOD TRUCKS



Calendar April 2021

Tuesday (4/27 & 5/04)	Wednesday (4/28 & 5/05)	Thursday (4/29 & 5/06)	Friday (4/30 & 5/07)
Available to vendor	Tacos California	Five-O Island	Funnel of Love
Available to vendor	Uncle Pete's BBQ (5/05 only)	Funnel of Love	Uncle Pete's BBQ Five-O Island (4/30 only)

11:30 am – 1:30 pm (lunch time)
Location: 5500 Lacey Blvd. SE




Week 1

FOOD TRUCKS @ THE DEPOT

HOURS 11:30 AM - SOLD OUT

Mon 8/09	Tues 8/10	Wed 8/11	Thurs 8/12	Fri 8/13	Sat 8/14	Sun 8/15
		Foodphoria Five-O Island	Foodphoria Tacos la Esquinita	Foodphoria Five-O Island Cinco de Mayo Fruits & more	Cinco de Mayo Fruits & more	Cinco de Mayo Fruits & more
Mon 8/16	Tues 8/17	Wed 8/18	Thurs 8/19	Fri 8/20	Sat 8/21	Sun 8/22
Cinco de Mayo Fruits & more	Five-O Island Cinco de Mayo Fruits & more	Foodphoria Five-O Island	Foodphoria	Uncle Pete's BBQ Foodphoria Five-O Island Cinco de Mayo Fruits & more	Cinco de Mayo Fruits & more	Cinco de Mayo Fruits & more

POP-UP MARKET @ THE DEPOT

FRIDAYS 4 - 6 PM

An * on food truck schedule indicates this vendor will be open during Pop-up Market.



Week 14

FOOD TRUCKS @ THE DEPOT



POP-UP MARKET

- Every Friday 3 pm – 6/6:30 pm
- Microbusiness vendors
- Food truck/s

Challenges

- Not many vendors
- New “market”
- Needs other attractions



PROJECT NEXT STEPS

Continue to expand the food trucks and pop-up market

- Recruiting various vendors
- Adding promotional signage
- Promote the events on social media
- Partnering with other “attraction” to complement the vendors
- Expand hours/days when vendor requested

Schedule for 2021 season and 2022 season

- Coordinate potential “closing” date for the 2021 season and “opening” for 2022 season
- Stand up the Market Committee to usher in new ideas and more vendors
- Planning for events/activities with Park and Rec for 2022



**FINANCE & ECONOMIC
DEVELOPMENT COMMITTEE**
February 23, 2021

SUBJECT: Food Truck Court Proposal

RECOMMENDATION: Brief the committee on a proposal to establish a food truck court on property adjacent to the Lacey Depot.

TO: Scott Spence, City Manager *SS*
Rick Walk, Director of Community Development *RW*
Wesley Nguyen, Economic Development Coordinator *WNG*

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS:

1. [2021 Concept Note](#)
2. [Site map](#)
3. [2018 COL's Depot District Subarea Plan](#) (Link redirects you to the City's website.)

FISCAL NOTE: Preliminary costs are not identified. 2021 budget includes \$25,000 for site plan development.

PRIOR REVIEW: July 27, 2020, Finance and Economic Development Committee

BACKGROUND:

At the 2012 City Council Retreat, as part of the discussion on the Lacey Depot Museum project, the Council also discussed the need to developing a vision for the area along and adjacent to the "one-way couplet" (Lacey Blvd. & Pacific Ave). The conversation focused on the opportunity to create a sub-area that recognizes the history of Lacey and create stronger identity for the neighborhoods that border the one-way couplet, the Lacey Downs commercial center and Saint Martin's University. Ideas that built off the proposed museum project to create a stronger civic focal point included potential concepts such as food trucks, pop-up markets and entertainment type activities.

Building off the 2012 City Council Retreat, the Community and Economic Development department started preliminary work on the Depot District Sub-Area concept in 2013 and provided briefings and updates to the Planning Commission. In 2017, the Depot District Sub-Area project was placed on the work program and the Department received budget

approval to contract with Studio Cascade to conduct a community-based visioning process for the Depot District Sub-Area. Studio Cascade facilitated interviews with City officials, community leaders, stakeholders, neighborhood groups and business owners and held a week-long design charette in a city-owned building adjacent to Lacey Boulevard, known as the 5700 Building.

On August 2018, the City of Lacey completed a Depot District Subarea Plan. The Plan was created to articulate a realistic, yet compelling vision for Lacey's "Depot District." It outlines strategies to achieve this vision, fostering transformation appropriate to the area including scale, rate of change, and location of new investment. Transformation envisioned for the Depot District is fully consistent with the comprehensive plan.

Key concepts envisioned for the district include:

1. An enriched pedestrian experience - focusing first on the segment between the Carpenter/Pacific intersection and the future museum and the connections between the island and Saint Martin's University.
2. Development of the future museum, including multi-use options for the site and adjacent City-owned sites, activating the eastern end of the couplet island, capturing significant energies from the future Reserve development and adjacent neighborhoods, and boosting infill/redevelopment prospects for nearby commercial properties.

City-Owned Properties:

The City is taking the lead on introducing civic and cultural uses into the Depot District with the proposed museum and depot projects. The City-owned site (the triangle lot between Lacey Blvd and Pacific Ave, east of Lebanon Street) is slated to house the new Lacey Historic Museum and will likely become a multi-purpose "anchor" feature for the entire district.

The Depot District Plan also reinforced the ideas to develop community gathering activities such as an indoor/outdoor farmers market, rentals for trail users, event space, catering facilities, a food truck park and more.

Staff is moving forward with the food truck park as one of the first steps in implementing the Depot District Subarea Plan. At the July 27, 2020, Finance and Economic Development Committee, the Community and Economic Development Department introduced the Depot Plaza Concept. This concept showed a hardscape plaza on City-owned property between Holman Drive and the round-about that could potentially accommodate food trucks and "pop-up" market. This concept would take time to develop, work through site development conflicts/challenges and require a substantial budget.

In the interim, staff is proposing to launch a "temporary" food truck court on the graveled parcel adjacent to Lebanon Street between Lacey Boulevard and the Lacey Depot. This

will allow less time to get the food truck court concept established at minimal cost and more importantly test the market for a food truck court in this location. Please see attached site plan for more information.

At the Committee meeting, staff will walk through the anticipated steps to prepare the site. Staff has reached out to multiple food truck vendors and the Washington State Food Truck Association to partner on this project. Operationally, the temporary food trucks area will be open/available to 4-6 trucks, one day a week to serve lunch at the start of the launch. Depending on future demand, the lot might be available for more hours and more days. The project target it is to establish the temporary food truck court in April 2021.

ADVANTAGES:

1. Create vibrant, integrated and well-designed commercial districts in designated areas in the community to enhance local residents experience with a diversity of food options in our community.
2. Provide interest, identity, complementary character, compatibility, and sense of place for the area/district.
3. Encourage emphasis on interconnection of pedestrian corridors and development of pedestrian opportunities through projects like this and others throughout the Depot District.
4. Provide value-added elements to the Depot Park/Playground and the future home of the Lacey Historic Museum.
5. Service the microbusiness entrepreneurs (food truck vendors) with a new location to sell their food creations and create a new stream of income.

DISADVANTAGES:

1. None

FOOD TRUCK PROPOSAL

CONCEPT NOTE

Food Truck Depot | Lacey Blvd SE/Pacific Ave SE

February 19, 2021

What is a Food Truck Depot?

It is a location/place for food truck operators to park and sell their products. Whether it's a permanent or temporary food truck park, customers like to sample food from many food trucks with innovative menus to attract a crowd. This opportunity is a great way to boost sales revenue and gain a following/repeat customers.

Why do a Food Truck Depot in Lacey?

Food Truck Depots can revitalize neighborhoods, bringing business to little-visited areas and offering dining options where there once were few. Since trucks have much lower start-up costs than brick and mortar restaurants, they're a way for new chefs to establish themselves in the community. And the food truck depot stands to make a major impact on the way Lacey's residents eat.

Where can a Food Truck Depot locate in Lacey?

The City of Lacey owns a parcel of land on the corner of Lacey Blvd SE and Pacific Ave SE that would be ideal for a Food Truck Depot location. There are residents and businesses in the area as well as the high traffic visibility, which could entice good customer flow. We are focused on the gravel area adjacent to Lebanon Street (see attached map) as the temporary location for the Depot.

CONTACT

Community and
Economic Development
Department

City of Lacey

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FUTURE PLAN FOR THE FOOD TRUCK DEPOT/POP UP MARKET

At the corner of Lacey Blvd and Pacific Avenue is the planned future site of the Food Truck Depot/Pop up Market. City Planners and Economic Development staff are working on this parcel to develop it into a destination location for the residents to celebrate Lacey culture and history.

The future Lacey Museum will act as the history anchor for the location and the Food Truck/Pop up Market will provide a place for residents and visitors to enjoy the diversity of our community.

FOOD TRUCK PROPOSAL

What is required of the City aside from the land parcel?

In operating the temporary food truck site, City staff will identify the truck operators and schedule the event day. Operators will be asked to be self-sufficient, including disposal of all trash (take with them). City will allow operators access to the 5700 building restroom while on the lot.

How will the Depot be operationally?

As a pilot project, the temporary Food Truck Depot will be open one day a week with a four truck maximum in the hours of 11 AM to 1 PM. It will be no cost to the truck operators to park their vehicle there. If there is more demand, we will rotate the truck operators to accommodate and provide variety to the customers.

What is the goal for the City?

The Food Truck Depot pilot project has two main objectives. The first is to increase the visibility of the Depot District as we plan to build out the district including the Lacey Museum on the same parcel of land. The second objective is to enhance our community by providing great, diverse food options for the neighborhood especially now that many folks cannot dine-in at restaurants and are ordering to go.

What is the timeline for the pilot project?

Ideally, we would like to launch the pilot in Spring 2021 (April) when the weather encourages more outdoor enjoyment and activities. It would also allow City staff to coordinate all the logistics and marketing of the Food Truck Depot.

Aside from the parking lots for food truck operators, the site will also have several spaces for local farmers and food entrepreneurs to set up their stalls and sell their products and produce.

City staff will coordinate this future development with the WA Food Truck Association, Lacey Downs, and Thurston EDC. Each of these partners will play a key role to support this initiative. Downs and EDC could coordinate the agriculture items for the Pop Up Market. The Food Truck Associate could coordinate the food truck operators.

This project will require time and capital investment. The timeline for the project launch will depend on the availability of funds and duration of construction.



Pacific Ave.



Lebanon St.



140'

12'x25' Food Truck Pad

Pop-Up Market 55'x55'

5' Separation

~155'

~115'

Lacey Blvd.

