

MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL HELD THURSDAY,
NOVEMBER 5, 2020, REMOTE ATTENDANCE

- CALL TO ORDER: Mayor Ryder called the meeting to order at 4:00 p.m.
- PLEDGE OF ALLEGIANCE: Mayor Ryder led the Pledge of Allegiance.
- COUNCIL PRESENT: A. Ryder, C. Pratt, L. Greenstein, C. Cox, S. Steadman, E. Kunkel, M. Miller
- STAFF PRESENT: S. Spence, J. Burbidge, M. Hardie, D. Schneider, R. Walk, T. Woo, R. Schoessel, A. Collier, L. Fields, E. Watts, P. Edmonds
- APPROVAL OF AGENDA
AND CONSENT AGENDA: Consent Agenda Items:
- Council Worksession Minutes of October 15, 2020.
 - Council Meeting Minutes of October 22, 2020.
 - A motion to approve payment of claims, wages and transfers for October 15, 2020, through October 30, 2020.
 - City Manager Performance Review
- Mayor Ryder requested an amendment to remove the following agenda items:
- Agenda Item 11.C. - Recommendation to Appoint Isaia Vimoto to Lacey Workgroup on Homelessness
 - Agenda Item 12.C. - CARES Act Funding Update

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

PUBLIC COMMENT:

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

Nancy Winters spoke in favor of the Thurston County Climate Mitigation Plan.

Wayne Olsen spoke in favor of the Thurston County Climate Mitigation Plan.

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

No written public comments were submitted.

PROCLAMATIONS:

Mayor Ryder and Council proclaimed November 28, 2020, as Small Business Saturday. Blake Knoblauch, Executive Director, Lacey South Sound Chamber, accepted the proclamation.

PUBLIC HEARING:

Mayor Ryder opened the 2021 Revenue Sources Public Hearing at 4:13 p.m. to accept public comment and provide staff with any guidance or direction on revenue sources.

Troy Woo, Finance Director, presented the 2021 Revenue Sources. The Revised Code of Washington

(RCW) 84.55.120 requires that a public hearing be conducted on revenue sources for the coming year's budget, including the consideration of possible increases in property tax revenues. The hearing must be conducted before setting next year's property tax levy. Council is scheduled to set the 2021 property tax levies on November 19, 2020.

State law allows property tax increase of 1% or inflation, which is 0.62%. Taxing jurisdictions are allowed to adjust property taxes up to the 101 percent limit factor even if the inflation factor is less than 1% with the passage of a resolution that makes a finding of substantial need. This requires a majority vote plus one councilmember to make the finding of substantial need.

A significant source of revenue for the General Fund is property tax, so the full one percent increase is needed to address increasing expenditure needs. The 2021 Proposed Budget is balanced based on exercising the full 101 percent revenue limit increase of \$71,457. The 2021 General Property Tax Levy is \$7,588,344, which includes the 1% substantial need increase.

Council directed staff to provide three options for consideration at the November 19, 2020, Council meeting:

- Enact 1.0% increase
 - o Substantial Need Resolution
 - o Property Tax Ordinance
- Enact 0.602% increase
 - o Authorizing Resolution
 - o Property Tax Ordinance
- 0% increase (refunding levy and new construction)
 - o Property Tax Ordinance

The 2021 Proposed Budget also includes utility rate increases effective July 1, 2021. Staff requested direction by Council on this issue:

If the rate ordinance is adopted in conjunction with the 2021 Proposed Budget, this would communicate rate expectations to ratepayers, provide clear guidance for the Comprehensive Plan and rate consultant, and avoid higher rate increases in the future. Council would have the option to rescind rate increases prior to implementation, if warranted.

If no action on utility rates is taken, the rates would remain at the 2020 level and Council would have the option to consider utility rate increases prior to mid-year 2021. Implementation of LOTT rate increase would still occur.

No one from the public provided testimony.

Mayor Ryder closed the Revenue Sources Public Hearing at 5:29 p.m.

Mayor Ryder opened the public hearing on the 2021 Proposed Budget at 5:30 p.m. to accept public comment and provide staff with any guidance or direction regarding the 2021 Proposed Budget.

The total 2021 Proposed Budget is \$168,957,711. This is a decrease of \$3,617,207 compared to the amended 2020 Budget. The primary reasons for the decrease are the one-time transactions related to CARES Act and Small Business Stabilization transactions, the completion or substantial completion of certain one-time capital projects, and fewer interfund transfers for 2021 capital projects and purchases. The capital project reductions are partially offset by increasing labor costs.

The total proposed General Fund Budget is \$51,670,213. This is a decrease of \$8,802,575

compared to the amended 2020 General Fund Budget. The primary reasons for the General Fund change are related to the CARES Act and Small Business Stabilization transactions, the completion or substantial completion of certain one-time capital projects, and fewer interfund transfers for 2021 capital projects and purchases.

The 2021 Proposed Budget recommended changes include:

- Refund Levy increase of \$64,785 and slight adjustments to new construction credit
- Neighborhood Grant Program - \$60,000
- Amtrak/Centennial Station Allocation - \$7,785
- Accounting changes relating to the Equipment Rental Fund's vehicle and equipment replacement balances and transfers reduced the budget \$55,804

Staff will use the 6-year strategic financial plan toolbox to address the shortfall in the 2021 Proposed Budget.

The final public hearing will be held at the November 19, 2020, Council meeting.

No one from the public provided testimony.

Mayor Ryder closed the public hearing on the 2021 Proposed Budget at 5:49 p.m.

RESOLUTIONS:

Aubrey Collier, Design & Construction Manager, presented Council with Resolution 1096, which updates the Small Works Roster and limited Public Works procedures.

The resolution allows City staff to use the Small Works and Limited Public Works processes to award contracts for public works and authorizes the use of

consultant rosters. The resolution also authorizes the use of MRSC Rosters for Small Works, Limited Public Works and Consultant Services.

COUNCILMEMBER STEADMAN MOVED TO ADOPT RESOLUTION 1096 APPROVING THE UPDATED SMALL WORKS ROSTER AND LIMITED PUBLIC WORKS PROCEDURES. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

Linsey Fields, Water Resources Specialist, presented Council with a recommendation to approve Resolution 1097 to elect the City Manager as the applicant agent for the Hazard Mitigation Assistance Grant.

The Hazard Mitigation Assistance (HMA) Grant is a federally designated grant managed by the Federal Emergency Management Agency (FEMA). The HMA grant is only made available following a Presidential major disaster declaration.

HMA grants are designed to fund emergency mitigation activities that reduce disaster losses and protect life and property from future disaster damages. The grant will help cover the cost of a seismic retrofit of the Hawks Prairie Reservoir.

DEPUTY MAYOR PRATT MOVED TO ADOPT RESOLUTION 1097 ELECTING THE CITY MANAGER AS THE APPLICANT AGENT FOR THE HAZARD MITIGATION ASSISTANT GRANT. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

ORDINANCES:

Troy Woo, Finance Director, presented Ordinance 1571 amending the 2020 Budget.

Throughout the year, adjustments to the budget become necessary as a result of City Council actions, activity levels that were not anticipated during budget development, and grant awards. Historically, the budget has been amended once per year immediately prior to the development of the next year's proposed budget document. However, due to the COVID-19 public health emergency, the City Council adopted two out-of-cycle budget amendments (Ordinance Nos. 1566 and 1567). The City Council adopted the historical annual ordinance at its September 10, 2020, meeting. Staff proposes an additional out-of-cycle amendment to address additional CARES Act funding, the 2020 Community Development Block Grant (CDBG) award to the Veterans Services Hub enhancements, match for a Lacey MakerSpace grant opportunity, and computer equipment needed to address teleworking needs.

DEPUTY MAYOR PRATT MOVED TO ADOPT ORDINANCE NO. 1571 AMENDING THE 2020 BUDGET. COUNCILMEMBER COX SECONDED. MOTION CARRIED.

MAYOR'S REPORT:

MAYOR RYDER MOVED TO APPROVE THE APPOINTMENT OF JIM KEOGH TO THE LACEY HISTORICAL COMMISSION. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

MAYOR RYDER MOVED TO APPROVE THE REAPPOINTMENT OF TROY KIRBY TO THE LACEY BOARD OF PARKS COMMISSION. COUNCILMEMBER STEADMAN SECONDED. MOTION CARRIED.

MAYOR RYDER MOVED TO APPROVE THE

APPOINTMENT OF SASHA BROWN, ALEJANDRA LINARES, LAILA MARKLAND AND NATALIE SCOTT TO THE LACEY YOUTH COUNCIL. COUNCILMEMBER GREENSTEIN SECONDED. MOTION CARRIED.

CITY MANAGER'S REPORT: Roger Schoessel, City Engineer, recommended awarding Contract Number PW2020-32 to low bidder Reed Trucking & Excavating from Puyallup, Washington, in the amount of \$427,754.00 for the Fitz Hugh Watermain Project. The engineer's estimate was \$514,180.00.

This contract provides for the installation of approximately 1,300 LF of 16-inch diameter water main in the Madrona Park neighborhood along Fitz Hugh Drive SE. Work to include main extension along with connections to existing water system, pavement and lawn restoration and other work.

COUNCILMEMBER STEADMAN MOVED TO AWARD CONTRACT NUMBER PW2020-32 TO LOW BIDDER REED TRUCKING & EXCAVATING IN THE AMOUNT OF \$427,754.00 FOR THE FITZ HUGH WATERMAIN PROJECT. COUNCILMEMBER MILLER SECONDED. MOTION CARRIED.

Emily Watts, Water Resources Specialist, presented Council with a recommendation to approve the 5-year South Sound Green ILA renewal in the amount of \$14,400 per year. There is no increase in cost from the previous ILA.

The City of Lacey along with the stormwater utilities of Olympia, Tumwater, and Thurston County have supported the South Sound Green (SSG) program since its inception in 1992. The program involves students, grades 4-12, in learning about watershed

issues, collecting, testing and analyzing water quality data in the field and classroom, and participating in stewardship projects. Each year, SSG teaches over 1,500 students watershed-based studies including the annual Student GREEN Congress held at the Evergreen State College where many Lacey students take part. Required NPDES education and outreach activities and lessons including relevant water resource topics are brought into at least 30 classrooms each year through the SSG Program.

COUNCILMEMBER GREENSTEIN MOVED TO AMEND THE AGENDA AND POSTPONE THE STANDING COMMITTEES AND BOARDS/COMMISSION REPORTS TO THE NOVEMBER 19, 2020, COUNCIL MEETING. COUNCILMEMBER STEADMAN SECONDED. MOTION CARRIED.

Mayor Ryder adjourned the Council Meeting at 6:33 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____