



CITY COUNCIL
ANDY RYDER
Mayor

CYNTHIA PRATT
Deputy Mayor

LENNY GREENSTEIN
MICHAEL STEADMAN
CAROLYN COX
ED KUNKEL
MALCOLM MILLER

CITY MANAGER
SCOTT SPENCE

LACEY CITY COUNCIL AGENDA
DECEMBER 17, 2020
7:00 P.M.
REMOTE ATTENDANCE

To comply with Governor Inslee's [Proclamation 20-28](#), the City Council meeting will be conducted remotely, not in-person. You may view the Council meeting by watching live through video streaming on [Live Meetings](#), [YouTube](#), [Facebook](#), or Thurston Community Media, Channel 3 with your local cable provider.

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 **811 9803 6925**
press # (participant ID not required)

CALL TO ORDER:

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF AGENDA & CONSENT AGENDA ITEMS***
 - A. [Council Worksession minutes of November 19, 2020](#)
 - B. [Council Meeting minutes of December 3, 2020](#)
 - C. [A motion to approve payment of claims, wages, and transfers for November 24, 2020 through December 10, 2020](#)

**Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

3. **PUBLIC RECOGNITIONS AND PRESENTATIONS:**

- A. Public Service Award for Jeff Crane (*Jen Burbidge*)

4. **PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA****

VERBAL PUBLIC COMMENT

Persons wishing to provide verbal public comment on items NOT on the agenda must preregister to speak at https://us02web.zoom.us/webinar/register/WN_CHSI05DRJmgTnj8y6Y42w. Instructions and access details will be provided once registration is complete. Registration for verbal public comment closes at 3:00 p.m. on December 17, 2020.

WRITTEN PUBLIC COMMENT

Public comments may also be submitted by email to publiccomment@ci.lacey.wa.us. 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. The commenting period will close at 12:00 p.m. on December 17, 2020.

5. **PUBLIC HEARING:**

6. **PROCLAMATIONS:**

7. REFERRAL FROM PLANNING COMMISSION:
8. REFERRAL FROM HEARINGS EXAMINER:
9. RESOLUTIONS:
 - A. [Resolution 1101 to Extend Emergency Declaration in Response to COVID-19 Outbreak \(Scott Spence\)](#)
10. ORDINANCES:
 - A. [Ordinance 1575 relating to Reserve Designations \(Troy Woo\)](#)
11. MAYOR'S REPORT:
 - A. Recommend Reappointment of Seth Huff to Historical Commission (*Mayor Ryder*)
12. CITY MANAGER'S REPORT:
13. STANDING GENERAL COMMITTEE:
 - A. [Finance and Economic Development Committee \(11.24.2020\)](#)
 - B. [General Government and Public Safety Committee \(11.24.2020\)](#)
 - C. [Community Relations and Public Affairs Committee \(12.07.2020\)](#)
14. OTHER BUSINESS:
15. BOARDS, COMMISSIONS AND COMMITTEE REPORTS:
 - A. Mayor Andy Ryder:
 1. Mayors' Forum
 2. Thurston Chamber Shared Legislative Committee
 3. Transportation Policy Board (TPB)
 - B. Deputy Mayor Cynthia Pratt:
 1. Joint Animal Services Commission (JASCOM)
 2. LOTT Clean Water Alliance
 3. Olympic Region Clean Air Agency (ORCAA)
 - C. Councilmember Carolyn Cox:
 1. Regional Housing Council
 2. Health & Human Services Council (HHSC)
 3. Intercity Transit (IT)
 - D. Councilmember Lenny Greenstein:
 1. Emergency Medical Services (EMS)
 2. TCOMM911
 3. Thurston County Law & Justice
 - E. Councilmember Malcolm Miller:
 1. Thurston Regional Planning Council (TRPC)
 2. Thurston Thrives
 3. Lodging Tax Advisory Committee (LTAC)
 4. Thurston County Coalition Against Trafficking (TCCAT)
 - F. Councilmember Michael Steadman:
 1. Community Action Council
 2. Solid Waste Advisory Committee (SWAC)

G. Councilmember Ed Kunkel:

1. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
2. Lacey South Sound Chamber
3. Economic Development Council (EDC)

16. ADJOURN

MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL HELD THURSDAY,
NOVEMBER 19, 2020, REMOTE
ATTENDANCE

CALL TO ORDER: Mayor Ryder called the meeting to order at
7:00 p.m.

PLEDGE OF ALLEGIANCE: Mayor Ryder led the Pledge of Allegiance.

COUNCIL PRESENT: A. Ryder, C. Pratt, C. Cox, S. Steadman,
E. Kunkel, M. Miller

COUNCIL EXCUSED: L. Greenstein

STAFF PRESENT: S. Spence, J. Burbidge, M. Hardie,
D. Schneider, R. Walk, T. Woo, R. Andrews,
E. Fontaine

Mayor Ryder requested amending the agenda
to remove Item B. Summerwalk Division 5 Final
Plat Approval.

APPROVAL OF AGENDA
AND CONSENT AGENDA: Consent Agenda Items:
A. A motion to approve payment of claims,
wages and transfers for November 1, 2020,
through November 10, 2020.

DEPUTY MAYOR PRATT MOVED TO
APPROVE THE AGENDA AND AMENDED
CONSENT AGENDA. COUNCILMEMBER
KUNKEL SECONDED. MOTION CARRIED.

Mayor Ryder directed staff to provide an update for the Summerwalk Division 5 Final Plat prior to approval.

PUBLIC COMMENT:

Persons wishing to provide public comment on items not on the agenda must pre-register to speak. Registration closed at 3:00 p.m. today.

Lynn Fitz-Hugh, spoke in favor of the Thurston County Climate Mitigation Plan.

Karen Messmer, Olympia resident, spoke in favor of the Thurston County Climate Mitigation Plan.

Public comments may also be submitted by email by 12:00 p.m. today. Comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the meeting; however, comments received will be added to the official record.

No written public comments were submitted.

PUBLIC HEARING:

Troy Woo, Finance Director, presented the Final 2021 Budget. The Revised Code of Washington (RCW) 84.55.120 requires that a public hearing be conducted on revenue sources for the coming year's budget, including the consideration of possible increases in property tax revenues. The hearing must be conducted before setting next year's property tax levy. The total Proposed 2021 Budget is \$168,762,963. This is a decrease of \$3,811,955 compared to the amended 2020 Budget. The primary reasons for the decrease are the one time transactions related to CARES Act and Small Business Stabilization transactions, the completion or substantial completion of certain one-time capital projects, and fewer interfund transfers for 2021

capital projects and purchases. The capital project reductions are partially offset by increasing labor costs.

The total proposed General Fund Budget is \$51,597,342. This is a decrease of \$8,875,446 or 14.7 percent compared to the amended 2020 General Fund Budget. The primary reasons for the General Fund change are related to the aforementioned CARES Act and Small Business Stabilization transactions, the completion or substantial completion of certain one-time capital projects, and fewer interfund transfers for 2021 capital projects and purchases.

The current proposed budget contains the following changes that were discussed at the November 5 public hearing:

- Refund Levy and slight increases due to new construction adjustments increase the property tax projection by \$65,039.
- \$60,000 Neighborhood Grant Program was reinstated in the City Council's 2021 Budget.
- The City's allocation to the operations and maintenance of the Amtrak/Centennial Station is increasing \$7,785.
- Accounting changes relating to the Equipment Rental Fund's vehicle and equipment replacement balances and transfer reduced the budget by \$55,804.

The purpose of the Final 2021 Budget Hearing is to accept public testimony and for City staff to receive final direction for any budget changes. The 2021 Budget is scheduled for adoption on Thursday, December 3, 2020.

Mayor Ryder opened the Final Public Hearing on the proposed 2021 Budget at 7:15 p.m. to accept public comment and provide staff with any guidance.

Kyrian MacMichael, Lacey resident and homeowner, testified in favor of the 1% property tax increase for the proposed 2021 Budget.

Mayor Ryder closed the Final Public Hearing on the proposed 2021 Budget at 7:19 p.m.

REFERRAL FROM PLANNING COMMISSION:

Ryan Andrews, Planning Manager, presented Ordinance 1572 adopting the 2020 Annual Comprehensive Plan Amendments, as recommended by the Planning Commission.

The Growth Management Act requires that the City's Comprehensive Plan be amended only once a year. As part of the annual cycle of comprehensive plan amendments for 2020, the City received two private applicant-initiated requests and completed an update to the City's Stormwater Comprehensive Plan.

The private requests were added to the Comprehensive Plan Amendment Docket at the Joint Worksession with the Planning Commission and City Council held on January 23.

Project #20-54: A proposed Comprehensive Plan Amendment and Rezone request from Community Commercial to High Density Residential and Neighborhood Commercial.

Project #19-370: A proposed Comprehensive Plan Amendment and Rezone for ten parcels totaling approximately 60 acres that are currently a mixture of undeveloped properties and small warehouses

located along Carpenter Road NE between Interstate 5 and Britton Parkway NE.

The Planning Commission conducted a public hearing for the annual Comprehensive Plan amendments at their meeting on October 6. The Planning Commission received oral and written comments for the private amendments, and are included in the meeting minutes and included with the record for each application. No comments were received for the Stormwater Comprehensive Plan. At the conclusion of the public hearing, the Planning Commission voted unanimously to recommend approval on each amendment to the City Council.

DEPUTY MAYOR PRATT MOVED TO ADOPT ORDINANCE 1572 ADOPTING THE 2020 ANNUAL COMPREHENSIVE PLAN AMENDMENTS AS RECOMMENDED BY THE PLANNING COMMISSION. COUNCILMEMBER STEADMAN SECONDED. MOTION CARRIED.

RESOLUTIONS:

Troy Woo, Finance Director presented Council with Resolution 1098, declaring substantial need for the purposes of authorizing the 2021 Ad Valorem Tax increase.

The adopted property tax levels will help balance the proposed 2021 Budget, which preserves current service levels. Exercising 101 percent revenue limit will also help address the rising costs of the City's service delivery.

MAYOR RYDER MOVED TO ADOPT RESOLUTION NO. 1098 DECLARING SUBSTANTIAL NEED FOR THE PURPOSES OF AUTHORIZING THE 2021 AD VALOREM TAX INCREASE. DEPUTY MAYOR PRATT SECONDED. MAYOR RYDER, DEPUTY MAYOR PRATT AND COUNCILMEMBERS COX, MILLER, AND STEADMAN VOTED YES.

COUNCILMEMBERS KUNKEL VOTED NO.
COUNCILMEMBER GREENSTEIN WAS ABSENT.
MOTION CARRIED.

Resolution 1099 was not considered due to
Resolution 1098 being passed.

ORDINANCES:

Troy Woo, Finance Director, presented
Ordinance 1573 adopting the Ad Valorem Tax.

This ordinance sets the 2021 general property tax at \$7,588,344. This will result in an estimated levy rate of \$0.9633 per \$1,000 of assessed valuation. This is an increase of \$442,651 or 6.19 percent compared to the 2020 general property tax collections. The adjustments to next year's levy include a \$306,409 increase due to new construction, a \$71,457 increase due exercising the 1.0 percent revenue limit adjustment, and a \$64,785 increase from the 2020 refund levy.

MAYOR RYDER MOVED TO ADOPT ORDINANCE
NO. 1573 ADOPTING AD VALOREM TAX.
DEPUTY MAYOR PRATT SECONDED. MOTION
CARRIED.

CITY MANAGER'S REPORT:

Troy Woo, Finance Director, presented the Puget Sound Energy (PSE) Green Direct Agreement Amendment.

In July 2017, the City executed an energy service agreement for the Puget Sound Energy Green Direct program. Green Direct is a green tariff voluntary renewable energy option. Utility green tariffs are optional programs in regulated electricity markets and are approved by the Washington State Utilities and Transportation Commission. Green tariffs allow larger commercial and industrial customers to purchase bundled renewable electricity

from a specific project through a special utility tariff rate. The special project is the nearly operational Skookumchuck wind farm located in Lewis County.

The 2017 20-year agreement assumed the wind farm would be completed during early 2019. The new operational date was updated to November 2020. To take full advantage of the 20-year rate schedule, the agreement requires an amendment to reset the rate agreement term to commence in 2020. The proposed amendment also includes a new rate schedule with lower rates than the current agreement.

COUNCILMEMBER STEADMAN MOVED TO AUTHORIZE CITY MANAGER TO SIGN THE PSE GREEN DIRECT AGREEMENT AMENDMENT. COUNCILMEMBER MILLER SECONDED. MOTION CARRIED.

Roger Schoessel, City Engineer, recommended awarding Contract Number PW2020-25 to low bidder T Bailey, Inc., from Anacortes, Washington, in the amount of \$5,357,266.61 for the Hawks Prairie Sister Standpipe Project. The engineer's estimate was \$6,241,370.24.

This contract provides for the construction of a 2.0 million gallon tank, security fencing, and improvements to the frontage road, water mains, and storm ponds at the Hawks Prairie site.

COUNCILMEMBER STEADMAN MOVED TO AWARD CONTRACT NUMBER PW202-25 TO LOW BIDDER T BAILEY, INC., IN THE AMOUNT OF \$5,357,266.61 FOR THE HAWKS PRAIRIE SISTER STANDPIPE PROJECT. COUNCILMEMBER COX SECONDED. MOTION CARRIED.

STANDING COMMITTEES: Mayor Ryder recommended dismissing standing committee reports due to most topics being covered during Council's regular course of business. Mayor Ryder advised that the public may review full staff reports for the Committees within the November 19, 2020, Council agenda packet.

BOARDS, COMMISSIONS AND
COMMITTEE REPORTS:

Mayors' Forum

Mayor Ryder reported they have been meeting and John Hutchings, Chair, Thurston County Commissioners, has been in attendance.

Transportation Policy Board

Mayor Ryder reported several items:

- Regional Equity Strategy Update
- Transportation Elements of the Climate Mitigation Plan
- Regional Trends
- Adoption of 2021-2023 Regional TIP

JASCOM

Deputy Mayor Pratt reported on several items:

- 2021 Proposed Budget
- 2020 Amended Budget
- Licensing
- Puppy Mills ban proposal
- Upcoming retreat on November 30

LOTT

Deputy Mayor Pratt reported on several items:

- Septic Conversion Support Program Application and rebate for the City of Lacey.
- Update on the proposed cost allocation for Capitol Lake-Deschutes Estuary long-term management.
- Review of the draft scope of work regarding cost of service.

Intercity Transit

Councilmember Cox reported on several items:

- 2021 Draft Budget.
- 2021-2026 Strategic Plan.
- Bus services restrictions.
- Update on the Olympia Transit Center Reopening.
- December Lighted Parade .
- One-year contract extension with Amalgamated Transit Union Local 1765.

Regional Housing Council

Councilmember Cox reported on several items:

- Interlocal Agreement progress regarding affordable housing.
- A proposal for a safe parking area located at the Carpenter Road site.
- Recent land purchase with plans for a sprung structure to combat homelessness.

Solid Waste Advisory Committee

Councilmember Steadman reported on budget legislation, the RFP process and the 2021 Work Plan.

Thurston Thrives

Councilmember Miller reported on Race & Equity, as well as the new mobile COVID-19 Testing site off Pacific Avenue in Lacey.

Thurston Regional Planning Council

Councilmember Miller reported on several items:

- Update on the Thurston Region Economic Outlook.
- Unemployment trends.
- Local business statistics.
- South County Legislative Package.

Olympia-Lacey-Tumwater Visitor & Convention
Bureau

Councilmember Kunkel reported that Shauna Stewart has stepped down from the Executive Director position, and that Jeff Bowe will be Interim Executive Director during the recruitment process for her replacement.

Economic Development Council

Councilmember Kunkel reported on the following items:

- PTAC Funding and the Proposed Budget.
- Virtual Innovation and Forecast Expo scheduled for December 3, 2020.

Councilmember Kunkel also provided a brief update on the Gold Star Memorial.

Mayor Ryder adjourned the Council Meeting at 9:06 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____

MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL HELD THURSDAY,
DECEMBER 3, 2020, REMOTE ATTENDANCE

CALL TO ORDER: Mayor Ryder called the meeting to order at
4:00 p.m.

PLEDGE OF ALLEGIANCE: Mayor Ryder led the Pledge of Allegiance.

COUNCIL PRESENT: A. Ryder, C. Pratt, L. Greenstein, C. Cox,
S. Steadman, E. Kunkel, M. Miller

STAFF PRESENT: S. Spence, T. Burbidge, S. Egger, M. Hardie,
D. Schneider, R. Walk, T. Woo, R. Andrews,
P. Edmonds

APPROVAL OF AGENDA
AND CONSENT AGENDA:

Consent Agenda Items:

- A. Council Meeting Minutes of November 5, 2020.
- B. Council Worksession Minutes of November 12, 2020.
- C. A motion to approve payment of claims, wages and transfers for November 11, 2020, through November 23, 2020.
- D. Annual Review of Property Retained by the Police Department.

COUNCILMEMBER GREENSTEIN MOVED TO
APPROVE THE AGENDA AND CONSENT
AGENDA. DEPUTY MAYOR PRATT SECONDED.
MOTION CARRIED.

PUBLIC RECOGNITIONS
AND PRESENTATIONS:

Interim Police Chief Almada presented the following Lacey Police Department Chief's Commendations to the following employees:

- Officer Dave Johansen: His quick action and training saved an individual who was overdosing.
- Terence "Mitch" Mitchell: His skill and ability to effectively reach a distraught individual and assist in getting the help needed.
- Officer Eric Lever: His patience and de-escalation skills brought a volatile situation with an armed individual to a peaceful conclusion.
- Officer Alisha Howard: Her actions to de-escalate a potentially violent encounter, and for her actions to enhance the safety and enjoyment of Long Lake Park.

Interim Police Chief Almada briefed Council on the Police Accreditation. The Lacey Police Department was initially accredited in 1996, and has been continuously re-accredited every year. Out of 260 Law Enforcement Agencies in Washington, the City is one of 59 that are accredited.

PUBLIC COMMENT:

Persons wishing to provide public comment on items not on the agenda must pre-register to speak. Registration closed at 3:00 p.m. today.

The following people spoke in favor of the Thurston County Climate Mitigation Plan.

- Phoebe Chartock
- Ryan Kapsandy
- Kaylee Shen
- Joseph Hiss
- Louisa Sevier
- Bahar Bouzarjomehri
- Maggie Koontz
- Laila Markland

- Simone Ervin
- Gia Brar
- Emelyn Keller
- Alessandro Martinez
- Wayne Olsen

Public comments may also be submitted by email by 12:00 p.m. today. Comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the meeting; however, comments received will be added to the official record.

Two written public comments were received and made part of the official record.

PUBLIC HEARING:

Mayor Ryder opened the public hearing on the Serenity Carpenter Road Annexation at 5:00 p.m.

Ryan Andrews, Planning Manager, presented a petition for annexation by Serenity Apartment Homes, LLC and the estate of Patrick Hefferman using the 60 percent petition method (RCW 35A.14.120). The Thurston County Assessor's office has verified that the signatures represent not less than 60 percent of the assessed valuation for general taxation of the property for which the annexation has been petitioned (RCW 35A.01.040).

Prior to approval of the annexation, a public hearing is required to be held by the City Council. Notice of the public hearing has been published in The Olympian and posted in three public places in the proposed annexation area.

The area proposed for annexation is located in the Tanglewilde/Thompson Place Planning Area and within the Lacey Urban Growth Area east of Carpenter Road SE, west of Kinwood Road SE between Martin Way E and 5th Way SE. The area includes two tax parcels located at 612 and 408 Carpenter Road SE totaling 5.18

acres. The property at 612 Carpenter Road SE contains an existing single-family residence and the property at 408 Carpenter Road SE contains an existing manufactured home—both of which are accessible from Carpenter Road. The remainder of the property is forested. The 2020-2021 assessed value of these parcels is \$1,061,200. There are no known critical areas or buffers located on the property.

The parcel located at 612 Carpenter Road SE is zoned Mixed Use High Density Corridor (MHDC). The purpose of the MHDC zone is to provide for commercial and residential uses that serve the needs of the neighborhood and the community as well as enhancing the appearance and identity of the Martin Way Corridor. The southern parcel is zoned Low Density Residential 3-6 (LD 3-6). The purpose of the LD 3-6 zone is to allow single-family residential structures on individual lots with a minimum density of three units per acre and a maximum density of six units per acre. Upon annexation, the zoning of these parcels will remain as currently designated as required by an annexation agreement with Thurston County.

The area proposed for annexation includes two parcels located immediately east and north of the existing Lacey city limits. The configuration is a logical extension of the city limits and would not create any islands or illogical boundaries. With the annexation, the adjacent right-of-way associated with Carpenter Road would also be annexed. This is required under the Thurston County annexation agreement and this portion of Carpenter Road is included in the annexation boundary.

The properties are located within the City of Lacey's water service area and are served by an existing 12-inch waterline located in Carpenter Road. The line is adequate to serve the existing and future development of the properties within the proposed annexation area.

City of Lacey sewer service in the area is relatively limited. An existing 8-inch PVC line terminates at the northwest corner of the proposed annexation area. This line is connected to the sewer main in Martin Way that connects to the LOTT treatment plant to the west. Upon development of the properties within the annexation area, sewer service would be required to be extended and connected to this line.

Procedurally, the annexation is required to be sent to the Thurston County Boundary Review Board for their review after the hearing has been held. Once the Boundary Review Board process has been concluded, the City Council can take final action on the annexation through passage of an ordinance approving the annexation.

No one from the public testified at the public hearing.

Mayor Ryder closed the public hearing at 5:05 p.m.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE FORWARDING THE SERENITY CARPENTER ROAD ANNEXATION APPLICATION TO THE THURSTON COUNTY BOUNDARY REVIEW BOARD. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED.

RESOLUTIONS:

Troy Woo, Finance Director, presented Resolution 1100 authorizing the Ad Valorem Tax Increase.

RCW 84.55.005(2)(c) sets the property tax limit factor for a taxing jurisdiction with a population over 10,000 as the lesser of 101 percent or 100 percent plus inflation.

The Thurston County Assessor's Office suggests the adoption of a separate resolution or ordinance to satisfy the provisions of RCW 84.55.120 (3)(a), which states:

Except as provided in (b) of this subsection (3), no increase in property tax revenue may be authorized by a taxing district, other than the state, except by adoption of a separate ordinance or resolution, pursuant to notice, specifically authorizing the increase in terms of both dollars and percentage. The ordinance or resolution may cover a period of up to two years, but the ordinance must specifically state for each year the dollar increase and percentage change in the levy from the previous year.

The inflation factor for 2021 is 0.602 percent. As authorized by RCW 84.55.0101, on November 19, 2020, the City Council adopted Resolution No. 1098 declaring the need to increase the property tax by 1.0 percent.

The proposed resolution includes provisions to comply with State statutes, which will allow the County Assessor's Office to assess the City's 2021 property tax as authorized. The resolution authorizes an increase of 1.0 percent, which is equal to \$71,457.

MAYOR RYDER MOVED TO ADOPT RESOLUTION 1100 AUTHORIZING THE 2021 AD VALOREM TAX INCREASE. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED WITH MAYOR RYDER, DEPUTY MAYOR PRATT, AND COUNCILMEMBERS COX, MILLER, AND STEADMAN VOTING IN FAVOR, AND COUNCILMEMBERS GREENSTEIN AND KUNKEL VOTING AGAINST.

ORDINANCES:

Troy Woo, Finance Director, presented Ordinance 1574 to adopt the 2021 Budget setting the total budget in the amount of \$168,762,963 and the General Fund total budget in the amount of \$51,597,342.

The 2021 Budget ordinance contains the following changes to the original Proposed 2021 Budget presented on October 22, 2020:

- Refund Levy and slight increases due to new construction adjustments increase the property tax projection by \$65,039.
- \$60,000 Neighborhood Grant Program was reinstated in the City Council's 2021 Budget.
- The City's allocation to the operations and maintenance of the Amtrak/Centennial Station is increasing \$7,785.
- Accounting changes relating to the Equipment Rental Fund's vehicle and equipment replacement balances and transfers reduced the budget \$55,804.

The total Proposed 2021 Budget is \$168,762,963. This is a decrease of \$3,811,955 compared to the amended 2020 Budget. The primary reasons for the decrease are one-time 2020 expenditures and transfers relating to the COVID-19 financial support distributed to the citizens and business community, the completion or substantial completion of certain one-time capital projects and fewer interfund transfers for 2021 capital projects and purchases.

The total proposed General Fund Budget is \$51,597,342. This is a decrease of \$8,875,446 or 14.7 percent compared to the amended 2020 General Fund Budget. The decreasing General Fund Budget expenditures is mostly attributed to COVID-19 financial support distributed to the citizens and business community and lower one-time transfers out to other funds for one-time capital purchases and projects that occurred in 2020. Offsetting the decreases are inflationary

increases and the continued increases to the overall cost of labor.

The overall 2021 Budget focuses on meeting the increasing service demands in an uncertain economic environment due to the COVID-19 public health emergency, preserving city infrastructure, continuing to invest in capital projects, addressing priorities established by the City Council, and planning for the City's future.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE ORDINANCE 1574 ADOPTING THE 2021 BUDGET. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED.

MAYOR'S REPORT:

Mayor Ryder recommended the reappointment of Peg Evans-Brown, David Wasson, and Mark Mininger to the Planning Commission.

MAYOR RYDER MOVED TO APPROVE THE REAPPOINTMENT OF PEG EVANS-BROWN, DAVID WASSON, AND MARK MININGER TO THE PLANNING COMMISSION. DEPUTY MAYOR PRATT SECONDED. MOTION CARRIED.

CITY MANAGER'S REPORT:

Rick Walk, Community & Economic Development Manager, presented Council with Summerwalk Division 5 Final Plat, Project No. 20-08, for approval.

On April 28, 2005, the City Council approved the preliminary subdivision of Summerwalk. The project is approved for 387 single-family lots on an approximately 41 acres. The Summerwalk Division 5 final subdivision will contain 42 lots and is the final division of the Summerwalk plat. All public works and planning

improvements are in place or financial securities are in place for their installation.

Appropriate agencies and departments have reviewed the request. The appropriate signatures have been obtained and it is now ready for the Mayor's signature. The applicant requests that the City Council authorize the Mayor to sign the final subdivision map for Summerwalk Division 5. This will allow the applicant to proceed with the development of the subdivision.

COUNCILMEMBER GREENSTEIN MOVED TO AUTHORIZE THE MAYOR TO SIGN THE FINAL SUBDIVISION MAP FOR SUMMERWALK DIVISION 5. COUNCILMEMBER STEADMAN SECONDED. MOTION CARRIED.

BOARDS, COMMISSIONS
AND COMMITTEE REPORTS:

Joint Animal Services Commission (JASCOM)
Deputy Mayor Pratt reported on the ILA, licensing, and online licensing demonstration.

Intercity Transit
Councilmember Cox reported the 2021 Budget was approved and the 2021-2026 Strategic Plan was adopted.

TCOMM911
Councilmember Greenstein reported the cities of Chehalis and Centralia, and Lewis County are working on a feasibility study related to moving to TCOMM911.

Community Action Council
Councilmember Steadman reported there were no findings during the recent audit.

Mayor Ryder adjourned the Council Meeting at 5:38 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



LACEY CITY COUNCIL MEETING December 17, 2020

SUBJECT: Disbursement Approval

RECOMMENDATION: By motion, approve payment of claims, wages, and transfers.

STAFF CONTACT: Troy Woo, Finance Director 

ORIGINATED BY: Troy Woo, Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 11/24/2020 through 12/10/2020. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	11/27/2020	254299	254370	329,920.13
	*11/30/2020	254371	254373	928.06
	12/4/2020	254374	254467	1,832,843.49

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	11/2/2020	17,074.53
	11/9/2020	66.10
	11/11/2020	16,813.30
	11/24/2020	7,936.80
	11/24/2020	5,672.73
	11/25/2020	348.00
	11/25/2020	84,999.44
	11/27/2020	234,611.27
	11/30/2020	54,656.12
	*11/30/2020	33,486.76
	*11/30/2020	1,408,674.64
	12/1/2020	540.00
	12/1/2020	1,556,675.00
	12/4/2020	421,857.89

Payroll:	<u>Month Ended:</u>	<u>Wages</u>
	*11/30/2020	1,475,109.63

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

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
Active Construction, Inc.	\$ 129,302.94	College & 22 nd Roundabout
Nisqually Indian Tribe	\$ 56,186.88	Jail Services
LOTT Wastewater Alliance	\$1,447,321.81	LOTT Reserve Cap Fees/ERU's
N. Thurston Pub. Schools	\$ 87,720.26	Impact Fees
OSG Dozing, Inc.	\$ 182,842.60	25 th Loop SE Utilities Improvements
Superion, LLC	\$ 70,934.18	Enterprise Resource Planning Licensing



LACEY CITY COUNCIL MEETING

December 17, 2020

SUBJECT: Extension of Emergency Declaration in response to the COVID-19 outbreak

RECOMMENDATION: Approve Resolution No. 1101 extending the provisions of Resolution 1085 declaring an emergency in the City of Lacey regarding the outbreak of novel coronavirus (COVID-19) in Thurston County.

STAFF CONTACT: Scott Spence, City Manager 
Dave Schneider, City Attorney 

ORIGINATED BY: City Manager's Office

ATTACHMENTS: 1. [Resolution No. 1085](#)
2. [Proposed Resolution No. 1101](#)

PRIOR REVIEW: None.

BACKGROUND:

On March 19, 2020, the Lacey City Council passed Resolution No. 1085 finding the COVID-19 outbreak to constitute an emergency. The provisions of Resolution 1085 allow the City to request available state and federal assistance in response to the COVID-19 health emergency, and waive specific bidding requirements in order to enter into contract in the most efficient manner in response to the emergency. The provisions of Resolution 1085 were extended by the Council on April 23, 2020, May 28, 2020, and again on June 25, 2020. The provisions are now set to expire on January 1, 2021, unless further extended.

Due to the significance of this health event and the potential for ongoing resources to be used by the City of Lacey in response, the provisions set forth in Resolution 1085 should be extended.

ADVANTAGES:

1. Continued waiver of the city's purchasing rules allow the procurement of services and contracts necessary to effectively respond to the ongoing public health emergency created by COVID-19.
2. The extension allows the city to continue to seek state and federal assistance as it responds to the COVID-19 health emergency as it maintains continuity of operations.
3. The extension reinforces and communicates the severity of the COVID-19 health emergency to the Lacey community.

DISADVANTAGES:

1. None foreseen.

RESOLUTION NO. 1085

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY FINDING THAT THE NOVEL CORONAVIRUS (COVID-19) CONSTITUTES AN EMERGENCY.

WHEREAS, on January 31, 2020, the United States Department of Public Health and Human Services Secretary Alex Azar declared a public emergency for the novel coronavirus (COVID-19) beginning on January 27, 2020; and

WHEREAS, on February 29, 2020, Governor Jay Inslee signed a Proclamation declaring a State of Emergency exists in all counties in the State of Washington due to the number of confirmed cases of COVID-19 in the state and directed that the plans and procedures of the Washington State Comprehensive Emergency Management Plan be implemented; and

WHEREAS, the United States Centers for Disease Control and Prevention identifies the potential public health threat posed by COVID-19 as high, and has advised that person-to-person spread of COVID-19 will continue to occur; and

WHEREAS, the Washington State Department of Health has confirmed localized person-to-person spread of COVID-19 in the State of Washington, significantly increasing the risk of exposure and infection to the general public, and creating an extreme public health risk that may spread quickly; and

WHEREAS, on March 12, 2020, the Thurston County Board of Commissioners passed a Resolution declaring the COVID-19 outbreak a local emergency; and

WHEREAS, on March 12, 2020, the Thurston County Board of Health passed a Resolution imposing restrictions on events over 250 people and requiring social distancing measures for events under 250 people to assist with the prevention of the spread of COVID-19; and

WHEREAS, the Mayor of the City of Lacey declared a local emergency on March 13, 2020, which allowed the City of Lacey to undertake emergency purchases and emergency public works pursuant to RCW 36.32.270 and RCW 39.04.020 as such purchases or public works required immediate action occasioned by the emergency; and

WHEREAS, on March 16, 2020, Governor Jay Inslee imposed additional restrictions prohibiting gatherings of fifty (50) people or more and implementing measures to contain the spread of the virus; and

WHEREAS, on March 17, 2020, the Center for Disease Control and Prevention issued recommendations limiting gatherings to ten (10) persons or fewer.

NOW THEREFORE, the Lacey City Council declares as follows:

Section 1. The conditions stated in the above recitals, incorporated herein, constitute an emergency for the City of Lacey, which necessitates activation of the City of Lacey Comprehensive Emergency Management Plan and the utilization of emergency powers granted pursuant to 38.52.070(2) and LMC 6.01 (Ordinance no. 1103).

Section 2. Pursuant to the emergency declared at Section 1, City departments and offices, as designated pursuant to the PLAN, are authorized to enter into contracts and incur obligations necessary to combat such emergency to protect the health and safety of persons, property, and the environment, and provide emergency assistance to the victims of such emergency, consistent with the PLAN.

Section 3. The City Manager is authorized to request all available state and federal assistance necessary to respond to this emergency.

Section 4. The provisions of this Resolution shall become effective upon adoption and expire on April 28, 2020, unless further extended by formal action of the Council.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 19th day of March, 2020.

LACEY CITY COUNCIL

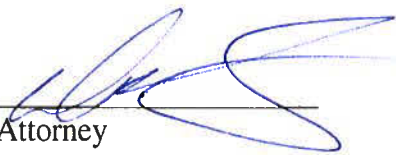
By 
Mayor

Attest:



City Clerk

Approved as to form:



City Attorney

RESOLUTION NO. 1101

CITY OF LACEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LACEY EXTENDING THE PROVISIONS OF RESOLUTION 1085 FINDING THAT THE NOVEL CORONAVIRUS (COVID-19) CONSTITUTES AN EMERGENCY.

WHEREAS, on March 19, 2020 the Lacey City Council passed Resolution No. 1085 finding the COVID-19 outbreak to constitute an emergency; and

WHEREAS, on April 23, 2020 the Lacey City Council passed Resolution No. 1088 extending the provisions of Resolution 1085 until May 28, 2020; and

WHEREAS, on May 28, 2020 the Lacey City Council passed Resolution No. 1090 extending the provisions of Resolution 1085 until June 25, 2020; and

WHEREAS, on June 25, 2020 the Lacey City Council passed Resolution No. 1094 extending the provisions of Resolution 1085 until January 1, 2021; and

WHEREAS, the provisions of City of Lacey Resolution No. 1094 will expire on January 1, 2021, unless further extended by formal action of the Council; and

WHEREAS, the Lacey City Council finds that the conditions constituting an emergency continue to exist and necessitate the extension of the provisions of Resolution No. 1085.

NOW THEREFORE, the Lacey City Council declares as follows:

Section 1. The provisions of Resolution 1085 are hereby extended and shall remain effective until January 1, 2022, unless sooner terminated or further extended by formal action of the Council.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 17 day of December, 2020.

LACEY CITY COUNCIL

By_____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney



LACEY CITY COUNCIL MEETING

December 17, 2020

SUBJECT: Reserve Designations Ordinance

RECOMMENDATION: Upon review and concurrence, adopt the proposed ordinance.

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

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. [Ordinance No. 1575](#)
2. [Summary for Proposed Ordinance](#)

FISCAL NOTE:

PRIOR REVIEW: Council Worksession on October 1, 2020
Finance and Economic Development Committee on Nov. 24, 2020

BACKGROUND:

The Governmental Accounting Standards Board (GASB) issued Statement No. 54 during February 2009. Since that time, the City Council has taken action to commit certain fund balances every other year. The City Council last designated fund balance designations in December 2019. Given the economic impact of the COVID-19 public health emergency and recent changes to fund balances, it is appropriate for the City Council to affirm past fund balance/reserve designations and to establish new fund balance/reserve designations.

GASB Statement No. 54 provides the following classifications for fund balances:

- **Nonspendable**
 - This classification includes fund balances that are not in a spendable form, such as inventories, long-term receivables, and property held for resale. Fund balances that are legally or contractually required to remain intact, such as a corpus of a permanent fund, are also included in this classification.

- **Restricted**
 - Restricted fund balances include resources that are constrained for a specific purpose by external parties, constitutional provisions, and enabling legislation. Contractual agreements and bond covenants are examples of external parties that could require constraints that would be considered restricted fund balances.
- **Committed**
 - Committed fund balances include resources that are constrained by the highest level of decision making authority of a government. For the City of Lacey, the highest level is the City Council.
- **Assigned**
 - Amounts that are intended to be used for a specific purpose would be considered assigned fund balance. The intent is expressed by the governing body, a subcommittee, or an official authorized by the governing body.
- **Unassigned**
 - Unassigned fund balances are available for any purpose. All remaining fund balances will automatically be classified as unassigned.

The fund balances that will be reported as nonspendable and restricted are classified automatically by the nature of the fund balance, so City Council action is not required to classify fund balances as nonspendable or restricted.

Authorization to classify fund balances as committed is limited to the City Council as the governing board. To classify fund balances as committed, the City Council must take formal action. The City Council has full discretion regarding the committed fund balances, but the action must meet specific purpose criteria standards. Committing fund balance to a specific project such as the replacement of a building meets the criteria, but a generic rainy day (stabilization) reserve does not meet the criteria. To meet the specific purpose criteria the formal action needs to identify and describe with sufficient detail the specific circumstances under which a need for restriction occurs. For example, a City Council formal action that constrains \$1 million for a rainy day fund to be used only in an emergency is not allowed to be reported as a committed fund balance. This action does not provide sufficient detail to determine what would constitute an emergency. In addition, the following rules apply to committed fund balances:

- A committed fund balance constraint imposed by the City Council can only be changed or removed by the same formal action.
- In order to be reported on the face of the annual financial statements, the constraints must be adopted prior to the end of the fiscal year to be reported.
- The adoption of the budget document does not qualify as formal action to constrain the resources, because the budget authorization is only for one year.

Assigned fund balances include amounts that are *intended* to be used for specific purposes. This intent can be expressed by the City Council, a City Council Committee, or an official authorized by the governing body such as the City Manager. The residual amounts in governmental funds other than the General Fund are considered assigned. Governmental funds include the General, special revenue, capital, debt service, and special assessment funds. For example, the residual fund balance in the Street Fund (special revenue) will be considered assigned for street and transportation purposes.

The City Council previously authorized the City Manager and City Finance Director to assign funds based on the intent expressed by the City Council. The proposed ordinance includes a provision to re-authorize the same authority to assign fund balance.

Unassigned fund balances include all the remaining fund balances. Unassigned fund balances can be used for any purpose and typically are only reported in the General Fund.

The full City Council reviewed the proposed designations at the October 1, 2020, Council Worksession. The Finance and Economic Development Committee reviewed the final proposed reserve designations November 24, 2020. Staff requests review of the proposed fund balance designations and upon concurrence recommend the full City Council adopt the proposed ordinance establishing the committed fund reserve designations and authorizing the City Manager and Finance Director to categorize fund balances as assigned based on the expressed intent of the City Council.

ADVANTAGES:

1. Review and adoption of the ordinance will help ensure the City's financial reporting remains compliant with GASB Standards and Generally Accepted Accounting Principles (GAAP).
2. The City's Comprehensive Annual Financial Report (CAFR) will more accurately reflect the City Council's vision and intent.
3. Periodic reviews by the City Council will better align fund balances with the annual priorities and long-term goal and vision of the City and will ensure the City Council's commitments are still valid.

DISADVANTAGES:

1. City Council imposed fund balance constraints, which are considered committed fund balances, will require formal action to change or remove the constraint. This could create additional procedures throughout the budget process.

ORDINANCE NO. 1575

CITY OF LACEY

AN ORDINANCE ESTABLISHING FUND BALANCE DESIGNATIONS AS PROVIDED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the Governmental Accounting Standards Board ("GASB") Statement No. 54 establishes the standard for governmental fund balance reporting and governmental fund balance type definitions, and

WHEREAS, fund balance measures the net financial resources that are available for future expenditures, and

WHEREAS, the City Council finds it beneficial to designate certain fund balances as Committed for specific purposes or projects and that the City Manager or Finance Director be authorized to designate certain other fund balances as Assigned for a specific purpose,

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

Section 1. Ordinance No. 1559, an ordinance of the City of Lacey, Washington, establishing fund balance designations as provided by Governmental Accounting Standards Board Statement No. 54, is hereby rescinded.

Section 2. The fund balances of the City of Lacey designated in this Ordinance are committed for the specific purpose indicated. Amendments or modifications of the committed fund balances set forth herein shall require formal action by the City Council.

Section 3. The City Council authorizes the City Manager or City Finance Director to categorize other fund balances as assigned in order to carry out the intent of the City Council.

Section 4. The following portions of its December 31, 2019 governmental fund balances are considered committed:

Fund 001 (Current Expense):

\$ 200,000 is committed for Insurance Deductibles
\$ 3,000,000 is committed for Budget Policy
\$ 8,000,000 is committed for Gateway Project
\$ 1,000,000 is committed for City Hall Facility
\$ 926,042 is committed for Future Pension Contribution Increases
\$ 1,500,000 is committed for Strategic Investment
\$ 500,000 is committed for 5700 Pacific Property Improvements
\$ 4,100,000 is committed for Police Station Facility

\$ 2,000,000 is committed for Succession Planning (Police)
\$ 250,000 is committed for Trail System (Bike/Pedestrian Plan)
\$ 300,000 is committed for College Street Pedestrian Crossing
\$ 250,000 is committed for Strategic Facility Plan City Hall & Operation Center
\$ 1,200,000 is committed for Public Safety Enhancements
\$ 200,000 is committed for Security Cameras
\$ 714,286 is committed for Water Quality Assurance (Septic to Sewer)
\$ 1,300,000 is committed for Parks & Recreation Comprehensive Plan Priorities
\$ 800,000 is committed for Regional Athletic Complex Operations & Maint.
\$ 200,000 is committed for Energy Conservation Projects (CR2 Plan)
\$ 593,574 is committed for Limited-Term Employee Program

Fund 003 (Criminal Justice):

\$ 1,400,000 is committed for Future Police Station Improvements

Fund 005 (Community Buildings):

\$ 67,500 is committed for Furniture and Equipment Replacement
\$ 500,000 is committed for Community Buildings Repairs

Fund 007 (Regional Athletic Complex M&O):

\$ 375,000 is committed for Regional Athletic Complex Field Replacement

Fund 101 (City Streets):

\$ 350,000 is committed for Street Buildings Repair/Replacement
\$ 400,000 is committed for Transportation Equipment and Improvements
\$ 500,000 is committed for College Street Pedestrian Crossing

Fund 302 (Capital Equipment):

\$ 500,000 is committed for Capital Equipment Replacement
\$ 385,000 is committed for Park Facilities Repair/Replacement
\$ 1,500,000 is committed for Regional Athletic Complex Field Replacement
\$ 150,000 is committed for Park Security Cameras
\$ 500,000 is committed for IMS Communications Repair/Replace/Extension

Fund 301 (Building Improvement):

\$ 226,156 is committed for Public Art
\$ 1,137,500 is committed for City Facility Repair/Replacement
\$ 300,000 is committed for Parks & Recreation Comprehensive Plan Priorities
\$ 1,500,000 is committed for Capital Facilities Plan Projects
\$ 100,000 is committed for Senior Center Repairs/Replacement

Fund 303 (Parks and Open Space):

\$ 45,635 is committed for Parks & Recreation Comprehensive Plan Priorities

Fund 307 (Regional Athletic Complex Capital):

\$ 500,000 is committed for Regional Athletic Complex Lifecycle Replacements
\$ 125,000 is committed for Regional Athletic Complex Parking Lot Design

Section 5. Corrections. 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 6. The summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly called meeting thereof, held this 17th day of December, 2020.

Approved as to form:

Mayor

ATTEST:

City Attorney

City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1575

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on December 17, 2020, Ordinance No. 1575 entitled **“AN ORDINANCE ESTABLISHING FUND BALANCE DESIGNATIONS AS PROVIDED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 54 AND APPROVING A SUMMARY FOR PUBLICATION.”**

The main points of the Ordinance are described as follows:

1. The Ordinance rescinds Ordinance No. 1559.
2. The Ordinance restricts amendments or modifications of committed fund balances to formal action by the City Council.
3. The Ordinance authorizes the City Manager and Finance Director to categorize fund balances as assigned.
4. The Ordinance commits portions of governmental fund balances.
5. The Ordinance approves this Summary for Publication.

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: December 21, 2020

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES
NOVEMBER 24, 2020
8:30 A.M. – 9:26 A.M.
REMOTE ONLY

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

COUNCIL ABSENT: COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, TROY WOO, PERI EDMONDS

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

2020 THIRD QUARTER FINANCIAL REPORT

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: INFORMATION ONLY

Staff presented the 2020 Third Quarter Financial Report, which focused on the General Fund Expenditures and Revenues, Utility Funds, Projected Labor Costs and 2021 recommendations.

Through the third quarter, sales tax is 3.9 percent higher than the previous year mostly due to sales tax collections from new construction. Other categories are showing higher collections due to the shift to local shopping relating to the early COVID-19 restrictions. Increases from new construction have never been considered sustainable, and the current building permit and plan check fees are indicating construction activity may slow in 2021. Building permit fees through the third quarter 2020 are down \$454,759 or 31.3 percent. There are also signs that general retail may be slowing. The general merchandise stores sales tax category, the largest single category, has experienced declines for the past two reporting months.

Labor is the City's most critical asset, but it also is the most expensive expense category in the General Fund. Historically, labor costs represent about two-thirds of all General Fund operating expenditures.

The projected 2021 General Fund salary and wages increase is \$676,506 or 3.2 percent. During the most recent ten-year period (2009-2019), the total General Fund salary and wage cost increase averaged 3.9 percent per year.

Recent history (2009-2019) indicates that employee benefits in total have increased 5.9 percent annually. The projected 2021 General Fund benefit cost increase is \$232,694 or 3.0 percent.

The continuously changing COVID-19 impact, unknown economic impact, and uncertain recovery curve supports the conservative 2021 revenue projections and related expenditure proposal.

The consumption based taxes and fees (sales taxes, B&O taxes, utility taxes, admissions taxes, fees for services) are expected to be lower throughout the public health emergency and subsequent recovery period.

Staff recommends the 2021 Budget not depart from its cautious approach. The City's conservative budget approach has provided much financial success in the past, and should greatly improve the City's response and ability to continue to maintain service levels despite the COVID-19 public health emergency's impact to the local economy.

BUDGET RESERVES DISCUSSION

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: INFORMATION ONLY
STATUS: COMMITTEE RECOMMENDED AN ADDITIONAL \$100,00 TO THE CR2 PLAN
BUDGET RESERVE ORDINANCE WILL BE ON THE DECEMBER 17, 2020, COUNCIL MEETING AGENDA FOR CONSIDERATION

Staff briefed the Committee on the status of cash and reserves, and current and proposed classifications.

Highlights included:

- Increase Reserves to \$3 million
- Strategic Investment Program
- Pedestrian Crossing – College Street and Woodland Square
- Parks & Recreation Comp Plan Priorities
- Proposed Long-term Parks & Recreation Financial Plan
- CR2 Plan

- Strategic Facility Plan – City Hall and Maintenance and Operations Center
- Septic-to-Sewer
- Police Equipment and Facility Improvements
- Public Art Reserves

The Committee recommended adding an additional \$100,000 to the CR2 Plan, which would increase the total to \$300,000.

The Committee recommended moving the budget reserve ordinance to the full Council for consideration.

GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
NOVEMBER 24, 2020
9:30 A.M. – 10:44 A.M.
REMOTE ONLY

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

COUNCIL EXCUSED: COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, ROBERT ALMADA, RICK WALK, RYAN ANDREWS,
ASHLEY SMITH, PERI EDMONDS

ACTION: APPROVE THE GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
AGENDA.

MOTION: MOTION MADE, SECONDED, AND CARRIED BY MAYOR RYDER AND DEPUTY
MAYOR PRATT

CONSTRUCTION UPDATE ON LACEY LIBRARY

STAFF: ASHLEY SMITH, ENGINEER TECHNICIAN

ACTION: INFORMATION ONLY

STATUS: COMMITTEE RECOMMENDS RECEIVING AN UPDATE FROM THE LACEY
LIBRARY FOLLOWING THE CONSTRUCTION PROJECT

Staff provided an update on the Lacey Library construction project. The project is in partnership with Timberland Regional Library and Friends of the Lacey Library. The Lacey Library has been in its current location for over 25 years and due for service upgrades. Community members provided input into the space needs.

The Committee recommended receiving an update from the Lacey Library following the construction project.

CONSTRUCTION UPDATE ON LACEY VETERANS SERVICES HUB

STAFF: STEVE KIRKMAN, PUBLIC AFFAIRS MANAGER
ASHLEY SMITH, ENGINEERING TECH III

ACTION: INFORMATION ONLY

Staff presented an update on the Lacey Veterans Hub project. The original SPSCC building was constructed in 1984. In 2014, Phase I opened with 1,200 sq. ft., followed

by Phase II in 2016 with an expansion to 4,500 sq. ft. Phase III will expand the building to 8,000 sq. ft.

Highlights of the project include:

- Replacement of building roof, siding, and windows
- Replacement of heating, cooling, plumbing, electrical, and lighting systems
- Accessibility improvements
- Reconfiguration of office space, meeting rooms, and restrooms

Funding partners for the project include the City of Lacey, Thurston County, Department of Veterans Affairs, State of Washington and Federal Block Grant (CDBG).

More than 60 partners and providers participate and serve veterans at the Hub. In 2019, there were a total of 7,023 client appointments.

RETAINED STOLEN PROPERTY

STAFF: ROBERT ALMADA, INTERIM CHIEF OF POLICE
ACTION: RECOMMEND FORWARDING TO THE FULL CITY COUNCIL FOR APPROVAL
STATUS: MOVED AND SECONDED BY MAYOR RYDER AND DEPUTY MAYOR PRATT.
MOTION CARRIED.

Staff provided the annual retained stolen property report. As defined in RCW 63.32.010(2), police departments may retain the property for their use subject to giving notice in the manner prescribed in RCW 63.32.020 and the right of the owner, or the owner's legal representative, to reclaim the property within one year after receipt of notice, without compensation for ordinary wear and tear if, in the opinion of the Police Chief, the property consists of firearms or other items specifically usable in law enforcement work, provided the police department provide a report to Council at the end of each calendar year of the retains items and estimated replacement value.

The retained property list was reviewed by staff, and confirmed it complies with the RCW. The 2020 list provides items currently retained by the police department, along with their current location and estimated value. The list is the same as the 2016, 2017, 2018, and 2019 retained property lists.

CAPITAL CITY ESTATES ANNEXATION

STAFF: SCOTT SPENCE, CITY MANAGER
RYAN ANDREWS, PLANNING MANAGER

ACTION: INFORMATION ONLY

STATUS: STAFF WILL BEGIN THE PROCESS FOR BOTH CAPITAL CITY ESTATES AND
LAKE LOIS ANNEXATIONS AND WILL FORWARD TO THE NEXT UTILITIES
COMMITTEE MEETING

Staff provided an update on the Capital City Estates annexation. The potential annexation area includes 292 acres, with 965 residents in 470 households, and 490 parcels including single-family residential, a golf course, restaurant, and air strip. The zoning is low density residential 0-4, and includes four centerline miles of private streets and one centerline mile of public streets.

The estimated 2020/2021 assessed value is \$143,000,000. In 2013, staff estimated there would be a \$200,000 annual deficit for the City to provide services. The impacted taxing districts include Fire District 6 East Olympia and Thurston County road tax estimated at \$200,000 annually based on a 2013 analysis.

Since 2015, the City has completed seven annexations totaling 716 acres. Currently, the City has the Steilacoom/Marvin, Pacific/Marvin, Serenity Carpenter Road, and 54th/Ruddell Road annexations pending. Future potential annexations include Lake Lois, Goose Pond, and Pacific Avenue to Kinwood.

The Committee recommends beginning the annexation process for both the Capital City Estates and Lake Lois annexations.

COMMUNITY RELATIONS & PUBLIC AFFAIRS COMMITTEE MINUTES

DECEMBER 7, 2020

11:00 A.M. – 11:32 A.M.

REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBERS STEADMAN (CHAIR) AND COX

COUNCIL EXCUSED: COUNCILMEMBER KUNKEL

STAFF PRESENT: SCOTT SPENCE, JEN BURBIDGE, JEANNETTE SIELER, PERI EDMONDS

ACTION: APPROVE COMMUNITY RELATIONS & PUBLIC AFFAIRS COMMITTEE
AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS COX AND
STEADMAN

PARKS, CULTURE & RECREATION: NAME, LOGO AND WEBSITE CHANGES

PRESENTER: JEN BURBIDGE, PARKS AND RECREATION DIRECTOR

ACTION: INFORMATION ONLY

Staff presented the new department name, Parks, Culture & Recreation, a new logo, and website. The website will go live in the near future.

An announcement of the Online Recreation Guide will be included in an upcoming utility billing mailing, and a monthly digital newsletter will be delivered to customers in December.

The Lacey Museum will have their own logo and will present at a future date.

PARKS, CULTURE & RECREATION VIRTUAL PROGRAMS UPDATE

PRESENTER: JEANNETTE SIELER, RECREATION SUPERVISORY

ACTION: INFORMATION ONLY

Due to the COVID-19 health emergency, staff created the following Fall 2020 virtual programs and events:

- Halloween Scavenger Hunt
- Lacey Live, Laugh, Learn Boxes

- Take-and-Make Kits
- Cookies with Mrs. Claus
- Zoom with Santa
- Signing Santa
- Holiday Lights and Stories and Songs
- Kids at Home Ornaments
- Find Hidden Elf in City Parks

Upcoming events include a virtual Cultural Celebration in 2021, Daddy & Daughter and Mom & Son Date/Dance.

LACEY DEPOT

PRESENTER: JEN BURBIDGE, PARKS AND RECREATION DIRECTOR

ACTION: INFORMATION ONLY

The Lacey Depot Playground inspection has passed. The playground will be open all year beginning January 1, 2021, unless there are COVID-19 restrictions in place. An announcement of the opening will be published in the LaceyLife Newsletter.

The Museum Depot is also finished and construction fencing will be removed by January 1, 2021. The building will be open seasonally, from May through September. The restrooms will be open all year.