



CITY COUNCIL

ANDY RYDER

Mayor

MALCOLM MILLER

Deputy Mayor

LENNY GREENSTEIN

MICHAEL STEADMAN

CAROLYN COX

ED KUNKEL

ROBIN VAZQUEZ

CITY MANAGER

SCOTT SPENCE

LACEY CITY COUNCIL AGENDA

DECEMBER 15, 2022

6:00 P.M.

REMOTE AND IN-PERSON ATTENDANCE

The Lacey City Council meeting will be conducted both remote and in person.

The public may attend the meeting in person in the Council Chambers at Lacey City Hall, 420 College Street SE, Lacey, Washington, or you may view or listen to the meeting by using one of the following platforms:

[Live Meetings](#), [YouTube](#), [Facebook](#), Thurston Community Media, Channel 3 with your local cable provider, or Zoom https://us02web.zoom.us/webinar/register/WN_-Nb2XJScTOOGpn7Y1IL_w

The public may listen to the meeting via telephone by dialing toll-free: (888) 788-0099 or (877) 853-5247 - when prompted enter Webinar ID 885 6365 7526

CALL TO ORDER:

1. PLEDGE OF ALLEGIANCE
2. APPROVAL OF AGENDA & CONSENT AGENDA ITEMS:

- A. [Council minutes of November 17, 2022](#)
- B. [Council minutes of December 1, 2022](#)
- C. [A motion to approve payment of claims, wages, and transfers for November 23, 2022, through December 2, 2022.](#)

**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. Lacey Youth Council Report (Nathaniel Clay, Rianna Joseph, Nathan Miller, Sarah Towne)

4. PUBLIC COMMENT:

VERBAL PUBLIC COMMENT

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In-Person: Use the sign-up sheet located in the Council Chambers.

By Zoom: Preregister using the following Zoom link no later than **4:00 p.m. on December 15, 2022:**

https://us02web.zoom.us/webinar/register/WN_-Nb2XJScTOOGpn7Y1IL_w

Instructions and access details will be provided once registration is complete.

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 **4:00 p.m. on December 15, 2022.**

5. PUBLIC HEARING:
6. PROCLAMATIONS:
7. REFERRAL FROM PLANNING COMMISSION:
8. REFERRAL FROM HEARINGS EXAMINER:
9. RESOLUTIONS:
10. ORDINANCES:
 - A. [Ordinance No. 1631 - Reserve Designation Ordinance](#) (Troy Woo, Finance Director)
 - B. [Ordinance No. 1632 - 2023 Budget Adoption](#) (Troy Woo, Finance Director)
11. MAYOR'S REPORT:
 - A. Reappoint Gail Madden to the Planning Commission (Mayor Ryder)
12. CITY MANAGER'S REPORT:
 - A. [Approve Nisqually Jail Contract](#) (Robert Almada, Chief of Police)
 - B. [Approve Interlocal Agreement for Municipal Court Services](#) (Shannon Kelley-Fong, Assistant City Manager)
 - C. [Adopt Amended 2023 Federal Legislative Agenda](#) (Shannon Kelley-Fong, Assistant City Manager)
13. STANDING GENERAL COMMITTEES:
 - A. [Finance & Economic Development](#) (11.22.2022)
 - B. [General Government & Public Safety](#) (11.22.2022)
 - C. [Land Use & Environment](#) (11.22.2022)
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 Malcolm Miller:
 1. Economic Development Council (CDC)
 2. Lodging Tax Advisory Committee (LTAC)
 3. Thurston County Coalition Against Trafficking (TCCAT)
 4. Thurston Thrives
 - C. Councilmember Carolyn Cox:
 1. Climate Action Steering Committee
 2. LOTT Clean Water Alliance
 3. Regional Housing Council
 - D. Councilmember Lenny Greenstein:
 1. Emergency Medical Services (EMS)
 2. TCOMM911

E. Councilmember Michael Steadman:

1. Community Action Council
2. Nisqually River Council
3. Thurston County Law & Justice Council

F. Councilmember Ed Kunkel:

1. Joint Animal Services Commission (JASCOM)
2. Lacey South Sound Chamber
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
4. Solid Waste Advisory Committee (SWAC)

G. Councilmember Robin Vazquez:

1. Intercity Transit Authority
2. Olympic Region Clean Air Agency (ORCAA)
3. Thurston Regional Planning Council (TRPC)
4. Thurston County Board of Health

16. ADJOURN



**MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL
THURSDAY, NOVEMBER 17, 2022,
IN PERSON AND REMOTE ATTENDANCE**

To hear Council's full discussion of a specific topic, or the complete meeting, watch the video-stream available on YouTube – <https://youtu.be/4kp4daJhWgc>

CALL TO ORDER

Mayor Ryder called the meeting to order at 6:00 p.m.

1. PLEDGE OF ALLEGIANCE

Mayor Ryder led the Pledge of Allegiance.

Mayor Ryder called for a moment of silence to honor the late Virgil Clarkson, former City of Lacey Mayor.

Council Present:

Mayor Andy Ryder (*remote*)
Deputy Mayor Malcolm Miller (*remote*)
Councilmember Carolyn Cox
Councilmember Lenny Greenstein
Councilmember Michael Steadman (*remote*)
Councilmember Ed Kunkel
Councilmember Robin Vazquez (*remote*)

Staff Present:

Scott Spence, City Manager
Robert Almada, Chief of Police
Jen Burbidge, Parks, Culture & Recreation Director
Scott Egger, Public Works Director
Shannon Kelley-Fong, Assistant City Manager
Dave Schneider, City Attorney
Rick Walk, Community & Economic Development Director (*remote*)
Troy Woo, Finance Director
Grant Beck, Planning & Development Services Manager (*remote*)
Elissa Fontaine, Deputy City Clerk

2. APPROVAL OF AGENDA AND CONSENT AGENDA

Consent Agenda Items:

- A. Council Worksession minutes of October 27, 2022.
- B. Council Meeting minutes of November 3, 2022.
- C. A motion to approve payment of claims, wages and transfers for October 26, 2022, through November 8, 2022.

**COUNCILMEMBER GREENSTEIN MOVED TO APPROVE THE
AGENDA AND CONSENT AGENDA. COUNCILMEMBER KUNKEL
SECONDED. MOTION CARRIED.**

3. PUBLIC RECOGNITIONS AND PRESENTATIONS

- A. **Lacey Youth Council Report:** Rory Line, Zury Ramirez-Plasencia, Alanis Blackburn, and Nathan Miller presented the Lacey Youth Council Reports.
- B. **John Paull II High School Students Named Commended Students in the 2023 National Merit Scholarship Program:** John Grossman, Director of Advancement JPIL, recognized the students for their achievement.
- C. **Employee Recognitions:** Scott Spence, City Manager, recognized City employees for their lengths of service. The highlighted lengths of service included 20, 25, 30, and 35 years of service.

4. PUBLIC COMMENT

Verbal Public Comments: The deadline to pre-register to speak was 4:00 p.m. the day of the meeting.

0 – people signed up to speak via Zoom.

1 – person signed up to speak at the meeting.

James Andrew Lee, a Lacey resident, spoke against Joint Animal Services' approach to community feral cats.

Written Public Comments: The deadline to submit written public comments was 4:00 p.m. the day of the meeting. Written comments are not addressed during the meeting; however, they are added to the official record.

No (0) written public comment were received.

5. PUBLIC HEARING

- A. **First 2023 Budget Hearing:** Troy Woo, Finance Director, presented the 2023 Proposed Budget. Subsequent to the City Manager's October 20, 2022, budget presentation, the 2023 proposed budget was adjusted to include property tax adjustments, a new position in the Parks, Culture, & Recreation Department, an employee enhancement and investment program, and an adjustment in the 2023 legal services budget.

The City Council is scheduled to conduct a second and final budget hearing on December 1, 2022. Budget adoption is scheduled for December 15, 2022.

Mayor Ryder opened the First 2023 Budget Hearing at 6:25 p.m.

Verbal Public Testimony: The deadline to pre-register to speak and provide public testimony was 4:00 p.m. the day of the meeting.

0 – people signed up to provide public testimony via Zoom.

0 – people signed up to speak at the meeting.

Written Public Comments: The deadline to submit written public testimony was 4:00 p.m. the day of the meeting. Written comments are not addressed during the meeting; however, they are added to the official record.

0 - written public testimony was received.

Mayor Ryder closed the First 2023 Budget Hearing at 7:05 p.m.

6. PROCLAMATIONS

- A. **Native American Heritage Month:** Mayor Ryder and Council proclaimed November 2022 as Native American Heritage Month. Willie Frank III, Chair of the Nisqually Tribal Council, accepted the proclamation.
- B. **Small Business Saturday:** Mayor Ryder and Council proclaimed November 26, 2022, as Small Business Saturday. Blake Knoblauch, Executive Director, Lacey South Sound Chamber, accepted the proclamation.

7. REFERRAL FROM PLANNING COMMISSION

8. REFERRAL FROM HEARINGS EXAMINER

9. RESOLUTIONS

- A. **Resolution No. 1122 – Authorize 2023 Ad Valorem Tax Increase:** Troy Woo, Finance Director, presented on Resolution No. 1122, authorizing the 2023 Ad Valorem Tax Increase.

MAYOR RYDER MOVED TO APPROVE RESOLUTION NO. 1122 TO AUTHORIZE THE 2023 AD VALOREM TAX INCREASE. COUNCILMEMBER VAZQUEZ SECONDED. MOTION CARRIED.

10. ORDINANCES

Troy Woo, Finance Director, presented on the following ordinances:

- A. **Ordinance No. 1625 - 2023 Ad Valorem Tax.**
- B. **Ordinance No. 1626 - 2023 Water Rates.**
- C. **Ordinance No. 1627 - 2023 Wastewater Rates.**
- D. **Ordinance No. 1628 - 2023 Stormwater Rates.**

MAYOR RYDER MOVED TO APPROVE ORDINANCE NOS. 1625; 1626; 1627; AND 1628 TO AUTHORIZE THE 2023 AD VALOREM TAX; 2023 WATER RATES; 2023 WASTEWATER RATES; AND 2023 STORMWATER RATES. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

- E. **Ordinance No. 1629 – Hearings Examiner Review Process for Quasi-Judicial Land Use Permits:** Rick Walk, Community & Economic Development Director, and Grant Beck, Planning & Development Services Manager, presented Ordinance No. 1629 relating to the Hearings Examiner Review Process for Quasi-Judicial Land Use Permits.

COUNCILMEMBER VAZQUEZ MOVED TO APPROVE ORDINANCE NO. 1629 TO APPROVE THE HEARINGS EXAMINER REVIEW PROCESS FOR QUASI-JUDICIAL LAND USE PERMITS. COUNCILMEMBER GREENSTEIN SECONDED.

COUNCILMEMBER VAZQUEZ, STEADMAN AND COX VOTED IN FAVOR.

MAYOR RYDER, DEPUTY MAYOR MILLER, AND COUNCILMEMBERS KUNKEL AND MILLER VOTED AGAINST.

MOTION FAILED.

Councilmember Kunkel excused himself from the Chambers at 8:08 p.m.

Councilmember Kunkel returned to the Chambers at 8:10 p.m.

11. MAYOR'S REPORT

12. CITY MANAGER'S REPORT

- A. **Award Contract PW 2022-36 – Carpenter Road Improvements:** Scott Egger, Public Works Director, presented the bid results for Carpenter Road Improvements, Contract PW 2022-36. The low bidder was Miles Resources, LLC from Puyallup, Washington, in the amount of \$3,355,568.97.

COUNCILMEMBER STEADMAN MOVED TO AWARD CONTRACT PW 2022-36 TO MILES RESOURCES, LLC FROM PUYALLUP, WASHINGTON, IN THE AMOUNT OF \$3,355,568.97. DEPUTY MAYOR MILLER SECONDED. MOTION CARRIED.

13. STANDING COMMITTEES

14. OTHER BUSINESS

15. BOARDS, COMMISSIONS AND COMMITTEE REPORTS

- A. Mayor Ryder
1. Mayor's Forum – **no report**
 2. Thurston Chamber Shared Legislative Committee – **no report**
 3. Transportation Policy Board – **no report**
- B. Deputy Mayor Miller
1. Economic Development Council (EDC) – **no report**
 2. Lodging Tax Advisory Committee (LTAC) – **no report**
 3. Thurston County Coalition Against Trafficking (TCCAT) – **no report**
 4. Thurston Thrives – **no report**
- C. Councilmember Cox
1. Climate Mitigation Steering Committee – **no report**
 2. LOTT Clean Water Alliance – **made report**
 3. Regional Housing Council – **made report**
- D. Councilmember Greenstein
1. Emergency Medical Services (EMS) – **made report**
 2. TCOMM911 – **made report**
- E. Councilmember Steadman
1. Community Action Council – **no report**
 2. Nisqually River Council – **no report**
 3. Thurston County Law & Justice – **no report**

F. Councilmember Kunkel

1. Joint Animal Services Commission (JASCOM) – **no report**
2. Lacey South Sound Chamber – **no report**
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB) – **no report**
4. Solid Waste Advisory Committee (SWAC) – **no report**

G. Councilmember Vazquez

1. Intercity Transit – **made report**
2. Olympic Region Clean Air Agency – **made report**
3. Thurston Regional Planning Council – **no report**
4. Thurston County Board of Health – **made report**

16. ADJOURN

Mayor Ryder adjourned the Council Meeting at 8:33 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



**MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL
THURSDAY, DECEMBER 1, 2022,
IN PERSON AND REMOTE ATTENDANCE**

To hear Council's full discussion of a specific topic, or the complete meeting, watch the video-stream available on YouTube – <https://youtu.be/Sm2puGITxWE>

CALL TO ORDER

Mayor Ryder called the meeting to order at 6:00 p.m.

1. PLEDGE OF ALLEGIANCE

Mayor Ryder led the Pledge of Allegiance.

Council Present:

Mayor Andy Ryder
Deputy Mayor Malcolm Miller
Councilmember Carolyn Cox
Councilmember Lenny Greenstein
Councilmember Michael Steadman
Councilmember Robin Vazquez

Council Excused

Councilmember Ed Kunkel

Staff Present:

Scott Spence, City Manager
Robert Almada, Chief of Police
Scott Egger, Public Works Director
Shannon Kelley-Fong, Assistant City Manager
Matt Sharp, Assistant City Attorney (*remote*)
Rick Walk, Community & Economic Development Director
Troy Woo, Finance Director
Ashley Smith, Design & Construction Manager
Ed Andrews, Water Maintenance Supervisor
Peri Edmonds, City Clerk

2. APPROVAL OF AGENDA AND CONSENT AGENDA

Consent Agenda Items:

- A. Council Worksession minutes of November 10, 2022.
- B. A motion to approve payment of claims, wages and transfers for November 9, 2022, through November 18, 2022.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE THE AGENDA AND CONSENT AGENDA. COUNCILMEMBER VAZQUEZ SECONDED. MOTION CARRIED.

3. PUBLIC RECOGNITIONS AND PRESENTATIONS

- A. **Our Hero's Wear Dirt Award:** Ed Andrews, Water Maintenance Supervisor, presented the award to employees of the Water Department, Jesse Eang, Michael Marten, John Fuglistahler, Torey Krieger, and Justin Bellis.
- B. **Fred U. Harris Lodge No. 70:** Melvin Butler and Lester Dickson, members of the Fred U. Harris Lodge No. 70, presented a plaque of recognition to the City of Lacey in honor of the City's support of the Fred U. Harris Lodge No. 70.

4. PUBLIC COMMENT

Verbal Public Comments: The deadline to pre-register to speak was 4:00 p.m. the day of the meeting.

0 – people signed up to speak via Zoom.

1 – person signed up to speak at the meeting.

Robert Marino, Director of Clean Energy and Infrastructure with the Thurston Climate Action Team, spoke in favor of the City's budget actions relating to climate change. It was also requested that \$750,000 be added to climate dollars and a more in-depth climate section be included for the 2023 Budget.

Written Public Comments: The deadline to submit written public comments was 4:00 p.m. the day of the meeting. Written comments are not addressed during the meeting; however, they are added to the official record.

0 - written public comment was received.

5. PUBLIC HEARING

- A. **Final 2023 Budget Hearing:** Troy Woo, Finance Director, presented the 2023 Proposed Budget. The purpose of the Final 2023 Budget Hearing is to accept public testimony and for City staff to receive final direction for any budget changes. The first 2023 Budget Hearing was held on November 17, 2022. The 2023 Budget is scheduled for adoption on Thursday, December 15, 2022.

Mayor Ryder opened the Final 2023 Budget Hearing at 6:38 p.m.

Verbal Public Testimony: The deadline to pre-register to speak and provide public testimony was 4:00 p.m. the day of the meeting.

0 – people signed up to speak via Zoom.

0 – people signed up to speak at the meeting.

Written Public Comments: The deadline to submit written public testimony was 4:00 p.m. the day of the meeting. Written comments are not addressed during the meeting; however, they are added to the official record.

0 - written public testimony was received.

Council and staff discussed a potential partnership for a permanent supportive housing project located on Franz Anderson Road. Staff recommended including \$3.5 million in the budget, and noted the item will need to return to Council for a more detailed discussion on project details and funding sources.

Council directed staff to include the \$3.5 million in the 2023 Budget. Staff will provide a more detailed presentation on the project at an upcoming Worksession.

Mayor Ryder closed the Final 2023 Budget Hearing at 6:45 p.m.

6. PROCLAMATIONS

7. REFERRAL FROM PLANNING COMMISSION

8. REFERRAL FROM HEARINGS EXAMINER

9. RESOLUTIONS

- A. **Resolution No. 1123 – Social Security Coverage:** Troy Woo, Finance Director, presented Resolution No. 1123 relating to social security coverage. An ordinance to amend LMC 2.60.050 will be presented to Council at a future City Council meeting, once all administrative housekeeping agreements have been completed.

COUNCILMEMBER STEADMAN MOVED TO APPROVE RESOLUTION NO. 1123 TO AUTHORIZE AN AGREEMENT WITH THE STATE OF WASHINGTON TO SECURE SOCIAL SECURITY COVERAGE FOR ELIGIBLE EMPLOYEES. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

- B. **Resolution No. 1124 – Vendor Roster:** Ashley Smith, Design & Construction Manager, presented Resolution No. 1124, relating to vendor rosters for procurement of goods and services.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE RESOLUTION NO. 1124 RELATING TO VENDOR ROSTERS. DEPUTY MAYOR MILLER SECONDED. MOTION CARRIED.

10. ORDINANCES

- A. **Ordinance No. 1630 – Public Property Acquisition:** Ashley Smith, Design & Construction Manager, presented Ordinance No. 1630 relating to public property acquisition. A draft policy will be presented at a future Finance & Economic Development Committee meeting.

COUNCILMEMBER COX MOVED TO APPROVE ORDINANCE NO. 1630 RELATING TO PUBLIC PROPERTY ACQUISITION, AMENDING LMC 2.72.050 AND REPEALING LMC 2.72.030, 2.72.040, 2.72.060, AND 2.72.070. COUNCILMEMBER VAZQUEZ SECONDED. MOTION CARRIED.

11. MAYOR'S REPORT

Mayor Ryder updated Council that GMP Consultants has been selected as the recruitment firm for the City Manager position. The selection committee will meet with the firm to discuss timelines and provide information on what the process will look like. Mayor Ryder will provide updates to Council as needed.

12. CITY MANAGER'S REPORT

- A. **Amendment to Professional Services Agreement – Design Services for New Police Facility:** Ashley Smith, Design & Construction Manager, presented an amendment to the Professional Services Agreement for the new police facility design services. The amended contract will continue design, up to and include construction documents and allows 30% to 100% bid ready documentation.

COUNCILMEMBER GREENSTEIN MOVED TO AUTHORIZE THE CITY MANAGER TO SIGN AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH KMB ARCHITECTS FOR DESIGN SERVICES OF THE NEW POLICE FACILITY. COUNCILMEMBER STEADMAN SECONDED. MOTION CARRIED.

- B. **Adopt 2023 Federal and State Legislative Priorities Agendas:** Shannon Kelley-Fong, Assistant City Manager, presented the 2023 Federal and State Legislative Priorities agendas and recommended adoption by the City Council.

**COUNCILMEMBER GREEBSTEIN MOVED TO ADOPT THE 2023
FEDERAL AND STATE LEGISLATIVE PRIORITIES AGENDAS.
DEPUTY MAYOR MILLER SECONDED. MOTION CARRIED.**

Mayor Ryder briefly discussed a new federal priority known as the “Helper Act”. The Helper Act establishes a new home loan program to support first responders. The Mayor will forward additional information about the Helper Act and recommended Council review the information with the hope of adding it to the Federal Legislative Priorities.

- C. **Memorandum of Understanding – Hotel Acquisition:** Rick Walk, Community & Economic Development Director, presented a Memorandum of Understanding relating to the hotel acquisition.

**DEPUTY MAYOR MILLER AUTHORIZED THE CITY MANAGER TO
SIGN THE MEMORANDUM OF UNDERSTANDING FOR THE HOTEL
ACQUISITION. COUNCILMEMBER COX SECONDED. MOTION
CARRIED.**

Staff advised the next steps include developing an operational contract with the Low Income Housing Institute (LIHI).

13. STANDING COMMITTEES

- A. Finance & Economic Development Committee:
Mayor Ryder reported on the October 25, 2022, meeting.
- B. General Government & Public Safety Committee:
Councilmember Greenstein reported on the October 25, 2022, meeting.
- C. Transportation Committee:
Deputy Mayor Miller reported on the November 1, 2022, meeting.
- D. Utilities Committee:
Councilmember Cox reported on the November 1, 2022, meeting.

14. OTHER BUSINESS

15. BOARDS, COMMISSIONS AND COMMITTEE REPORTS

- A. Mayor Ryder
1. Mayor’s Forum – **no report**
 2. Thurston Chamber Shared Legislative Committee – **no report**
 3. Transportation Policy Board – **no report**
- B. Deputy Mayor Miller
1. Economic Development Council (EDC) – **made report**
 2. Lodging Tax Advisory Committee (LTAC) – **no report**
 3. Thurston County Coalition Against Trafficking (TCCAT) – **no report**
 4. Thurston Thrives – **no report**

- C. Councilmember Cox
 - 1. Climate Mitigation Steering Committee – **made report**
 - 2. LOTT Clean Water Alliance – **no report**
 - 3. Regional Housing Council – **no report**
- D. Councilmember Greenstein
 - 1. Emergency Medical Services (EMS) – **no report**
 - 2. TCOMM911 – **no report**
- E. Councilmember Steadman
 - 1. Community Action Council – **no report**
 - 2. Nisqually River Council – **no report**
 - 3. Thurston County Law & Justice – **no report**
- F. Councilmember Kunkel
 - 1. Joint Animal Services Commission (JASCOM) – **no report**
 - 2. Lacey South Sound Chamber – **no report**
 - 3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB) – **no report**
 - 4. Solid Waste Advisory Committee (SWAC) – **no report**
- G. Councilmember Vazquez
 - 1. Intercity Transit – **made report**
 - 2. Olympic Region Clean Air Agency – **made report**
 - 3. Thurston Regional Planning Council – **made report**
 - 4. Thurston County Board of Health – **no report**

16. ADJOURN

Mayor Ryder adjourned the Council Meeting at 7:48 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



LACEY CITY COUNCIL MEETING December 15, 2022

SUBJECT: Disbursement Approval

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

STAFF CONTACT: Troy Woo, Finance Director *tw*

ORIGINATED BY: Chelsea Yarwood, Accounting Manager *cy*

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 11/23/2022 through 12/2/2022. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Req. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	11/23/2022	267666	267763	170,993.64
	*11/30/2022	267764	267767	2,074.13
	12/2/2022	267768	267825	220,220.36

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	11/11/2022	48,707.78
	11/23/2022	354,873.22
	11/29/2022	30.00
	11/29/2022	64,138.24
	11/29/2022	10,576.48
	11/29/2022	603.00
	11/30/2022	540.00
	*11/30/2022	17,297.55
	*11/30/2022	1,517,357.89
	12/2/2022	403,418.01

Payroll:	<u>Month Ended:</u>	<u>Wages</u>
	*11/30/2022	1,688,425.86

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

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
Conсор North America Inc	\$ 103,271.27	Wells PH Treatment
Northwest Cascade Inc	\$ 210,887.36	LS 12 Abandonment
Pease & Sons Inc	\$ 58,866.70	LS 49 Cross Conn Control
Elcon Corporation	\$ 64,754.72	Elec Veh Charge Station
Phoenix Fabricators	\$ 245,578.74	Terry Cargil Reservoir



LACEY CITY COUNCIL MEETING December 15, 2022

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. 1631](#)
2. [Summary for Proposed Ordinance](#)

FISCAL NOTE:

PRIOR REVIEW: Finance and Economic Development Committee on Nov. 22, 2022
Council Worksession on December 8, 2022

BACKGROUND:

The Governmental Accounting Standards Board (GASB) issued Statement No. 54 during February 2009. Since that time, the City Council has taken actions to commit certain fund balances in alignment with City's priorities and vision. Since the current designations were adopted: (1) there are additional fund balances available for the City Council to designate, (2) some designations have been expended as intended, and (3) new priorities have been identified. The most notable new priorities are the new Police Station and the regional Franz Anderson permanent supportive housing project.

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.

Historically, the City Council previously authorized the City Manager and City Finance Director to assign funds based on the intent expressed by the City Council. Staff recommends the same provision be included in the next ordinance.

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 Finance and Economic Development Committee reviewed the final proposed reserve designations November 22, 2022. The full City Council reviewed the proposed designations at the December 8, 2022, Council Worksession. Staff requests the City Council review the proposed fund balance designations and upon concurrence adopt the proposed ordinance establishing the committed fund reserve designations and authorizing the City Manager and Finance Director to designate fund balances as assigned based on the 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 Annual Comprehensive Financial Report (ACFR) 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 included and long-term goal and vision of the City and will ensure the City Council's commitments are still valid.

DISADVANTAGES:

1. None identified.

ORDINANCE NO. 1631

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. 1609, 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, 2022 governmental fund balances are considered committed:

Fund 001 (Current Expense):

\$ 3,000,000 is committed for Budget Policy

\$ 2,500,000 is committed for Strategic Investment

\$ 300,000 is committed for College Street Pedestrian Crossing

\$ 247,074 is committed for Mental Health & Social Services Outreach Team

\$ 700,000 is committed for Mental Health&Drug Addiction Services Partnership

\$ 650,000 is committed for Oxford House Model

\$ 8,700,000 is committed for New Police Station Facility

\$ 2,000,000 is committed for Succession Planning (Police)

- \$ 46,551 is committed for Security Cameras
- \$ 475,000 is committed for LERMS Records Management System Upgrade
- \$ 500,000 is committed for 5700 Pacific Property Improvements
- \$ 250,000 is committed for Trail System (Bike/Pedestrian Plan)
- \$ 275,000 is committed for Parks & Recreation Comprehensive Plan Priorities
- \$ 400,000 is committed for Regional Athletic Complex Operations & Maint.
- \$ 5,000,000 is committed for Greg Cuoio Park Master Plan Implementation 1A
- \$ 200,000 is committed for Insurance Deductibles
- \$ 822,500 is committed for City Hall Facility
- \$ 100,000 is committed for City Council Virtual Meeting Upgrades
- \$ 500,000 is committed for Capital Equipment Replacement
- \$ 250,000 is committed for Energy Conservation Projects (CR2 Plan)

Fund 005 (Community Buildings):

- \$ 67,500 is committed for Furniture and Equipment Replacement
- \$ 366,500 is committed for Community Buildings Repairs

Fund 007 (Regional Athletic Complex M&O):

- \$ 500,000 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
- \$ 1,000,000 is committed for Transportation Facility Improvements/Expansion

Fund 302 (Capital Equipment):

- \$ 500,000 is committed for Capital Equipment Replacement
- \$ 159,208 is committed for Park Facilities Repair/Replacement
- \$ 695,000 is committed for Regional Athletic Complex Field Replacement
- \$ 50,000 is committed for Translation Technologies
- \$ 250,000 is committed for Teleworking Technologies
- \$ 500,000 is committed for IMS Communications Repair/Replace/Extension
- \$ 18,369 is committed for ERP Purchasing Card Module

Fund 101 (Arterial Street):

- \$ 18,000,000 is committed for New Police Station Facility
- \$ 18,000,000 is committed for Transportation Improvement Plan Priorities

Fund 301 (Building Improvement):

- \$ 309,116 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
- \$ 350,000 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

\$ 1,000,000 is committed for Reg. Athletic Comp. Long-Term Financial Planning

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 15th day of December, 2022.

Approved as to form:

Mayor

ATTEST:

City Attorney

City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1631

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on December 15, 2022, Ordinance No. 1631 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. 1609.
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 19, 2022



LACEY CITY COUNCIL MEETING December 15, 2022

SUBJECT: 2023 Budget Ordinance

RECOMMENDATION: Motion to adopt the 2023 Budget ordinance setting the total budget in the amount of \$182,069,133 and the General Fund total budget in the amount of \$64,159,814.

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

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. [Ordinance No. 1632](#)

FISCAL NOTE: 2023 Total Budget \$182,069,133
2023 General Fund Budget \$64,159,814

PRIOR REVIEW: Public revenue hearing and (11/3/22) and two public hearings on the budget (11/17/22 and 12/1/22) were conducted.

BACKGROUND:

After many hours of hard work by the City Council, Finance and Economic Development Committee, and City staff, the 2023 Budget process has reached the final step.

The budget ordinance that is presented for your consideration contains the following changes to the Proposed 2023 Budget document that was presented on October 20, 2022:

- Property tax adjustments for the 2022 refund levy and slight decreases due to adjustments to the new construction and annexation valuations. These adjustments decreased the property tax projection and total budget by \$345.
- The Parks Comprehensive Planner/Coordinator position was a late addition to the proposed 2023 Budget. Reductions to other budget line items within the Parks,

Culture, and Recreation will offset the salaries and benefits for the proposed position. No net change will be made to the department's proposed 2023 budget.

- A new 2022 employee enhancement and investment program, Tuition Reimbursement, was inadvertently left out of the Proposed 2023 Budget. This \$10,000 program will be added to the 2023 Budget.
- An error was made when adjusting the 2023 Legal Services Budget. To correct the error, \$33,529 has been added to the Proposed 2023 Budget.
- To support the region's permanent supportive housing initiatives, \$3,500,000 is included within the Social Services Department's proposed 2023 Budget for the Franz Anderson tiny home village and permanent supportive housing (40-70 multi-family rental units) projects.

The total Proposed 2023 Budget is \$182,069,133. This is a decrease of \$13,365,451 compared to the amended 2022 Budget. The primary reasons for the decrease are lower one-time capital projects and fewer interfund transfers for 2023 capital projects and purchases. The capital project reductions are partially offset by increasing labor costs and workforce considerations.

The total proposed General Fund Budget is \$64,159,814. This is a decrease of \$2,916,097 or 4.4 percent compared to the amended 2022 General Fund Budget. The primary reasons for the General Fund change are lower capital purchases and reserve transfers for significant projects (Police Station property acquisition and design, Greg Cuoio Phase 1A design, park property acquisition, Regional Athletic Complex parking lot, and fewer one-time transfers out to other funds for one-time capital purchases and projects). Offsetting the decreases are the aforementioned increases to the workforce and inflationary impacts.

The overall 2023 Budget focuses on meeting the increasing service demands as the City continues to grow, preserving city infrastructure investments, continuing to meet capital project requirements, addressing priorities established by the City Council, and planning for the City's future.

ADVANTAGES:

1. The Proposed 2023 Budget is balanced and maintains service levels.
2. Activities necessary for the City to plan and ensure that future services can be maintained long-term are included in the Proposed 2023 Budget.

DISADVANTAGES:

1. Adoption of 2023 Budget Ordinance will include modest increases to utility rates and the property tax levy. However, these modest increases allow the City of Lacey to preserve and sustain the service levels its citizens have come to appreciate.

ORDINANCE NO. 1632

CITY OF LACEY

AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF LACEY FOR THE 2023 FISCAL YEAR AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, the City Manager of the City of Lacey has prepared and submitted to the City Council the preliminary budget of the fiscal year ending December 31, 2023, and has filed this preliminary budget with the City Clerk, and

WHEREAS, notice of the legislative budget hearings were published in the official newspaper of the City once a week for two consecutive weeks designating the dates, the times, and the place of said public hearings, and

WHEREAS, the City Council, at two public hearings held at Lacey City Hall on November 17, 2022 and December 1, 2022, did meet to consider the fixing of the final budget, now, therefore,

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

Section 1. The preliminary budget of the City of Lacey for the fiscal year 2023, on file with the City Clerk, as presented at the public hearings held on November 17, 2022 and December 1, 2022, as modified by the City Council after such hearings, and each and every item thereof including the salaries and positions contained therein or attached thereto, is incorporated by reference and adopted as the final budget of the City of Lacey for the fiscal year 2023. The totals of estimated revenues and appropriations for each fund and the aggregate totals for all such funds combined in said budget are as follows:

<u>FUND NAME</u>	<u>ESTIMATED REVENUE</u>	<u>ESTIMATED EXPENDITURE</u>
<i>City of Lacey Budget:</i>		
Current Expense Fund	\$54,845,909	\$54,845,909
Criminal Justice Fund	1,452,855	1,452,855
Community Center Fund	892,281	892,281
Regional Athletic Complex	1,332,495	1,332,495
City Street Fund	4,531,909	4,531,909
Arterial Street Fund	9,944,299	9,944,299
Transportation Improvement Fund	8,150,000	8,150,000
Lodging Tax Fund	887,230	887,230
Community Dev. Block Grant Fund	479	479
Hicks Lake Management District	47,793	47,793
GO Debt Fund	1,270,434	1,270,434
LID Debt Fund	100,609	100,609
Building Improvement Fund	168,241	168,241

Approved as to Form:

City Attorney, David Schneider

Publish: December 19, 2022

SUMMARY FOR PUBLICATION
ORDINANCE NO. 1632
CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on December 15, 2022, Ordinance No. 1632, entitled "AN ORDINANCE ADOPTING THE ANNUAL BUDGET OF THE CITY OF LACEY FOR THE 2023 FISCAL YEAR AND APPROVING A SUMMARY FOR PUBLICATION."

The main points of the Ordinance are described as follows:

1. The Ordinance adopts the final budget and sets forth the separate fund resources, expenditures, and aggregate totals for all funds combined for 2023.
2. The Ordinance authorizes the City Clerk to transmit copies of the budget to the Washington State Auditor and Association of Washington Cities.
3. Provides provisions for corrections.
4. 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.

Published: December 19, 2022.



LACEY CITY COUNCIL MEETING December 15, 2022

SUBJECT: Nisqually Jail Service Agreement

RECOMMENDATION: Approve the Nisqually Jail Service Agreement

STAFF CONTACT: Scott Spence, City Manager 
Robert Almada, Chief of Police 

ORIGINATED BY: Lacey Police Department

ATTACHMENTS: 1. [Nisqually Jail Service Agreement](#)

FISCAL NOTE: \$1,845 per day based on 15 guaranteed beds, and \$123 per day per additional bed. Starting in 2024, a rate increase of 5% will occur annually for the duration of the contract. Base contract amount, totaling \$673,425, included in the proposed 2023 City Budget.

PRIOR REVIEW: Agreement reviewed by City Attorney Office and Washington Cities Insurance Authority.

BACKGROUND:

The Lacey Police Department has housed inmates at the Nisqually Jail since the late 1990s. The current contract expired in 2020; however, jail services and costs honored from the 2020 contract to allow time to renegotiate a new agreement.

The new contract contains language that satisfies WCIA's expectations, increasing liability coverage to \$10,000,000, and revising inmate medical processes.

ADVANTAGES:

1. The City of Lacey will have guaranteed beds to house arrested individuals.
2. Continue a long-term relationship with the Nisqually Tribe for jail services.

DISADVANTAGES:

1. None foreseen.

NISQUALLY JAIL SERVICE AGREEMENT

THIS AGREEMENT is made and entered into on this ____ day of ~~November~~^{December}, 2022, by and between the Nisqually Indian Tribe, a Federally Recognized Indian Tribe, hereinafter referred to as "Nisqually" and the City of Lacey, hereinafter referred to as "Lacey." This agreement is for the housing of inmates of Lacey in the Nisqually Detention and Corrections Center hereinafter referred to as "jail" pursuant to Chapters 39.34 and 70.48 RCW.

THE PARTIES HEREBY AGREE as follows:

1. **SERVICE.** Nisqually shall care for prisoners placed in the custody of officers of the Nisqually Jail and cooperate with Lacey to arrange for video hearings. The term "prisoner" shall include any person arrested, sentenced by the court or held under authority of any law or ordinance of Lacey;
2. **REFUSAL OF PRISONERS.** The Nisqually Police Chief or the Nisqually Corrections Director shall have the right to refuse to accept custody if in their opinion the prisoner does not meet medical (or other) criteria for booking. The Nisqually Corrections Director may also refuse to accept custody of a prisoner if doing so would result in overcrowding of the jail, or health, safety or security risks. Nisqually similarly shall have no obligation to receive a Lacey prisoner into custody absent proper documentation providing a legal basis for confining the prisoner. Lacey shall immediately transport any prisoner that is refused booking off the Nisqually Reservation. The parties agree that "dumping" of inmates denied booking on or near the Nisqually Reservation shall be grounds for immediate for-cause termination of this Agreement.
3. **CARE.** "Care" shall mean to provide room and board; to provide for the prisoner's physical needs; to retain the prisoner in custody; and to supervise and maintain proper discipline and control. In addition, prisoners housed pursuant to this Agreement shall be subject to the same rules and regulations required of other prisoners housed in the Nisqually Jail. Such rules and regulations shall comport with Washington state law, and federal law regarding issues of civil rights and due process of prisoners.
4. **DURATION OF CONTRACT.** The term of this agreement shall be for five (5) years, beginning ~~November~~^{December} ____, 2022, which term shall automatically extend for no more than two (2) additional five (5) year terms absent written notice provided in writing at least six months prior to the expiration of the current term. The agreement may be terminated without cause by either party by providing the other party with sixty (60) days written notice. Notice shall be deemed proper when provided to:

Lacey:
Chief Robert Almada
C/O Lacey Police Department
420 College Street SE
Lacey, WA 98503

Nisqually:
Chief Executive Officer
Nisqually Indian Tribe
4820 She-Nah-Num Dr. S.E.
Olympia, WA 98513

5. **RELEASE**. Prisoners will only be released when they have served their full time unless release is authorized by any other provision of this Agreement or is ordered by a court of competent jurisdiction.
6. **GUARANTEED MINIMUM BED SPACE**. Nisqually guarantees Lacey fifteen (15) bed spaces. Bed space in addition to the guaranteed fifteen (15) beds will be provided on a space-available basis. Nisqually shall have sole and unfettered discretion in determining whether or not additional space is available. Lacey shall immediately transport any prisoner denied booking off the Nisqually Reservation. "Dumping" of inmates on or near the Nisqually Reservation shall be grounds for immediate termination of this Agreement.
7. **GUARANTEE TO PAY FOR MINIMUM BED SPACE**. Lacey agrees to pay to Nisqually One Thousand Eight Hundred Forty-Five (\$1,845.00) per day in exchange for Nisqually's guarantee of fifteen (15) available beds per day. This rate shall increase in the amount of 5% per day each calendar year beginning in ~~2023~~ for the duration of this agreement. 2024
8. **RATE/PAYMENT**. In addition to the guarantee to pay for minimum bed space described above, Lacey shall pay to Nisqually the amount of \$123.00 per day (Basic Inmate Rate) per inmate for care above the guaranteed fifteen bed minimum. A "day" is the twenty-four hour period beginning at 12:00 a.m. and ending at 11:59 p.m. in the Pacific Time Zone. Basic Inmate Rate will increase by 5% annually on January 1 each year of the contract's duration. Lacey shall pay such invoices within 30 days of receipt. Interest at the rate of 12% per annum shall be charged on all past due accounts. Without prejudice to any other contract rights available to it, if Lacey does not pay the invoice within Sixty (60) days of receipt of invoice, Nisqually, acting through its Police Chief, will not accept prisoners until the delinquent amount is paid in full.
9. **MEDICAL CARE**. Each party shall be responsible for the medical care and medical expenses of prisoners housed pursuant to this agreement as listed in Exhibit A, attached hereto and incorporated herein; provided that if the prisoner has his or her

own medical coverage, Nisqually will coordinate with Lacey so that such insurance may be utilized. In the event that a prisoner requests non-urgent medical care, Nisqually shall contact Lacey for approval. Lacey shall provide Nisqually with the names and telephone numbers of designated contact people who shall be available on a twenty-four hour basis. Failure of Lacey to approve medical care shall relieve Nisqually of liability to Lacey for any injury resulting therefrom. In the event that Nisqually deems a prisoner to be in need of urgent or emergency care, Nisqually shall make the best efforts to contact Lacey, but may take any action it deems necessary to provide the prisoner with the needed care without obtaining prior approval, and said action(s) shall not affect Lacey's responsibility for paying for such medical care as required by this Agreement. Lacey shall reimburse Nisqually promptly for all medical expenses incurred by Nisqually for services that are the responsibility of Lacey under Exhibit A, "Medical Expenses."

10. **TRANSPORTATION.** Lacey shall be solely responsible for furnishing transportation for prisoners housed pursuant to this Agreement. Lacey may request that Nisqually provide necessary transportation and Nisqually shall make best efforts to provide such transportation, subject to staff availability, but shall not be obligated to provide such transportation. Lacey shall reimburse Nisqually for costs incurred for transportation. Such costs shall include mileage at the rate of \$1.00 per mile, plus labor and overhead (0.5 x labor). Nisqually shall not transport any prisoner without the express agreement of Lacey unless such transportation is required by a court order or because of a medical emergency.
11. **CUSTODY TRANSFER.** Officers of Lacey placing a prisoner in custody of Nisqually will be required to remain in the immediate presence of the prisoner at all times until relieved of custody by Nisqually Corrections Staff. Booking out and/or release of Lacey's prisoners shall be the responsibility of Lacey Officers. Lacey shall immediately transport any prisoner that is refused booking off the Nisqually Reservation. The parties agree that "dumping" of inmates denied booking on or near the Nisqually Reservation shall be grounds for immediate for-cause termination of this Agreement.
12. **CITY ACCESS TO PRISONERS.** All Lacey police officers and investigators directed by the Lacey City Attorney shall have the right to interview the prisoner inside the confines of the Nisqually Jail subject only to necessary security rules. Interview rooms will be made available to Lacey police officers in equal priority with those of any other department, including the Nisqually law enforcement personnel.
13. **RELEASE OF LACEY PRISONERS FROM NISQUALLY.** No Lacey Prisoner confined in the Nisqually Jail shall be removed therefrom except:
 - a. When requested by Lacey Police Department in writing;
 - b. By Order of the Thurston County District Court or the Thurston County Superior Court in those matters in which said courts have

- jurisdiction;
- c. For appearance in the court in which a Lacey prisoner is charged;
 - d. In compliance with a writ of habeas corpus;
 - e. For interviews by the Lacey prosecuting attorney, Lacey appointed public defender, or member of the Lacey Police Department;
 - f. If the prisoner has served his sentence or the charge pending against said prisoner has been dismissed or bail or other recognizance has been posted as required by the courts.
14. **INDEMNIFICATION**. Lacey shall protect, defend, save harmless and indemnify Nisqually, its officers, agents and employees, from and against all claims, suits and actions arising from intentional or negligent acts or omissions of Lacey in performance of this Agreement. Lacey's indemnification obligation shall also extend to all claims, suits and actions relating to the medical care of prisoners housed under this Agreement which result from the failure of Lacey to approve such care or for any reason other than injuries and harm resulting from the negligent or intentional acts or omissions of Nisqually or its officers.
15. **NOTICE OF CLAIMS**. In the event that a claim or lawsuit is brought against Lacey or Nisqually arising from or related to this Agreement, the party shall promptly notify the other party of said claim or lawsuit.
16. **INSURANCE**. Each party shall obtain and maintain occurrence based insurance that provides liability coverage in the minimum liability limits of ten Million Dollars (\$10,000,000.00) per occurrence and ten Million Dollars (\$10,000,000.00) in the aggregate for its conduct in creating liability exposure related to the confinement of inmates, including general liability, errors and omissions, auto liability and police professional liability. The insurance policy(ies) shall provide coverage for any liability occurrence during the policy period, regardless of when any claim or lawsuit is filed. Further, Lacey will name the Nisqually Indian Tribe, its officers and employees as *Additional Insureds*, for any acts or omissions by Lacey creating liability or exposure in the performance of this Agreement. Nisqually will similarly list Lacey as an *Additional Insured*.
- 15.1 **CERTIFICATE OF INSURANCE**. Lacey agrees to provide Nisqually with evidence of insurance coverage in the form of a certificate from a solvent insurance provider confirming coverage from a solvent insurance pool which is sufficient to address the insurance obligations set forth above. A copy of the certificate shall be provided annually and for the duration of this agreement.
17. **CHOICE OF LAW**. This Agreement shall be interpreted under the laws of the state of Washington.
18. **DISPUTE RESOLUTION**. If either party disputes any portion of an invoice, they will provide the other party written notice within thirty (30) days. The notice shall

detail the amount in question and the grounds for withholding all or a portion of the amount billed or any other basis for the dispute. Authorized representatives of each party shall attempt to resolve the dispute by negotiation within thirty days of notification. If such negotiation is unsuccessful the parties shall apply to Judicial Arbitration and Mediation Service (JAMS) or such other alternate dispute resolution services as the parties may agree, for the appointment of an arbitrator whose decision shall be final and binding on the parties. Each party shall be responsible for paying one-half of the arbitrator's fees. Each party will bear their own costs and legal fees. The arbitrator shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and enforced. This dispute resolution procedure shall only be available for disputes over amounts due for services provided under this agreement.

18. **CONSENT TO JURISDICTION AND TRIBE'S EXPRESS LIMITED
WAIVER OF SOVEREIGN IMMUNITY**

The Nisqually Indian Tribe is a Sovereign Nation with all immunities attendant thereto **WITH THE FOLLOWING EXCEPTION THAT THE PARTIES TO THIS AGREEMENT HAVE SPECIFICALLY NEGOTIATED:**

The Nisqually Indian Tribe does hereby expressly consent to jurisdiction of the courts of the State of Washington as having exclusive jurisdiction to hear, resolve and enter final judgment on any legal dispute by and between the parties to this agreement and/or their affected officers, officials, and employees, concerning the interpretation of this agreement, enforcement of any of its provisions, and any complaints or counterclaims for monetary damages and/or equitable relief for any alleged or actual breach of any provision of this agreement and/or for the enforcement of any such final judgment entered by any court of the State of Washington regarding such matters.

For this limited purpose only, the Nisqually Indian Tribe does hereby expressly waive its sovereign immunity from suit or defenses in the courts of the State of Washington for any such legal claim or complaint for the interpretation and/or enforcement of this agreement, and/or for any complaints or counterclaims for monetary damages or equitable relief for any breach of this agreement, and/or for the enforcement of any such final judgment entered by any court of the State of Washington regarding such matters.

19. **NO THIRD-PARTY BENEFICIARIES.** This Agreement is made for the sole benefit of Nisqually and Lacey, and no other person or entity shall have any right, benefit, or interest under or because of this Agreement. No other parties are intended to be, or shall be determined to be, direct or incidental beneficiaries of this Agreement.

20. **NO WAIVER.** The failure to enforce any of the provisions of this Agreement shall not be construed as a waiver of such provisions. Further, any express waiver by any party with respect to any breach of any provision hereunder by any other party shall not constitute a waiver of such party's right to thereafter fully enforce each and every provision of this Agreement.
21. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding of the Parties and may be changed only by an agreement in writing signed by the Parties.
22. **INVALID PROVISIONS.** Should any provisions of this Agreement be held invalid, the remainder of the Agreement shall remain in effect.

[THIS SPACE INTENTIONALLY LEFT BLANK, SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement on this date, the
_____ Day of ~~November~~, 2022.
December

CITY OF LACEY:

Scott Spence, City Manager / Date

NISQUALLY TRIBE:



Chief Executive Officer / Date



Attest:

Name / Date

Approved as to legal form only:

Dave Schneider, City Attorney, Date

EXHIBIT A
MEDICAL EXPENSES

NISQUALLY TRIBE SHALL BE RESPONSIBLE FOR:

- Initial Screening
- Intake Screening
- Nurse Sick Call
- Physician Sick Call
- Physical if housed longer than 14 days
- Routine lab work that can be completed in the facility
- Routine medications, other than biologicals / non-formulary medications
- Mental health assessments and basic services that can be provided in-facility

CITY OF LACEY SHALL BE RESPONSIBLE FOR:

- Pre-booking medical
- Urgent Care Facility Visits
- Emergency Room Visits
- Hospitalizations, including the cost of security provided by Nisqually Personnel. Agency will reimburse Nisqually for each attending security officer at the time-and-one-half overtime rate of \$48.50 per hour.
- Non-Formulary / Biological Medications
- Ultra Sounds
- Ambulance Services
- Body Cavity Collection of Evidence / Searches
- OBGYN Care / Prenatal Care
- Vision
- Mental Health
- Long Term Care
- Auxiliary lab work and X-Rays
- Dental
- West Pierce Fire and Rescue Response
- Other Specialty Services
- All services provided outside the facility



Lacey City Council Meeting

December 15, 2022

SUBJECT: District Court Services Interlocal Agreement

RECOMMENDATION: Authorize City Manager to sign six-year interlocal agreement for court services with Thurston County District Court.

STAFF CONTACT: Scott Spence, City Manager *SS*
Shannon Kelley-Fong, Assistant City Manager *SKF*

ORIGINATED BY: City Manager's Office

ATTACHMENTS: 1. [District Court Services Interlocal Agreement](#)

**BUDGET IMPACT/
SOURCE OF FUNDS:** Per the proposed agreement, court services will cost an estimated \$325,000 to 425,000 in 2023.

**PRIOR COMMITTEE
REVIEW:** General Government Committee - November 22, 2022

BACKGROUND:

For over forty years, Lacey has contracted with Thurston County for court services through an interlocal agreement. Formal negotiations with Thurston County on a new interlocal agreement began this fall. The current six-year interlocal agreement, commenced in 2017, expires on December 31, 2022.

A new draft four-year interlocal agreement for court services has been finalized with Thurston County District Court. Under the agreement, the City of Lacey will pay for court services based on individual filing fees. Cases are to be filed under one of the following categories: Infraction; Parking; Driving Under the Influence (DUI); Criminal Traffic, and Criminal Non-Traffic. For more information on the types of filings under these categories, see **Table AA**.

TABLE AA		
Examples of filings by type		
Infraction / Criminal	Type	Filings
Infraction	Traffic	Speeding
Infraction	Traffic	Stop sign violations
Infraction	Traffic	Seat belt violations
Infraction	Traffic	Liability insurance violations
Infraction	Non-traffic	Code violations
Infraction	Non-traffic	Watercraft violations
Infraction	Non-traffic	Animal complaints
Infraction	Non-traffic	Littering
Infraction	Parking	Parking
Criminal	DUI	Driving under the influence intoxicating liquor or drugs
Criminal	Traffic	Reckless driving
Criminal	Traffic	Negligent Driving
Criminal	Traffic	Driving while license is suspended
Criminal	Non-traffic	Criminal Trespass
Criminal	Non-traffic	Assault
Criminal	Non-traffic	Theft
Criminal	Non-traffic	Disorderly conduct

The following **Tables (A thru E)** provide a snapshot of court activities over the past few years for the City of Lacey.

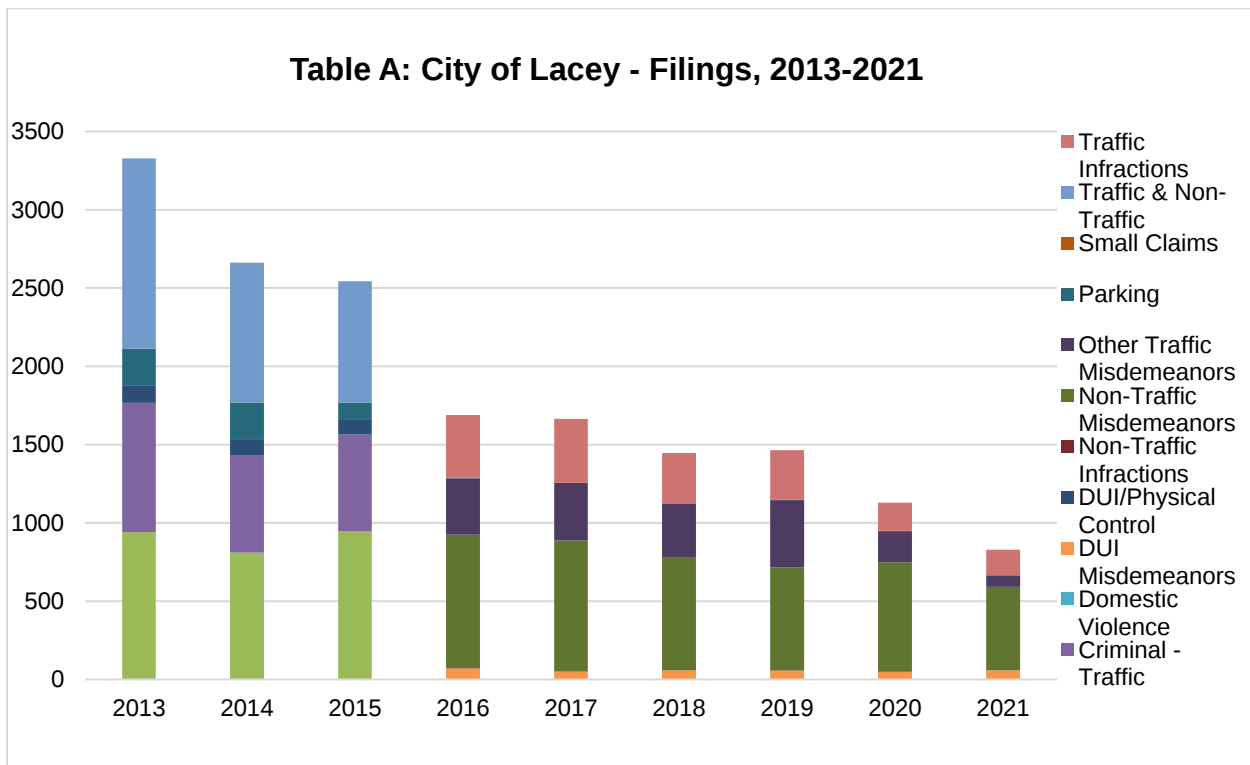


Table B: City of Lacey - Proceedings, 2013 -2021

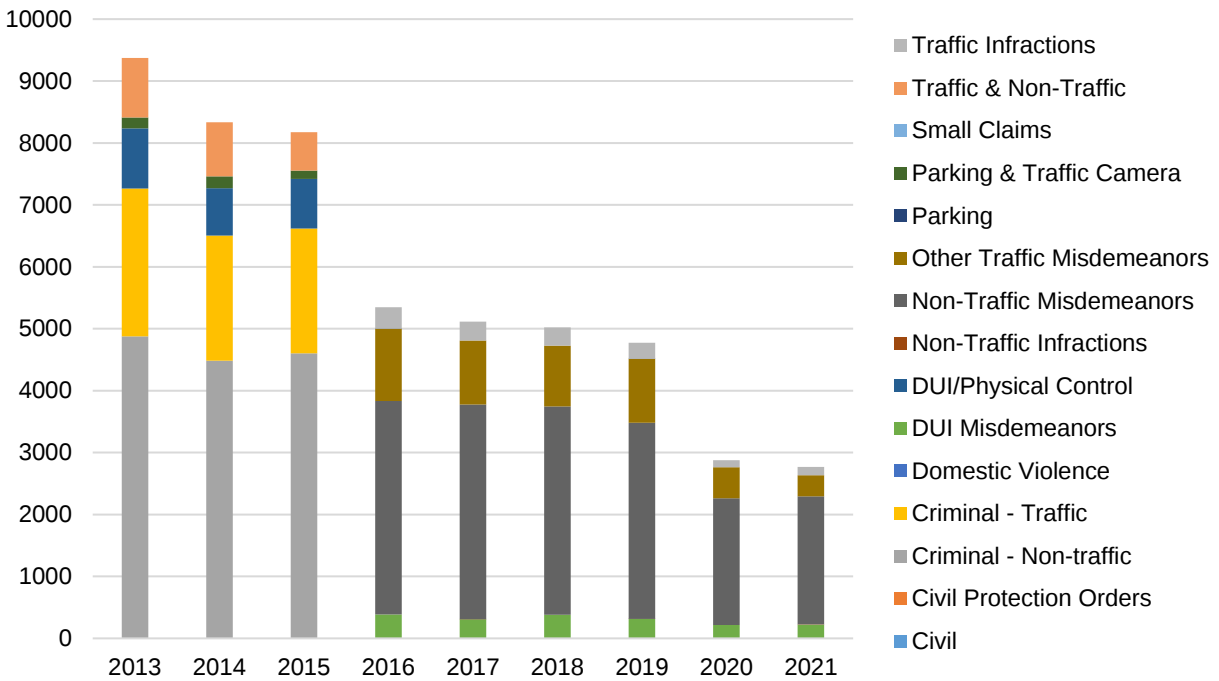


Table C: City of Lacey - Filings and Proceedings, 2013 -2021

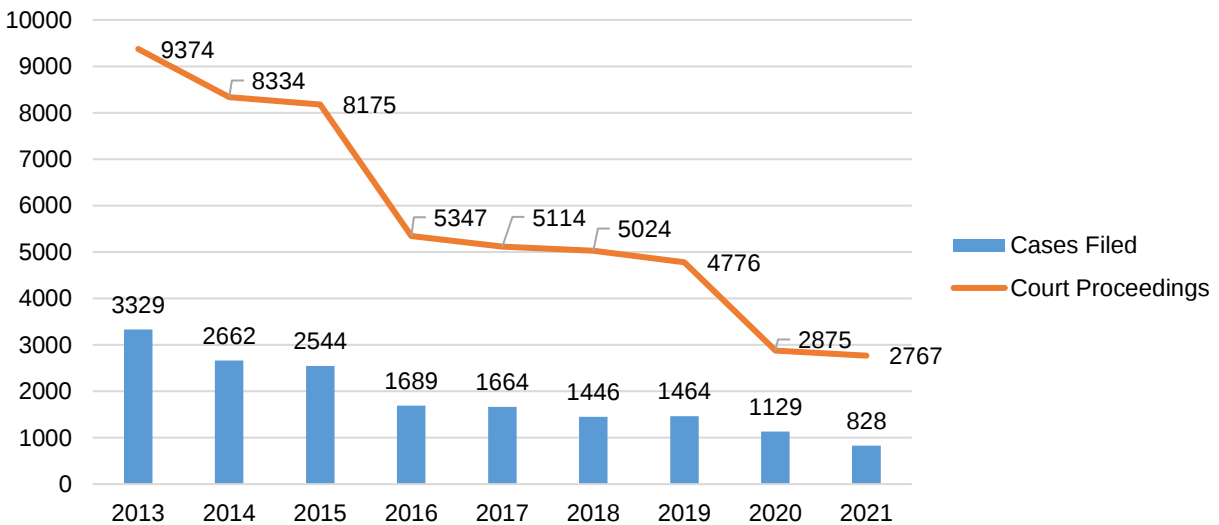


Table D: City of Lacey - Proceedins per Filing, 2013 -2021

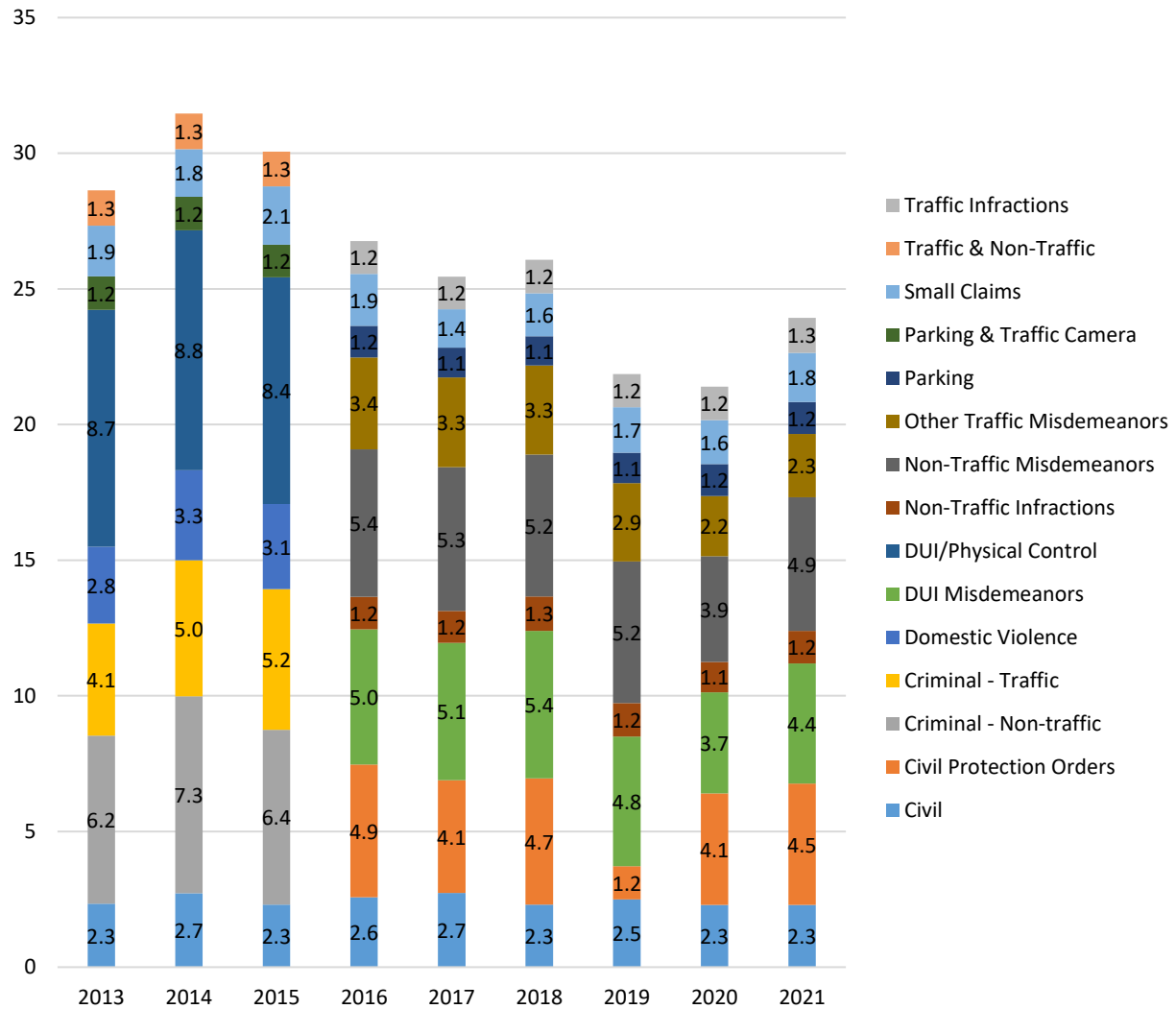
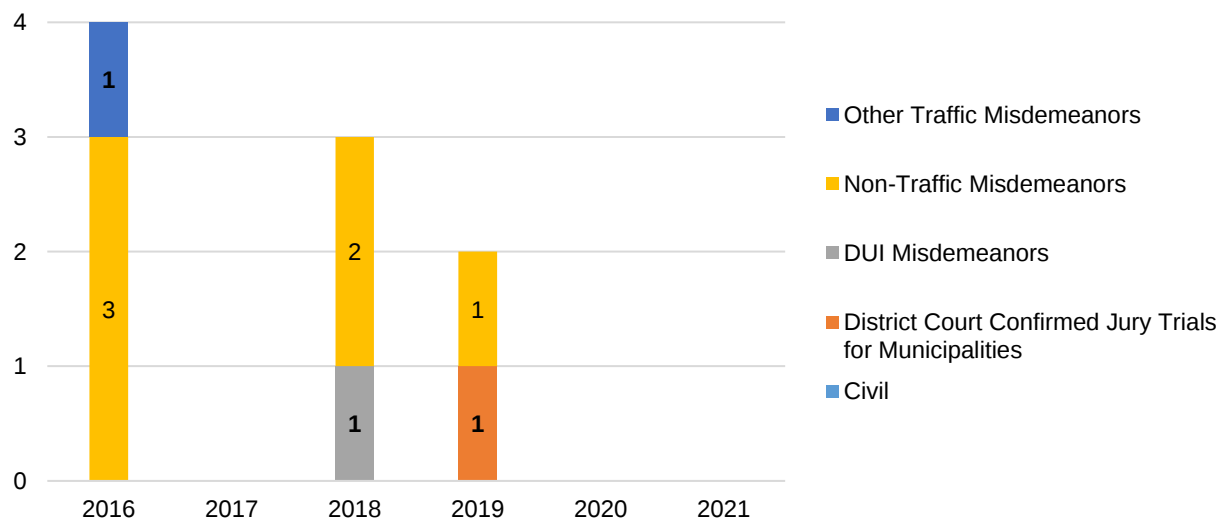


Table E: City of Lacey - Jury Trials Held, 2016 - 2021



It should be noted that Lacey's red-light photo enforcement program was discontinued a prior to the last contract in 2017. In addition, over the past few years, there has been an intentional effort to reduce charges for Driving While License Suspended in the Third Degree (DWLS 3). Both of these actions, in addition to policing changes, legislative changes, and the COVID-19 pandemic, have had an impact on declining court filings over the past few years.

Proposed Filing Fees & Court Cost.

Thurston County performs a Court Rate Study prior to contract negotiations to determine filing fees and jury fees. The Court Rate Study computes municipal billing rates using a marginal cost relative weight methodology, in which all case processing and support costs are distributed to all filed cases by relative weight to services. A "Proceeding Multiplier" is derived from the number of proceedings conducted for each type of case filed in court. For example, a DUI has one (1) filing + an average of 4.4 proceedings, for a total of 5.4 for the DUI multiplier. The Court Rate Study excludes the cost of all mental health services as these services are now completely funded by the Thurston County mental health sales tax.

The Thurston County Probation Office has almost doubled in staff since 2017, and as a result, the costs associated with this service have increased. All probational clients receiving services would be for Criminal and DUI citations. As a result, probation service costs are accounted for in criminal and DUI filings, see **Figure 1**.

Figure 1: 2022 Rate Study Expert listing fees

Service	Filings & Proceedings				Probation Sur-Charge (Sch 6c)	Filed Case Fee	2 Year 3.0% COLA Inflation	2023 Billable Case Rate
	Proceeding Multiplier (Sch 1)	Cost Per Filing/ Proceeding (Sch 6b)	GF Sup Serv Cost Rate (Sch 5)	Case File Service Fee				
Traffic & Non-Traffic	1.22	\$55.44	\$3.99	\$72.51		\$72.51	\$4.35	\$76.86
DUI	5.08	\$55.44	\$3.99	\$301.91	\$ 66.80	\$368.71	\$22.12	\$390.84
Criminal - Traffic	3.15	\$55.44	\$3.99	\$187.21	\$ 66.80	\$254.01	\$15.24	\$269.25
Criminal - Non-traffic	5.25	\$55.44	\$3.99	\$312.01	\$ 66.80	\$378.81	\$22.73	\$401.54
Civil Protection Orders	3.34	\$55.44	\$3.99	\$198.50		\$198.50	\$11.91	\$210.41
Small Claims	2.50	\$55.44	\$3.99	\$148.58		\$148.58	\$8.91	\$157.49
Parking	1.56	\$55.44	\$3.99	\$92.71		\$92.71	\$5.56	\$98.27
Civil	1.09	\$55.44	\$3.99	\$64.78		\$64.78	\$3.89	\$68.67

In in **Figure 1**, the draft 2023 Billable Case Rate for “Parking” is incorrectly identified as \$98.27; this figure should be closer to \$68.00.

The proposed filing fees in the draft contract for 2023 are as follows:

<u>Filing Category</u>	<u>Fee</u>
• Infraction	\$77.00
• Parking:	\$68.00
• DUI:	\$391.00
• Criminal Traffic:	\$269.00
• Criminal Non-Traffic:	\$402.00

In addition, the proposed jury fees for 2023 are as follows:

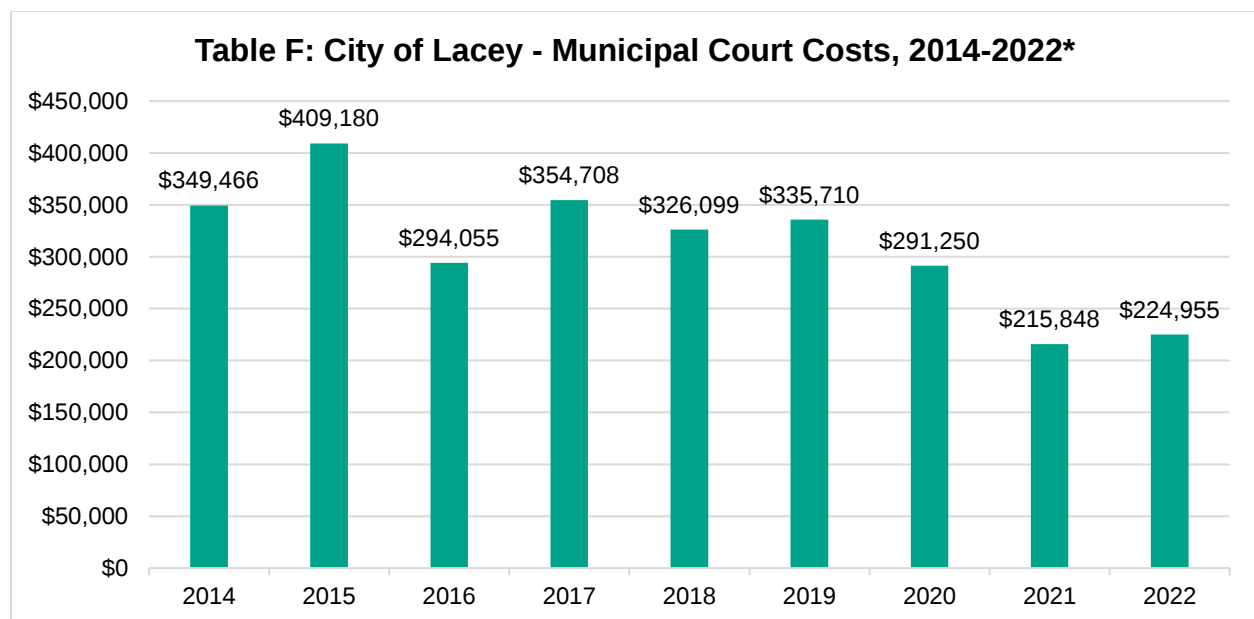
- Confirmed Selection: \$136.00
- Jury Trial Daily: \$477.00

During the four-year term, Filing Fees may be adjusted for inflation up to 5% per year.

In addition, the proposed agreement includes an annual cap for court expenses. As per the agreement, the total expenses resulting from the number of cases filed and the fees associated with summoning a jury trial will be capped as follows:

<u>Year</u>	<u>Annual Cap</u>
2023	\$430,000
2024	\$440,000
2025	\$450,000
2026	\$460,000

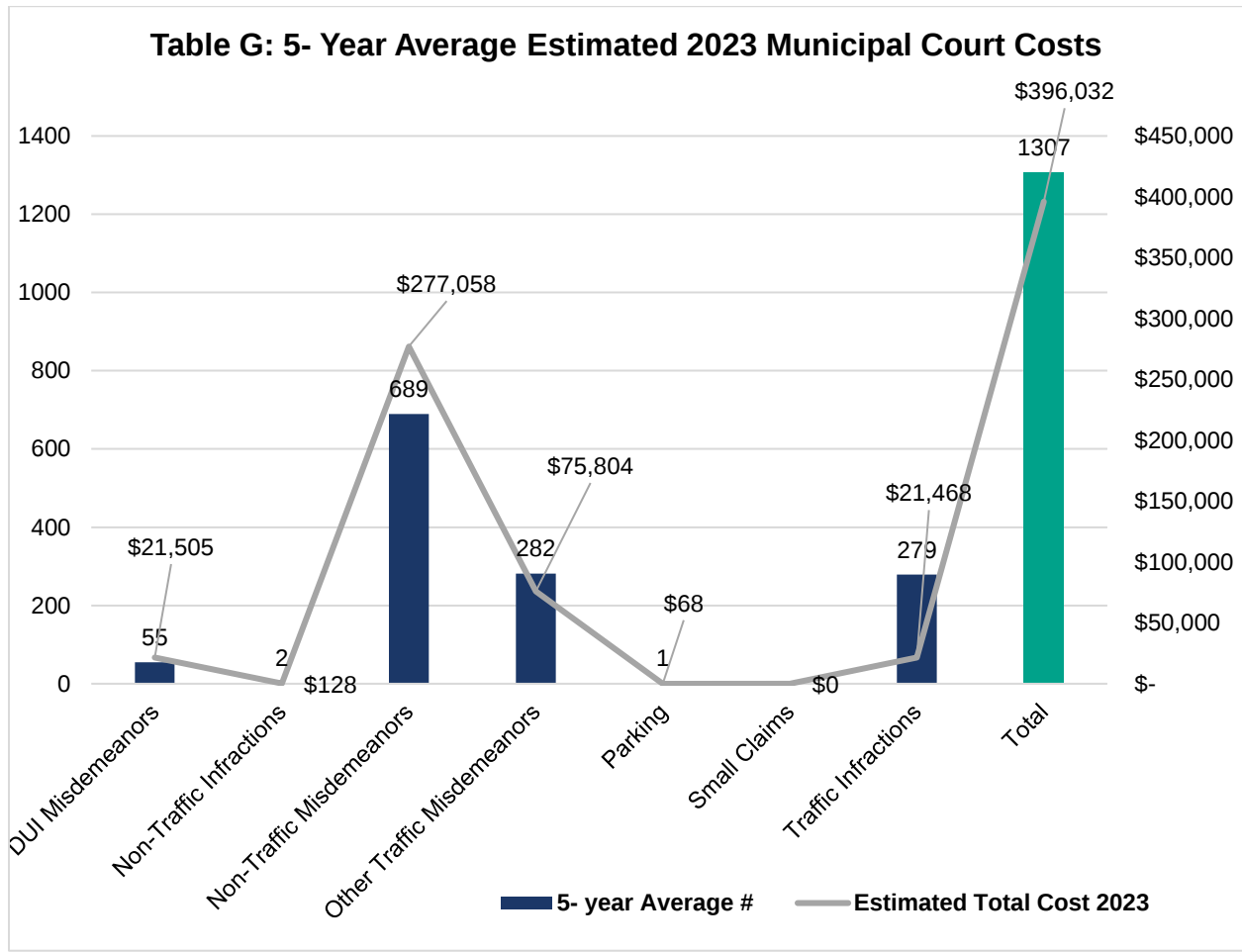
The **Table F** below provides data on Municipal Court cost for the City from 2014 to 2022 (*2022 is an estimate based on most recent data).



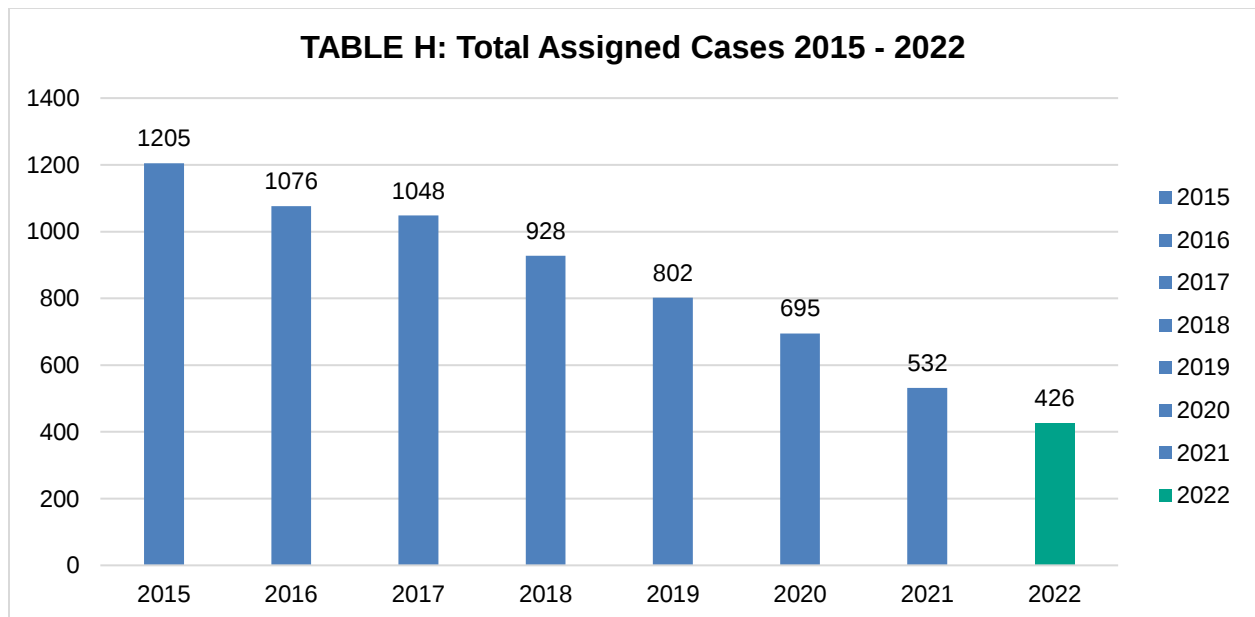
Given the history above it is unlikely the City would meet the proposed annual caps.

Table F depicts the estimated cost for the City's court services in 2023 based on the proposed rates and five-year averages for court filings for Lacey. In this table, it is estimated that the City will expend approximately \$400,000 for court services in 2023. However, City staff believes that this could range between \$325,000 and \$425,000 in 2023. A few elements that make it hard to accurately forecast future municipal costs include:

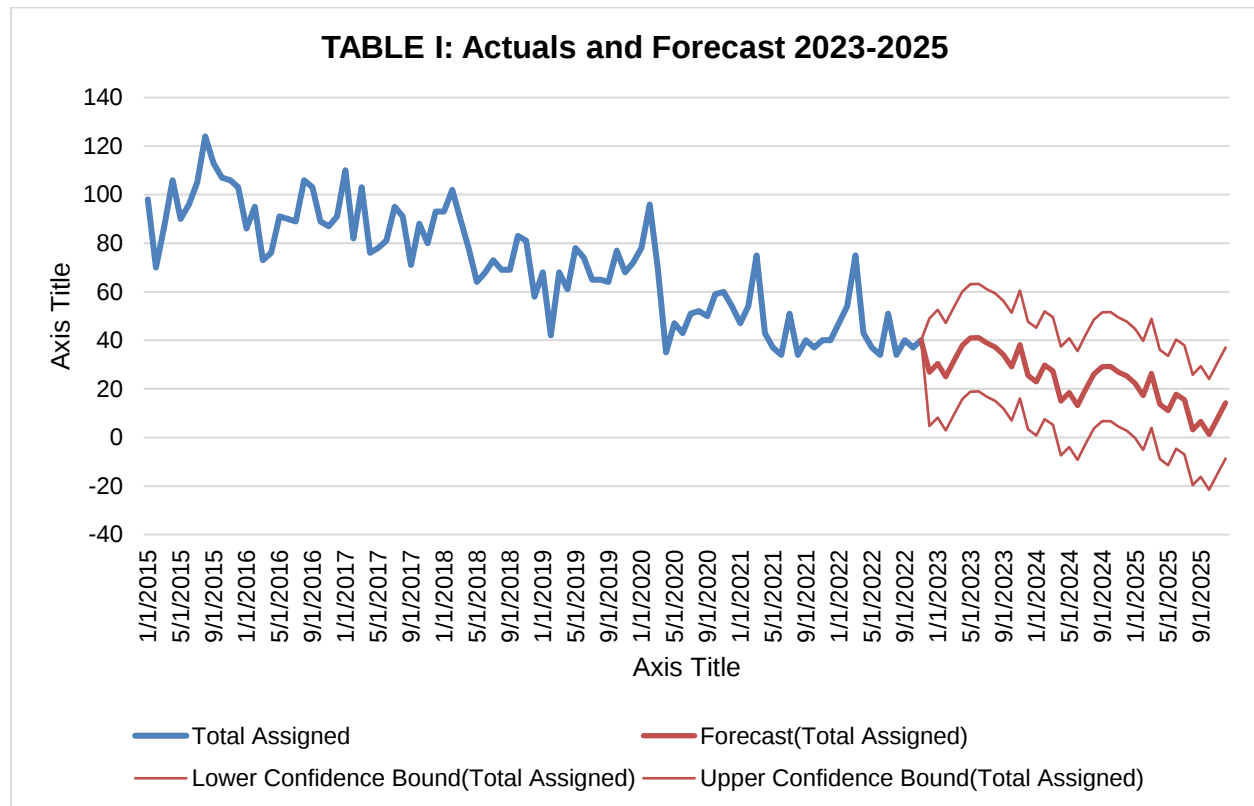
- 1) post-pandemic environment (case filings went down significantly over the past two years);
- 2) potential Blake decisions legislation (re-establishing a statewide legal framework for controlled substances);
- 3) other legislation that would have an impact on municipal court proceedings; and
- 4) potential fluctuations in crime rates in Lacey.



Indigent Defense (Public Defenders). Like court filings, public defender assignments have trended downward over the past few years as well, see **Table H**.



It is estimated that the City will have around 450 cases assigned public defenders in 2022. It is anticipated that the City will have around 450 to 600 cases assigned public defenders in 2022.



RECOMMENDATION:

Authorize City Manager to sign six-year contract for court services with the Thurston County District Court.

ADVANTAGES:

1. The contract continues a long-term partnership that has served the Lacey community well.
2. Continuing the partnership takes advantage of the economies of scale gained through the use of Thurston County's administrative functions for county-wide court services.
3. The long-term contract proposal provides stability and certainty for future budgets (four years).

DISADVANTAGES:

1. None identified.

**INTERLOCAL AGREEMENT ESTABLISHING
DISTRICT COURT FILING AND JURY TRIAL FEES
FOR THE CITY OF LACEY**

THIS AGREEMENT, made and entered into by and between the COUNTY OF THURSTON, hereinafter referred to as COUNTY, and the CITY OF LACEY, hereinafter referred to as CITY;

WHEREAS, the CITY and COUNTY desire to ensure that court services, case proceedings and court operations are delivered as consistently and efficiently as possible across all courts; and

WHEREAS, the CITY and COUNTY desire to work together to provide an accessible forum for the fair, efficient, and consistent resolution of cases; and

WHEREAS, CITY resources are limited and the COUNTY can provide court services in an efficient and comprehensive manner and

WHEREAS, filing fees are to be determined pursuant to an Agreement between the CITY and the COUNTY as provided for in Chapter 39.34 RCW, the Interlocal Cooperation Act; and

WHEREAS, the COUNTY and the CITY are desirous of establishing filing fees at a mutually acceptable rate.

NOW, THEREFORE, in consideration of the terms, covenants, and performance contained herein, the parties hereto agree as follows:

1. GENERAL

1.1 Purpose

The purpose of this Agreement is to establish filing fees to be paid by the CITY for any criminal or traffic citation and infraction actions that are filed in Thurston County District Court for CITY ordinance and statutory violations.

1.2 Administration

The administration of the terms of this Agreement shall be done in the same manner and by the same agency and agents as now administer filing fees in Thurston County District Court.

1.3 Property

This Agreement does not provide for the acquisition, holding or disposal of real or personal property.

1.4 Financing

There shall be no financing or any joint or cooperative undertaking pursuant to this Agreement. There shall be no budget maintained for any joint or cooperative undertaking pursuant to this Agreement.

1.5 Payments

The COUNTY will bill the CITY at the end of the month after the end of the preceding quarter. The CITY in return will have 30 days to submit payments to the COUNTY.

1.6 Calendars

The COUNTY and the CITY both have an interest in the efficient use of courtroom time and efficient case calendaring. A primary incentive for the CITY in entering this Agreement is the understanding that the CITY will have a strong voice in the manner that its hearings will be calendared. To this end, the COUNTY will work with the CITY to ensure the efficiency of all CITY calendars.

2. FILING FEES

2.1 Filing Fee

The CITY agrees to pay filing fees in accordance with the following schedule for each criminal citation or traffic infraction filed in Thurston County District Court for any CITY ordinance or statutory violation.

Infraction	\$77.00
Parking	\$68.00
DUI	\$391.00
Criminal Traffic	\$269.00
Criminal Non-Traffic	\$402.00

2.2 Exceptions

This Agreement does not apply in traffic cases wherein bail or penalty is forfeited to a violations bureau established pursuant to Chapter 3.30.090.

2.3 Jury Trial Fees

A fee shall be paid by the CITY to the COUNTY to cover the cost of summoning a jury. This fee is called the Jury Trial Confirmed Selection Fee and shall be applicable to each case wherein a jury trial is confirmed by the CITY at the confirmation hearing. This fee shall be \$136.00 in 2023.

An additional fee called the Jury Trial Daily Fee of \$477.00 per day or partial day of trial shall be paid by the CITY to the COUNTY for each case which is terminated or otherwise concluded after the actual commencement of a jury trial.

For purposes of this Agreement, a jury trial is deemed commenced when the jury is impaneled.

For purposes of this Agreement, a case shall include a charge filed against a named individual or multiple charges filed against an individual, which are consolidated for the purposes of trial.

2.4 Adjustments for Inflation

The fees set forth above are for the duration of this Agreement, until or unless the fees are adjusted for inflation as set forth herein. Pursuant to Section 3.2 herein, fees shall be increased effective each January 1st for inflation based on the previous year's June to June Seattle CPI-W Index. However, the annual increase shall not be greater than five percent (5%). (For example, a rate increase effective January 1, 2024, will be based on the June 2022 to June 2023 Seattle CPI-W Index.)

2.5 Other Costs

The fees set forth in Section 2.1 and 2.3 of this Agreement shall include all COUNTY services for District Court proceedings except for the following additional costs to be paid by the CITY:

- a. Attorney costs for indigent representation which costs shall be paid directly by the CITY through a separate contract for such services;
- b. Witness costs, juror costs, including meals as required, together with the applicable mileage allowance, mental health evaluation costs and the cost of interpreter service which costs and allowance(s) shall be paid directly by the CITY;
- c. Prosecution costs including prosecution costs associated with any appeal in CITY cases;
- d. Costs associated with the operation of the City of Lacey Violations Bureau. The CITY shall be liable for all the acts or omissions of the City of Lacey Violations Bureau.

2.6 Annual Cap

There shall be an annual cap on the total filing and jury trial fees in Sections 2.1 and 2.3 as follows:

2023	\$430,000
2024	\$440,000
2025	\$450,000
2026	\$460,000

3. TERM AND EXTENSION

3.1 Term

This Agreement shall be in effect upon the later of the approval by the governing body of each party, and the postings upon the websites of the parties as provided by RCW 39.34.040. The term of the Agreement shall be from January 1, 2023 to and including December 31, 2026.

3.2 Extension

The CITY may determine to extend the contractual relationship with the COUNTY after expiration of the term by giving notice to the COUNTY of such intent no later than October 1, 2026. After the delivery of such notice, both parties shall negotiate in good faith regarding the terms of a new agreement.

If the parties are unable to agree to the terms of a new agreement, either party may submit the matter to arbitration pursuant to RCW 3.62.070. In the event the issue of filing fees is submitted to arbitration, the arbitrator or arbitrators shall only consider those additional costs borne by the COUNTY in providing District Court services to the CITY as provided for by RCW 3.62.070. However, nothing contained herein shall prohibit the parties from mutually agreeing to extend the period of good faith negotiations or to submit the matter to mediation for resolution of the outstanding issues.

4. CHANGES

Either party may request changes to the scope of services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

5. NOTICE

Notice provided for in this Agreement shall be sent by U.S. mail to the addresses designated for the parties as set forth below. Notice will be deemed received on the third business day following the date of the notice.

To the COUNTY: District Court Executive Officer
2000 Lakeridge Dr SW, Bldg. 3
Olympia, WA 98502

To the CITY: City Manager
420 College St. SE
Lacey, WA 98503

6. JURISDICTION AND VENUE

This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and it is agreed by each party hereto that this Agreement shall be governed by the laws of the State of Washington, both as to interpretation and performance.

Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Thurston County, Washington.

7. SEVERABILITY

If, for any reason, any part, term or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

8. ENTIRE AGREEMENT

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are not further valid, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed

this ____ day of _____, 2022.

CITY OF LACEY

THURSTON COUNTY, WASHINGTON

BY: _____
Scott Spence, City Manager

BY: _____
Ramiro Chavez, County Manager

ATTEST:

ATTEST:

BY: _____
City Clerk

BY: _____
Clerk of the Board

APPROVED AS TO FORM:

APPROVED AS TO FORM:

BY: _____
City Attorney, Lacey

BY: _____
Jon Tunheim, Prosecuting Attorney



LACEY CITY COUNCIL MEETING December 15, 2022

SUBJECT: Amended 2023 Federal Legislative Priorities Agenda

RECOMMENDATION: Motion to adopt the Amended 2023 Federal Legislative Priorities Agenda.

STAFF CONTACT: Scott Spence, City Manager *SS*
Shannon Kelley-Fong, Assistant City Manager *SKF*

ORIGINATED BY: City Manager's Department

ATTACHMENTS: 1. [Amended 2023 Federal Legislative Priorities Agenda](#)

FISCAL NOTE: Not applicable.

PRIOR REVIEW: Lacey City Council Meeting – November 10, 2022
Lacey City Council Meeting – December 01, 2022

BACKGROUND:

At the December 1, 2022 Council meeting, the Lacey City Council requested reviewing the potential incorporation of the Homes for Every Local Protector, Educator, and Responder (HELPER Act) to the City's adopted 2023 Federal Legislative Priorities Agenda.

The HELPER Act establishes a program administered by the Department of Housing and Urban Development to provide mortgage assistance to law enforcement officers, elementary and secondary school teachers, firefighters, or other first responders. Specifically, these individuals may be eligible for a one-time mortgage on a primary family residence with no down payment and no monthly mortgage insurance premium. This appears similar to a program currently offered to veterans by the VA. The full bill can be accessed here: [Text - H.R.3172 - 117th Congress \(2021-2022\): HELPER Act of 2021 | Congress.gov | Library of Congress](#)

Attachment 1 provides an amended 2023 Federal Legislative Priorities Agenda with the following language incorporated:

10. Support the Homes for Every Local Protector, Educator, and Responder (HELPER) Act

The City strongly supports the HELPER Act which would create a home loan program within the Federal Housing Administration allowing first responders across the country to obtain a low-interest, fully insured home loan with no down payment and no monthly mortgage insurance costs. This program would make homeownership more affordable for our community's law enforcement officers, fire fighters, EMTs, paramedics, and preK-12 teachers.

ALTERNATIVE(S): The Lacey City Council could elect to modify these documents as deemed necessary.

ADVANTAGES:

1. Incorporates the HELPER Act into the 2023 Federal Legislative Priorities Agenda.

DISADVANTAGES:

1. None identified at this time.



2023 FEDERAL LEGISLATIVE PRIORITIES

COMMUNITY PROJECTS

- 1 College Street Corridor Safety Improvement Project
- 2 Emergency Operations Center Project
- 3 Septic-to-Sewer Conversion Program
- FUTURE:** Lacey Museum and Cultural Center in Depot District
- FUTURE:** Early Child and Youth Learning Center

POLICY POSITIONS

- 4 Support I-5 Corridor from Tumwater to Mounts Road and the Nisqually River Delta
- 5 Support the Puget Save Our Sound (SOS) Act
- 6 Support Build America, Buy America
- 7 Support a National Housing and Homeless Outreach Strategy to Help Communities Address an Ongoing and Growing Crisis of Unsheltered Populations
- 8 Support the Defense Community Infrastructure Program
- 9 Continued Support of Community Programs, such as Community Development Block Grant Program, COPS Grant, and more.
- 10 Support the Homes for Every Local Protector, Educator, and Responder (HELPER) Act



Adopted by the Lacey City Council on December 1, 2022

LACEY CITY COUNCIL

Andy Ryder, Mayor
Malcolm Miller, Deputy Mayor
Lenny Greenstein, Councilmember
Michael Steadman, Councilmember
Carolyn Cox, Councilmember
Ed Kunkel, Councilmember
Robin Vazquez, Councilmember

COMMUNITY PROJECTS

1

**COLLEGE STREET CORRIDOR SAFETY IMPROVEMENTS PROJECT**

The College Street corridor carries an estimated 32,000 vehicles each day and is the primary north-south link connecting the City, as well as other Thurston County communities. The corridor serves as a vital access point to local schools, services, and multimodal transportation options for many, including several low-income communities. College Street has over 130 driveways, many T-sections and inefficient four-way intersections that result in serious vehicle safety hazards. Other users of the corridor (including elementary school children traveling to school) face narrow sidewalks, the absence of bike infrastructure, and a scarcity of welcoming infrastructure that compounds these safety challenges. The House-passed INVEST Act included a Member Designated Project of \$6 million towards the College Street project, but was unfortunately removed, along with other projects, in the Infrastructure Investments and Jobs Act.

The City intends to apply for a RAISE grant again this year and is evaluating opportunities in the Inflation Reduction Act such as the new FHWA Program for Disadvantaged and Underserved Communities. In addition, should the City be successful in receiving a Safe Streets for All planning grant, it will explore implementation grants through that program as well.

2

EMERGENCY OPERATIONS CENTER PROJECT

The City is planning for a new police station that will include an Emergency Operations Center (EOC). Like many local jurisdictions around the country, the City was underprepared for the global pandemic and remains inadequately prepared to handle other major emergency incidents. The EOC will support the community by providing resources, coordinating communications and advance warnings, prioritizing response during an emergency, and implementing recovery programs. The EOC is anticipated to include over 1,440 square feet of mission-critical equipment, including: workstations, monitors, radios, emergency generator, and more. The City currently uses a makeshift 300-square-foot meeting room in City Hall as its EOC.

The City requests federal assistance for equipment to help develop a new EOC to better serve the community in times of crisis and is evaluating funding streams.



3

SEPTIC-TO-SEWER CONVERSION PROGRAM

The City is committed to finding collaborative ways to convert aging, and in many cases failing, septic systems to the City's wastewater system. The City estimates there are 1,981 septic systems within Lacey and 7,852 within the Urban Growth Area. Eliminating these septic systems protects the environment and benefits community health by reducing effluent from entering into ground-water. Recently, the City Council approved over \$5 million for water and wastewater improvements, including septic to sewer conversions, in a neighborhood where contaminants from septic systems were impacting groundwater and aquifers in the area. The City is looking to continue investing in these types of conversions in future years.

The City urges Congress to appropriate funding to the Connections to Publicly Owned Treatment Works grant program, which was authorized in the IIJA but not funded. This program is an ideal funding stream for the City's Septic-to-Sewer Conversion Program.

**LACEY MUSEUM AND CULTURAL CENTER IN THE DEPOT DISTRICT**

For over a decade, the City has worked on creating a new museum and cultural center in the Depot District where community members can meet-up, learn, connect with Lacey's rich history, and experience Lacey amenities and community events. The City has already made considerable investments to establish the Depot District, including constructing a replica of

the historic train depot with a train-themed playground, as well as adding picnic tables and public restrooms. The museum and cultural center will serve as the east anchor of the Depot District and will add significant civic value and enhance community identity in the area. To date, the City has leveraged multiple funding sources to complete the facility's design and in 2022 focused on bringing the site to a pre-development state. In the future, the City anticipates requesting federal funding to leverage its local and state investments for construction of the museum and cultural center.

FUTURE PROJECTS

POLICY POSITIONS

4

I-5 CORRIDOR FROM TUMWATER TO MOUNTS ROAD AND THE NISQUALLY RIVER DELTA

The City remains a steadfast partner with regional communities committed to a long-term solution along the I-5 corridor between Mounts Road, exit 116 (north), and 93rd Avenue, exit 99 (south)—which includes the Nisqually Bridge. This stretch of freeway is vital to the state's environmental, commerce, and transportation priorities, as well as Joint Base Lewis-McChord's mission readiness. I-5 currently restricts critical ecological functions impacting salmon survival, is at a high risk of being overtopped by a major flooding event which would immobilize commerce and transportation, and has limited capacity to handle the growing South Sound economy and population.

While the City is committed to a long-term solution along this stretch of the I-5 corridor, it recognizes the totality of such an endeavor would cost over \$4 billion and will require significant time to fully develop. In 2022, the Washington State Legislature allocated \$75 million in the Move Ahead Washington package specifically to the Nisqually River delta (Mounts Road to Marvin Road) segment of I-5. However, an additional \$57.5 million in federal or state funds is required to finalize engineering work in the 2025-2027 biennium.

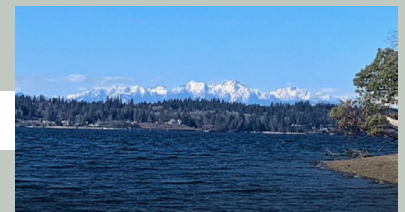
The City supports federal investments in this project that will help leverage state and local efforts and help accomplish additional work within this corridor.

5

SUPPORT THE PUGET SOUND SAVE OUR SOUND (SOS) ACT

The City is strongly committed to enhancing and preserving the natural environment. We applaud the leadership of U.S. Representatives Derek Kilmer and Marilyn Strickland crafting and championing the Puget Sound SOS Act, which will strengthen the federal government's role in the recovery of Puget Sound. The federal government is an essential partner in these efforts and enhancing their role is critical to ensuring Puget Sound is restored and protected for future generations. Passage of this Act would provide additional resources for the City to address septic systems within Lacey that are posing environmental harm to the aquifer, which directly impacts Puget Sound.

The City strongly supports passage and funding of the Puget Sound SOS Act.



6

SUPPORT BUILD AMERICA, BUY AMERICA

While the City supports the underlining goals of the Build America, Buy America Act, it presents significant challenges for communities like Lacey that are eager to put federal investments from the Infrastructure and Jobs Act and the Inflation Reduction Act to use. Ongoing global supply chain disruptions are leaving many projects out of consideration or unable to move forward as procuring eligible components is time consuming and can become cost prohibitive.

The City urges efforts to provide BABA flexibility given the currently global supply chain disruptions.

**EARLY CHILD AND YOUTH LEARNING CENTER**

Research consistently shows high-quality, early-learning programs have a real, sustained impact on the life outcomes of children and families. At the same time, demand for high-quality childcare programs has outpaced industry growth for several years. COVID-related operating restrictions and decreased enrollment have caused over 30% of childcare centers to close. North Thurston Public Schools service area falls within an "extreme childcare access desert." This area is in dire need of additional recreation facilities. In a recent City study, community members clearly communicated this need. Specifically, residents ranked the addition of a public aquatic facility and more indoor recreation opportunities as two of the highest local needs. This center will combine a state-of-the-art, early-learning center with a family recreation facility focused on providing developmentally appropriate recreation activities for youth ages 3 to 5 and their families.

POLICY POSITIONS - CONT'D

7 **SUPPORT A NATIONAL HOUSING AND HOMELESS OUTREACH STRATEGY TO HELP COMMUNITIES ADDRESS AN ONGOING, GROWING CRISIS OF UNSHELTERED POPULATIONS**

The nation is confronted with a homeless crisis on a scale not seen since the Great Depression that has deepened with the continuation of the COVID-19 pandemic. The lack of affordable housing plays a substantial role in the rise of homelessness. For many others, behavioral health issues, such as mental illness or an addiction to drugs and alcohol, is the entry into homelessness. The lack of a consistent, coordinated strategy means the impact of homelessness is disproportionately borne by local communities and jurisdictions across the nation. Direct participation by the federal government is needed, due to the magnitude and the complexity of the problem, requiring new federal programs and solutions to affectively address homelessness.



The City strongly supports legislation like the Ending Homeless Act to provide resources programs need to effectively address the housing and homeless crisis in America, in addition to increasing the Low-Income Housing Tax Credit, a critical tool to encourage private investment in the production and preservation of affordable housing. The City also believes investments in our nation's mental health systems are critical to combating the homeless crisis and supports efforts such as the Bipartisan Addiction and Mental Health Task Force.

8 **SUPPORT THE DEFENSE COMMUNITY INFRASTRUCTURE PROGRAM (DCIP) AND ENCOURAGE THE DEPARTMENT OF DEFENSE TO FUND PROJECTS THAT ENHANCE MILITARY FAMILY QUALITY OF LIFE**

The Defense Community Infrastructure Program (DCIP) is designed to address deficiencies in infrastructure for communities that support military installations in order to enhance military value, installation resilience, and military family quality of life.



An estimated 70% of the active-duty members serving at Joint-Base Lewis-McChord live off base and in communities across the South Sound. Approximately, 10% of off-base, active-duty members call Lacey home.

The City urges continuing support for the DCIP program and that the program remain eligible for needed capital investments on and off military installations that improve the mission readiness of the base and the quality of life of military families.

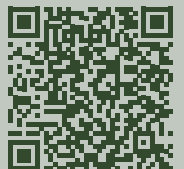
9 **CONTINUED SUPPORT OF COMMUNITY PROGRAMS — COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, COPS GRANT, AND MORE LIFE**

The City urges continuing support to provide and enhance funding for community programs such as CDBG and COPS, critical funding streams for communities like Lacey seeking to enhance public safety and the community's quality of life.

10 **SUPPORT THE HOMES FOR EVERY LOCAL PROTECTOR, EDUCATOR, AND RESPONDER (HELPER) ACT**

The City strongly supports the HELPER Act which would create a home loan program within the Federal Housing Administration allowing first responders across the country to obtain a low-interest, fully insured home loan with no down payment and no monthly mortgage insurance costs. This program would make homeownership more affordable for our community's law enforcement officers, fire fighters, EMTs, paramedics, and pre K-12 teachers.

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FOR MORE INFORMATION

CITY OF LACEY

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FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES

NOVEMBER 22, 2022

8:30 A.M. – 9:27 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=S9n1GwfgkdA>

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

COUNCIL EXCUSED: COUNCILMEMBER GREENSTEIN

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

Staff requested amending the agenda to add agenda item *Investment Portfolio*

ACTION: APPROVE AMENDED FINANCE & ECONOMIC DEVELOPMENT COMMITTEE
AGENDA

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

RESERVE DESIGNATION ORDINANCE

STAFF: TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

:

Troy Woo, Finance Director, reviewed the proposed committed reserve designations.

The Governmental Accounting Standards Board (GASB) issued Statement No. 54 during February 2009. Since that time, the City Council has taken actions to commit certain fund balances in alignment with City's priorities and vision. Since the current designations were adopted:

1. There are additional fund balances available for the City Council to designate,
2. Some designations have been expended as intended, and
3. New priorities have been identified

Staff advised the most notable priority is the new Police Station. Reprioritization of certain committed reserves to fund the construction of the new Police Station was discussed during the October 6, 2022, Budget Workshop.

The fund balances that will be reported as non-spendable and restricted are classified automatically by the nature of the fund balance, action is not required by City Council.

Authorization to classify fund balances as committed, is limited to the City Council as the governing board. City Council has full discretion regarding the committed fund balances, but the action must meet specific purpose criteria standards. 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.

City Council has authorized the City Manager and City Finance Director to assign funds in the past based on the the intent expressed by the City Council. Staff recommends the same provision be included in the next ordinance.

Staff presented the proposed committed fund balance designations to the committee in detail. Committee members expressed support in the direction staff has recommended.

SOCIAL SECURITY COVERAGE

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: RECOMMEND FORWARDING TO FULL CITY COUNCIL FOR ADOPTION OF A RESOLUTION TO AUTHORIZE AN AGREEMENT WITH THE STATE OF WASHINGTON RELATING TO SOCIAL SECURITY COVERAGE FOR ELIGIBLE EMPLOYEES.
MOTION: MOTION MADE, SECONDED, AND CARRIED BY MAYOR RYDER AND DEPUTY MAYOR MILLER

Staff was informed of an administrative error that occurred in 1967. Back in 1967, the City of Lacey joined the Public Employee Retirement System (PERS). At the same time the City also signed an agreement with the State of Washington to receive Social Security Benefits, both being signed on March 1, 1967.

The City obtained absolute Section 218 coverage on March 1, 1967, which is not prior to the effective date of joining PERS. Currently, the determination is the City's positions were covered by a retirement system on the applicable date of the City and State's Social Security agreement.

Staff advised the administrative correction is fairly simple. It will require the passage proposed resolution, which is very similar to Ordinance No. 15, passed on February

16, 1967. This will set the effective date of Social Security coverage as February 28, 1967, rather than March 1, 1967.

Once the resolution is passed by the City Council, the City Manager will execute a new agreement with the State of Washington, and the administrative process will be initiated to correct the error. This entire process should be completed in 2023.

Staff noted that once the State of Washington and the Social Security Administration accepts the date change, the City Council will need to adopt an ordinance, which will change the effective date of Social Security coverage within Lacey Municipal Code (LMC) Chapter 2.60.050. Currently, LMC 2.60.050 reflects the incorrect March 1, 1967, effective date.

2022 THIRD QUARTER FINANCIAL REPORT

STAFF: TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

Staff advised the 2022 Third Quarter Financial Report has been completed and provided a detailed review. The report focuses on the General Fund.

Staff presented the most significant variances in detail and highlighted updates within the following:

- General Fund Expenditures
- General Fund Revenues
- Utility Funds
- Conclusion and Forecast

INVESTMENT PORTFOLIO

STAFF: TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

Staff briefed the Committee on a recalculation in the City's liquidity percentage, resulting in the City having more liquid funds than originally thought.

Staff would like to review options for more long-term investments. There are two recommended approaches:

1. Option 1: consider putting more money into long-term investments, somewhere in the 20 to 30-million-dollar range.

2. Option 2: take liquid funds that are not going to be spent within a year and shift those funds into long-term investments.

Staff has asked the City's investment advisor to put together a proposal for consideration at a future meeting.

GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
NOVEMBER 22, 2022
9:30 A.M. – 10:05 A.M.
REMOTE AND IN PERSON

To hear the full discussion of a specific topic, or the complete meeting, you may watch the video-stream available on the City of Lacey's YouTube Channel: <https://www.youtube.com/watch?v=XxxDZKp2w7w>

COUNCIL PRESENT: COUNCILMEMBER ED KUNKEL (CHAIR), MAYOR ANDY RYDER (REMOTE)

COUNCIL EXCUSED: COUNCILMEMBER LENNY GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, SHANNON KELLEY-FONG, TABETHA RESTOULE

ACTION: APPROVE THE GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
AGENDA

MOTION: MOTION MADE, SECONDED, AND CARRIED BY MAYOR RYDER AND
COUNCILMEMBER KUNKEL

MUNICIPAL COURT SERVICES CONTRACT UPDATE

STAFF: SHANNON KELLEY-FONG, ASSISTANT CITY MANAGER

ACTION: INFORMATION ONLY

Staff provided an overview of what has been seen over the last couple of years and how the City is working towards a new interlocal agreement with Thurston County District Court.

The City pays for services based on a schedule for each criminal or traffic infraction filed. Different filings have different fees based on the number of proceedings that are anticipated to follow with that filing. Since 2013, there has been a significant decrease in court filings court proceedings.

There is an additional cost for jury trial, however between 2016 to 2021 there have not been a significant amount of jury trials. There were four jury trials in 2016 and only 5 since then.

The City of Lacey has a long history of interlocal agreements with Thurston County District Court for Municipal Court Services.

With every new interlocal agreement period Thurston County does a court grade study by using a marginal cost relative weight methodology. Staff reviewed the cost study parameters and highlighted the following proposed 2023 Rates:

- Infraction \$77.00
- Parking \$68.00
- DUI \$391.00
- Criminal Traffic \$269.00
- Criminal Non-Traffic \$402.00
- Jury Trial \$136.00

Staff is working with the District Court on the 2023 interlocal agreement and anticipates presenting the agreement to the full City Council before the end of the year.

Staff also provided data trends within public defender cases. The data reviewed highlighted the following:

- Total Assigned Cases 2015-2022
- Actuals and Forecast 2023-2025

LAND USE & ENVIRONMENT COMMITTEE

NOVEMBER 22, 2022

10:30 A.M. – 11:17 A.M.

REMOTE AND IN-PERSON MEETING

To hear the complete meeting or to listen to a specific topic, please watch the recorded meeting available on the City of Lacey's YouTube Channel:
<https://www.youtube.com/watch?v=DZ3Mp2II7H0&list=PL0fqffnajtWBqO6VD2fkxaMV1zzujnTB5T&index=1>

COUNCIL PRESENT: COUNCILMEMBER COX (CHAIR), COUNCILMEMBER VAZQUEZ (REMOTE),

COUNCIL EXCUSED: COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, RICK WALK, RYAN ANDREWS, HANS SHEPHERD,
TABETHA RESTOULE

ACTION: APPROVE THE LAND USE & ENVIRONMENT COMMITTEE AGENDA

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

REPORT ON NEIGHBORHOOD COMMERCIAL FORUM

STAFF: HANS SHEPHERD, SENIOR PLANNER

ACTION: INFORMATION ONLY

Staff provided an updated on the Neighborhood Commercial Forum. The forum is a series of online and in-person community open houses for neighborhoods to speak with City staff, learn about existing zoning standards, ask questions, and provide feedback and ideas on how to update the districts. These events allow the City to better reflect the needs of the community.

The Community Open House was held on November 15th, 2022 and around 100 community members participated. A Neighborhood Commercial District Survey has also been launched and will run through the end of December.

There will be additional social media campaigns published to encourage as much participation as possible.

Once the survey closes, staff will review the community feedback for popular ideas and common themes. The findings will be presented to the Planning Commission, and Land Use and Environment Committee. The findings will also be presented back to the community by the end of Spring 2023.

