



CITY COUNCIL
ANDY RYDER
Mayor

CYNTHIA PRATT
Deputy Mayor

LENNY GREENSTEIN
MICHAEL STEADMAN
CAROLYN COX
ED KUNKEL
MALCOLM MILLER

CITY MANAGER
SCOTT SPENCE

LACEY CITY COUNCIL AGENDA
THURSDAY, NOVEMBER 4, 2021
4:00 P.M.
REMOTE ATTENDANCE

The Lacey City Council meeting will be conducted remotely, not in-person. You may view the Council meeting by watching live using one of 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_5id9ENPFQMSwZEcis78adQ

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 818 2017 7955

CALL TO ORDER:

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF AGENDA & CONSENT AGENDA ITEMS:***
 - A. [Council Worksession minutes of October 14, 2021](#)
 - B. [Council Meeting minutes of October 21, 2021](#)
 - C. [A motion to approve payment of claims, wages, and transfers for October 14, 2021, through October 29, 2021](#)
 - D. [2021 Property Retained by Police Department](#)

**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 RECOGNITION AND PRESENTATIONS:**
4. **PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA****

****VERBAL PUBLIC COMMENT**

Persons wishing to provide verbal public comment on items NOT on the agenda must preregister to speak at https://us02web.zoom.us/webinar/register/WN_5id9ENPFQMSwZEcis78adQ. Instructions and access details will be provided once registration is complete. Registration for verbal public comment closes at 3:00 p.m. on November 4, 2021.

****WRITTEN PUBLIC COMMENT**

Public comments may also be submitted by email to publiccomment@ci.lacey.wa.us. Written comments will be provided to the City Council electronically prior to the meeting. Comments will not be addressed during the Council meeting; however, comments received will be added to the official record. The commenting period will close at 12:00 p.m. on November 4, 2021.

5. PUBLIC HEARING:

****HOW TO TESTIFY AT THE PUBLIC HEARINGS**

Persons wishing to provide oral testimony on the 2022 Revenue Sources or the 2022 Budget must preregister to speak at

https://us02web.zoom.us/webinar/register/WN_5id9ENPFQMSwZEcis78adQ

Instructions and access details will be provided once registration is complete. Registration for verbal public comments closes at 3:00 p.m. on November 4, 2021

****WRITTEN TESTIMONY**

Persons wishing to provide written testimony may send their comments to cityclerk@ci.lacey.wa.us no later than 12:00 p.m. on November 4, 2021

A. [2022 Revenue Sources Hearing](#) (Troy Woo)

B. [2022 Budget Hearing](#) (Troy Woo)

6. PROCLAMATIONS:

A. [Veteran's Day and Veteran's Appreciation Month](#) (Col. Jared Bordwell)

7. REFERRAL FROM PLANNING COMMISSION:

8. REFERRAL FROM HEARINGS EXAMINER:

9. RESOLUTIONS:

10. ORDINANCES:

A. [Ordinance 1602 - Amend LMC 2.52 relating to Civil Service Eligibility](#)
(Mary Ann Hardie)

11. MAYOR'S REPORT:

12. CITY MANAGER'S REPORT:

13. STANDING GENERAL COMMITTEE:

A. [Finance & Economic Development Committee \(09.28.21\)](#)

B. Land Use & Environment Committee

• [\(09.28.21\)](#)

• [\(10.26.21\)](#)

C. [Community Relations & Public Affairs Committee \(10.04.21\)](#)

D. [Utilities Committee \(10.04.21\)](#)

E. [General Government & Public Safety Committee \(10.26.21\)](#)

14. OTHER BUSINESS:

15. BOARDS, COMMISSIONS AND COMMITTEE REPORTS:

A. Mayor Andy Ryder:

1. Mayors' Forum

2. Thurston Chamber Shared Legislative Committee

3. Transportation Policy Board (TPB)

- B. Deputy Mayor Cynthia Pratt:
 - 1. Joint Animal Services Commission (JASCOM)
 - 2. LOTT Clean Water Alliance
 - 3. Olympic Region Clean Air Agency (ORCAA)
- C. Councilmember Carolyn Cox:
 - 1. Intercity Transit (IT)
 - 2. Regional Housing Council
- D. Councilmember Lenny Greenstein:
 - 1. Emergency Medical Services (EMS)
 - 2. TCOMM911
- E. Councilmember Malcolm Miller:
 - 1. Lodging Tax Advisory Committee (LTAC)
 - 2. Thurston County Coalition Against Trafficking (TCCAT)
 - 3. Thurston Regional Planning Council (TRPC)
 - 4. Thurston Thrives
- F. Councilmember Michael Steadman:
 - 1. Community Action Council
 - 2. Nisqually River Council
 - 3. Thurston County Law & Justice
- G. Councilmember Ed Kunkel:
 - 1. Economic Development Council (EDC)
 - 2. Lacey South Sound Chamber
 - 3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
 - 4. Solid Waste Advisory Committee (SWAC)

16. EXECUTIVE SESSION:

- A. City Manager Performance Review (RCW 42.30.110(1)g)

17. ADJOURN

MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

THURSDAY, OCTOBER 14, 2021

4:00 P.M. – 5:02 P.M.

REMOTE ONLY

COUNCIL PRESENT: MAYOR RYDER, DEPUTY MAYOR PRATT, COUNCILMEMBERS
GREENSTEIN, COX, STEADMAN, KUNKEL, MILLER

STAFF PRESENT: S. SPENCE, D. SCHNEIDER, J. BURBIDGE, S. KELLEY-FONG,
P. EDMONDS

ACTION: APPROVE WORKSESSION AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS GREENSTEIN
AND COX.

**LETTER TO THURSTON COUNTY BoCC IN RESPONSE TO PROPOSED SAFE PARKING PLAN
AT 720 CARPENTER RD NE**

STAFF: SCOTT SPENCE, CITY MANAGER

ACTION: INFORMATION ONLY

Staff presented a draft letter to the Thurston County Board of County Commissioners for Council consideration. The letter is in response to the proposed safe parking plan at 720 Carpenter Road NE, and provides an outline of the City's expectations.

Council discussed elements of the letter and directed staff to include information relating to: (1) access to St. Peter Hospital Emergency Room; (2) enforcement of illegal activities at the site; and (3) public safety response from Thurston County Sheriff's Office.

Council requested a copy of the letter be delivered to the Regional Housing Council.

GREG CUOIO PARK & GREENWAYS MASTER PLAN

PRESENTERS: JEN BURBIDGE, PARKS, CULTURE & RECREATION DIRECTOR
JULIET VONG, HBB LANDSCAPE ARCHITECTS

ACTION: INFORMATION ONLY

The Lacey City Council received a presentation on the Greg Cuoio Park & Greenways Master Plan. The Park and Greenways is located between Crossroads and Hawk's Prairie neighborhoods of Lacey, just north of I-5. Part of the area extends into the Urban Growth Boundary, which is not currently in the City limits.

Highlights of the presentation include the following preferred concept:

- Adventure Loop
- Fitness Loop
- Food Forest
- Demonstration Gardens
- Shelter and Restrooms
- Off-Leash Area
- Maintenance Facility
- Disc Golf
- Community Event Space / Environment Learning Center
- Pleasant Glade Area
- Palm Creek Headwaters
- NE Mountain Bike Trail
- NW Trails and Overlook

Next steps include Open House #3 scheduled for November 10, 2021, at 6:00 p.m.

MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL HELD THURSDAY,
OCTOBER 21, 2021, 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, C. Cox, L. Greenstein, E. Kunkel, M. Miller, M. Steadman
- STAFF PRESENT: S. Spence, R. Almada, J. Burbidge, S. Egger, M. Hardie, S. Kelley-Fong, D. Schneider, R. Walk, T. Woo, P. Edmonds
- APPROVAL OF AGENDA
AND CONSENT AGENDA: Consent Agenda Items:
A. Council Worksession minutes of October 7, 2021.
B. A motion to approve payment of claims, wages and transfers for October 1, 2021, through October 13, 2021.
- COUNCILMEMBER GREENSTEIN MOVED TO APPROVE THE 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.
- No members of the public registered to speak.
- 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 received.

CITY MANAGER'S REPORT: Scott Spence, City Manager, presented Council with a 2022 balanced budget of \$173,595,753.

General Fund:	\$60,036,901
Utility Funds:	\$90,047,989
Capital Projects:	\$15,043,989
Internal Service Funds:	\$6,507,729
Debt Service:	\$1,332,287
Special Funds:	\$626,858

The City's current workforce is 290, with 5.48 FTEs per 1,000 population. The proposed 2022 Budget would increase the workforce to 303, with 5.53 per 1,000 population.

Budget Schedule - City Council

Public Hearing – Revenue Sources	November 4, 2021
Public Hearing (1 st) – 2022 Budget	November 4, 2021
Public Hearing (final) – 2022 Budget	November 18, 2021
Adoption of 2022 Budget	December 2, 2021

Mayor Ryder adjourned the meeting at 5:39 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



LACEY CITY COUNCIL MEETING November 4, 2021

SUBJECT: Disbursement Approval

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

STAFF CONTACT: Troy Woo, Finance Director 

ORIGINATED BY: Troy Woo, Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 10/14/2021 through 10/29/2021. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	10/15/2021	259122	259227	1,657,350.00
	10/22/2021	259228	259355	1,336,239.46

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	10/15/2021	330,322.15
	10/14/2021	90.83
	10/18/2021	21.00
	10/8/2021	5,000.00
	10/20/2021	162.00
	10/22/2021	1,542,174.97
	10/25/2021	108,827.55
	10/29/2021	1,044.72
	*10/14/2021	27,585.52

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

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
JA Morris Construction, Inc.	\$ 68,924.88	Childcare Center Repairs
Kar-Gor, Inc.	\$ 61,573.06	Traffic Lighting S
LOTT Wastewater Alliance	\$1,271,905.10	ERU's/ LOTT Reserve Cap Fees
South Sound Contractors	\$ 176,711.55	Bedington-Mugho Improvements
Sunset Air, Inc.	\$ 59,397.63	Veterans Services Hub
Active Construction, Inc.	\$ 923,203.67	Cap City Water/Sewer Ph. 2
Miles Resources, LLC	\$1,022,337.31	Carpenter Road Overlay
Puget Sound Energy	\$ 213,393.22	Utilities
Skillings-Connolly, Inc.	\$ 131,278.62	5700 Pacific Site Cleanup
T Bailey, Inc.	\$ 189,158.34	Hawks Prairie Sister Standpipe



LACEY CITY COUNCIL MEETING

November 4, 2021

SUBJECT: Yearly review of property retained by the Police Department.

RECOMMENDATION: RCW 63.32.01 requires a yearly review of property retained by the Police Department by the City's Mayor or Council.

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

ORIGINATED BY: Lacey Police Department

ATTACHMENTS: [2021 Police Department Retained Property List](#)

FISCAL NOTE: None

PRIOR REVIEW: General Government & Public Safety Committee (10.26.2021)

BACKGROUND:

RCW 63.32.010(2) states police departments may:

“Retain the property for the use of the police department subject to giving notice in the manner prescribed in RCW 63.32.020 and the right of the owner, or the owner's legal representative, to reclaim the property within one year after receipt of notice, without compensation for ordinary wear and tear if, in the opinion of the chief of police, the property consists of firearms or other items specifically usable in law enforcement work: PROVIDED, that at the end of each calendar year during which there has been such a retention, the police department shall provide the city's mayor or council and retain for public inspection a list of such retained items and an estimation of each item's replacement value.”

The attached “retained property list” complies with this RCW instruction and provides the Mayor and City Council with the list of items currently retained by the police department along with their current location and estimated value. This 2021 list has one addition to it.

At its October 26, 2021, meeting the General Government & Public Safety Committee recommended the 2021 retained property list be placed on the consent agenda for the November 4, 2021, Council meeting.

ADVANTAGES:

1. Compliance with RCW 63.32.010(2).
2. Retention of selected items assists the police department in the performance of official duties and helps decrease the expenditure of public funds.

DISADVANTAGES:

1. None.

2021

Lacey Police Department Retained Property List

Case #	Description	Location	Approx. Value
2006-3914	Two tree limb cutters	Response Trailer	\$40
2007-1322	24" bolt cutters	Sgt. Vehicle	\$20
2008-4414	"Dakine" brand backpack	Investigations	\$15
2008-4751	Coleman Generator	Response Trailer	\$300
2009-2055	"Nextar" brand GPS unit	Investigations	\$50
2009-2905	"Rosetti" brand purse	Investigations	\$20
2009-4680	"Garmin" brand GPS unit	Investigations	\$60
2011-0750	"LG" brand 55" LED TV	Investigations	\$300
2011-0750	Honda Generator ES6500	Impound Yard	\$700
2011-4190	24" bolt cutters	Sgt. Vehicle	\$20
2013-6829	128GB Apple i-pad air 174	Investigations	\$200
2013-6829	128GB Apple i-pad air 174	Investigations	\$200
2013-6829	128GB Apple i-pad air 174	Investigations	\$200
2016-2792	36" bolt cutters	Patrol Vehicle	\$40
2020-4616	Magpul rifle magazine, 30rds of .223	Armory	\$60



LACEY CITY COUNCIL MEETING November 4, 2021

SUBJECT: 2022 Revenue Hearing

RECOMMENDATION: Conduct 2022 Revenue Hearing

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

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. [General Fund Revenue Sources – Table](#)
2. [2022 Budget Revenue by Category – Pie Chart](#)

FISCAL NOTE:

PRIOR REVIEW: Proposed property tax increases and revenue projections were discussed at the Budget Workshop conducted on October 7, 2021, as well as the Budget Presentation held on October 21, 2021.

BACKGROUND:

Chapter 251, Laws of 1995, codified as 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. This hearing, November 4, must be conducted before setting next year's property tax levy. The City Council is scheduled to set the 2022 property tax levies on November 18, 2021.

Total 2022 General Fund revenues decreased \$300,560, or 0.50 percent, compared to the 2021 General Fund budget. This is a slight change compared to the proposed budget that was presented on October 21, 2021, which highlighted a \$355,274 difference. The change is related to an updated property tax projection. The property tax projection now includes the addition of the 2021 refund levy and additional new construction.

A table titled “General Fund Revenue Sources” (see attached) provides a comparison of the 2021 amended budget revenues and the 2022 proposed revenue budget. Sales tax continues to be the single largest resource for the General Fund followed by service fees, property taxes, and utility taxes. The 2022 Budget Revenue by Category – Pie Chart (see attached) illustrates the projected 2022 General Fund revenues by category in terms of percentage of the total General Fund Budget.

SIGNIFICANT GENERAL FUND REVENUE CHANGES

- The 2022 property tax projection includes an increase of \$458,301 or 6.04 percent. The adjustments consist of a combination of new construction additions (\$213,231), annexation adjustments (\$115,323), exercising the 1.0 percent revenue limit (\$75,883), and adjustments from refunds (\$53,864). The overall total assessed value is increasing \$1.24 billion or 15.8 percent. The new construction value is increasing \$221.5 million and the annexation assessed value adjustment is \$119.8 million. The new construction value increase and annexation adjustments are important, because they increase the overall assessed valuation without being subject to the 1.0 percent revenue limit. Together new construction and annexation adjustments generally lowers the individual property impact from property taxes. The City’s regular property tax levy is estimated to be \$8,046,645. The City’s regular property tax levy rate is projected to decrease \$0.0810 to \$0.8817 per \$1,000 of assessed valuation.
- The 2022 sales tax is projected \$2,573,794 or 22.1 percent higher than the 2021 budgeted sales tax. The increase is more related to a projection adjustment as opposed to anticipated increases to sales activity. The 2022 projection assumes lower construction levels than 2021 and continued inflationary growth to general retail sales. Year-to-date sales tax generated from building construction has decreased 30.5 percent. New construction can fluctuate greatly, so it is not considered sustainable. Most other sales tax categories are consistent with a fully reopened and recovering economy.

The following table shows the top 20 sales tax category collections over the last 12 months.

<u>Category</u>	<u>Year-To-Date</u>			<u>Last 12</u>
	<u>This Year</u>	<u>Last Year</u>	<u>% Chg</u>	<u>Months</u>
General Merchandise Stores	2,060,938	1,852,614	11.2	2,423,081
Construction of Buildings	1,143,541	1,644,517	(30.5)	1,452,913
Food Services and Drinking Places	1,058,581	902,071	17.4	1,254,168
Building Material and Garden Equipment and Supplies	894,029	790,403	13.1	1,064,485
Miscellaneous Store Retailers	891,000	675,697	31.9	1,046,965
Specialty Trade Contractors	726,321	634,178	14.5	889,436
Merchant Wholesalers, Durable Goods	755,992	500,680	51.0	840,479
Motor Vehicle and Parts Dealers	494,557	393,014	25.8	577,677
Administrative and Support Services	403,604	324,913	24.2	488,974
Professional, Scientific, and Technical Services	407,102	288,774	41.0	466,793
Electronics and Appliance Stores	380,695	311,030	22.4	447,616
Sporting Goods, Hobby, Musical Instrument, and Books	358,538	303,045	18.3	433,159
Clothing and Clothing Accessories Stores	309,775	213,869	44.8	368,250
Health and Personal Care Stores	279,797	213,620	31.0	322,371
Food and Beverage Stores	243,144	237,347	2.4	290,480
Repair and Maintenance	231,756	238,813	(3.0)	283,257
Telecommunications	211,132	202,838	4.1	248,033
Nonstore Retailers	190,198	160,573	18.4	226,698
Furniture and Home Furnishings Stores	182,293	154,835	17.7	219,448
Rental and Leasing Services	<u>166,206</u>	<u>179,543</u>	(7.4)	<u>197,385</u>
	11,389,201	10,222,372		13,541,667

- Overall, utility tax collections are projected to increase \$233,387 in 2022 due to rate increases, growth related demands, and adjustments based on trend analysis. The most significant utility tax increases are projected in the electrical utilities category (+\$176,380) and Lacey-owned utilities (+\$168,673). The reduction of household landline phones and the implementation of a recent accounting standard, which changed the accounting of bundled contracts, lowered the telephone utility taxes projection by \$214,092.
- Service fees are projected to increase \$791,927 in 2022. Interfund service charges relating to engineering, park maintenance, and water resources are projected to increase \$529,030 in 2022 due to the addition of engineering staffing to design and administer significant capital improvement program projects. Parks and Recreation fees are projected to increase \$350,028. The budget assumes Parks & Recreation programs will nearly return to pre-pandemic levels in 2022, but at this time the COVID-19 public health emergency is ongoing and continues to impact these programs. Other services fees included in this category are intergovernmental service revenues, indirect cost recovery plan charges, and miscellaneous service fees such as passport fees.
- An increase of \$416,323 is expected from other taxes (business & occupation, admission, and gambling taxes). The business and occupation (B&O) tax budget is being increased \$444,823 based on actual collections. B&O taxes usually follow the same trend as sales taxes. No change is projected for gambling taxes and the admissions tax projection has decreased \$28,500.
- The broad category of all other miscellaneous revenues is projected to decrease \$1,524,840 in 2022. This category is decreasing mainly due to lower use of one-time transfers of reserve balances, lower capital purchases funded with reserves, and one-

time revenues relating to Lacey Veterans Services Hub improvements and community development block grants. The use of General Fund beginning cash is \$3.2 million higher in the 2021 Amended Budget than the Proposed 2022 Budget.

ARTERIAL STREET FUND REVENUES

The funding sources for the Arterial Street Fund include real estate excise tax (REET), grants, motor vehicle fuel tax (MVFT), and mitigation fees. Recent improvements to the housing market have resulted in higher REET collections. As a result, the 2022 REET is expected to remain strong. The 2022 REET projection is \$2,000,000. This is lower than the five-year average, which includes the two of the highest collection rates in history. 2019 REET collections were \$4.01 million, which surpassed the previous high collection level of 2018 (\$3.68 million). Interestingly, motor vehicle fuel tax is projected to decrease, which hasn't occurred in recent memory. The projection is a result of less fuel being used likely due to the continued shift to teleworking.

TRANSPORTATION IMPROVEMENT FUND REVENUES

Until 2012, the General Fund provided the funding for the highly successful annual street overlay program. From 2013 through 2016, the program was funded by City Council committed reserves. At the February 2017 special election, the voters overwhelmingly supported a 0.2 percent transportation benefit sales tax. These special revenues are accounted for in a separate budget fund. Using the same basis as the General Fund's sales tax projection, the transportation benefit district 0.2 percent sales tax will generate \$3.1 million during 2022. The same tax base generates the transportation benefit sales tax, so it has been positively impacted by the strong construction activity.

UTILITY FUND REVENUES

As informed by the City Council's mid-year 2021 utility rate adjustments, the proposed 2022 Budget assumes the following utility rate increases:

	Percentage Increase	Residential Account Increase (700 cu.ft.)
Water	5.25%	\$1.55/month
Wastewater	9.50%	\$2.19/month
Stormwater	4.50%	\$0.56/month

Although the Stormwater Comprehensive Plan was adopted in November 2020 and the Water Comprehensive Plan is completed and will be considered for adoption in 2022, and a consultant developed revenue analysis was completed for the Wastewater utility, the recommendation will be to adopt one-year rate increases to allow for further discussions relating to the adoption of multi-year rate increases.

The City's recent history includes the adoption of multi-year utility rate schedules. For water, Ordinance No. 1402 was adopted setting rates for the years 2013 – 2017, Ordinance No. 1523 was adopted setting rates for 2018 and 2019, and one-year rate increases were adopted in 2020 and 2021. For wastewater, Ordinance No. 1450 was adopted establishing rates for 2015 – 2019 and one-year rate increases were adopted for 2020 and 2021. For stormwater, Ordinance No. 1424 was adopted establishing rates for 2014 – 2019 and one-year rate increases were adopted for 2020 and 2021. With the upcoming Water Comprehensive Plan update, the 2022 calendar year will easily facilitate future rate discussions to maintain utility maintenance and operations and significant capital improvement programs.

The purpose of the revenue hearing is to accept public comment and for the City Council to provide guidance on the proposed 2022 revenues. The City Council is scheduled to adopt the 2022 ad valorem tax and utility rates on November 18, 2021.

General Fund Revenue Sources



	2021	2022	
	<u>Budget</u>	<u>Proposed</u>	<u>Variance</u>
Property Tax	\$ 7,588,343	\$ 8,046,645	\$ 458,302
Sales Tax	11,777,531	14,351,325	2,573,794
Utility Tax	7,348,403	7,581,790	233,387
Other Taxes	2,466,915	2,883,238	416,323
State Shared Rev	1,621,847	1,669,575	47,728
Permits & Fees	2,415,163	2,313,527	(101,636)
Service Fees	8,762,256	9,554,183	791,927
All Other	<u>18,411,717</u>	<u>13,691,332</u>	<u>(4,720,385)</u>
	\$ 60,392,175	\$ 60,091,615	\$ (300,560)

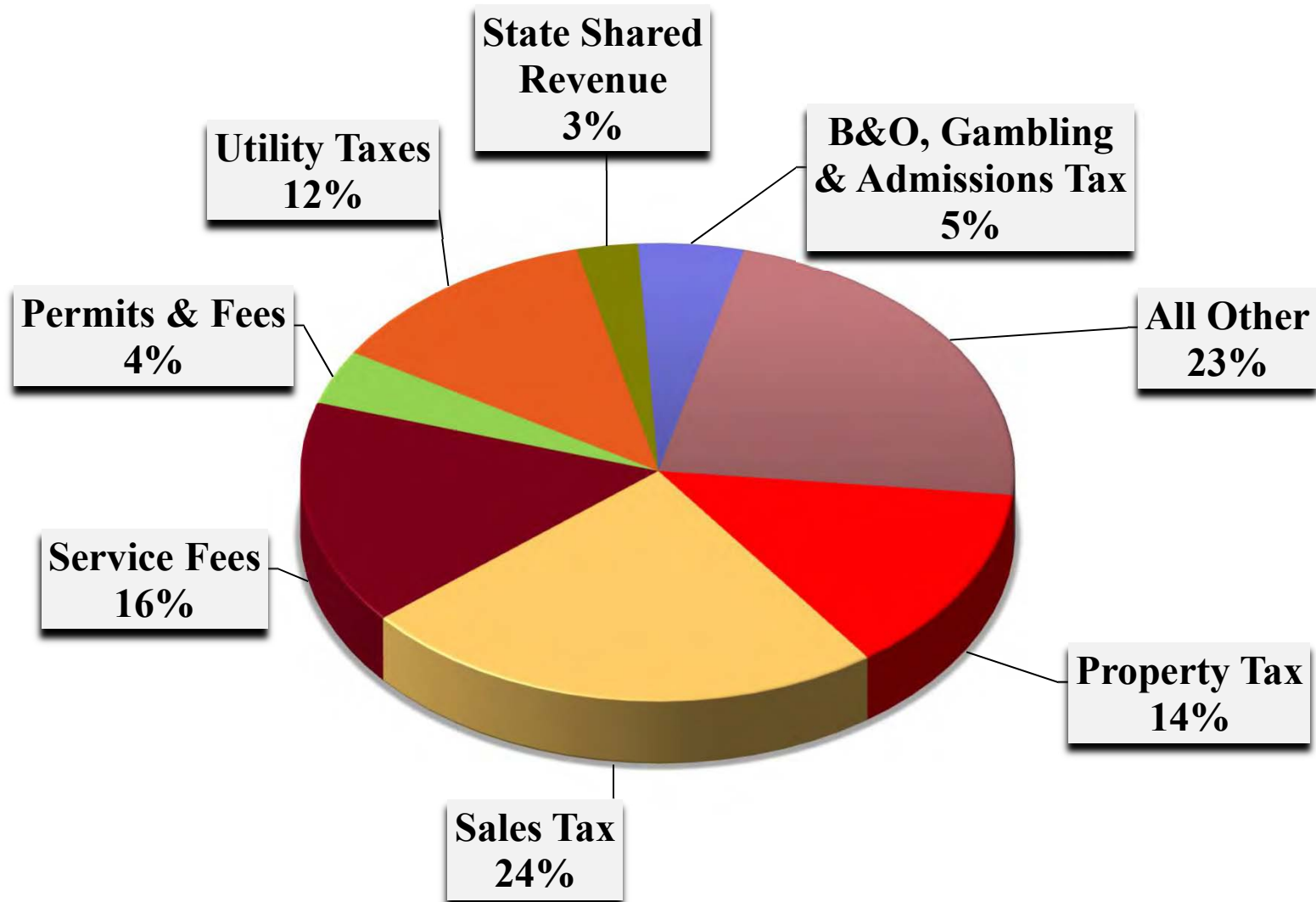
General Fund

2022 Budgeted Revenue by Category



Shaping
our community
together

CITY OF **LACEY**





LACEY CITY COUNCIL MEETING November 4, 2021

SUBJECT: 2022 Budget Hearing

RECOMMENDATION: Conduct Budget Hearing, accept public comment, and recommend budget changes.

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

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS:

FISCAL NOTE: Total Proposed 2022 Budget - \$173,650,467
Total Proposed 2022 General Fund Budget - \$60,091,615

PRIOR REVIEW:

BACKGROUND:

On November 4, 2021, the City Council is scheduled to conduct the first of two public hearings on the proposed 2022 Budget. The purpose of these hearings is to accept public comment and to provide staff with any guidance or direction regarding the proposed 2022 Budget. Any City Council direction will be incorporated into the budget, which is scheduled for adoption on December 2, 2021.

A great deal of time has been invested by the City Council and staff to prepare the 2022 Budget. During late July, the department directors submitted their budget proposals. During late August and early September, City Manager Spence met individually with each department director to review the budget proposals. The Finance and Economic Development Committee received a budget update on September 26, 2021. The full Council discussed and provided guidance on key 2022 Budget issues at a budget workshop on October 7, 2021. City Manager Spence presented a balanced 2022 Budget to the City Council on October 21, 2021.

The total Proposed 2022 Budget is \$173,650,467, which is a decrease of \$16,494,867 compared to the amended 2021 Budget. Increasing labor costs and additional workforce considerations are offset by reductions to capital expenditures and one-time transfers. Revenue growth, attributed to past new construction, is positively impacting property tax with the increase to assessed valuation, which is helping fund the growing costs required to maintain service levels. Unexpectedly, sales taxes have been a source of strength in the local economy during the COVID-19 public health emergency, which is also a major contributor to maintaining service levels and in certain areas enhancing service levels and delivery.

The total proposed General Fund Budget is \$60,091,615. This is a decrease of \$300,560 or 0.6 percent compared to the amended 2021 General Fund Budget.

The decrease to the General Fund Budget expenditures is mostly attributed lower capital equipment purchases, the 2021 Veterans Services Hub tenant improvements, 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.

Uncertainty due to the ongoing COVID-19 public health emergency continues impact the local economic outlook. New construction is expected to remain higher than historic levels, but the decline is expected to continue. Sales tax is projected to remain strong, but sustainability is uncertain. The sales tax projection remains conservative due to the uncertain path of the COVID-19 public health emergency, the expiration of Federal financial assistance, and the likelihood of local purchasing habits returning to normal when travel and safety precautions are completely lifted.

The proposed 2022 Budget maintains all services and provides funding for a number of capital projects and improvements such as the Regional Athletic Complex parking lot, Police Station land acquisition and site preparation, parks security camera system expansion, police body worn camera program, 2022 expanded street overlay program, LED street light upgrades, Terry Cargil Water Reservoir, water pH treatment projects, completion of the Capital City Golf Course utility improvements, well improvements and rehabilitation, water transmission line replacements, water reservoir improvements, wastewater lift station rehabilitations, wastewater main improvements, and stormwater line improvements.

Subsequent to the City Manager's October 21 budget presentation, the 2022 proposed budget has been adjusted to include property tax adjustments for the 2021 refund levy and slight increases due to new construction. These adjustments increased the property tax projection and total budget by \$54,714.

The City Council is scheduled to conduct a second and final budget hearing on November 18, 2021. Budget adoption is scheduled for December 2, 2021.

CITY OF LACEY

Official Proclamation

WHEREAS, members of the Army, Air Force, Navy, Marines, Coast Guard, and Merchant Marine have answered a high calling to serve and have helped protect and secure the United State of America at every turn; and

WHEREAS, our country is forever indebted to our veterans for their courage and exemplary service as selfless individuals who, when duty called, willingly put themselves in harm's way to defend the lives and liberty of others; and

WHEREAS, we honor those who laid down their lives in freedom's defense and made the ultimate sacrifice for our benefit; and

WHEREAS, on Veterans Day, we salute those who have proudly worn the uniform of the United States of America and the families who have served alongside them, and we express our enduring gratitude, both in words and in actions, for their service; and

WHEREAS, as many veterans face overwhelming unknowns, through community collaborations we can ensure that those who have served their nation receive the resources they deserve; and

WHEREAS, through their commitment to freedom, our veterans have positively impacted millions of lives and made our country and the world more secure, and the City of Lacey resolves that their sacrifices will always be remembered;

NOW, THEREFORE, I, Andy Ryder, Mayor of the City of Lacey, on behalf of the City Council, do hereby proclaim the month of November 2021, as

Veterans Appreciation Month

in the City of Lacey, and I encourage all community members to recognize the valor and sacrifice of our veterans and to actively support our local veterans and their family members.



Mayor Andy Ryder
November 4, 2021



Lacey City Council Meeting November 4, 2021

SUBJECT: Update to the Lacey Municipal Code, 2.52.060 (Civil Service – eligibility)

RECOMMENDATION: Adopt Ordinance 1602 amending LMC 2.52.060 relating to Civil Service Eligibility

STAFF CONTACT: Scott Spence, City Manager 
Mary Ann Hardie, Human Resources Director 

ORIGINATED BY: Human Resources Department

ATTACHMENTS: 1. [Ordinance No. 1602](#)

FISCAL NOTE: None

PRIOR REVIEW: General Government & Public Safety Committee (10.26.2021)

BACKGROUND:

On May 16, 2019, a special Civil Service Meeting was held, whereby language was presented and approved by the Commission to exclude the Deputy Police Chief from Classified Service and the provisions of the Civil Service Rules.

Based on this change, we are recommending that the Lacey Municipal Code (2.52.060 – Civil Service – eligibility) be updated to reflect the change that the Deputy Police Chief (as of May 16, 2019) is also not covered under Civil Service.

The suggested change is noted in **red** below:

All full paid police officers holding a position in the city police department who have served in such position continuously for a period of twelve months last past, are automatically adopted and inducted and permanently into civil service into such office, place, position or employment which any such person has held as completely and effectually to all intents and purposes as if such person had been permanently appointed thereto under civil service after examination and investigation. The twelve month probationary period for Entry Level Police Officers commences after the Entry Level Police Officer completes training at the Washington State Criminal Justice Training Commission Academy. Persons now holding any such position who have not served in such position continuously for a period of twelve months last past shall be given credit for the time they have held such position as a temporary or

probationary appointment and shall be automatically adopted and inducted permanently into civil service into such position upon the completion of twelve months service, unless terminated prior thereto. Any police chief appointed after May 1, 2002 or any deputy chief appointed after May 16, 2019 is not covered by this section. (Ord. 1178 §2, 2002; Ord. 57 §6, 1967).

At its October 26, 2021, meeting, the General Government & Public Safety Committee reviewed the proposed code changes for Civil Service Eligibility and recommended full City Council adoption at the November 4, 2021, City Council Meeting.

ADVANTAGES:

1. Alignment of Civil Service Rules language and Lacey Municipal Code language and code clarity regarding the exclusion of the Deputy Police Chief position from Civil Service.

DISADVANTAGES:

1. None.

ORDINANCE NO. 1602

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON RELATED TO THE CIVIL SERVICE COMMISSION, AMENDING SECTIONS 2.52.010 AND 2.52.060 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, at its May 16, 2019 meeting the Civil Service Commission recommended that any Deputy Police Chief be excluded from Classified Service and the provisions of the Civil Service Rules; and

WHEREAS, such recommendation from the Civil Service Commission requires amendment to the Lacey Municipal Code to take effect.

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

Section 1. Section 2.52.010 of the Lacey Municipal Code is hereby amended to read as follows:

In order to carry out the provisions of Chapter 13, Laws of 1937 (RCW Chapter [41.12](#)), as amended, there is hereby created and established in the city of Lacey, a classified civil service for all full paid police officers of the city. Any police chief appointed after May 1, 2002 or any deputy chief appointed after May 16, 2019 is not covered by this section.

Section 2. Section 2.52.060 of the Lacey Municipal Code is hereby amended to read as follows:

All full paid police officers holding a position in the city police department who have served in such position continuously for a period of twelve months last past, are automatically adopted and inducted and permanently into civil service into such office, place, position or employment which any such person has held as completely and effectually to all intents and purposes as if such person had been permanently appointed thereto under civil service after examination and investigation. The twelve month probationary period for Entry Level Police Officers commences after the Entry Level Police Officer completes training at the Washington State Criminal Justice Training Commission Academy. Persons now holding any such position who have not served in such position continuously for a period of twelve months last past shall be given credit for the time they have held such position as a temporary or probationary appointment and shall be automatically adopted and inducted permanently into civil service into such position upon the completion of twelve months service, unless terminated prior thereto. Any police chief appointed after May 1, 2002 or any deputy chief appointed after May 16, 2019 is not covered by this section.

Section 3. This Ordinance shall take effect five (5) days after its passage and publication as provided by law.

Section 4. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 5. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make corrections to this ordinance including, but not limited to, the corrections of scrivener's/clerical errors, references, ordinance numbering, section/subsection number and any references thereto.

Section 6. The Summary Attached is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 4th day of November 2021.

CITY COUNCIL

BY: _____
Mayor

Attest:

Approved as to form:

City Clerk

City Attorney

Published: November 8, 2021

SUMMARY FOR PUBLICATION

ORDINANCE NO 1602

CITY OF LACEY

The City Council of Lacey, Washington passed on November 4, 2021, Ordinance No. 1602, entitled “AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON RELATED TO THE CIVIL SERVICE COMMISSION, AMENDING SECTIONS 2.52.010 AND 2.52.060 OF THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.”

The main points of the Ordinance are described as follows:

1. The Ordinance amends sections 2.52.010 and 2.52.060 of the Lacey Municipal Code to exclude the Deputy Police Chief from the provisions of the Civil Service Rules.
2. 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: November 8, 2021.

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES
SEPTEMBER 28, 2021
8:31 A.M. – 9:38 A.M.
REMOTE ONLY

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

STAFF PRESENT: SCOTT SPENCE, TROY WOO, BRANDON CARTER, PERI EDMONDS

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

2022 BUDGET DISCUSSION

STAFF: TROY WOO, FINANCE DIRECTOR
ACTION: INFORMATION ONLY

The Committee received information regarding the 2022 Budget Estimates. The budget message for the year is that due to unpredictability and uncertainty of both the revenue and expenditure projections, the 2022 budget will not be one of expansion with the expansion of critical/essential needs.

Under the 2022 estimated revenues, sales tax is anticipated to be \$14,240,951, an increase of \$2,573,794 compared to the 2021 adopted budget. New construction is weaker than in recent years, and not all categories have returned to pre-pandemic levels. The 2002 Fire Safety Improvements Bonds final payment is on December 1, 2021, and will result in a reduction of ~ \$0.00595/\$1,000 AV.

The 2022 Business Occupation tax is anticipated to be \$2,540,102, an increase of \$444,823 compared to the 2021 adopted budget, and Parks and Recreation fees are also anticipated to increase to \$892,940, close to returning to pre-pandemic levels.

Under the 2022 estimated expenditures, there's an anticipated increase of 1.0% to salaries and benefits from both the General Fund and the Total Budget, based on 2021 salaries and benefits.

Significant budget initiatives for the next year include the Regional Athletic Complex investments and repairs, the new police station, police body cameras, and building

repairs. The Mobile Outreach Team, Homeless Rapid Response Cleanup Team, and Community Service Officers are also significant budget initiatives.

The current estimated budget has limited capacity to take on new initiatives, and focus should be on maintaining past and current initiatives.

The 2022 proposed budget uses Reserves for ongoing general fund expenditures, including the police succession planning, and the RAC Long-Term financial plan.

The City Manager will present the proposed 2022 Budget at the October 21, 2021, Council meeting, followed by a public hearing on November 4, 2021, and November 18, 2021. The final 2022 Budget is scheduled for adoption at the December 2, 2021, Council meeting.

INVESTMENT STRATEGY

STAFF: TROY WOO, FINANCE DIRECTOR

ACTION: INFORMATION ONLY

Staff presented four investment strategies for the Committee's consideration. Two are within the current investment policy and the other two require an amendment to the policy. The most recent policy adoption made by Council was in May 2020.

- **In-Policy Recommendations:**
 - o Move from the current 0-3 year benchmark to a 0-5 year benchmark.
 - Liquidity needs are being met and the City would benefit from long-term yields.
 - o Increase CORE investments, helping maintain adequate cashflow for immediate needs.
 - Yields would also increase with the 0-5 year benchmark
- **Recommendations Requiring Policy Changes:**
 - o Increase the maximum single maturity to 5.5 months if the City changes to the 0-5 benchmark.
 - Corporate notes commonly exceed the 5 year threshold by a few weeks.
 - o Include corporate note single A rating as a minimum .
 - The current policy states a minimum of AA- rating.
 - Corporations are limited to 25% of City portfolio holdings, and no single issue may be more than 3%.

There was Committee consensus on the two in-policy changes.

The Committee requested additional parameters for further discussion on the investment strategies requiring policy changes. Staff will review and bring back to a future Finance & Economic Development Committee meeting.

LAND USE & ENVIRONMENT COMMITTEE

SEPTEMBER 28, 2021

10:30 A.M. – 11:15 A.M.

REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBER COX (CHAIR), DEPUTY MAYOR PRATT,
COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SCOTT SPENCE, RYAN ANDREWS, CHRIS STOLBERG, BRANDON CARTER

ACTION: APPROVE THE LAND USE COMMITTEE AGENDA

MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN
AND COUNCILMEMBER COX

ELECTRIC VEHICLE STATIONS

STAFF: CHRIS STOLBERG, TRANSPORTATION ENGINEER

ACTION: INFORMATION ONLY

The Committee received a presentation regarding the status of electric vehicle stations. The installation of the stations is funded by a Congestion Management and Air Quality grant provided by the Thurston Regional Planning Council.

The City has partnered with North Thurston Public Schools for site placement, and has been working with ELCON Associates and Puget Sound Energy on design.

A total of 7 Charging Stations, totaling 14 charging positions, 5 of which will be level 2 chargers, and 2 of which will be Level 3 chargers, will be installed at 4 sites in the City: Lacey City Hall, Lacey Public Library, Lacey Community Center, and the North Thurston Public School District Office.

Level 2 Electric Charging stations take 4-6 hours for a full charge, and Level 3 charging stations take 25-40 minutes for a full charge.

Project Status

- o Finalizing design with electrical engineering consultant - ELCON
- o Project by the end of 2021
- o Construction Expected to take 3-4 months.

ELECTRIC VEHICLE PARKING STANDARDS, LMC 16.73

STAFF: RYAN ANDREWS, PLANNING MANAGER

ACTION: INFORMATION ONLY

The Committee received information regarding electric vehicle parking standards, a requirement to establish code requirements for electric vehicle parking is an item of the Thurston Climate Mitigation Plan.

Currently, Lacey has code standards addressing the permitting and design of electric vehicle infrastructure, but does not require a minimum number of electric vehicle parking spaces. The Planning Commission is reviewing options for requiring a minimum number of spaces designated for charging stations as part of a development project approval.

During code review for similar sized cities in the Puget Sound, most codes establish thresholds for when electric vehicle parking is required with new development, remodels, or expansions, requiring a number of stalls based on building use, and size of the parking lot.

Having standards related to electric vehicle parking and charging stations is consistent with the Thurston Climate Mitigation Plan for clean transportation. Other jurisdictions in Thurston County are not currently exploring code regulations for electric vehicle parking spaces for development projects, allowing Lacey to potentially establish a regional standard.

MULTI-FAMILY PARKING STANDARDS, LMC 16.72

STAFF: RYAN ANDREWS, PLANNING MANAGER

ACTION: INFORMATION ONLY

The Committee was briefed on the development of proposed amendments to multi-family parking standards in LMC 16.72.

The Planning Commission is reviewing parking standards to address appropriate ratios for multi-family development, ensuring that parking standards provide appropriate number of spaces for the development type and location. The current parking standard is a minimum of 1.5 spaces per unit, with no maximum number of spaces.

Amending the City's parking standards will ensure that the standards are right-sized for the development type and location with Lacey.

Staff presented estimates on the cost of different parking stalls and the two methods municipalities use to regulate parking. The City currently utilizes the “spaces per unit” method to regulate parking. The Planning Commission is considering transition to the “space per unit size” method, as it’s a more accurate calculator for parking requirements.

In 2014, the City did pass regulations for optional minimum standards for required parking stalls for all uses, except for single-family residential. These allow applicants to provide less parking than the minimum required based on available street parking, and potential shared parking within walking distance. Staff recommends that additional language be added to this provision that allows parking reduction for projects within a half mile of regular (30 minute) transit service and for those projects that provide vehicle share programs. The 6th Avenue Apartments reduced their parking through this provision.

LAND USE & ENVIRONMENT COMMITTEE

OCTOBER 26, 2021

10:30 A.M. – 11:13 A.M.

REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBER COX (CHAIR), DEPUTY MAYOR PRATT,
COUNCILMEMBER GREENSTEIN

STAFF PRESENT: SHANNON KELLEY-FONG, RICK WALK, GRANT BECK, REACE FANT,
SARAH SCHELLING, SAMRA SEYMOUR , BRANDON CARTER

ACTION: APPROVE THE LAND USE & ENVIRONMENT COMMITTEE AGENDA

MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN
AND DEPUTY MAYOR PRATT

LAND USE DEVELOPMENT UPDATE

STAFF: RICK WALK, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR
GRANT BECK, PLANNING & DEVELOPMENT SERVICES MANAGER

ACTION: INFORMATION ONLY

The Committee received an update on current land use and planning projects throughout the City.

Projects currently in progress:

- The Landing at Sleater-Kinney and Pacific
- 6th Avenue Apartments
- Bradley Park Subdivision
- Coastal Farm & Ranch (Redevelop Shopko)
- Serenity Apartment Homes
- Griffin Multi-Family
- Olympia Behavioral Health
- Tec Equipment
- NC Machinery
- MHK Mixed Use
- Martin Way Mixed Use

Projects currently under review:

- Hicks Lake Apartments
- Gateway at Hicks Lake
- Hawks Prairie Mixed Use
- Meridian Campus Neighborhood Market
- Campus Reserve Townhomes
- Campus Springs Townhomes

COMMUNITY RELATIONS & PUBLIC AFFAIRS COMMITTEE MINUTES
OCTOBER 4, 2021
11:00 A.M. – 11:25 A.M.
REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBERS COX (VICE-CHAIR) AND KUNKEL

COUNCIL ABSENT: COUNCILMEMBER STEADMAN

STAFF PRESENT: SCOTT SPENCE, SHANNON KELLEY-FONG, BRANDON CARTER, ELISSA FONTAINE

ACTION: APPROVE COMMUNITY RELATIONS & PUBLIC AFFAIRS COMMITTEE
AGENDA

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

SIX-YEAR ART PLAN & ARTS COMMISSION DISCUSSION

STAFF: SHANNON KELLEY-FONG, ASSISTANT CITY MANAGER

ACTION: INFORMATION ONLY

The Committee received an update on the City's Six-Year Art Plan. The City's public art is funded by:

- Resolution 1105 – \$1.00 per capita
- Ordinance 1022 – 0.0025% set aside for public art for City projects visible and usable by the public over \$500,000
 - o Exception – Streets and utility projects

Staff will develop a list identifying locations to place art pieces over a six-year period and provide revisions to the list as installations are completed.

The City will solicit for art pieces pursuant to the City purchasing policies, with the Community Relations & Public Affairs Committee performing initial review and recommend art pieces for approval by the full City Council.

The internal costs and coordination of this process range across almost every department in the City. This includes base costs, planning cycle, additional staff resources such as time for maintenance, land ownership, and acquisition, connectivity with existing design standards, and the location of the pieces to be placed.

Staff recommends establishing an Ad Hoc Task Force, and evaluate the possibility of an Art Commission over the next few years with the 6-Year Art Plan. An Arts Commission would require additional staff time not contemplated for in the draft 6-Year Art Plan.

The Task Force should include a variety of community stakeholders, including City Council representatives, business owners, community members, homeowners, non-profit and cultural organization leaders, Youth Council, and artists/art curators.

Task Force responsibilities would include:

- Recommend theme / objective
- Recommend location
- Review RFP and RFP submissions with staff
- Recommend selection of art piece to full City Council for approval

UTILITIES COMMITTEE MINUTES
OCTOBER 4, 2021
12:00 P.M. – 12:35 P.M.
REMOTE ONLY

COUNCIL PRESENT: COUNCILMEMBERS KUNKEL (CHAIR), STEADMAN, AND MILLER

STAFF PRESENT: SCOTT SPENCE, TROY WOO, PETER BROOKS, BRANDON CARTER,
ELISSA FONTAINE

ACTION: APPROVE UTILITIES COMMITTEE AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS MILLER AND
KUNKEL

PSE GREEN DIRECT

STAFF: SCOTT SPENCE, CITY MANAGER

ACTION: INFORMATION ONLY

The Committee received information regarding the Puget Sound Energy (PSE) Green Direct program the City participates in. The PSE Green Direct Program allows governments and industrial customers to purchase renewable energy from various specific projects under long-term energy services agreement contracts.

Council previously received a review of the Rate Case Settlement and Green Direct Credit at the August 12, 2021 Worksession. The highlights included:

- December 2020, PSE filed a power cost only rate case (PCORC) with the UTC.
- Green Direct Credit calculation arose as an issue during closed settlement discussions.
- Some parties to the PCORC raised concerns that the methodology used to calculate the Green Direct Credit was unfairly shifting costs onto other rate payers, and advocated for a significant reduction in the value of the Green Direct Credit.
- A compromise was reached on a temporary methodology with agreement to convene discussion with all stakeholders, including Green Direct customers this summer.

- The end result is a reduction in the credit from \$0.044883/kWh to \$0.039618/kWh, or a 11.7% reduction. The impact to total charges is roughly a 6% increase.

Staff presented impacts of the 20-year projections and provided a cost overview if the City remains in the program or separates from the agreement.

The Committee directed staff to continue to provide updates as more information becomes available for the PSE Green Direct costs.

UTILITY RATES OPEN HOUSE UPDATE

STAFF: PETER BROOKS, WATER RESOURCES MANAGER

ACTION: INFORMATION ONLY

The Committee received an update on the Utilities Open House held on September 28, 2021.

At the open house, staff presented to the community on utility maintenance, utility rate making, water costs, and the water and wastewater capital improvement programs.

GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE
OCTOBER 26, 2021
9:32 A.M. – 9:39 A.M.
REMOTE ONLY

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

STAFF PRESENT: SHANNON KELLEY-FONG, ROBERT ALMADA, MARY ANN HARDIE, BRANDON CARTER

ACTION: APPROVE THE GENERAL GOVERNMENT & PUBLIC SAFETY COMMITTEE AGENDA
MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN AND MAYOR RYDER

2021 PROPERTY RETAINED BY POLICE DEPARTMENT

STAFF: ROBERT ALMADA, CHIEF OF POLICE
ACTION: MOTION TO APPROVE THE 2021 PROPERTY RETAIN BY POLICE DEPARTMENT REPORT AND FORWARD TO FULL CITY COUNCIL FOR APPROVAL.
MOTION: MOTION MADE AND SECONDED BY MAYOR RYDER AND COUNCILMEMBER GREENSTEIN. MOTION CARRIED.

The Committee reviewed the annual list of property retained by the Police Department, as required by RCW 63.32.010(2). The list contains the items currently retained, their location, and estimated value. The 2021 list includes one additional item.

UPDATE LMC 2.56.060 – CIVIL SERVICE ELIGIBILITY

STAFF: MARY ANN HARDIE, HUMAN RESOURCES DIRECTOR
ACTION: MOTION TO APPROVE THE UPDATE TO LMC 2.56.060 RELATING TO CIVIL SERVICE ELIGIBILITY AND FORWARD TO THE FULL CITY COUNCIL FOR APPROVAL
MOTION: MOTION MADE AND SECONDED BY COUNCILMEMBERS GREENSTEIN AND MAYOR RYDER. MOTION CARRIED.

At a May 16, 2019, special meeting of the Civil Service Commission, the Commission approved amending the Civil Service eligibility to exclude the Deputy Police Chief from Classified Service and the provisions of the Civil Service Rules.

Staff recommends updating LMC 2.56.060 to reflect the change in Civil Service eligibility.