



CITY
OF **LACEY**

2024 BUDGET

Thursday, October 19 | Lacey City Council

LACEY AT A GLANCE

Population: 59,430

Race

- White **64.4%**
- Hispanic: **10.9%**
- Two or more Races: **10.6%**
- Native Hawaiian and other Pacific Islander: **1.9%**
- Asian: **9.0%**
- American Indian and Alaska Native: **0.5%**

Housing Units

- Total Units: **24,963**
- Owner occupied: **54.0%**
- Renter Occupied: **46.0%**

Housing Information

- Median Home Price: **\$505,000**
- Average Rent: **\$1,738**
(845 sq. ft)

Businesses: 1,481

Employees: 23,470

**Commercial/
Industrial Space:
15,170,000 Sq. Feet**

Vacancy Rates

- Commercial: **10.0%**
- Industrial: **4.0%**
- Retail: **5.0%**
- Multi-family: **5.2%**
(countywide)

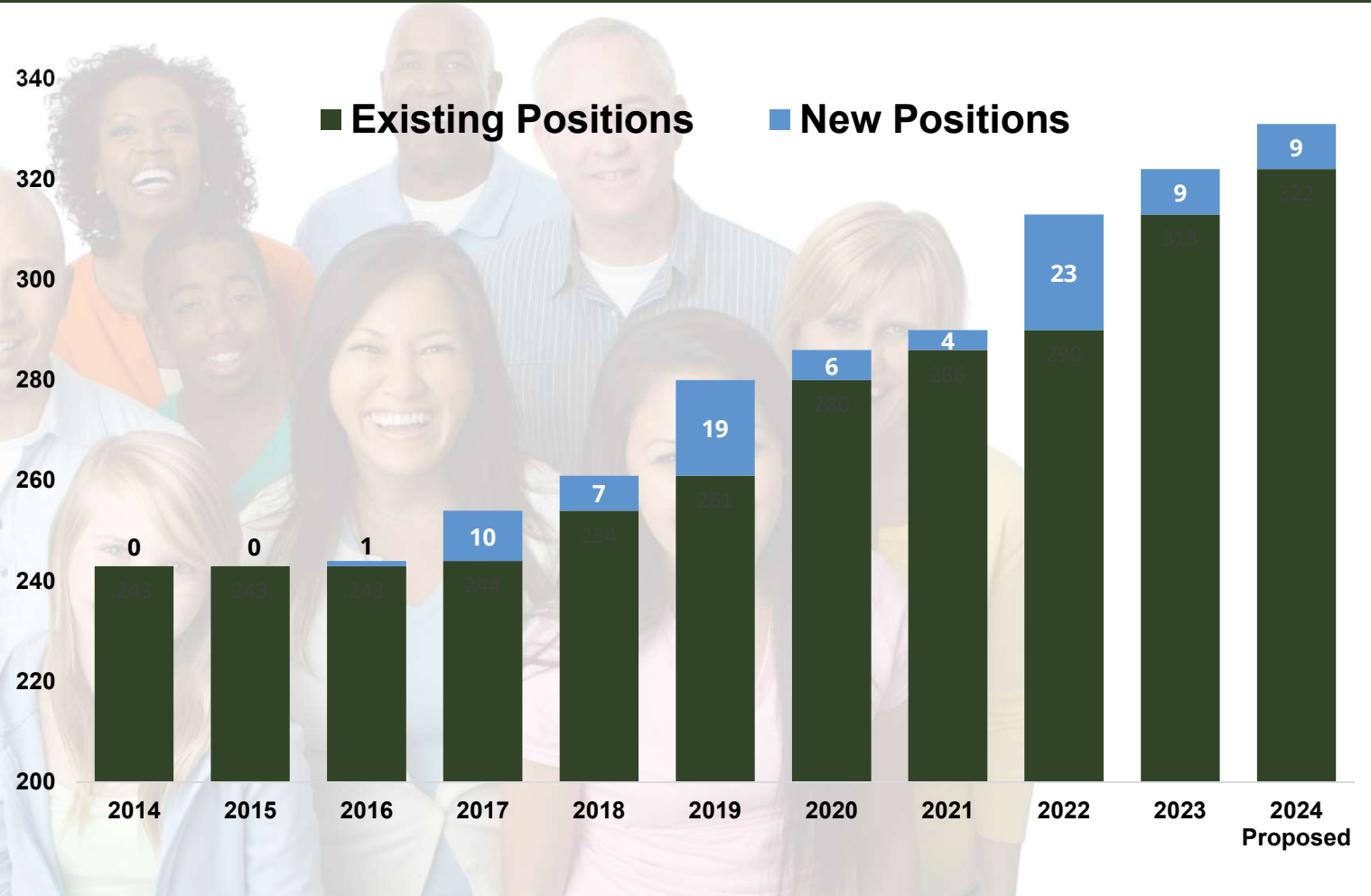
CITY OF **LACEY**

- **Population Increase** **14,202**
- **Additional Housing Units** **4,388**
- **New Commercial/Industrial**
(square footage) **9.8M**
- **Annexations** (acreage)..... **1,522**
(residents) **2,863**

DECADE OF GROWTH

RAPID STAFFING GROWTH

**88 New
Positions**
Over the Last
10 Years





CITY OF **LACEY**

2024 BUDGET

PRIVATE DEVELOPMENT PROJECTS



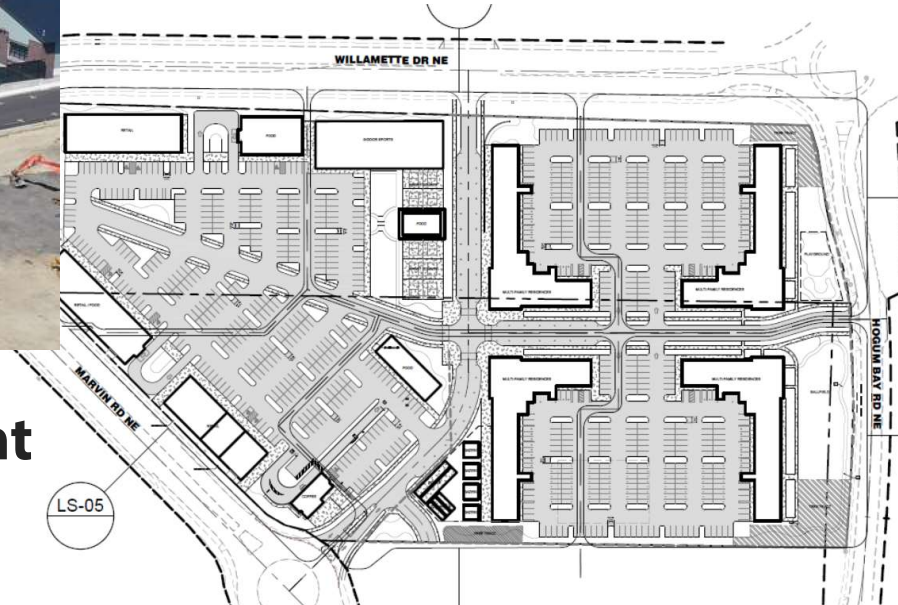
- Truck Dealership & Service Center
- Volvo and Mack
- Outdoor Showroom Pavilion
- 5.81-Acre Site (on 13-Acre Parcel)
- Two Buildings: 62,486 square feet

TEC EQUIPMENT



18-acre, Mixed-Use
Development with:

- 350 units
- 70,724 sq. ft. Commercial
Development & Open Space



Now Open!
23 Kitchens Pickleball Complex & Restaurant

HOGUM BAY TOWN CENTER

MARRIOTT HOTEL AT BRITTON PLAZA



Location: 2565 Marvin Road NE | 136-room Hotel
Status: Under Review

7th AVE. APARTMENTS





Convert Existing 4-story Office Building into:

- 50 Apartment Units
- Studios, and One- and Two-Bedroom Units

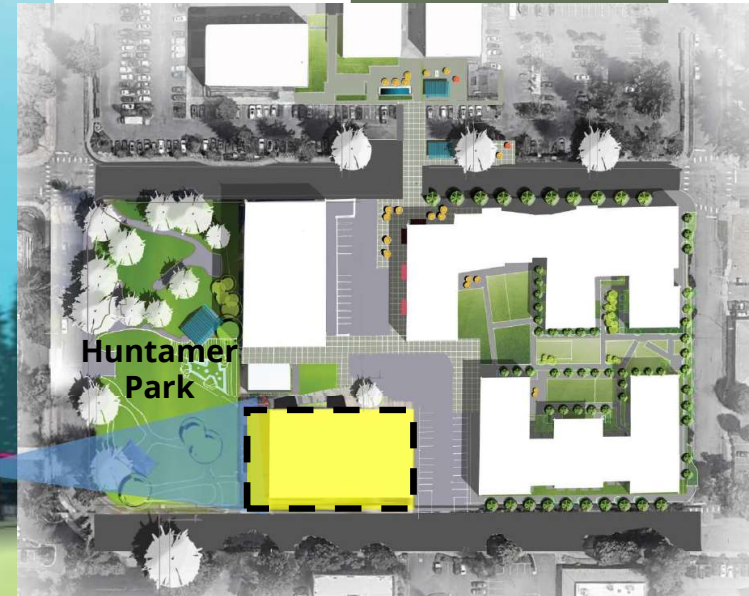


629 WOODLAND APARTMENTS

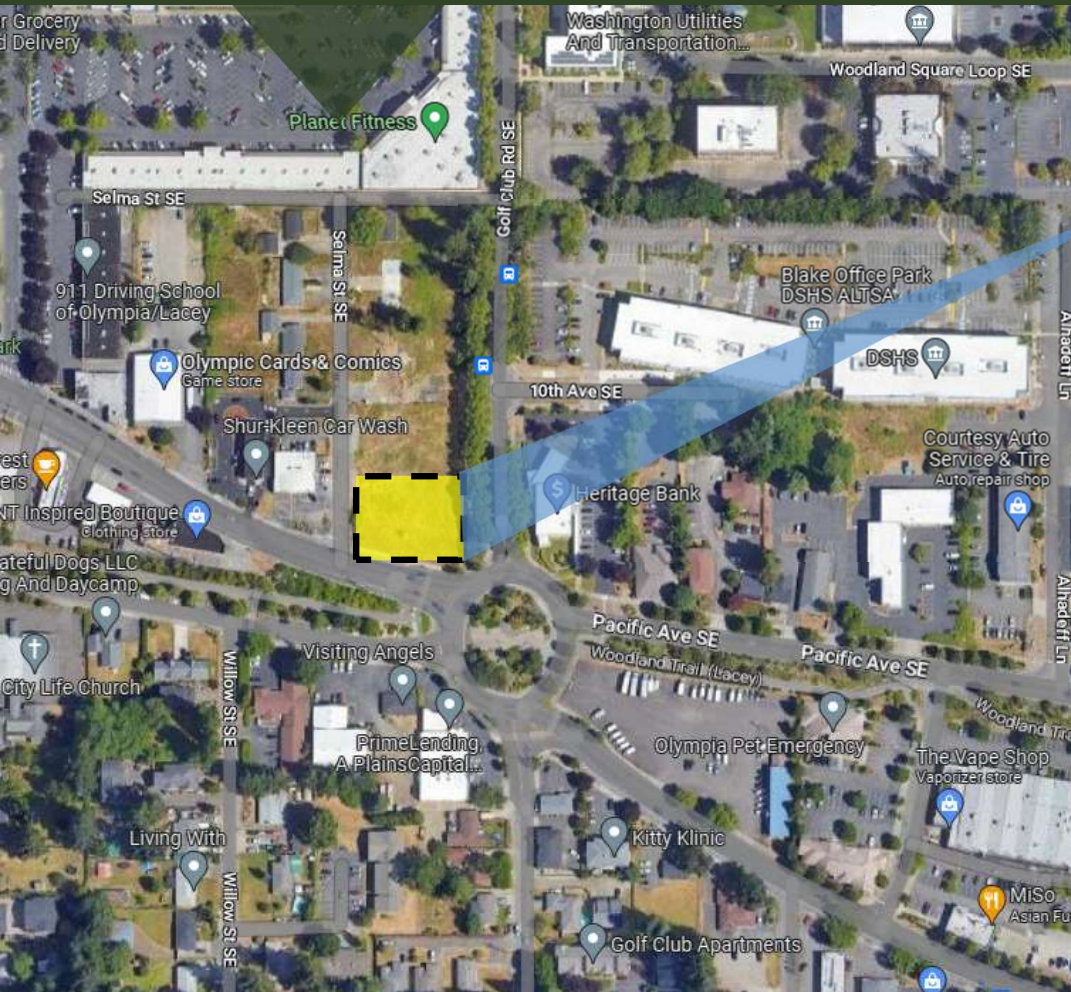
640 WOODLAND SQUARE LOOP



Renovate Vacant Building and Add Restaurant



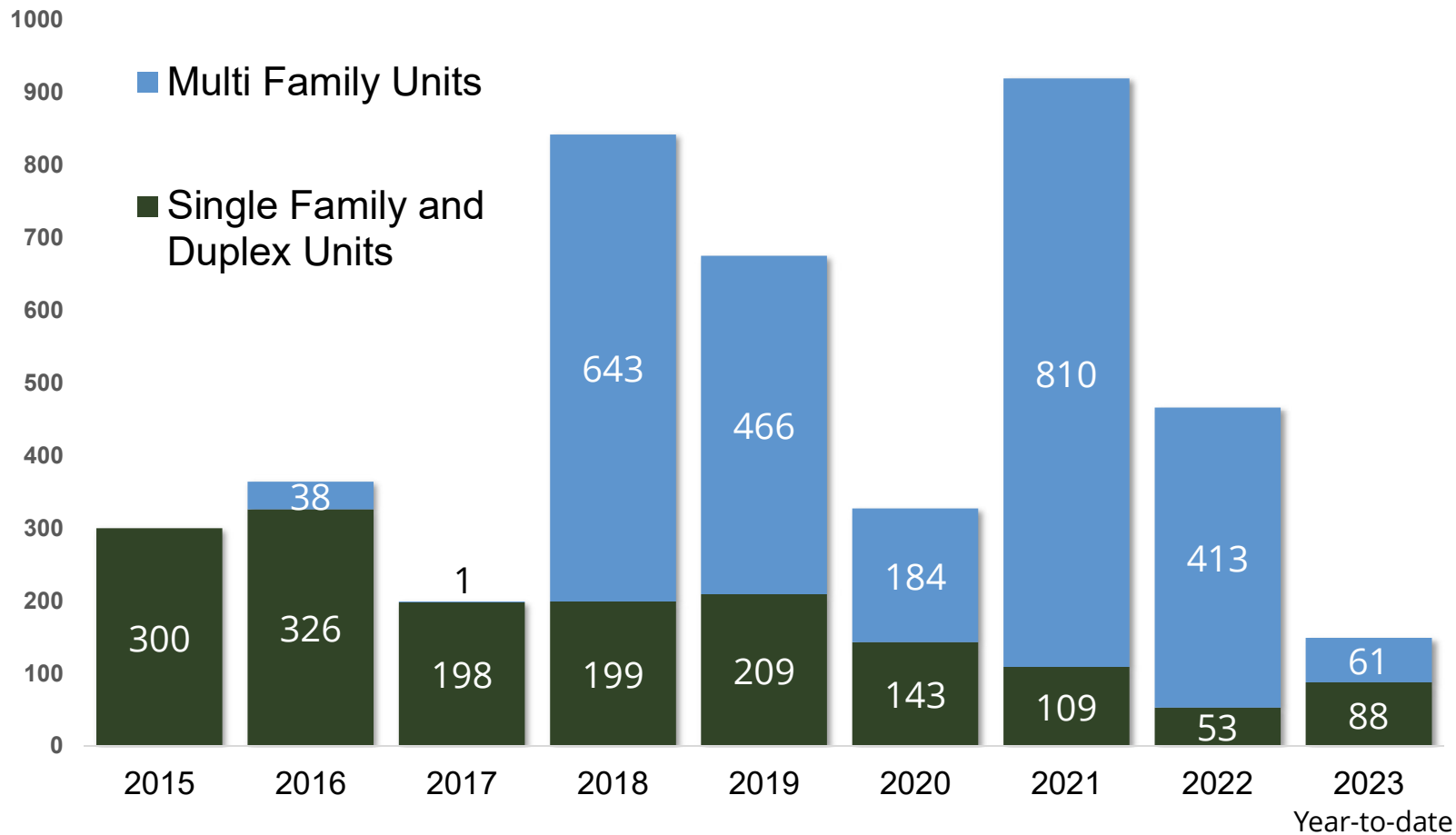
OFF-CAMPUS EMERGENCY DEPT.



- 10,000 sq. ft.
- Emergency Medical Facility
- Non-trauma, no Surgery, but can Transfer to a Hospital

MultiCare 

HOUSING STARTS



PIPELINE:

291 Single-Family Lots

1,800 Multi-Family Units



CITY OF **LACEY**

2024 BUDGET

TOTAL BUDGET

2024 BUDGET APPROACH

- 1. Apply Council Fiscal Policies (2013)**
- 2. Maintain Existing Services**
- 3. Implement Council Work Plan Priorities**
- 4. Address Critical Needs**
- 5. Expand Programs and Services**



Council
Priority



**COORDINATED &
COLLABORATIVE
PLANNING**

Council
Priority



**SAFE & SECURE
COMMUNITY**

Council
Priority



**ENGAGED
COMMUNITY**

Council
Priority



**VIBRANT PLACE TO
LIVE, WORK & PLAY**

Council
Priority



**QUALITY
TRANSPORTATION
& INFRASTRUCTURE**

Council
Priority



**EXCELLENCE IN
PROGRAMS &
SERVICES**

Council
Priority



**VIBRANT &
DIVERSE ECONOMY**

Council
Priority

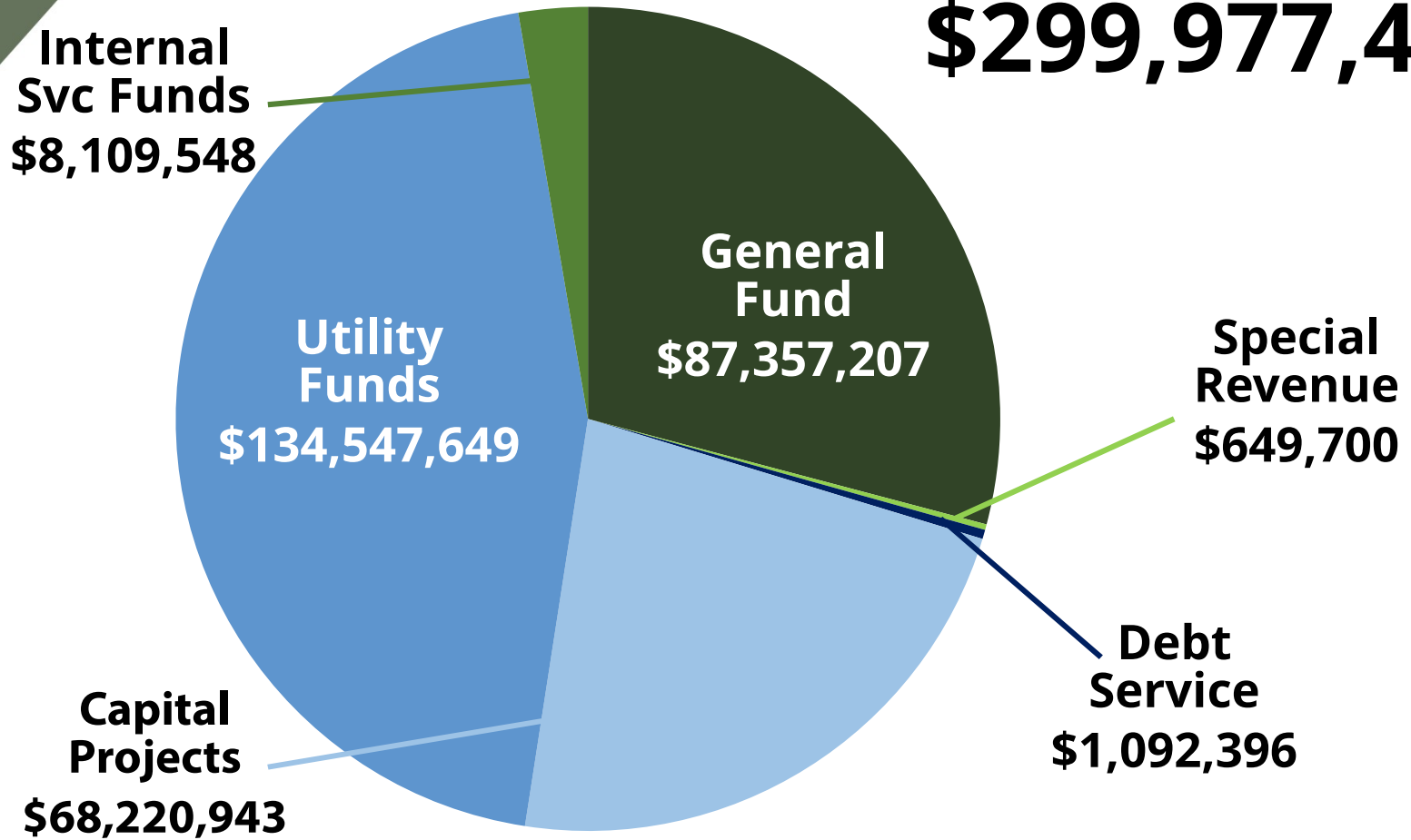


**ENVIRONMENTAL
STEWARDSHIP**

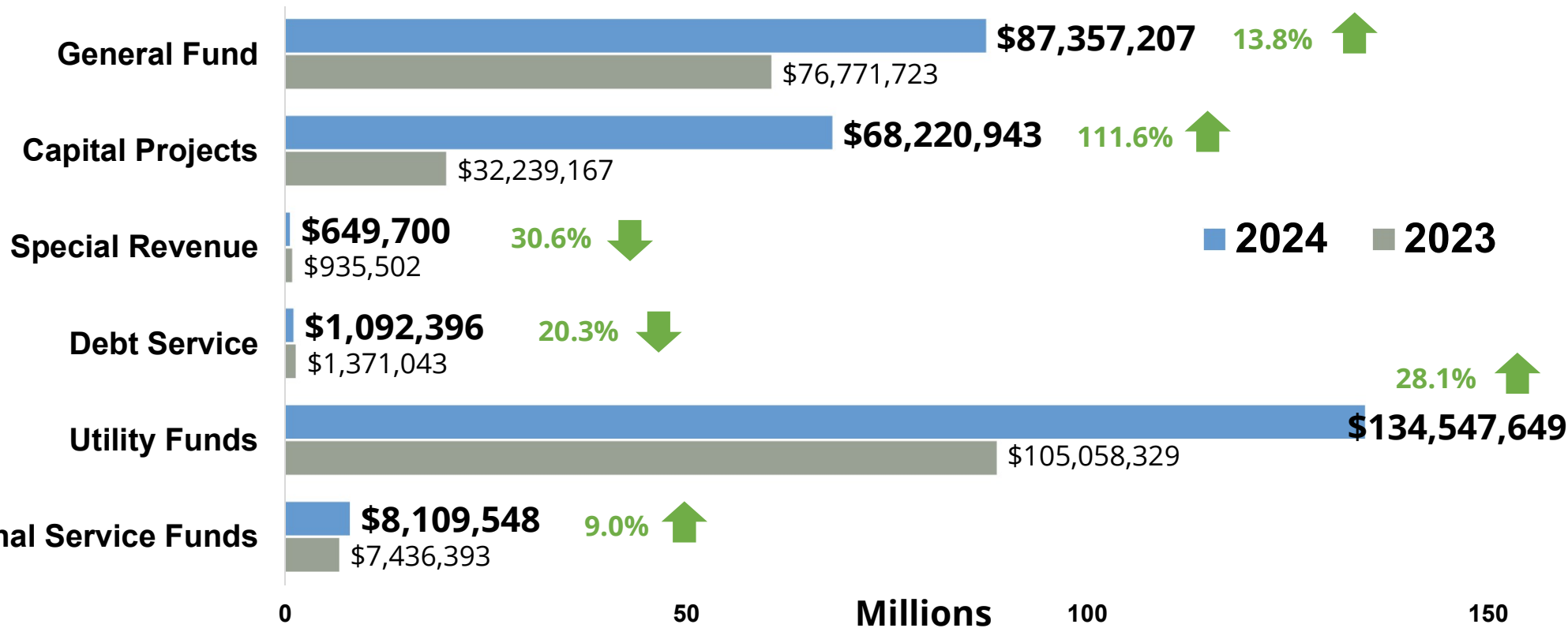
COUNCIL WORKPLAN PRIORITIES

2024 PROPOSED TOTAL BUDGET

\$299,977,443



2024 PROPOSED TOTAL BUDGET COMPARED TO 2023 REVISED BUDGET



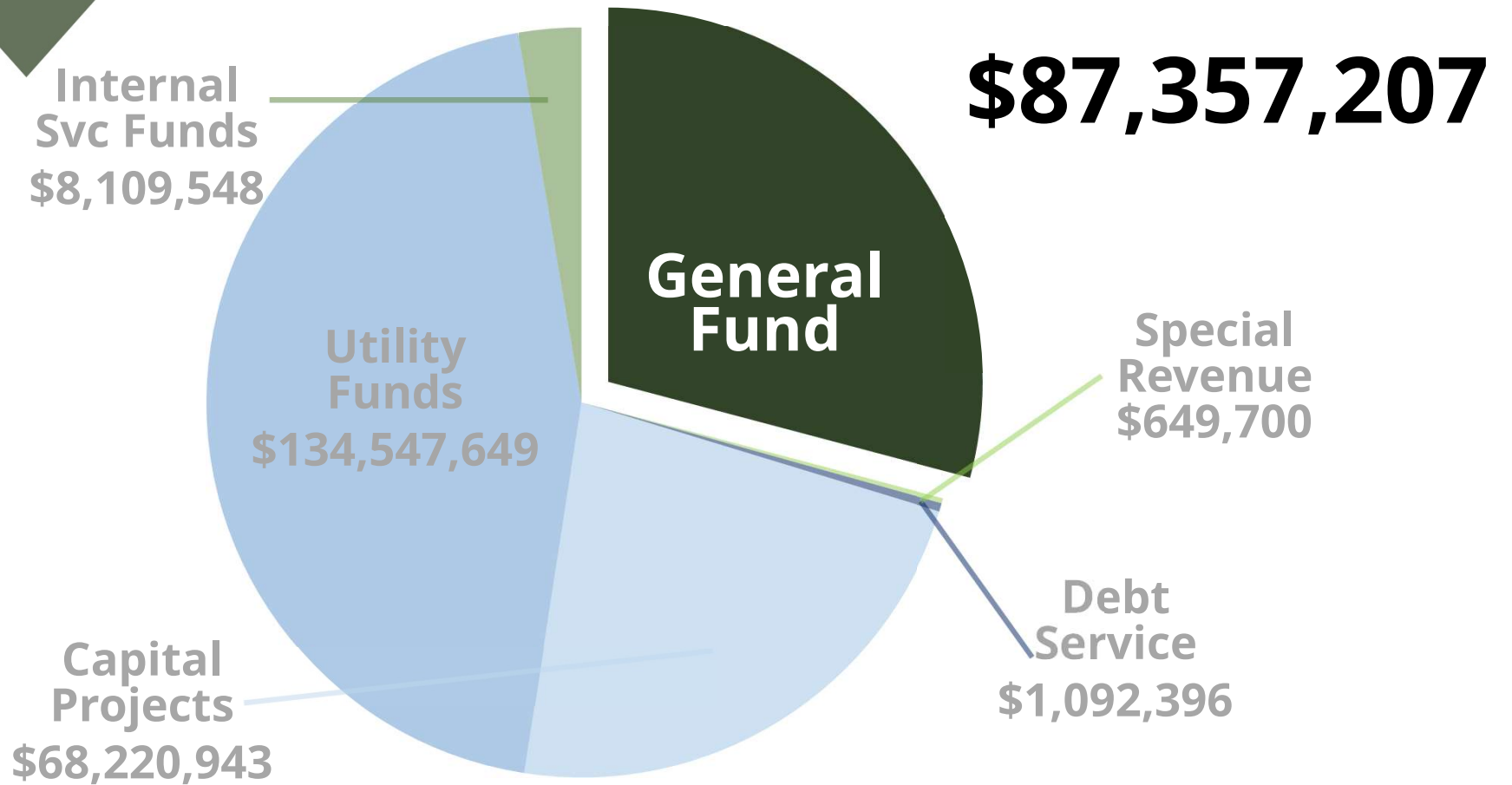


CITY OF **LACEY**

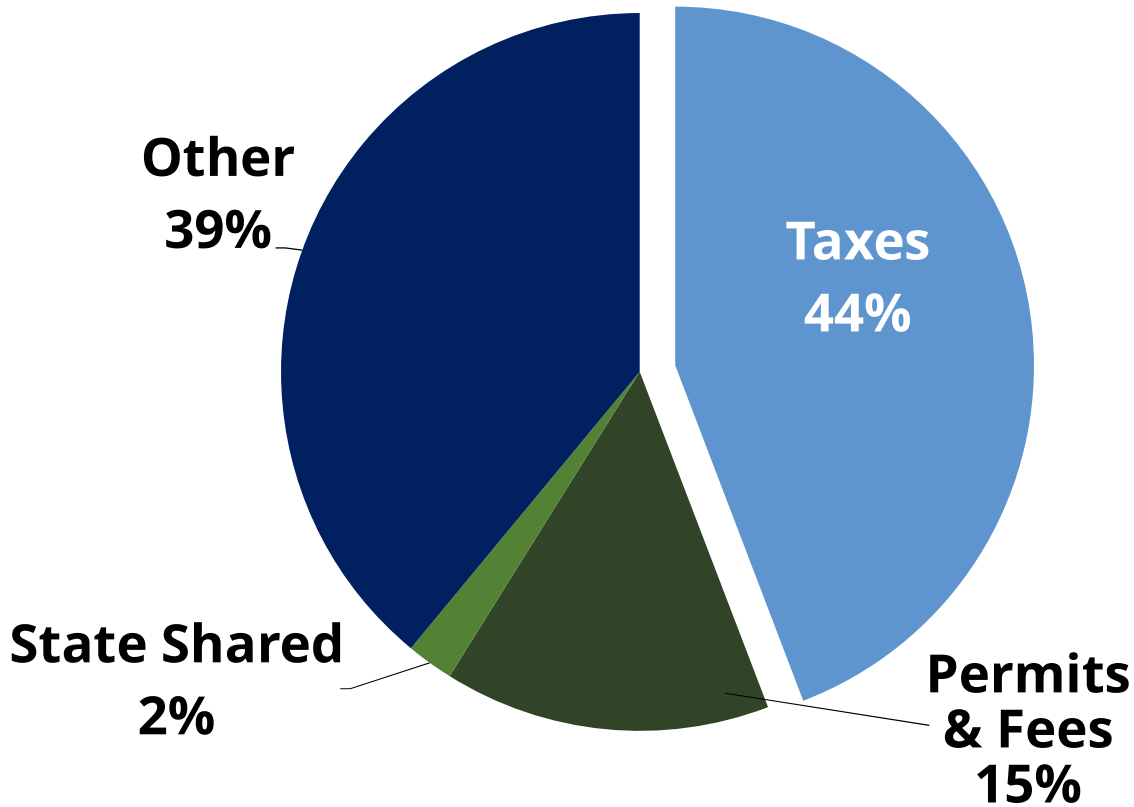
2024 BUDGET

GENERAL FUND

2024 GENERAL FUND BUDGET



\$87,357,207

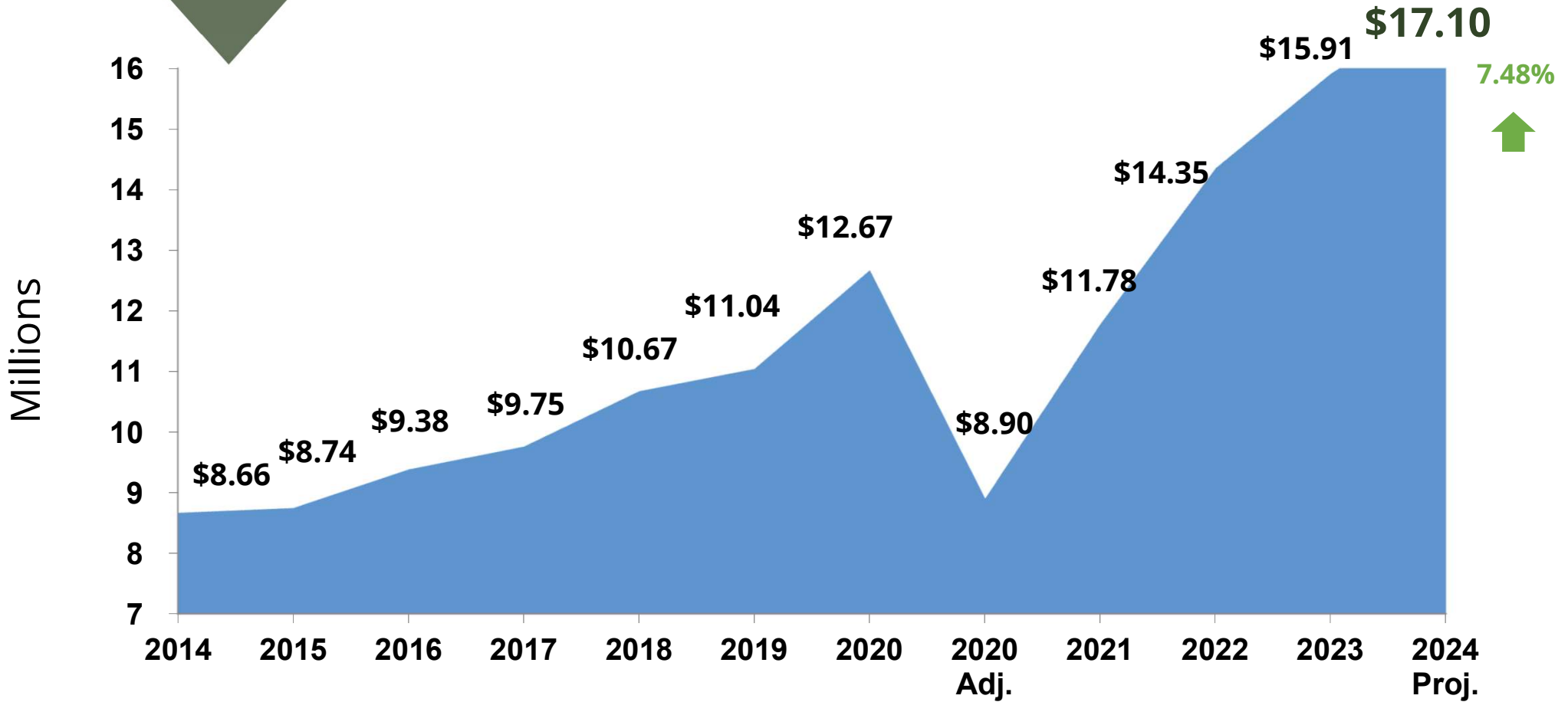


TAX REVENUES		
Type of Tax	Amount (in Millions)	% of General Fund
Sales	\$17.10	20%
Property	\$ 8.70	10%
Utility	\$ 8.56	10%
Other*	\$ 4.24	5%

*B&O
Admissions
Gambling

GENERAL FUND REVENUES

SALES TAX HISTORY – ALL FUNDS



For every retail dollar spent, cities receive less than one cent of the sales tax (excluding local options)*



*Based on city sales tax average of 9.5%

** For sales sourced to unincorporated areas, counties receive the full 1 cent.

SALES TAX DISTRIBUTION – 9.5%

SALES TAX COMPARISON

	Lacey	Olympia	Tumwater
Local Option Sales Tax (City)			
City Local Option Sales Tax*	1.0%	1.0%	1.0%
Transportation Benefit District**	0.2%		0.2%
Public Safety Tax***		0.1%	
Home Fund ****		0.1%	
Cultural Access Programs *****		0.1%	
Local Option Sales Tax (County, Transit, Others)			
Intercity Transit	1.2%	1.2%	1.2%
Chemical Dependency & Mental Health Treatment Services	0.1%	0.1%	0.1%
Criminal Justice	0.1%	0.1%	0.1%
Detention Facilities	0.1%	0.1%	0.1%
TCOMM/911 Communications	0.2%	0.2%	0.2%
Housing and Related Services (County Home Fund)	0.1%		0.1%
State Sales Tax			
State Sales Tax	6.5%	6.5%	6.5%
Total Sales Tax Rate	9.5%	9.5%	9.5%

* 15.0 percent of local sales tax is shared with Thurston County and administrative fees of 0.1 percent are retained by the State (net 0.8415 percent is received by cities)

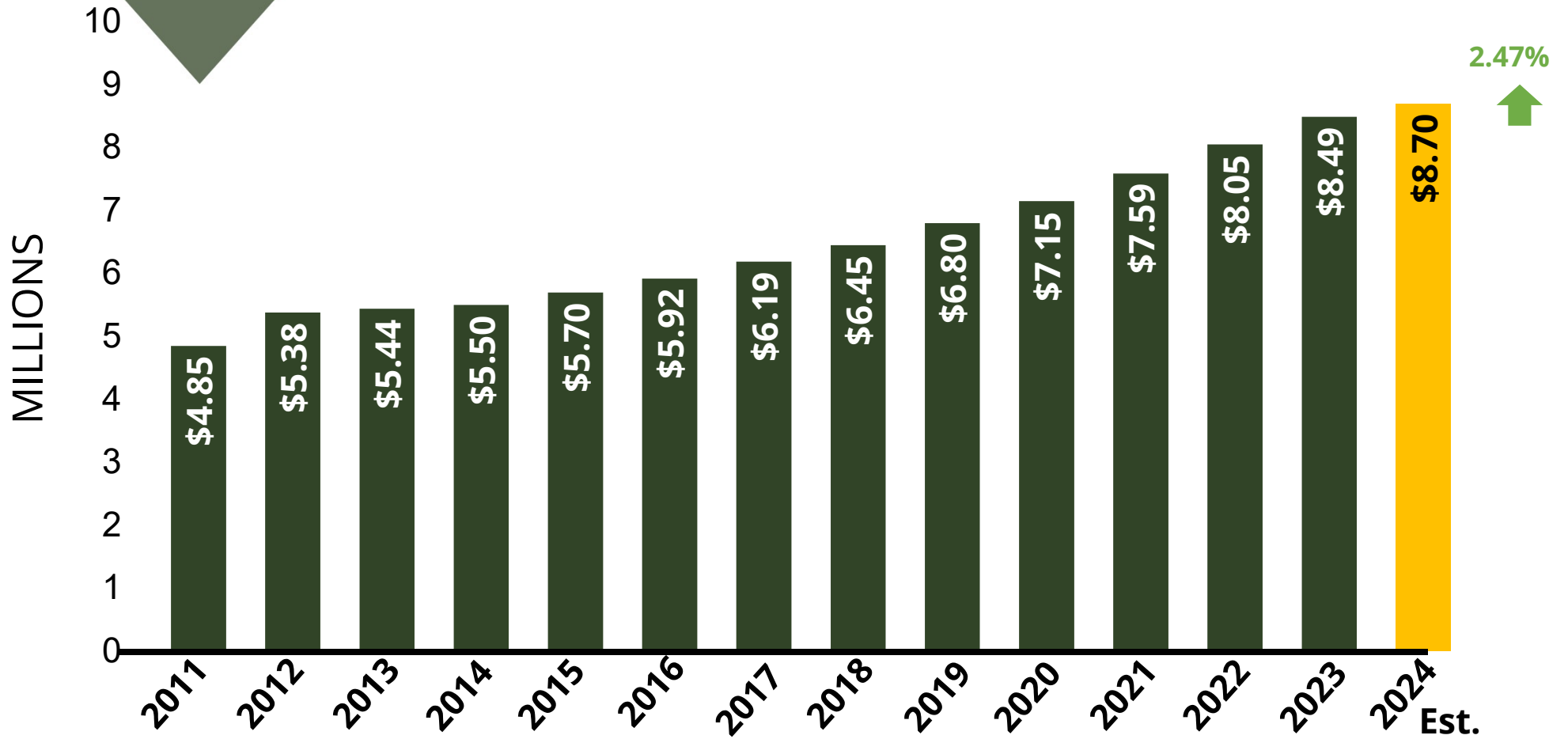
** Tumwater TBD sales tax effective October 1, 2015

**** Olympia Home Fund Voter approved July 1, 2018

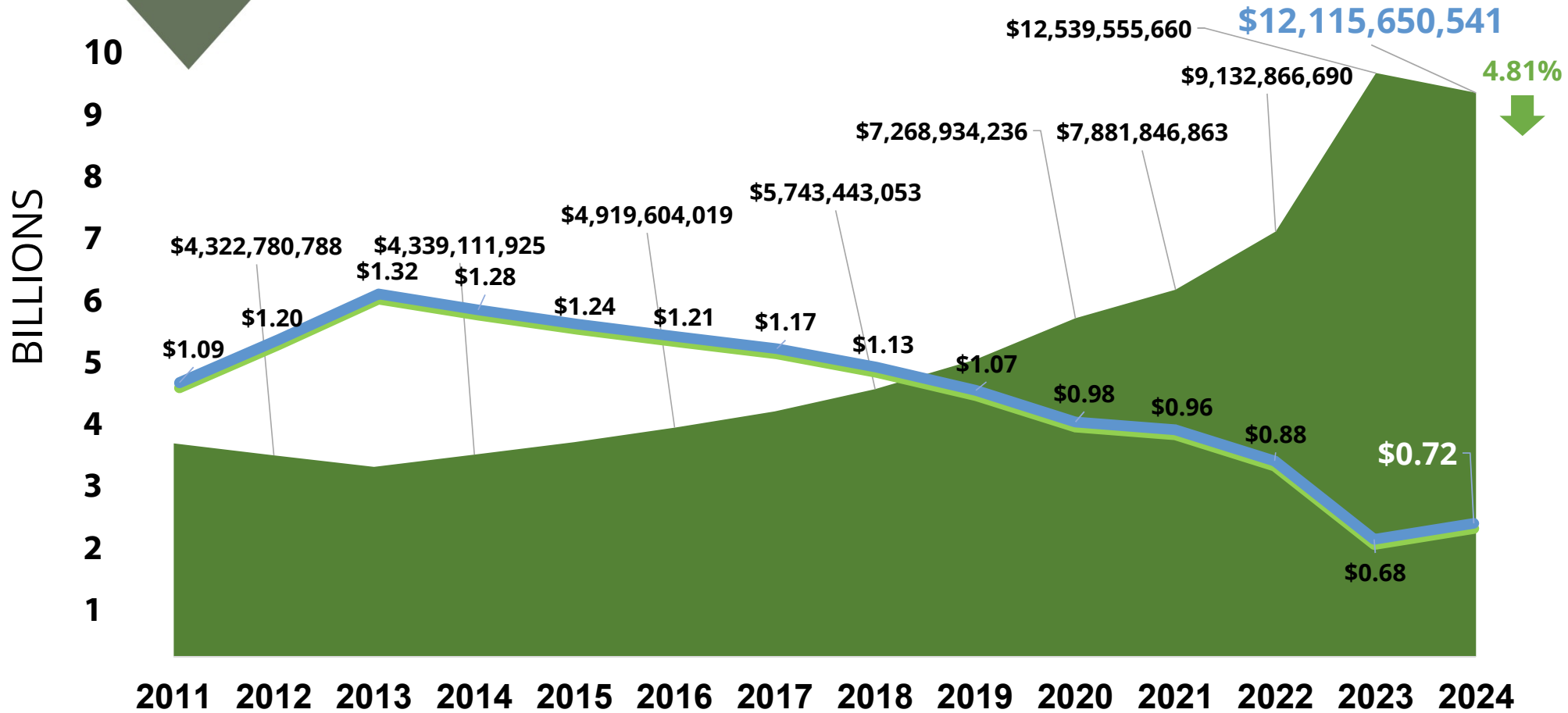
*** Olympia Public Safety sales tax effective April 1, 2013

***** Olympia Cultural Access Programs sales tax effective January 1, 2023

PROPERTY TAX REVENUE: 2011-24



ASSESSED VALUE & LEVY RATE



SIMPLIFIED PROPERTY TAX EXAMPLE

Example Assessed Value of City of Lacey ~ \$12 Billion

The 1% Property Limitation applies to the City Regular Levy, not on the value of individual homes or businesses.

The New City Regular Levy is distributed uniformly for each property owner on a per \$1,000 assessed value basis.

Step 1 \$7,920,792

Prior Year's Fixed Regular Levy

+1% = 79,208



Step 2 \$8,000,000

City Regular Levy: Per State Law ... Levy May Increase by 1%

Apply Levy Rate Calculation (see below)



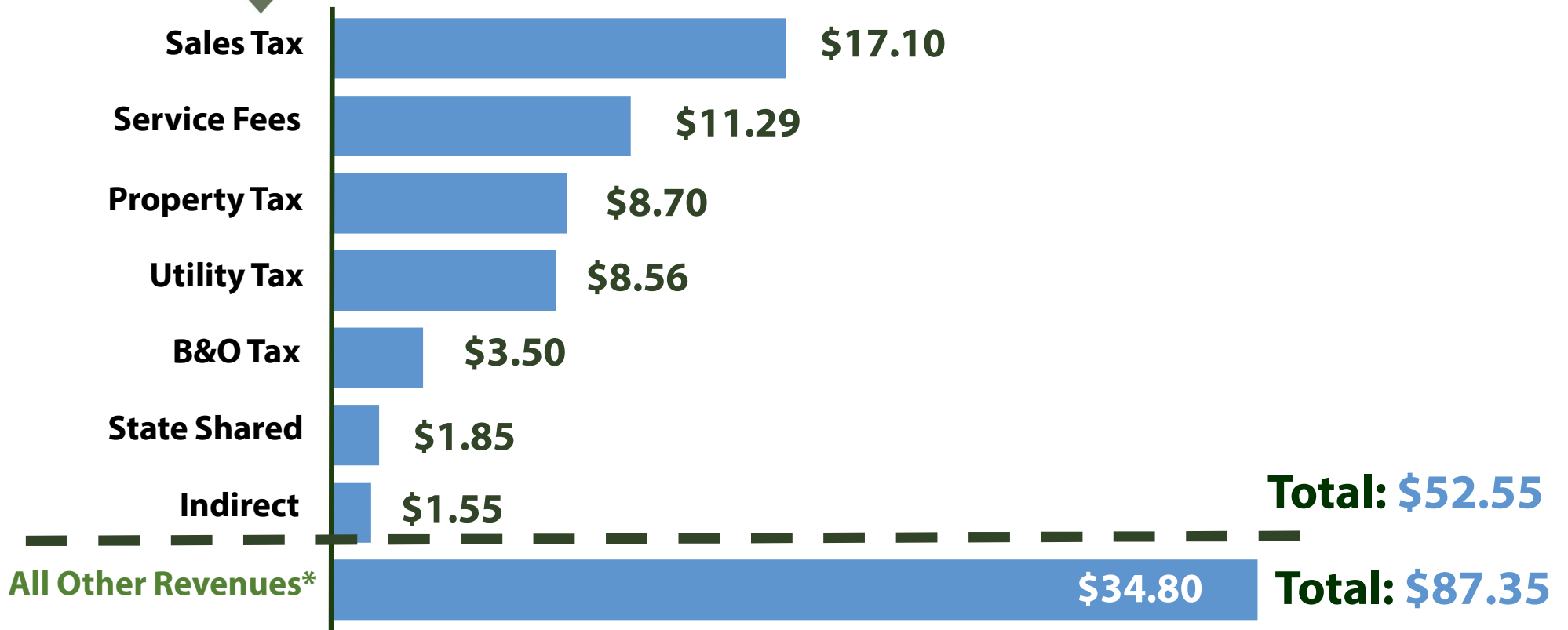
Step 3 \$0.6667

Levy Rate

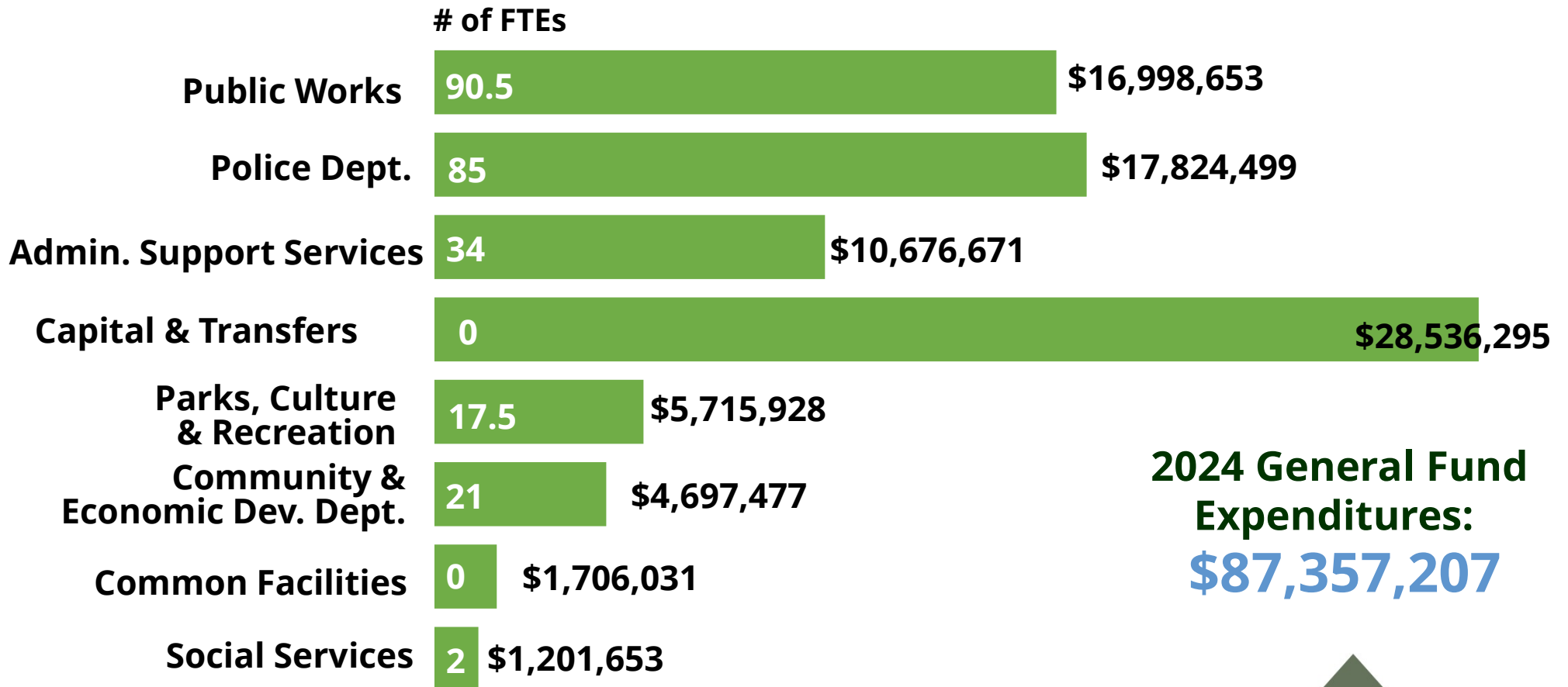
City Levy Rate: How it's calculated.

$$\text{Levy Rate} = \frac{\text{New Regular Levy}}{(\text{Assessed Value} \div 1,000)} = \frac{\$8,000,000}{(\$12,000,000,000 \div 1,000)} = \frac{\$8,000,000}{\$12,000,000} = \$0.6667 \text{ Levy Rate}$$

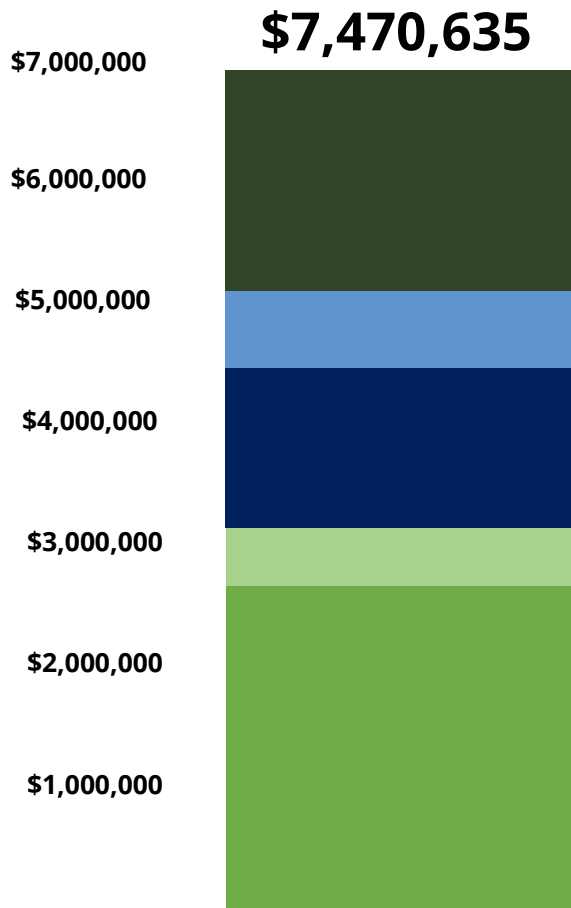
MAJOR GENERAL FUND REVENUE SOURCES



* All Other Revenues include: Transfers In (\$5.1 M), Miscellaneous (\$2.8M), Other Taxes (\$741K), and Reserves (\$26.2M)



GENERAL FUND EXPENDITURES



**\$2,220,887 – Parks Maintenance
all other parks**

\$495,355 – Rainier Vista

**\$1,281,355 – Regional Athletic
Complex**

\$396,265 – Aquatics

\$3,076,773 – Parks & Recreation



COST OF PARKS, CULTURE & REC.

Council
Priority



COST TO MAINTAIN STREETS



\$5,000,000

\$4,745,499

\$4,500,000

\$4,000,000

\$3,500,000

\$3,000,000

\$2,500,000

\$2,000,000

\$1,500,000

\$1,000,000

\$500,000



\$334,150 – Sidewalks

\$548,651 – Signs & Markings

\$922,978 – Street Lighting

**\$1,356,007 – Roadside & Road
Maintenance**

**\$1,583,713 – Street Dept.
General**

COST OF PUBLIC SAFETY

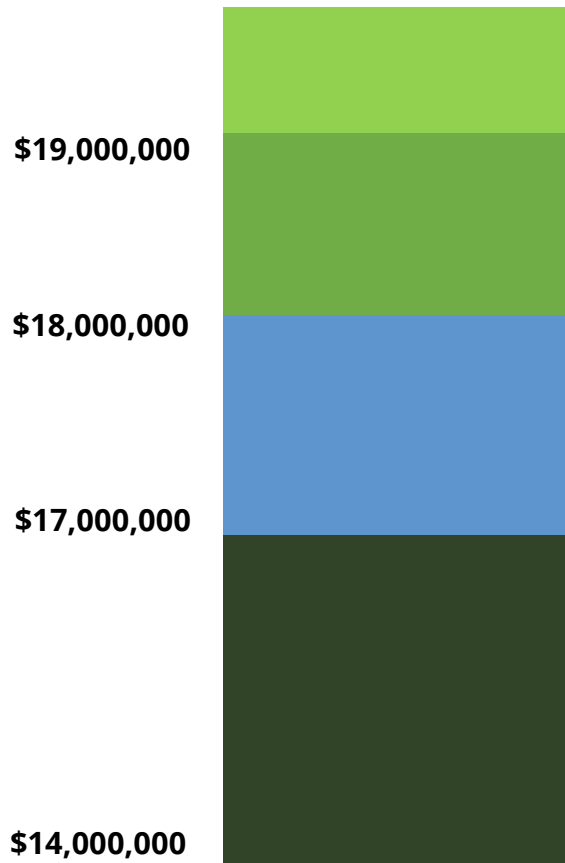
Council
Priority



Note:
To pay for
Public Safety,
it takes:

100% of Sales
Tax Revenue
+
23+% of
Property Tax
Revenue

\$20,000,000
\$19,082,997



\$465,248 – Prosecution

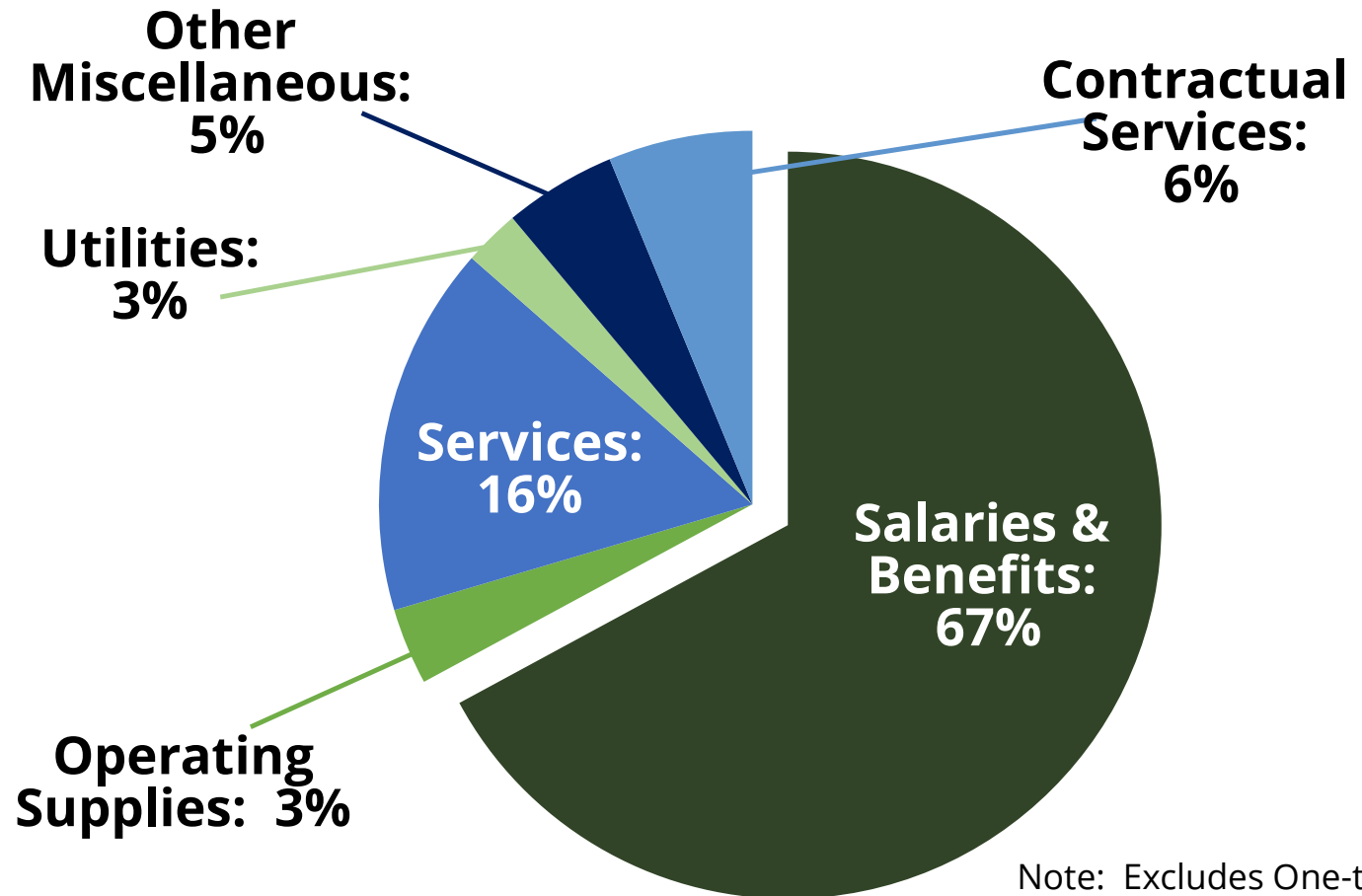
\$747,096 – Jail Service

\$872,000 – Court Services

\$16,998,653 – Police Department

Note: Total for Police Department includes Criminal Justice.

2024 GENERAL FUND BREAKDOWN



Note: Excludes One-time Transfers and Capital Expenditures.



CITY OF **LACEY**

2024 BUDGET

GENERAL FUND
Workforce Enhancements

ENGAGED COMMUNITY

Council
Priority



Communications Manager – Public Affairs

- Supervise PA staff
- Television Production and Government Services
- Communications Plan
- Transition from TC Media



Council
Priority



SAFE & SECURE COMMUNITY

- Digital Forensic Investigator
- Police Officer (CJTC)
- Crisis Negotiation Team Members
- SWAT Members
- Sigma Tactical Wellness

Pending Proposition 1



QUALITY INFRASTRUCTURE

Council
Priority



PUBLIC WORKS – WASTEWATER

- SCADA Controls Specialist
- Engineering Technician III
- Vactor Truck - 2 Journey-Level Technicians (2025)



Council
Priority



QUALITY INFRASTRUCTURE

PUBLIC WORKS – WATER UTILITY

- **Senior Water Treatment Technician**

PUBLIC WORKS – STORMWATER

- **Engineering Technician III**



QUALITY INFRASTRUCTURE

Council
Priority

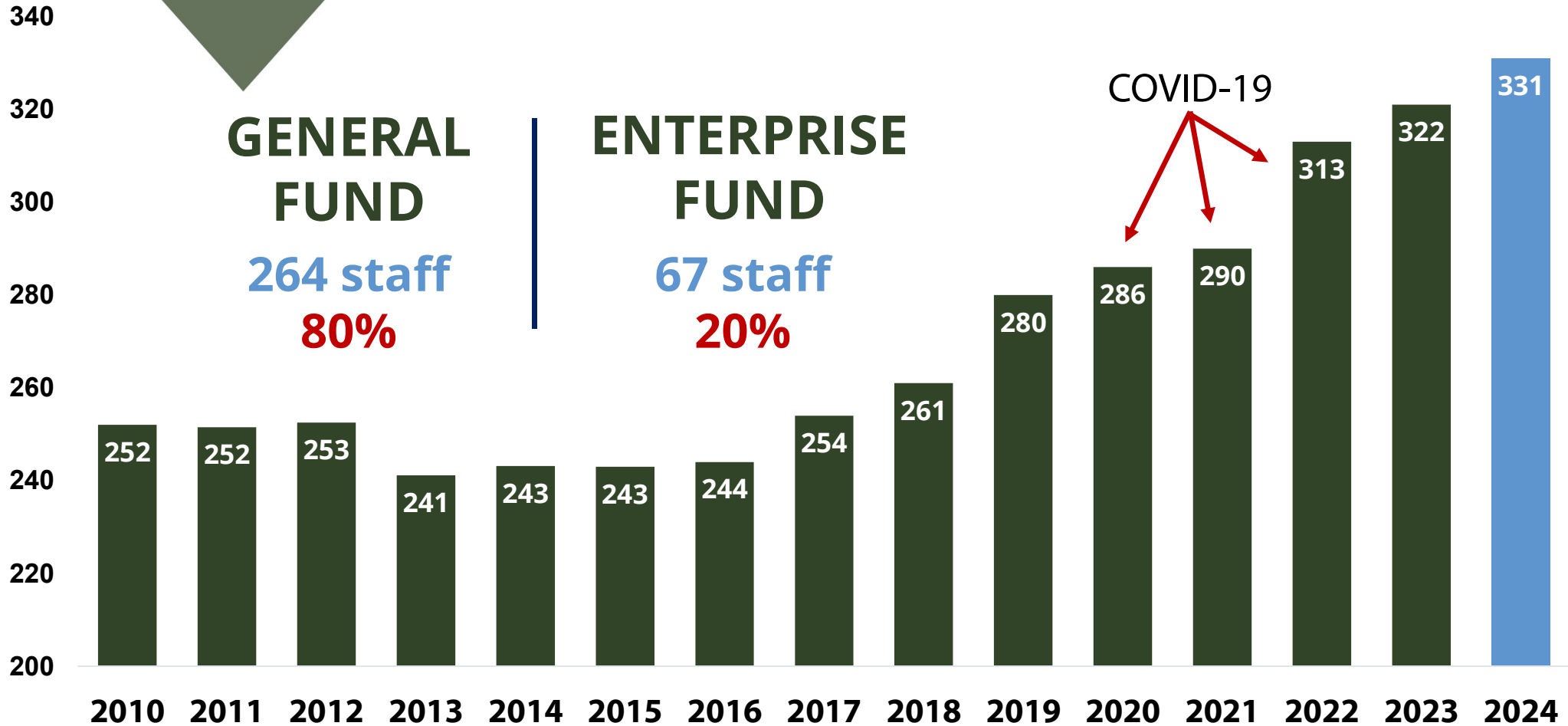


INFORMATION SERVICES

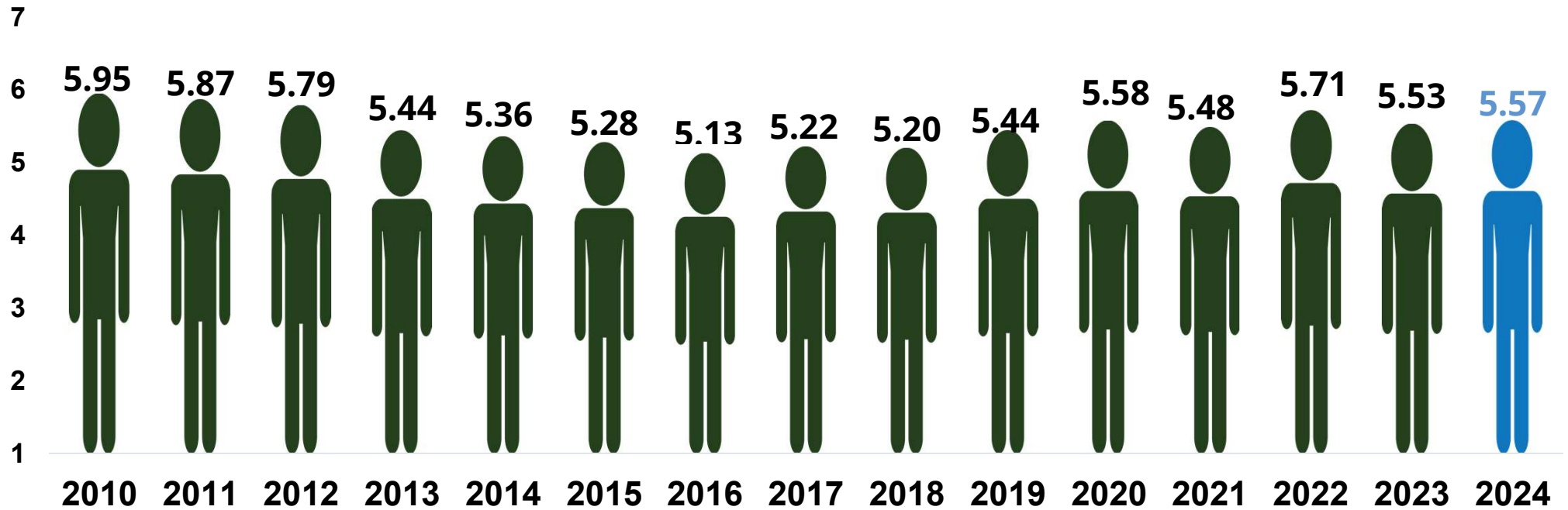
- **SCADA
Technician**

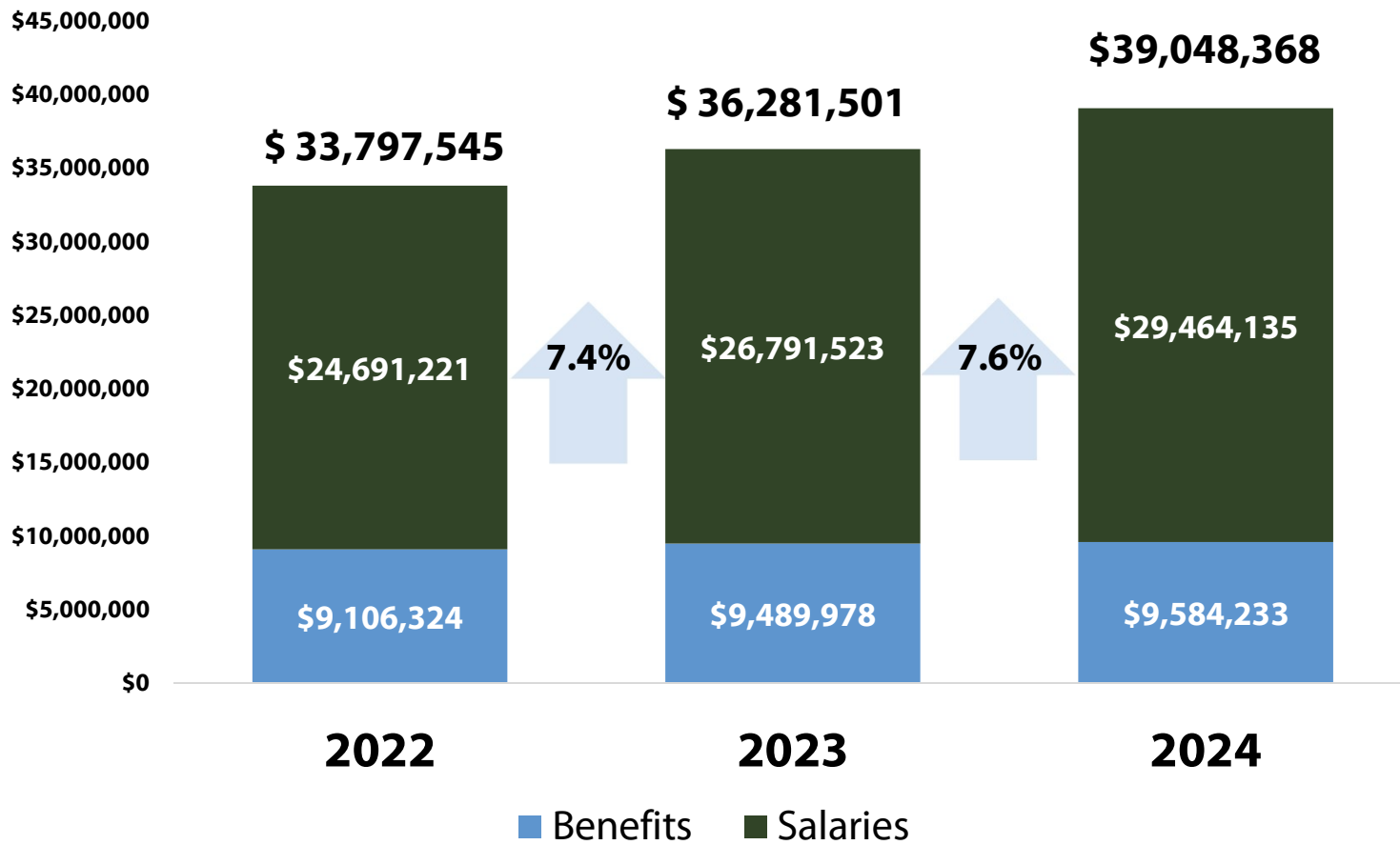


FULL-TIME EMPLOYEES



FULL-TIME EMPLOYEES/ 1,000 POPULATION





COST OF LABOR OVER TIME



CITY OF **LACEY**

2024 BUDGET

GENERAL FUND
Public Enhancements

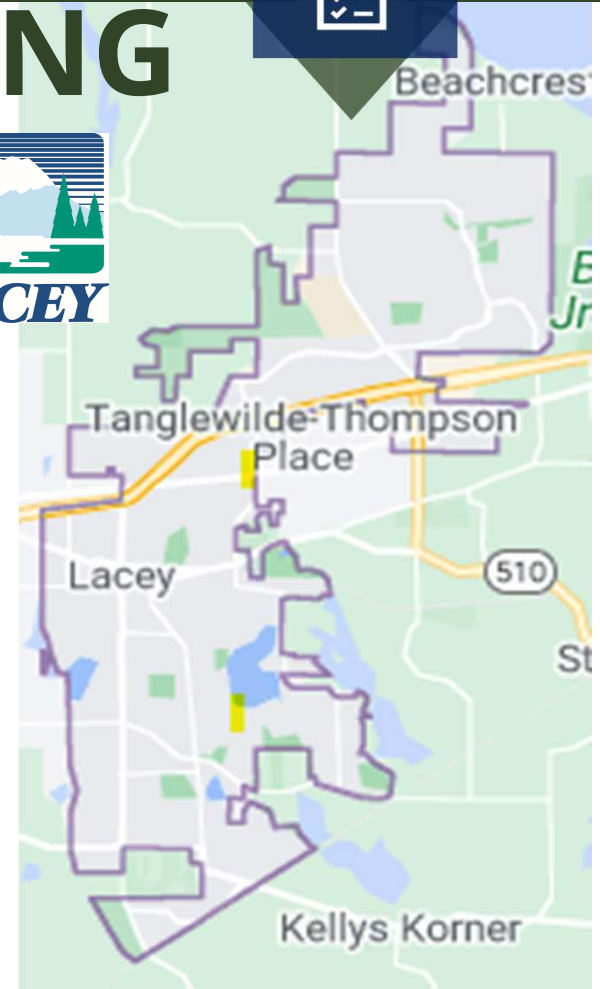
COORDINATED & COLLABORTIVE PLANNING

Council
Priority



Annexation Strategy

- Commission Study to Analyze Cost Benefit of Potential Annexation Areas based on HB 1424 Sales Tax Credit
- Historical Preservation Consultant – Jacob Smith & McKinney House
- Lake Lois Feasibility Study



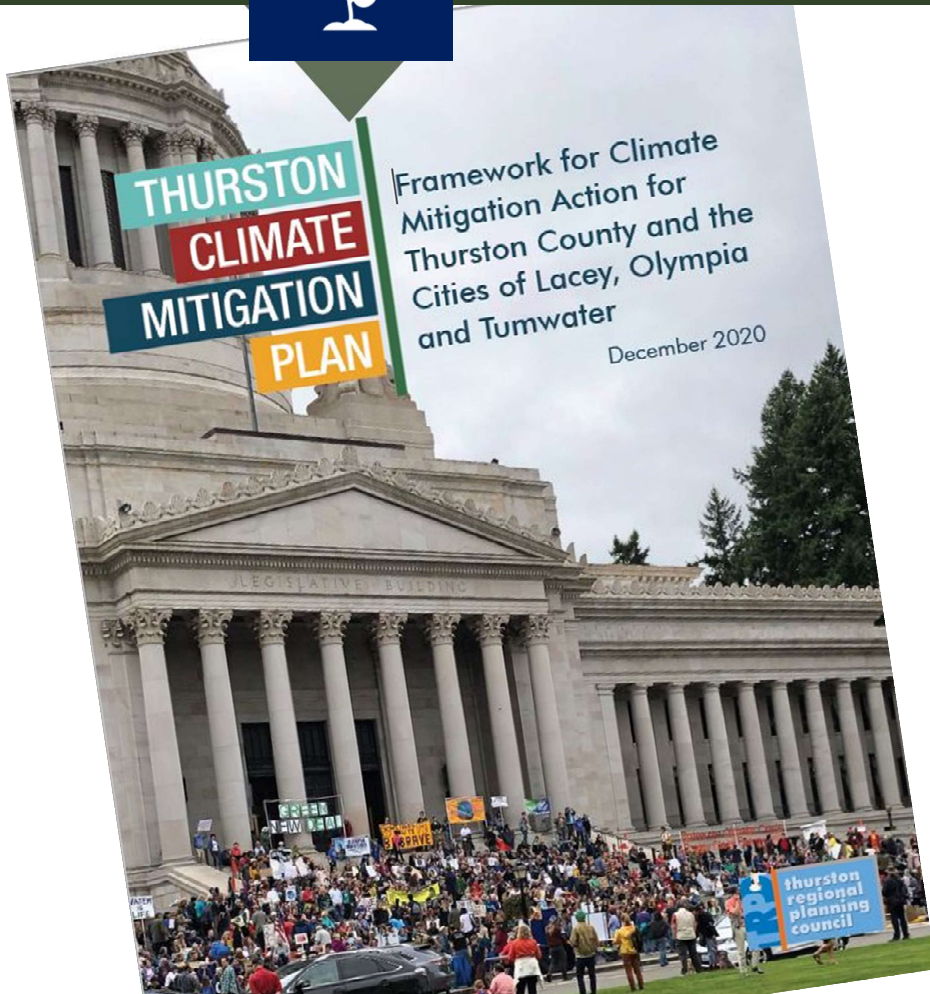
Council
Priority



ENVIRONMENTAL STEWARDSHIP

CLIMATE ACTION PLAN

- PSE Matching Rebate Program
- LED Streetlight Replacement Program
- Electric Vehicle Charging Stations



QUALITY INFRASTRUCTURE

Council
Priority



Library HVAC Equipment Replacement

\$65,000



SAFE & SECURE COMMUNITY

Council
Priority



- **Records Management System (RMS) Replacement - \$475,000**
- **North Sub-Station Lease - \$4,200**



Council
Priority



NEIGHBORHOOD GRANT PROGRAM



Horizon Pointe

\$60,000



\$243,990



CLIENT APPOINTMENTS

- Exceeded 17,582 in 2022
- Over the past 2 years, more than 27,000

LACEY VETERANS SERVICES HUB

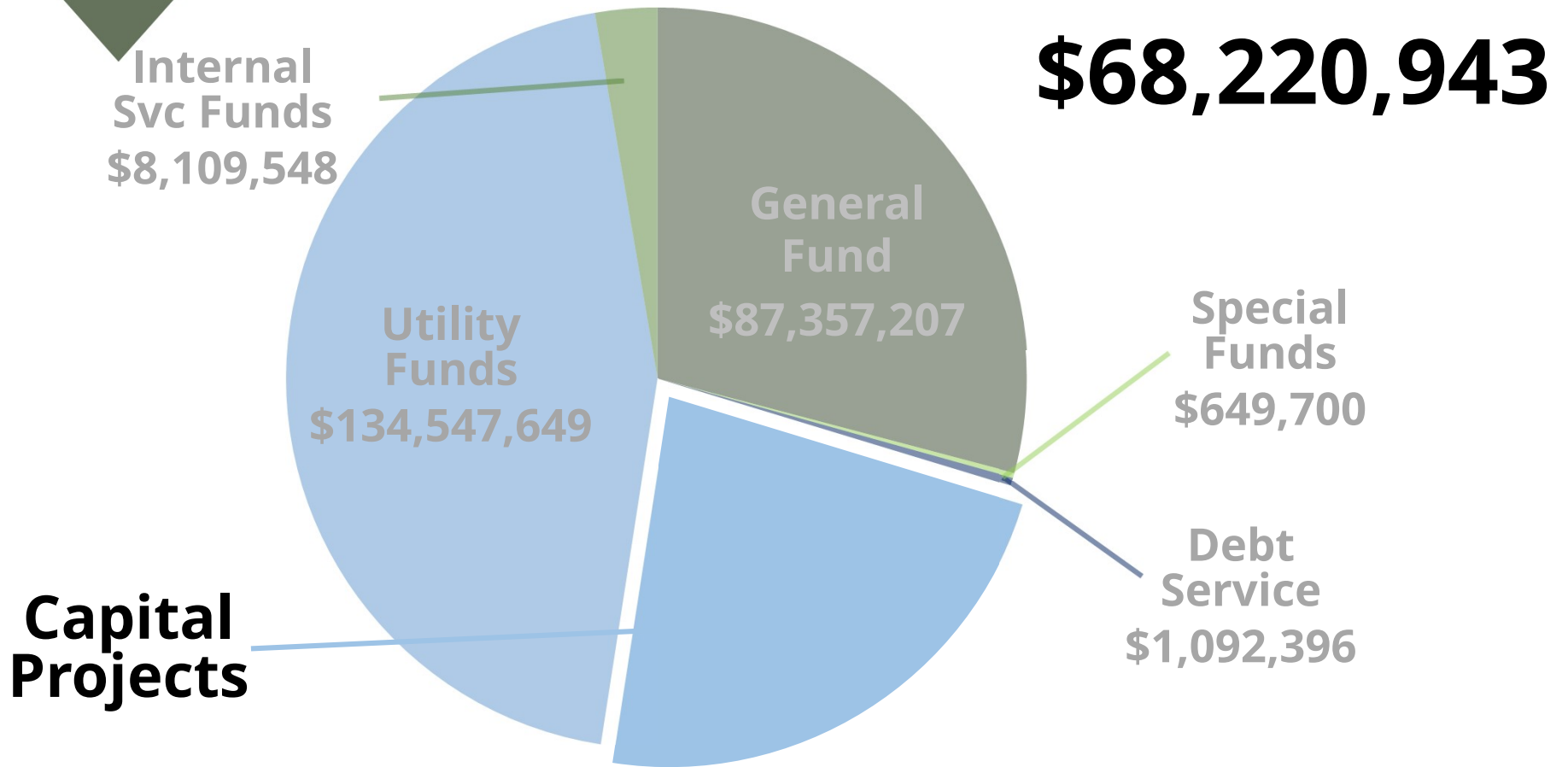


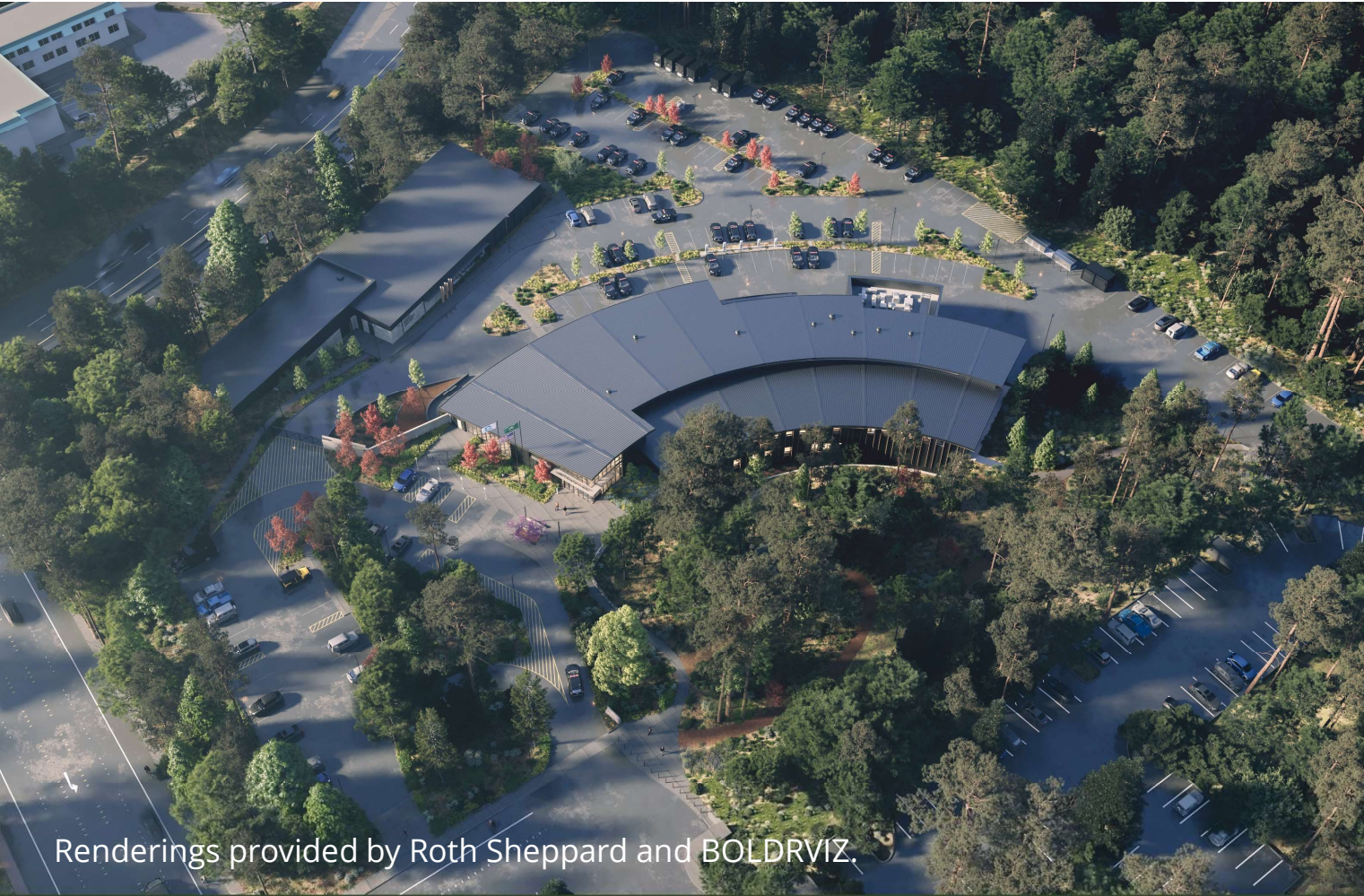
CITY OF **LACEY**

2024 BUDGET

CAPITAL PROJECTS

2024 CAPITAL PROJECTS BUDGET





Renderings provided by Roth Sheppard and BOLDRVIZ.

\$61.5 M

- \$44.5M Reserves
- \$17M LTGO Bonds
- State-of-the-Art Space for Police Staff
- Community Space/ training room
- EOC
- Safe Places for Custody Exchanges and E-commerce

NEW POLICE STATION

Council
Priority



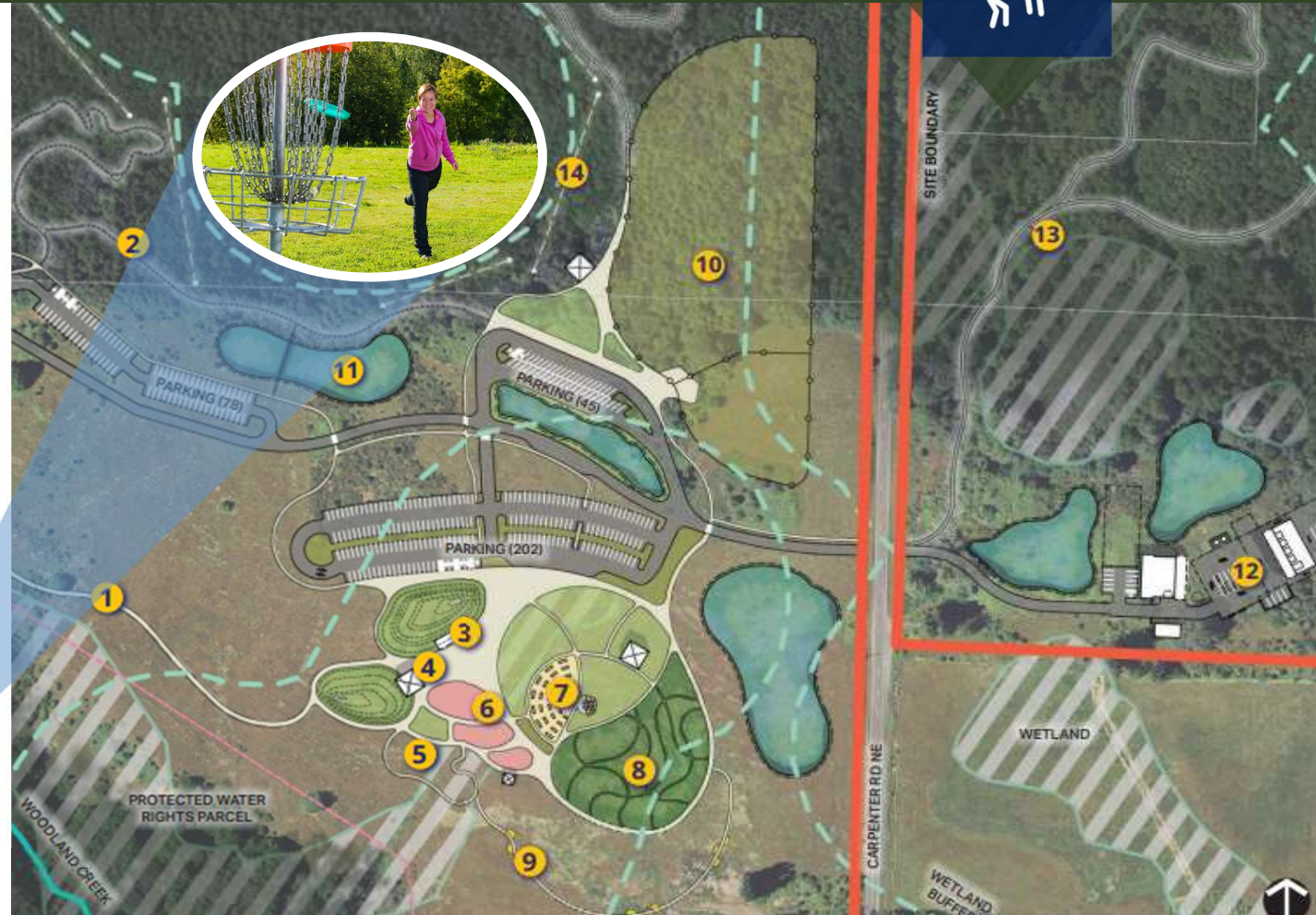
GREG CUOIO PARK

Council
Priority



Phase 1a Design &
Start of Construction
\$5,229,819

- Park Entrance
- Parking Lot
- Portable Restroom Enclosure
- Phase 1 of Large, All-Access Playground
- Large Picnic Shelter
- Soft-Surface Trails
- 18-hole Disc Golf Course



WILLIAM A. BUSH PARK PLAYGROUND REPLACEMENT

Council
Priority



\$442,000

Project Partner:



\$110,000



Council
Priority



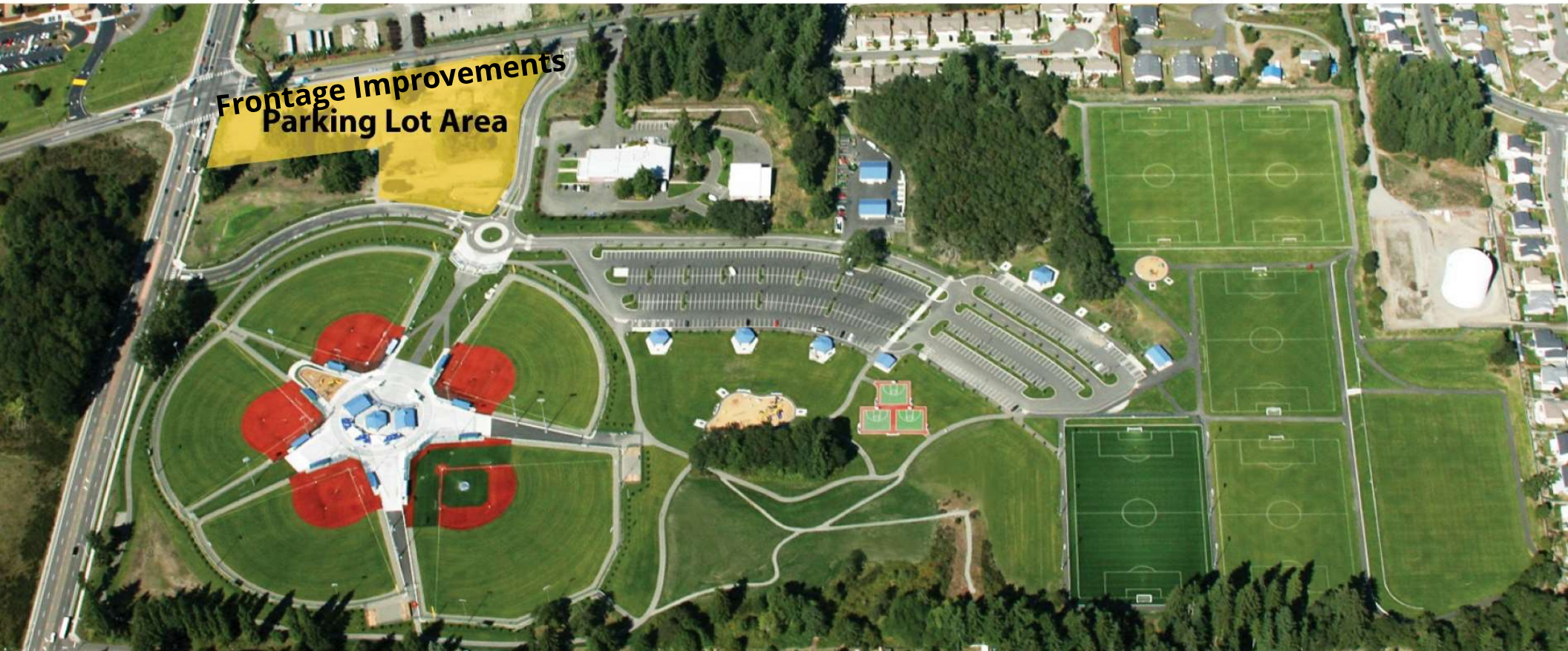
Council
Priority



RAC ENHANCEMENTS

\$2,990,224

Frontage Improvements
Parking Lot Area



Council
Priority

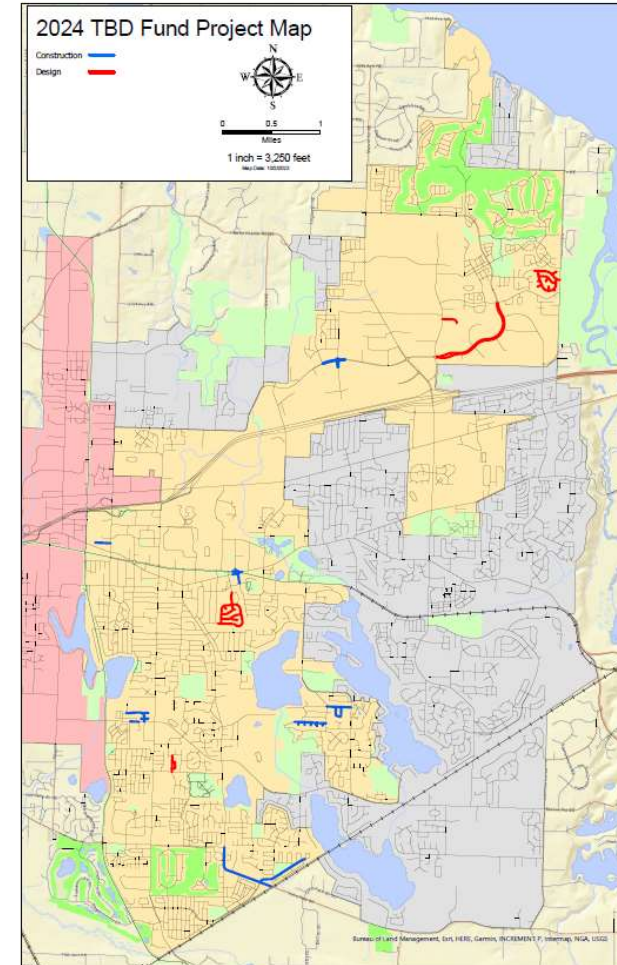


TRANSPORTATION BENEFIT DISTRICT

\$4,640,000

2024 Overlays/Pavement Rehabilitation Projects:

- 8th Ave. SE
- Pacific Ave. & Homann Dr. Roundabout
- Lakecrest Neighborhood, 37th Ave., 36th Ave., and 33rd Ave./33rd Lp.
- Britton/Gateway Roundabout
- Yelm Hwy. & Compton Blvd.
- Homann Dr., Lacey Blvd., and Pacific Ave. Roundabout



Council
Priority



COLLEGE STREET EXTENSION

15th Avenue NE

6th Avenue NE

\$4,185,369



Council
Priority



OTHER CAPITAL PROJECTS

- **\$2,000,000 - Carpenter Rd. and Britton Pkwy. Roundabout**
- **\$3,142,500 - College St. and 16th Ave. Roundabout Right-of-Way**
- **\$684,000 - College St. and 29th Ave. Roundabout Design**
- **\$400,000 - College St. and 7th Ave. Roundabout Design**

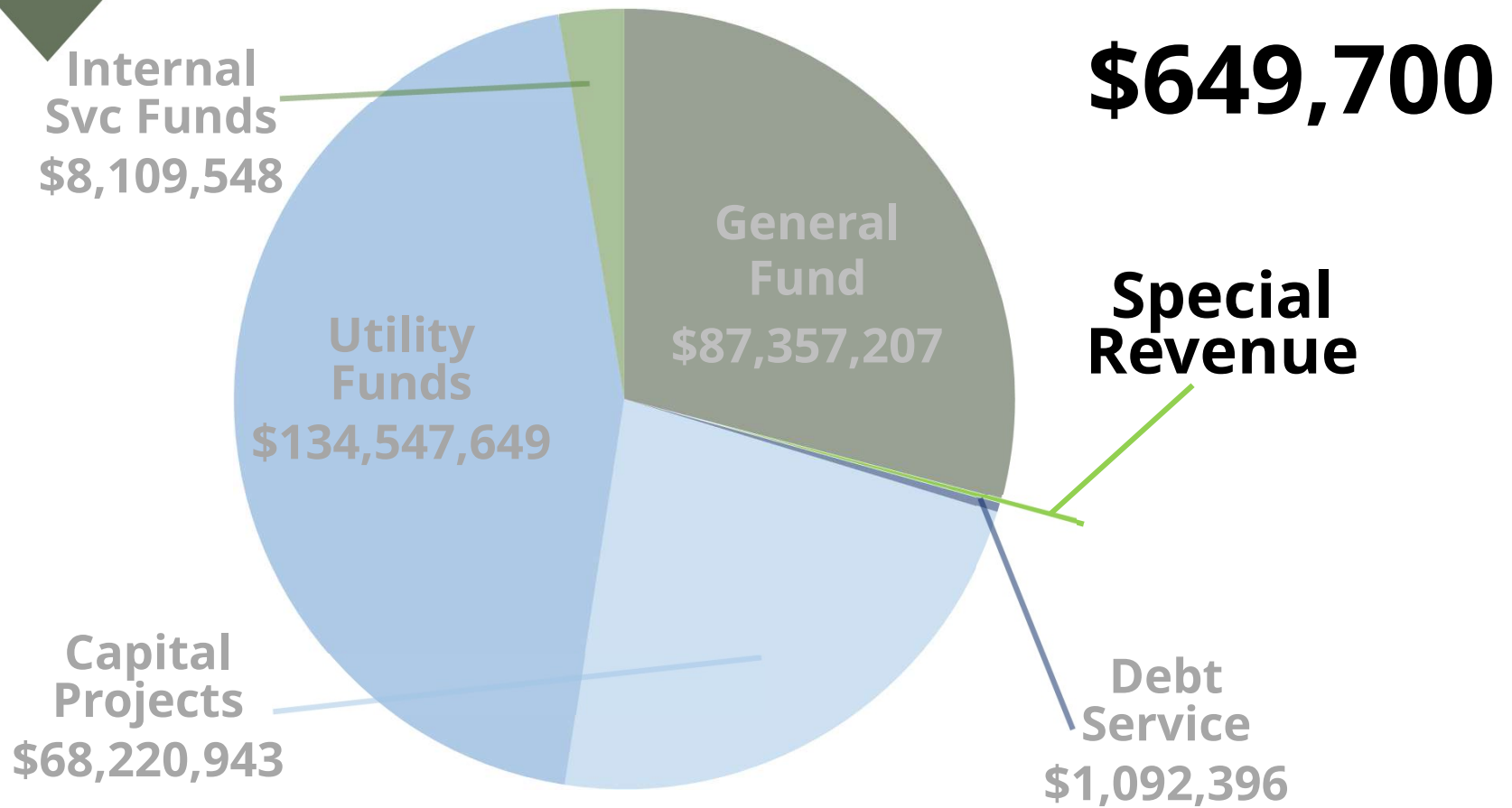


CITY OF **LACEY**

2024 BUDGET

SPECIAL REVENUE

2024 SPECIAL REVENUE BUDGET



An aerial photograph of Hicks Lake, showing a large body of water surrounded by dense green forests and residential houses. The sky is blue with some light clouds. The text 'HICKS LAKE MANAGEMENT DISTRICT' is overlaid on the top part of the image, and '\$48,931' is overlaid on the bottom right.

HICKS LAKE MANAGEMENT DISTRICT

\$48,931


LODGING TAX BUDGET

\$600,000

- **Hotels/Motels: 7**
- **Rooms: 532**
- **Rate: 4%**

Lodging Tax Statutes Allowed Uses for Lodging Tax RCW 67.28.080

- **Tourism Promotion**
- **Tourism-Related Facility**

	Lacey Lodge 1234 Lacey Street, Lacey, WA 98503 012-3456-7890	RECEIPT	
BILL TO: JOHN DOE 1234 Elm St 012-3456-7890		INVOICE #	45678
		DATE	10/10/2020
PRODUCT DESCRIPTION	PRICE	QTY	TOTAL
Queen Bed Suite	\$109.99	1	\$109.99
Fees	\$ 7.84	1	\$ 7.84
4 % Lodging Tax	\$ 4.39	1	\$ 4.39
		TAX RATE	4.00%
THANK YOU FOR YOUR BUSINESS		TOTAL	\$122.22

Capital Projects – 44.4%

- Lacey Museum (Maintenance & Operations)
- Regional Athletic Complex (Maintenance & Operations)
- Regional Athletic Complex (Golf Cart for staff mobility & maintenance)
- Washington Center for the Performing Arts
- (Maintenance & Operations)

Events – 33.1%

- Capital Lakefair
- Lacey Cultural Celebration
- Huntamer Park Concerts & Events
- July 3 Fireworks Spectacular
- Juneteenth Celebration – Fred U. Harris Lodge #70
- Kris Kringle Market Festival – Spouses' Club of Lewis-McChord
- Lacey South Sound BBQ Festival
- Lacey Spring Fun Fair
- Men's & Women's Rugby
- OlyTown Soccer
- Reach the Beach
- South Sound Block Party
- Washington State Senior Games
- Winterfest – Sip, Savor, and Shop

Marketing – 22.5%

- Lacey South Sound Chamber
- VCB of Thurston County, dba Experience Olympia & Beyond

Total Applications = 27
Total Organizations = 21
Total Amount = \$600,000

Council
Priority



2024 LODGING TAX RECIPIENTS

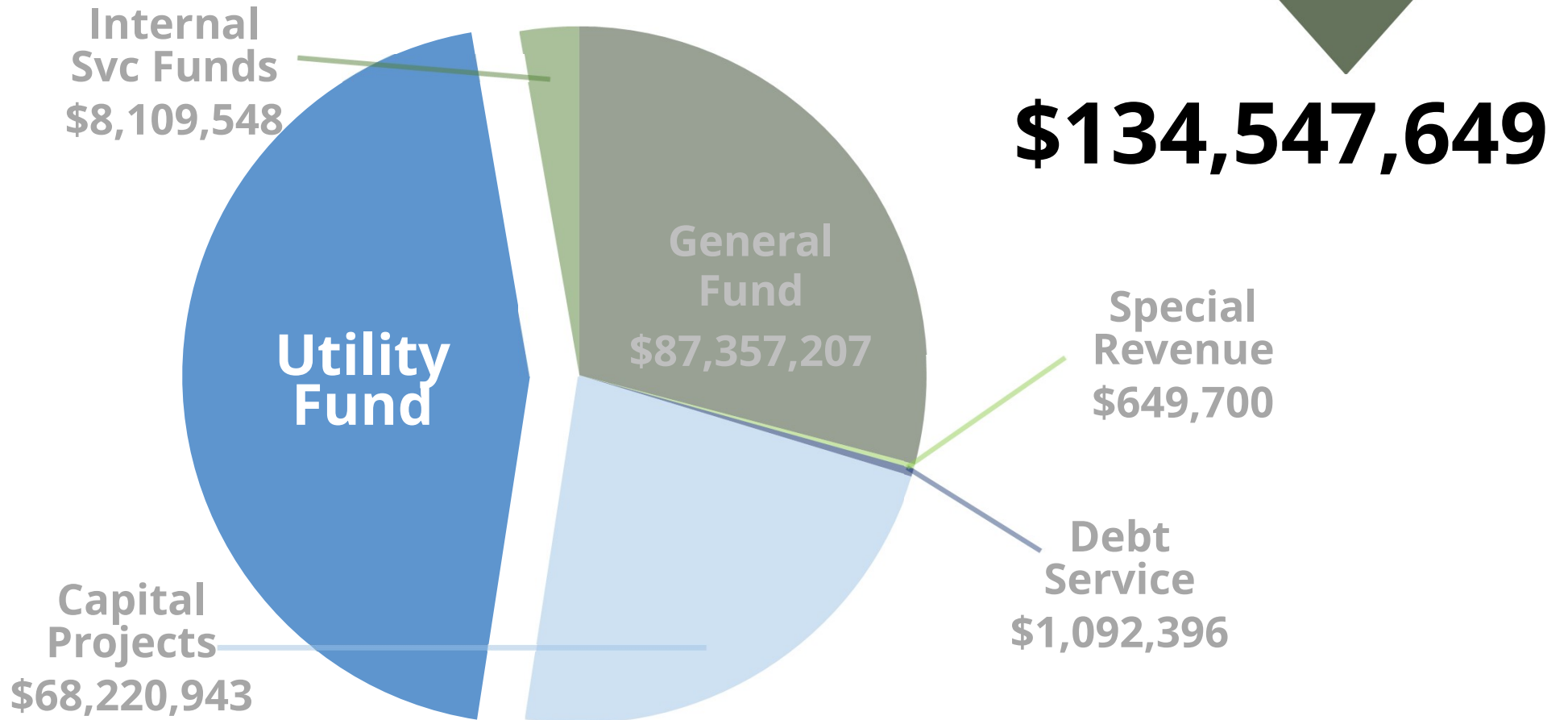


CITY OF **LACEY**

2024 BUDGET

ENTERPRISE FUNDS

2024 UTILITY FUND BUDGET



**2.7 Billions Gallons
of Water**
Produced Annually



20 Wells
400 Miles of
Water Mains

**1.5 Billion Gallons of
Sewer** Collected and
Conveyed Annually



48 Sewage
Liftstations
Over 200 Miles
of Sewer Mains

5,200 Catch Basins
maintained with
City of Lacey

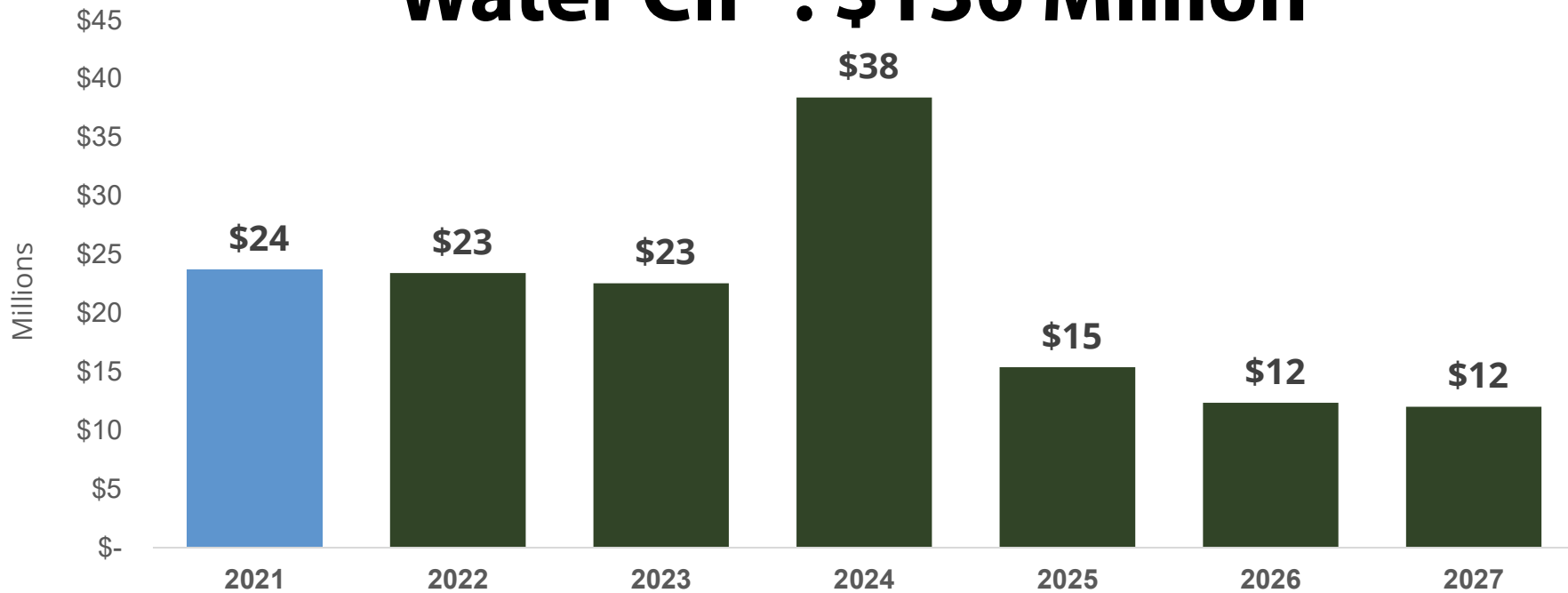


47
Stormwater
Facilities
Over 100 Miles
of Stormwater Pipe

COMPREHENSIVE UTILITY SYSTEM

WATER CAPITAL PROJECTS PROJECTED INVESTMENT

Water CIP*: \$136 Million



*Capital Improvement Projects

RESIDENTIAL WATER BILL FORECAST

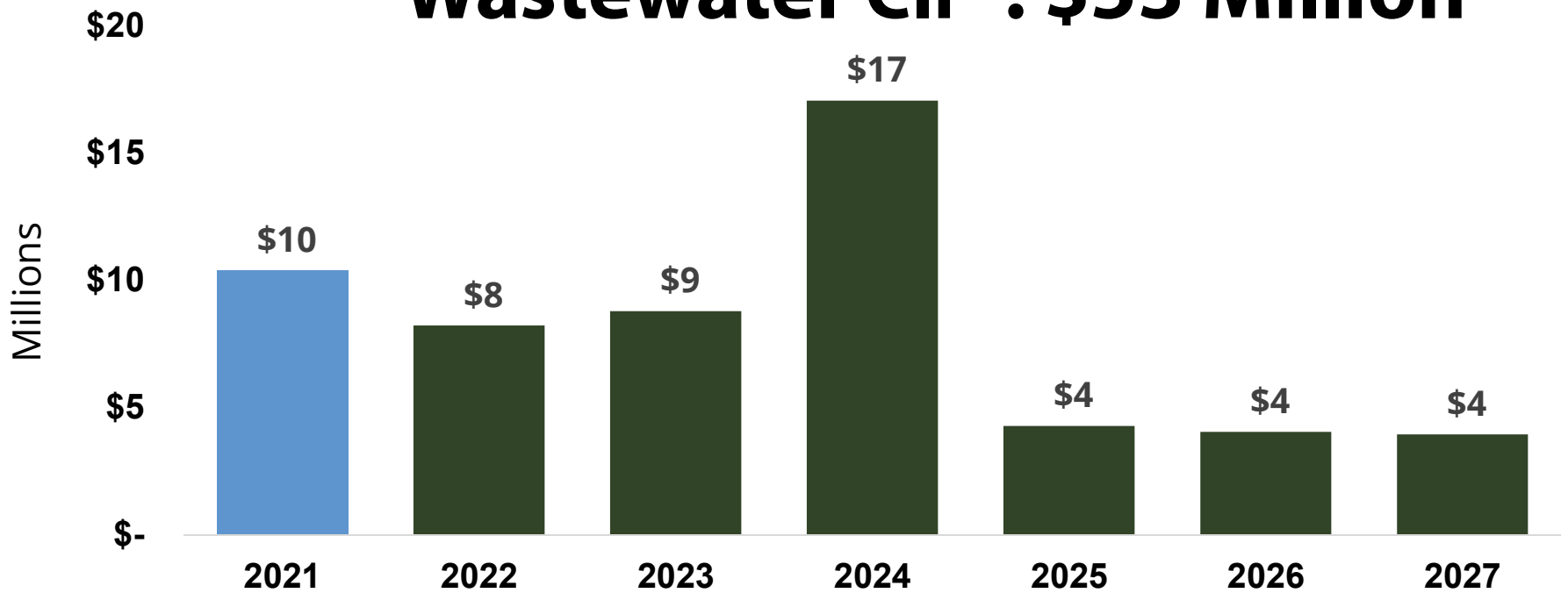
6-YEAR COMP. PLAN

			Estimated Future Rates		
Sample Bill	2023	2024 Proposed	2025	2026	2027
Percentage	5.25%	5.25%	5.25%	5.25%	5.25%
Monthly Charge	\$36.74	\$38.63	\$40.66	\$42.80	\$45.04
Projection	2023	2024	2025	2026	2027
Debt		\$10M		\$12.25M	

NOTE: Residential water bill assuming 5/8" meter and 700 cubic feet per month.
 Water rate includes utility tax and fire-suppression tax.

WASTEWATER CAPITAL PROJECTS PROJECTED INVESTMENT

Wastewater CIP*: \$53 Million



*Capital Improvement Projects

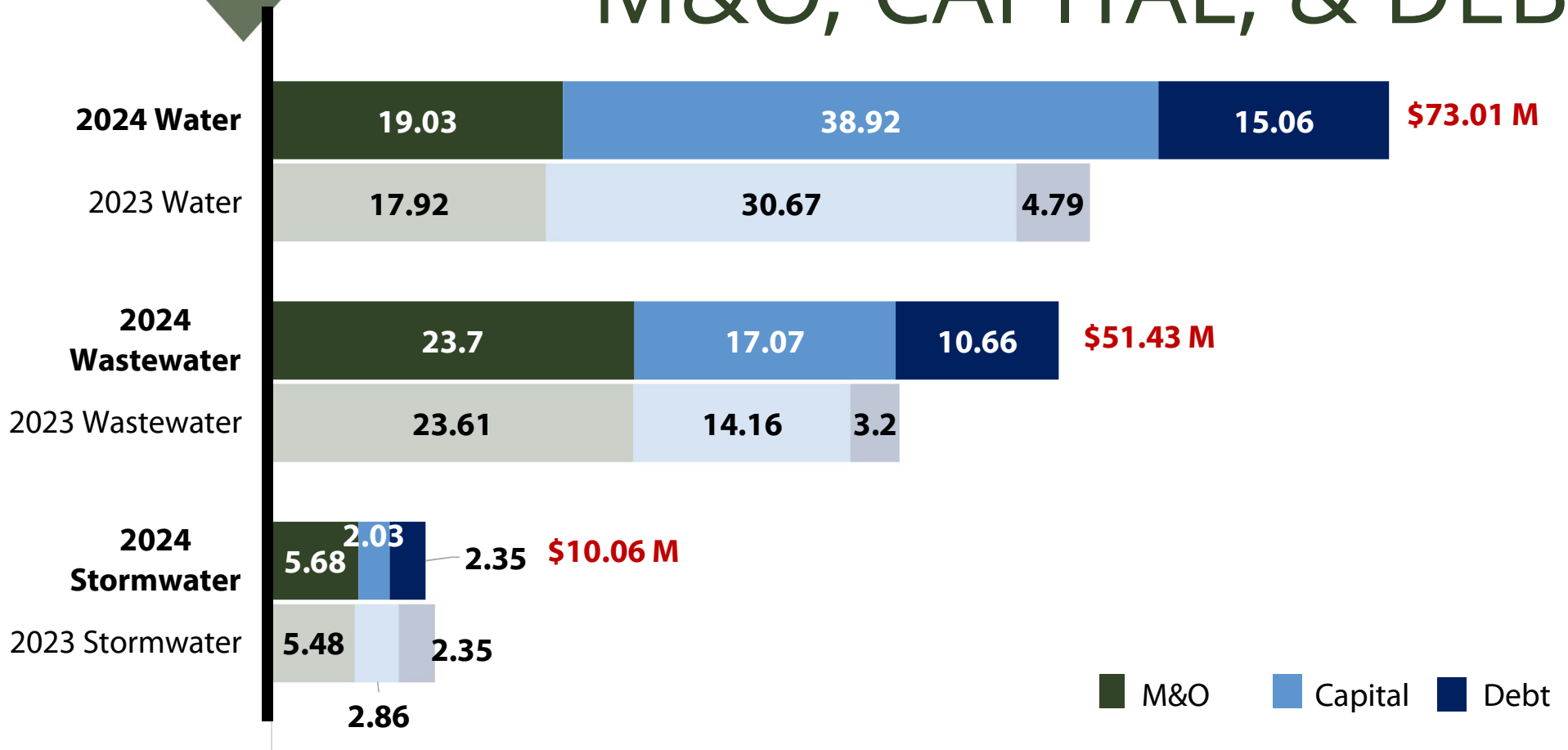
RESIDENTIAL WASTEWATER BILL

FORECAST: 6-YEAR COMP. PLAN

Sample Local Charge	2023	2024 Proposed	Estimated Future Rates		
			2025	2026	2027
Proposed Lacey Rate Increase	9.50%	9.50%	9.50%	9.50%	9.50%
Lacey & LOTT Monthly Charge	\$76.77	\$80.98	\$85.49	\$90.34	\$95.54
NOTE: Monthly LOTT charge increases at an assumed 3% per year					
Projection	2023	2024	2025	2026	2027
Debt		\$5.25M		\$1.00M	

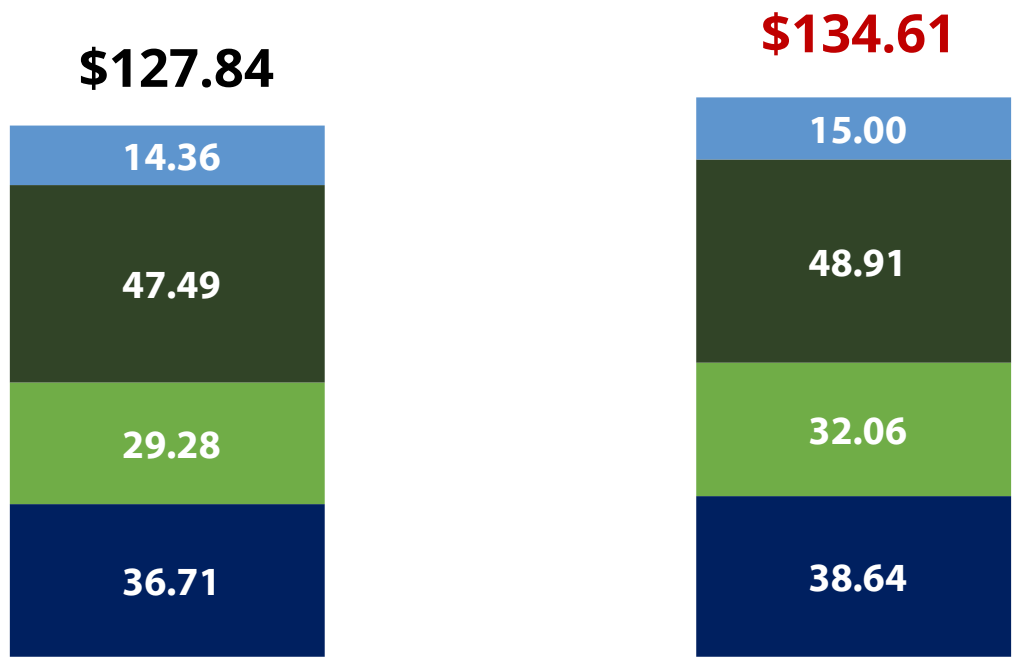
Note: Wastewater rate includes utility tax.

2024 UTILITY BUDGETS: M&O, CAPITAL, & DEBT



160.00
140.00
120.00
100.00
80.00
60.00
40.00
20.00
-

Based on 700 cf. of Water



- Stormwater
- LOTT
- Wastewater
- Water

2023

2024
Proposed

Note: Estimated final bill includes utility tax and fire-suppression tax.

LACEY UTILITY RATES: 2023 VS 2024



CITY OF **LACEY**

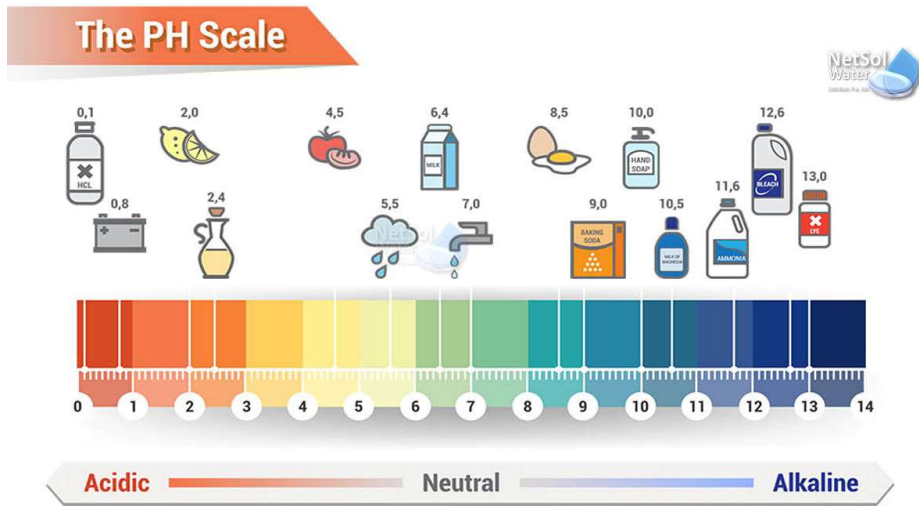
2024 BUDGET

ENTERPRISE FUNDS
Utility Improvements

PH TREATMENT

- Madrona Wells
- Westside Wells

\$14,500,000

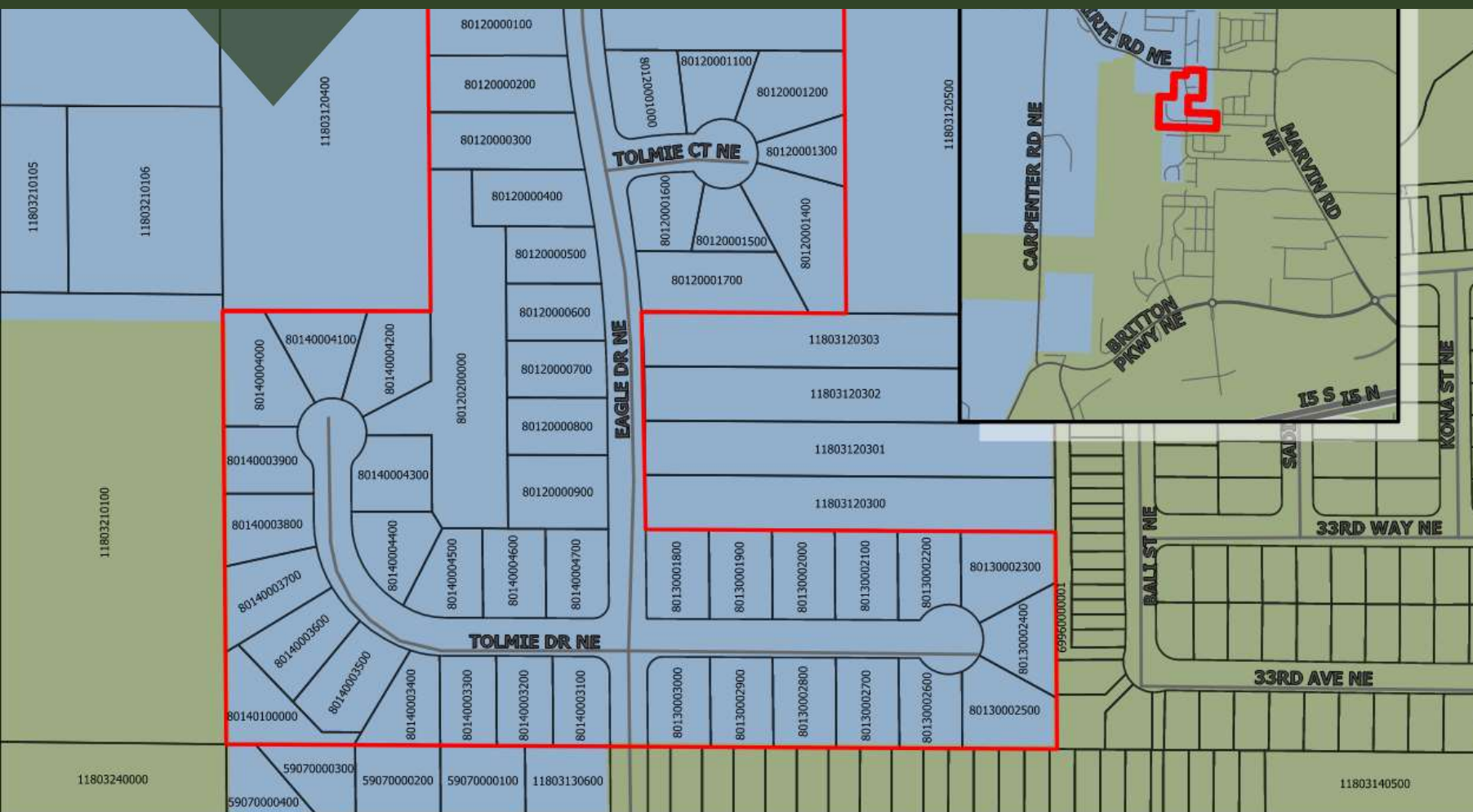


Alkalinity Adjustments in WWTPs



TOLMIE PARK ULID*

\$3,000,000



*Sewer Utility Local Improvement District (ULID)

OTHER ENTERPRISE FUND PROJECTS

- \$2,500,000 - College St. Extension (Water)
- \$2,100,000 - (Terry Cargil) Reservoir-Intelco Loop & Corporate Center Dr.
- \$2,100,000 - Water Improvements related to the 2024 Overlay Program
- \$2,000,000 - Golf Club Watermain
- \$2,300,000 - Liftstation 3 Replacement
- \$1,800,000 - Golf Club Wastewater Improvements
- \$1,500,000 - Liftstation 17 Replacement
- \$1,500,000 - Liftstation 6 Replacement
- \$350,000 - Stormwater Lines (26th Ave. and Golf Club Rd.)
- \$250,000 - Decant Effluent Modification

**Other Enterprise
Projects Total =
\$16,400,000**

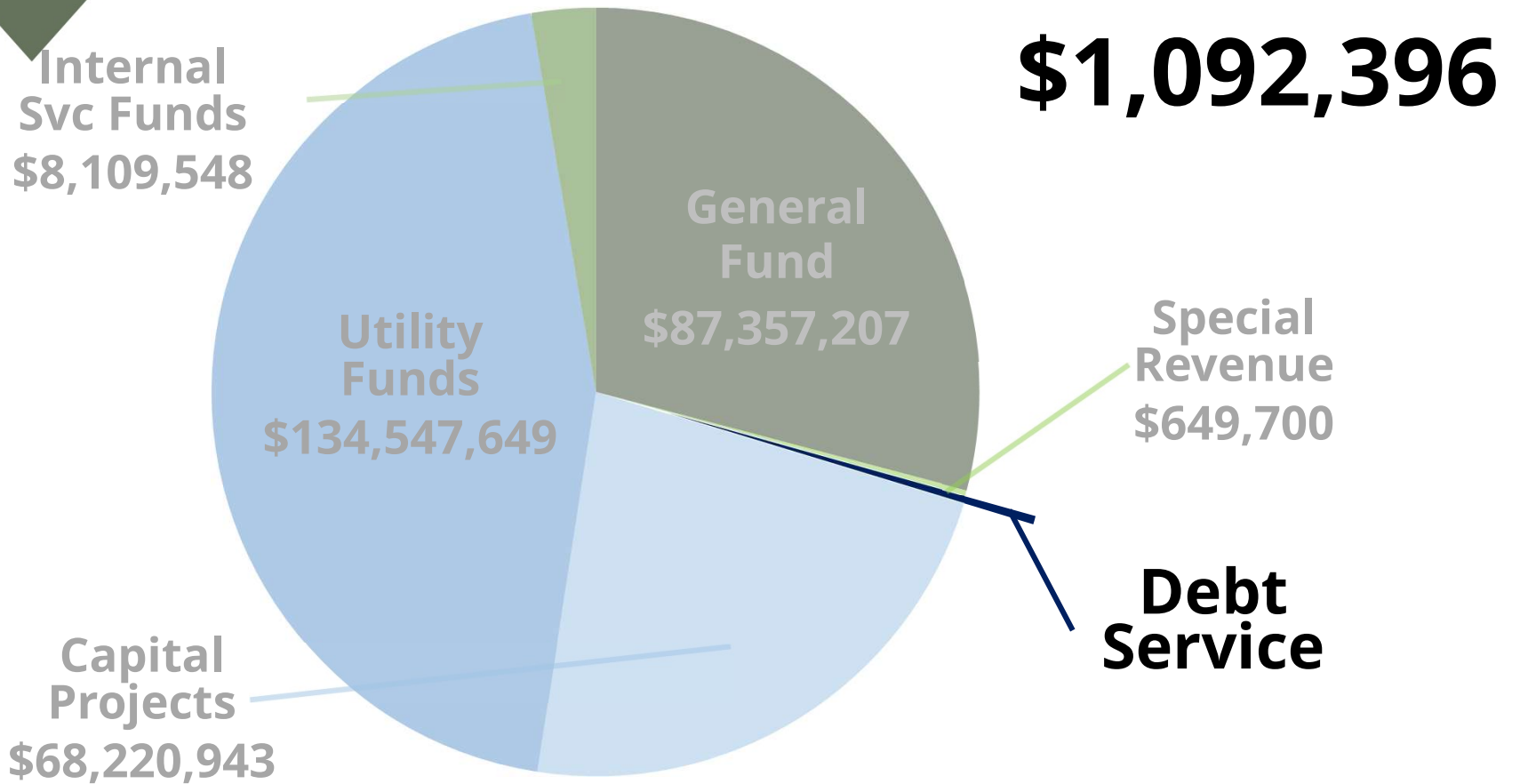


CITY OF **LACEY**

2024 BUDGET

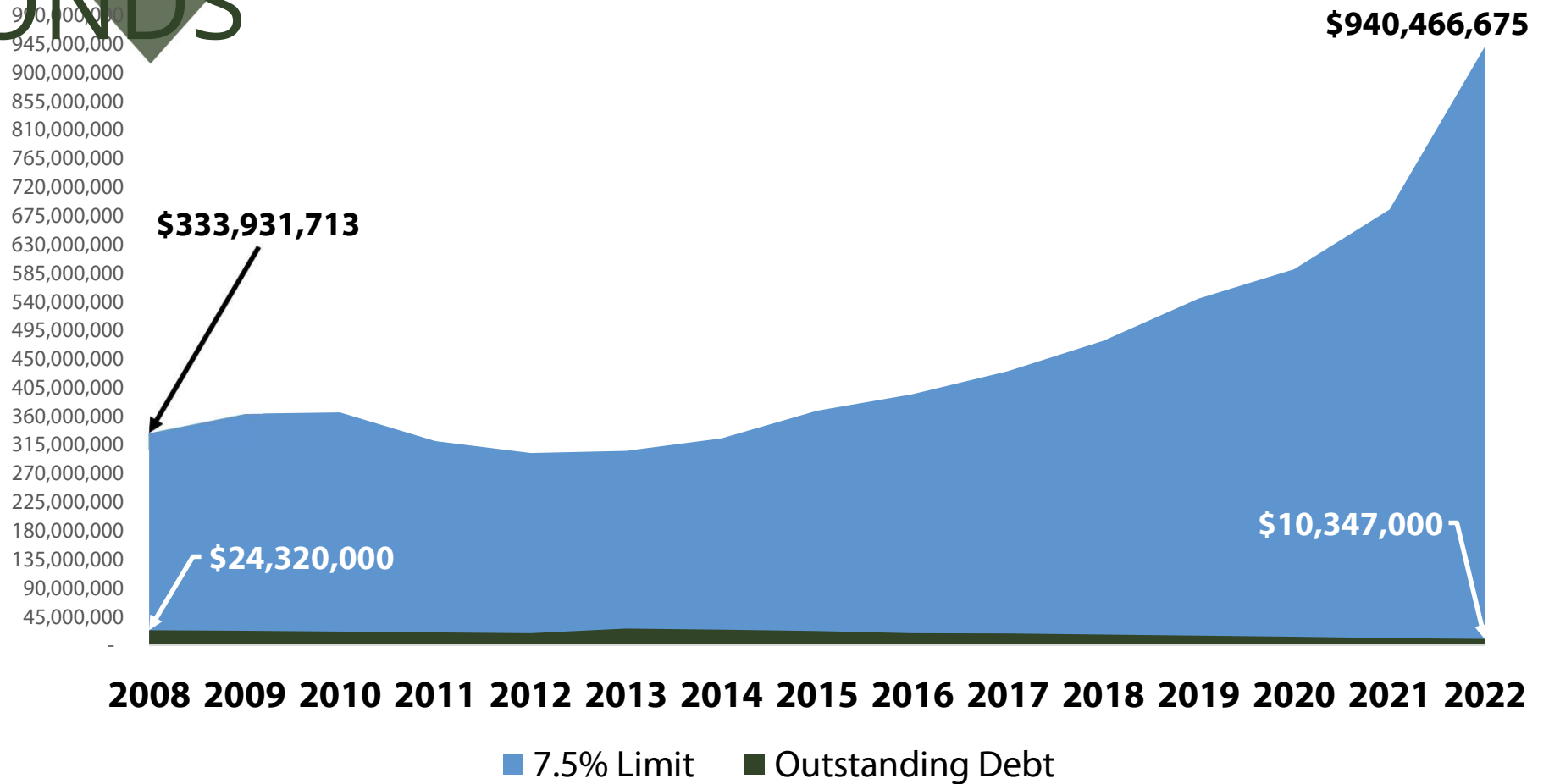
DEBT

2024 DEBT SERVICE BUDGET

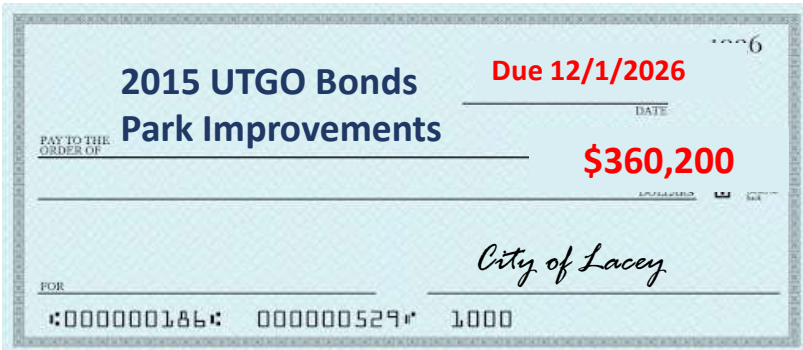
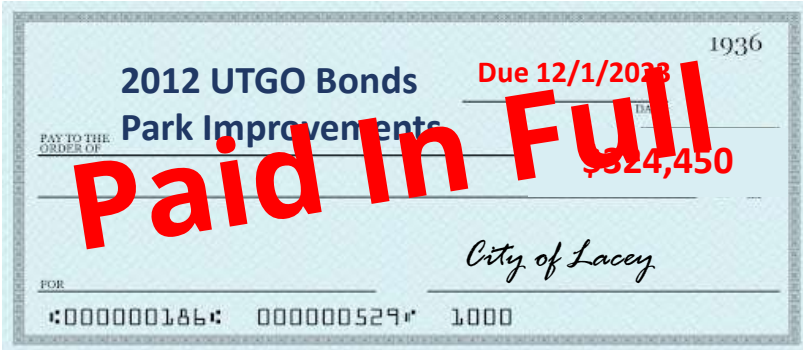


DEBT CAPACITY – GO & REVENUE

BONDS



VOTER-APPROVED DEBT



2015 UTGO Bonds

Outstanding Balance	\$1,005,000
Annual Payments	\$360,200
Excess Levy Rate	\$0.0300/\$1,000

As of year-end 2023

Debt	Balance (2023)	Payment (2024)	2023 Excess Levy	Retired
2013 Revenue Bonds (Water & Stormwater)	\$5,225,000	\$604,225*	N/A	11/1/2033
2017 Revenue Bonds (LID#24)	\$912,000	\$104,274	N/A	2/1/2032
2012 UTGO Bonds (Parks Improvement)	\$315,000	\$0	N/A	12/1/2023
2015 UTGO Bonds (Refunded) (Parks Improvement)	\$1,315,000	\$360,200	\$0.0300/\$1,000	12/1/2026
2015 LTGO Bonds (Refunded) (RAC Phase 2)	\$2,580,000	\$574,400	N/A	12/1/2027
TOTALS	\$10,347,000	\$1,643,099	\$0.0300/\$1,000	

*Payment made out of Enterprise Funds

DEBT PAYMENTS



CITY OF **LACEY**

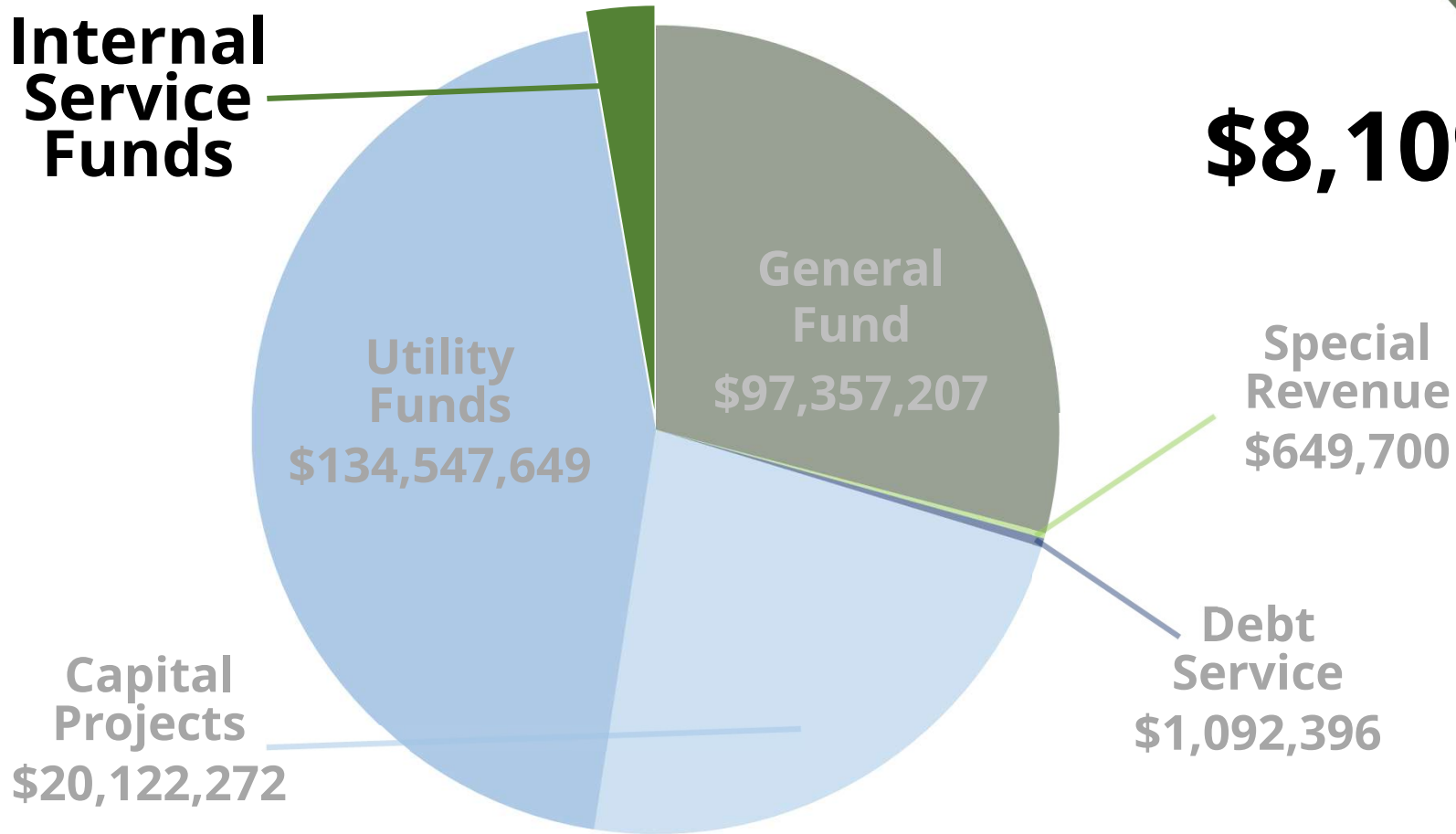
2024 BUDGET

INTERNAL SERVICE FUNDS

2024 INTERNAL SERVICE FUND

**Internal
Service
Funds**

\$8,109,548



INTERNAL SERVICE FUND

Equipment Rental



\$4,553,776

Over 200 Vehicles in City Fleet

Information Services



750+ Devices
(i.e., computers, cell phones, etc.)

\$3,555,772

FLEET ENHANCEMENTS



- **Vactor Truck (Sewer)**
- Chevrolet G3500 (Sewer)
- Ford E350 Van (Streets)
- F550 Bucket Truck (Streets)
- John Deere Backhoe (Water)
- Ford F250 (Stormwater)
- Chevrolet Colorado (Water/Utility Billing)

- Ford Ranger (CED)
- Ford Escape (CED)
- Ford F350 (Engineering)
- 4-Police Utility Vehicles

- 2-Ford F250 (Parks Maintenance)
- Ford F350 (Parks Maintenance)
- Deicer Unit (Parks Maintenance)
- John Deere Mower (RAC)
- **Kubota RTV (RAC)**

\$2,317,000





CITY OF **LACEY**

2024 BUDGET

THE VALUE PROPOSITION

THE VALUE OF PROPERTY TAXES

Ave. Cell Phone Bill/yr.

\$2,000

Source: MintMobile.com



Ave. Used Car Payment/yr.

\$6,336

Source: Experian



Avg. Cable Bill/yr.

\$2,604

Source: DecisionData.org



Cost of New iPhone Pro Max

\$1,499

Source: Apple.com



vs.



2024 Property Tax

\$373.84

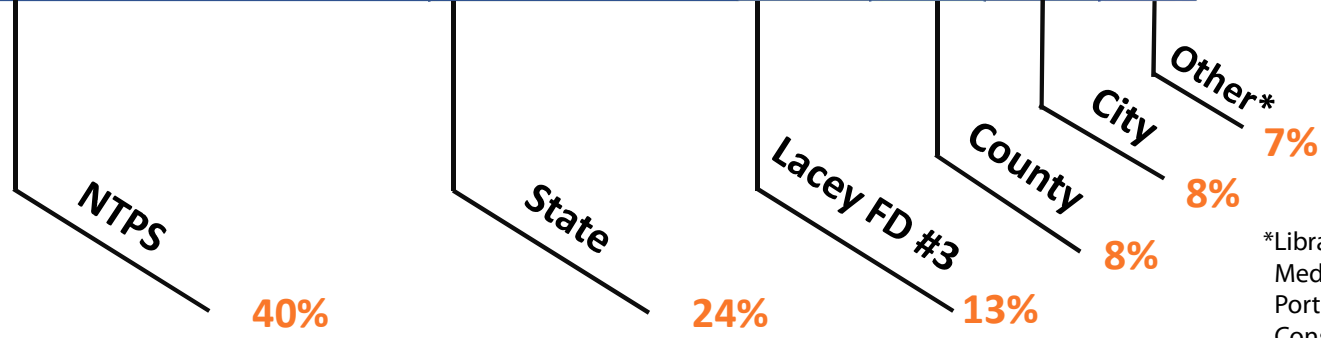
**Average Annual
Payment**

*(Based on \$500,000 home value . . .
Total levy \$0.7177)*

2023 Property Tax Distribution *(example)*



How Your Taxes Are Distributed



*Library
Medic One
Port of Olympia
Conservation Futures

YOUR PROPERTY TAXES

LACEY PROPERTY TAXES 2023 vs. 2024

2023



\$525,287 Average Home Value

\$0.6770 Regular Levy Tax Rate

\$0.0553 Excess Levy Tax Rate

\$0.7323 Total City Tax Rate

\$384.65

2024



\$500,000 Average Home Value

\$0.7177 Regular Levy Tax Rate

\$0.0300 Excess Levy Tax Rate

\$0.7477 Total City Tax Rate

\$373.84

~5%
decrease
in home
values



\$10.82

decrease

BUDGET COMPARISON: 2023 vs 2024

2023

\$6.31

City Prop. Tax

\$525,000
House Value



City Prop. Tax

\$500,000
House Value

\$1.63

Water



Water

\$1.72

\$2.40

Wastewater



Wastewater

\$2.62

\$0.58

Stormwater



Stormwater

\$0.61

\$10.92/month

(\$5.87)/month



CITY OF **LACEY**

2024 BUDGET

PUBLIC PARTICIPATION

2024 BUDGET



CITY OF **LACEY**

Thursday, November 2

Revenue Sources

Thursday, November 16

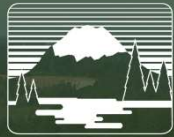
First Budget Hearing

Thursday, December 7

Second Budget Hearing

PUBLIC HEARINGS

2024 BUDGET

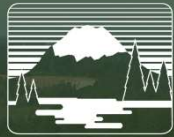


CITY OF **LACEY**

Thursday, December 21

CITY COUNCIL ADOPTION

2024 BUDGET



CITY OF **LACEY**

Available Online
CityofLacey.org/Budget



BUDGET DOCUMENT



CITY OF **LACEY**

2024 BUDGET

QUESTIONS?