

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES  
AUGUST 23, 2022  
8:31 A.M. – 8:58 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://www.youtube.com/watch?v=UMaoiiYzCQs>

COUNCIL PRESENT: DEPUTY MAYOR MILLER (CHAIR), COUNCILMEMBER GREENSTEIN

COUNCIL EXCUSED: MAYOR RYDER

STAFF PRESENT: SCOTT SPENCE, TROY WOO, KRISTY WOLF, TABETHA RESTOULE

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

ACTION: ELECT DEPUTY MAYOR MILLER AS CHAIR OF THE AUGUST 23, 2022, FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MEETING  
MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN AND DEPUTY MAYOR MILLER.

Councilmember Greenstein nominated Deputy Mayor Miller as Chair for the August 23, 2022, Finance & Economic Development Committee meeting.

**2022 BUDGET AMENDMENT**

STAFF: TROY WOO, FINANCE DIRECTOR  
ACTION: RECOMMEND TO THE FULL CITY COUNCIL APPROVAL OF THE ADOPTION OF THE PROPOSED ORDINANCE  
MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBERS GREENSTEIN AND DEPUTY MAYOR MILLER.

Troy Woo, Finance Director, presented the 2022 Budget Amendments. Given the amount of significant budget amendments identified earlier in the year, the City Council adopted an out-of-cycle budget amendment in April to preserve the integrity of the budget. The final budget amendment adoption is scheduled for September to facilitate the 2023 Budget document development.

Staff presented the following significant budget amendments:

- Addition of three new positions to the General Fund.
- \$300,000 - capital equipment investments for Lacey MakerSpace.
- \$50,000 - Lacey Midtown branding.
- \$50,000 – Financial Feasibility Study with North Thurston Public Schools and South Sound YMCA to build a Young Child and Families Center of Lacey.
- \$75,075 – Amendment to Professional Services Agreement for the design of the Greg Cuoio Park Phase 1A.
- \$84,011 – Addition to Regional Athletic Complex parking lot design.
- \$311,425 - Crane truck replacement.
- Increase Capital Replacement Budget 20.0 percent to allow maximum flexibility in the challenging supply environment.
- \$55,000 – Vehicle replacement purchase of seven Ford F-150 Lightning trucks.

### **2022 MID-YEAR FINANCIAL REPORT**

STAFF: TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

As of June 30, 2022, total General Fund Expenditures were \$32,755,242, which is an increase of \$7,758,602, or 31.0 percent compared to the mid-year 2021 total expenditure level.

Expenditures at June 30, 2021, were 44.8 percent of the total 2021 General Fund Budget. The majority of the 2022 increase is related to the timing of one-time capital and operating transfers, as well as inflationary increases, additional social service demands, and a significant decrease related to the one-time 2021 improvements to the Veterans Services Hub.

The General Fund Revenues were \$33,609,975, or 51.2 percent of the amended budget. Mid-year General Fund Revenues increased \$2,165,656 compared to the previous year.

Mid-year 2022 operating expenditures for the City's utilities were mainly consistent with projects. Expenditures were higher in 2022 for the Water Utility Maintenance and

Operations Fund, Wastewater Utility Maintenance and Operations Fund, and Stormwater Maintenance and Operations Fund.

Staff also reported on the General Fund Revenues, projected labor costs, and supply chain challenges.

Staff recommended that the 2023 Budget be developed with caution due to the economic, geopolitical, and continued COVID-19 health emergency uncertainties. Continuing Lacey's conservative budget approach will assist with achieving continued financial stability and success.