



LACEY CITY COUNCIL 2025 WORK PLAN

SHAPING OUR COMMUNITY TOGETHER

Adopted May 20, 2025

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ACKNOWLEDGEMENTS

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VISION, MISSION, THEMES, MOTTO

Mission Statement

Our mission is to enrich the quality of life in Lacey for all by building a welcoming, inclusive, and secure community. The Council, in collaboration with the public, is committed to fostering community pride, advancing economic development, planning for the future, and preserving and enhancing our environment.

Motto

Shaping Our Community Together

WORK PLAN PROCESS

The following provides a brief overview of the Work Plan process:



Phase I: Council Interviews

Before the 2025 City Council (Council) retreat, each councilmember met one-on-one with the facilitating Consultant to discuss their individual desired retreat goals and outcomes, review City accomplishments, identify communication preferences, and short-term priorities for the City.



Phase II: Council Retreat

The Council convened for a two-day retreat focused on the following goals:

- Enhance understanding of the Council and City Manager's working styles.
- Create agreements on how the Council will work together moving forward.
- Review and confirm strategic themes, priorities, and the 2025 Work Plan.
- Identify critical work periods that will require Council and staff focus in 2025.
- Identify future potential Work Plan items for 2026.
- Begin exploring future financial strategies and capital project funding.
- Further discuss and provide direction on a potential Metropolitan Park District.



Phase III: Worksession Discussion

During the Council Meeting on May 6, 2025, councilmembers reviewed and discussed the draft 2025 Work Plan.

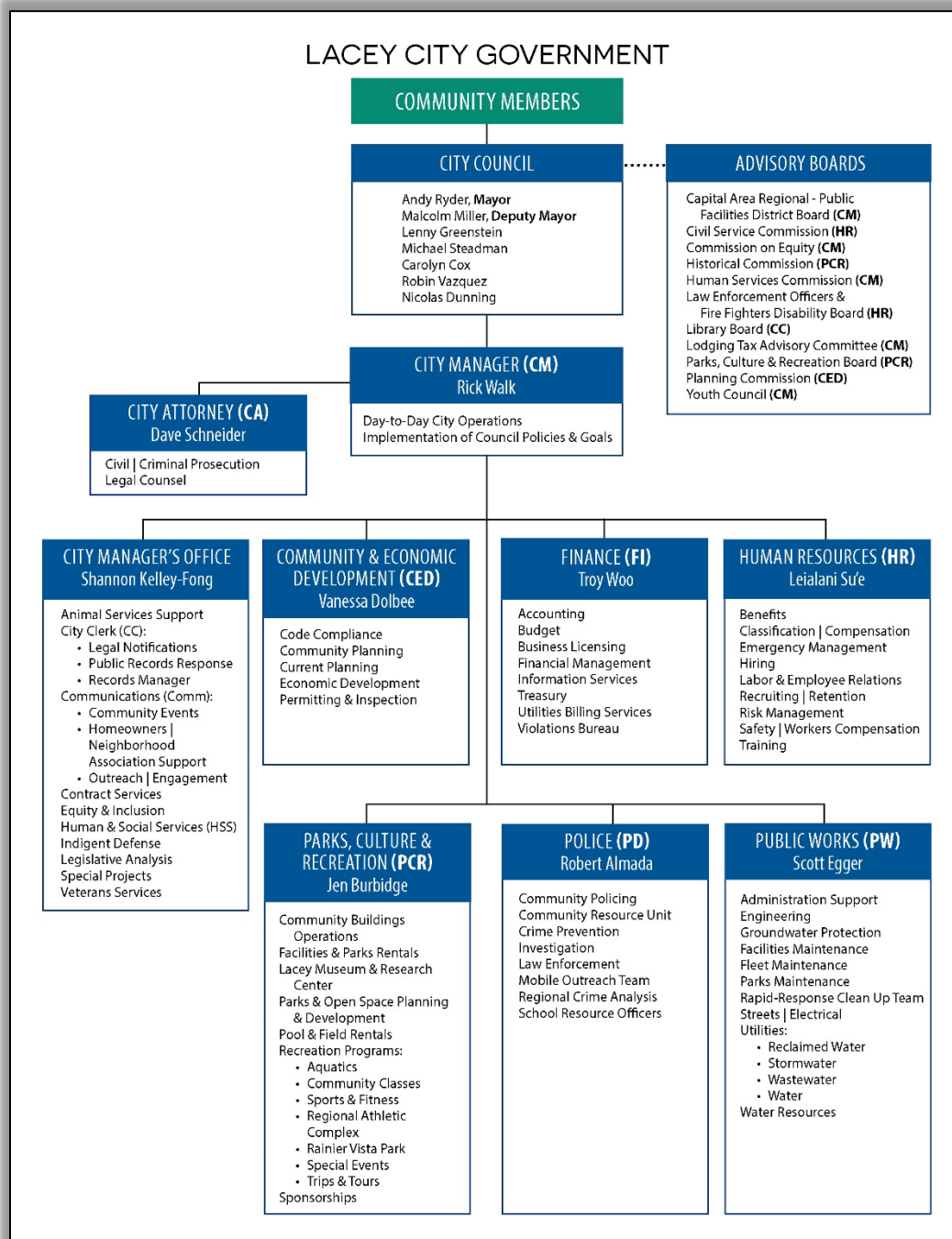


Adoption of Work Plan

On May 20, 2025, the Lacey Council adopted the 2025 Work Plan.

ORGANIZATIONAL FRAMEWORK

The City achieves its goals by aligning the efforts of its departments. Each department is responsible for delivering essential, statutorily required, and routine services, programs, and projects. The vast majority of City staff resources are dedicated to these day-to-day operations, with the limited remaining capacity available to focus on new or emerging priorities. Balancing essential functions and identified priorities with financial and staff resources is a continuous effort.



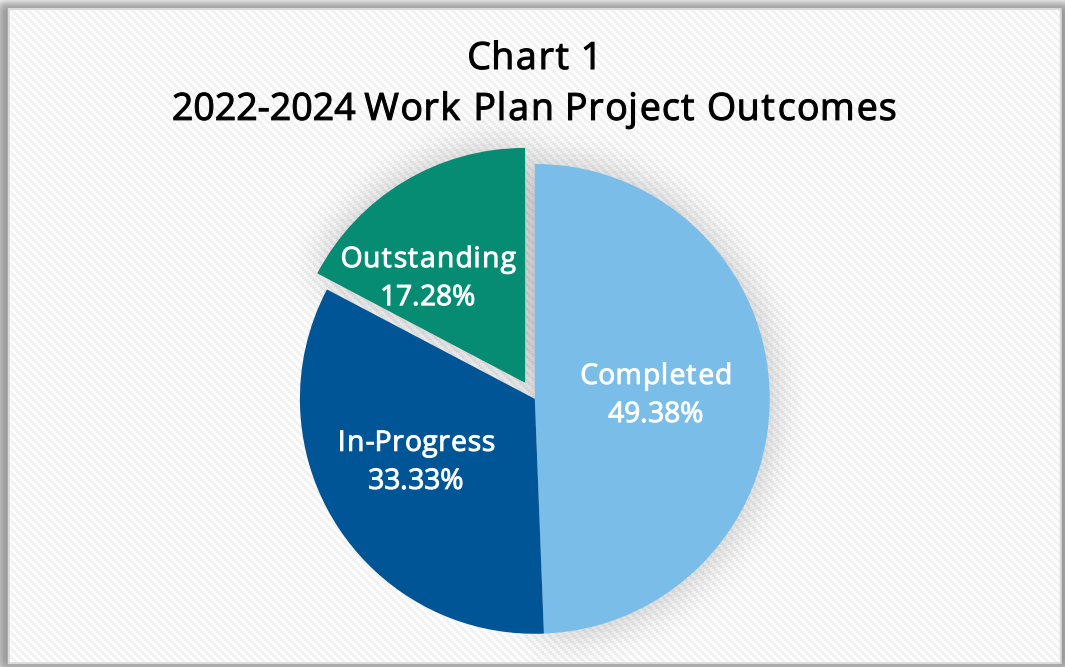
2022–2024 WORK PLAN REVIEW

At the retreat, the Council received an update on the status of the priority projects and programs outlined in the 2022-2024 Work Plan. The Council and staff have been diligent, effective, and dedicated to executing the priorities of the 2022-2024 Work Plan. Of the 81 priority projects and programs, 67 projects were initiated, with 40 successfully completed, and 27 remained in progress. A few key initiatives that were completed include:

- Establishment of the food truck plaza and night market at the Depot.
- Creating the CDBG entitlement and Human Services Grant Program.
- Launching the Lacey 311 system (Lacey Works).
- Development of a legislative agenda program.
- Continued City and property owner-led annexations.
- Amended Neighborhood Commercial Zoning District regulations.
- Expanded communications programs and efforts.
- Expanded City Electric Vehicle (EV) infrastructure and fleet.
- Groundbreaking and construction of the new Police Station.
- Implementation of a new employee recruitment program.
- Expanded public art, including the utility wrap program and installation of the Gold Star Memorial Monument.

See **Appendix A** for a complete list of 2022-2024 Work Plan completed initiatives.

Fourteen priorities have not advanced or have been placed on hold due to factors such as cost, staff capacity, delayed start or completion of the initial phase, or readiness of critical partners outside the City’s control. **Chart 1** provides an overview of 2022-2024 outcomes.



2025 WORK PLAN OVERVIEW

The Work Plan outlines the 2025 City of Lacey (City) priority projects and programs based on the outcome of the Council Retreat. These initiatives have been designated as priorities by the Council.

Projects and programs are grouped by type:

- **Capital Projects:** Large-scale, long-term investment in physical assets such as infrastructure, buildings, or major equipment to improve or expand facilities, transportation systems, utilities, and/or public services.
- **Studies and Evaluation:** The status of projects and programs before implementation (planning), during execution (monitoring), or after completion (evaluation).
- **Community Partnerships:** Collaborative relationships between organizations that work together toward shared goals benefitting the community.
- **Operational Framework:** The structured system that outlines how the City functions to achieve its goals.

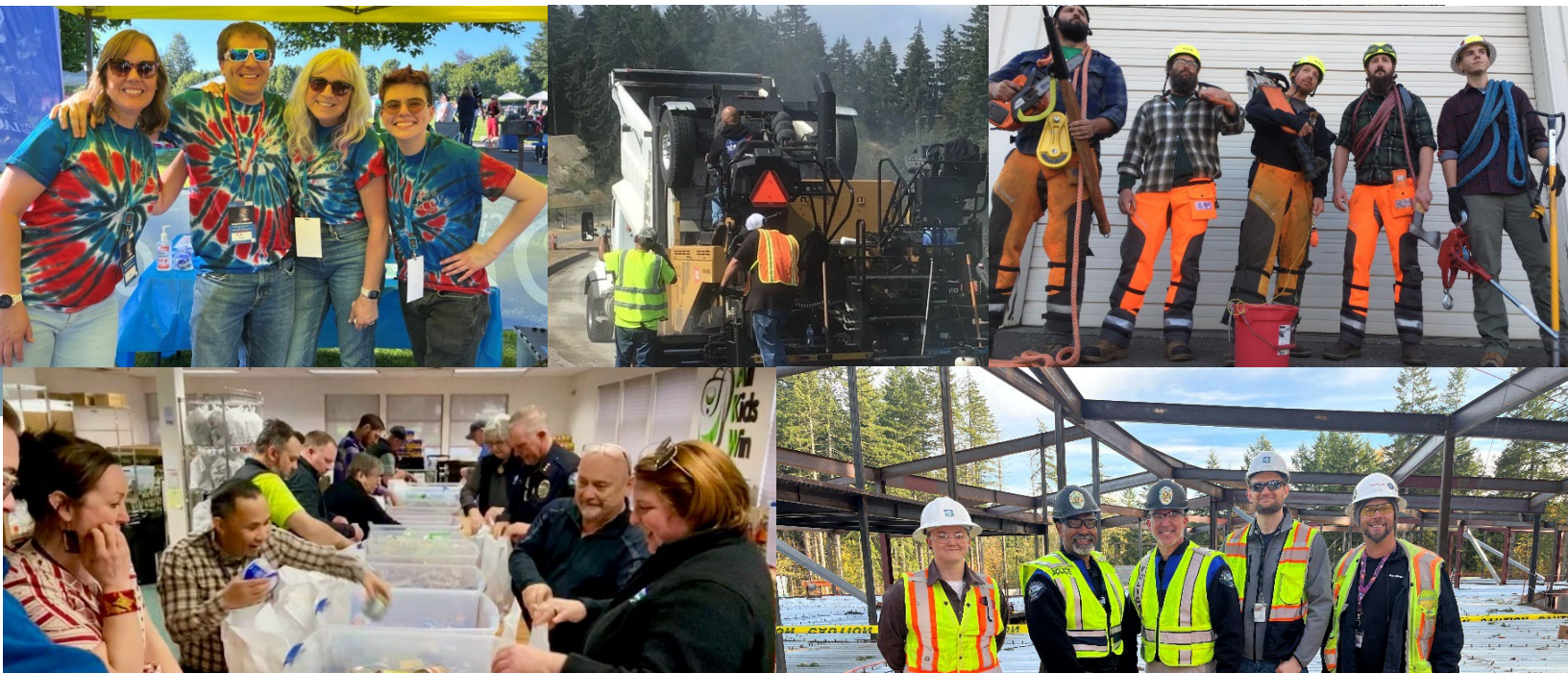
The status of each project or program is visually displayed with a progress bar.

Lead Department

Each project or program is led by a designated department, but its success relies on the coordinated support and shared resources of all departments.

Anticipated Completion

Each project or program is developed with a target completion date to promote consistent progress, to the extent possible, and achieve the highest quality outcome. Some initiatives are identified as mandated and are undertaken to fulfill external regulatory requirements and ensure compliance.



Goal Areas

Goal areas organize the City's priorities into categories that reflect the focus of the Council's vision for the community. These goal areas help guide planning, align and allocate resources, and track progress. They also allow community members to clearly see how identified priorities shape the City's services, development, and overall quality of life.

During its 2025 retreat, the Council restructured and redefined the goal areas to better align with the community's needs and sentiments.



CONNECT
Create and maintain a comprehensive infrastructure system that connects people and places.



BALANCE
Balance growth with protecting our environment.



SERVE
Providing Excellent, People-Centered Services.



CREATE
Be the Place to Play, Live, Work, and Gather.








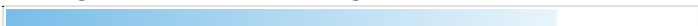
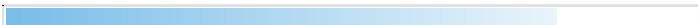
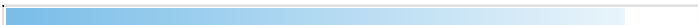
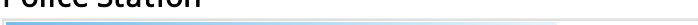









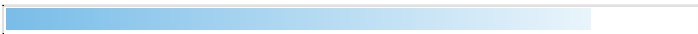
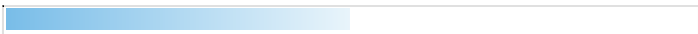
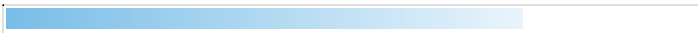

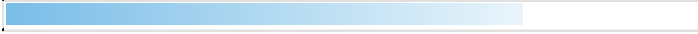
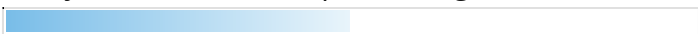
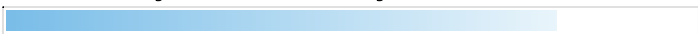



UNITE
Building a Community of Safety and Belonging.











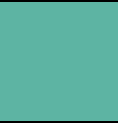
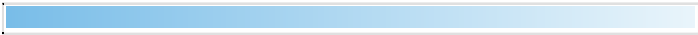

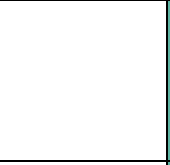

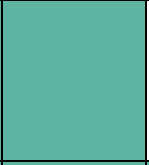









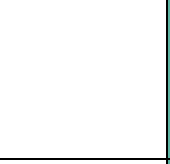

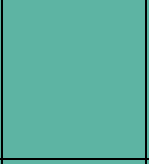







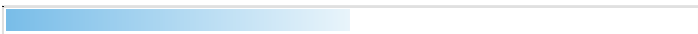
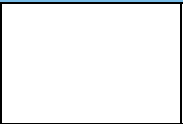
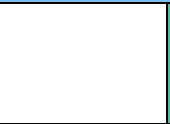



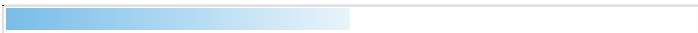





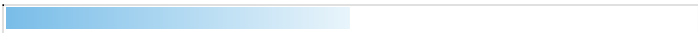





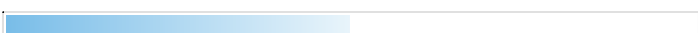




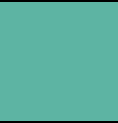
Goal areas are highlighted throughout the Work Plan to show how each project and program supports and advances these strategic priorities.

2025 WORK PLAN PRIORITY PROJECTS & PROGRAMS

Following an assessment of the 2022-2024 Work Plan and priority-setting discussions, the Council provided direction to include the following outlined items in the 2025 Work Plan. Councilmembers determined that, given the many high-priority projects currently underway and the limitations of staffing levels and available resources, adding new initiatives would likely require removing existing projects or securing additional funding and staffing. No new items were added to the Work Plan and Council will evaluate opportunities for new revenue sources throughout the year.

LEAD DEPT		PROJECTS AND PROGRAMS	ANTICIPATED COMPLETION	CONNECT 	BALANCE 	SERVE 	CREATE 	UNITE 
Capital Projects								
1	PW	College & 7th RAB 	2028					
2	PW	College & 16th RAB 	2030					
3	PW	College & 29th RAB Design 	2035					
4	PW	College Street Extension Project 	2027					
5	PCR	Greg Cuoio Park Phase 1A 	2025					
6	PD	Police Station 	2025					
7	PCR	RAC Phase III Development 	2028					
8	PW	Willamette & Campus Glen RAB Construction 	2025					

LEAD DEPT	PROJECTS AND PROGRAMS	ANTICIPATED COMPLETION	CONNECT 	BALANCE 	SERVE 	CREATE 	UNITE 
Studies and Evaluation							
1	CED Annexation Study 	2025					
2	CED Comprehensive Plan 	2026 Mandated					
3	CM Conduct a Biennial Community Survey 	2025					
4	CED Development Regulations 	2026					
5	PCR Greg Cuoio Park: Identify Funding Source for Future Phases 	2025					
6	CED Incorporate TCMP Recommendations: Lacey Plans and Development Regulations 	On-Going					
7	CED Martin Way Corridor Study 	2025					
8	PCR Museum & Cultural Center: Funding Strategy & 5-Year Plan 	2025					
9	CED Supportive Housing Acquisitions: Mullen Road Property 	2025					
10	CM Utility Wrap Program Phase I 	2025					

LEAD DEPT	PROJECTS AND PROGRAMS		ANTICIPATED COMPLETION	CONNECT 	BALANCE 	SERVE 	CREATE 	UNITE 
Community Partnerships								
1	PCR	Commercial Family Entertainment Recreation: Recruitment 	On-Going					
2	CED	Economic Initiatives: Business Retention Expansion Program and Recruitment 	On-Going					
3	CM	Nisqually Tribe Collaboration 	On-Going					
4	HR	Recruitment & Retention: Enhance Outreach Efforts and Organizational Development 	On-Going					
5	PCR	Young Child & Family Center Partnership 	On-Going					
Operational Framework								
1	HR	AFSCME Collective Bargaining: Contract Negotiation 	On-Going Mandated					
2	HR	Assess & Improve Recruitment Life Cycle Process 	On-Going					
3	HR	Continue Employee Labor Relations 	On-Going					
4	CM	Design and Implement Intranet System to Bolster Internal Communications 	2025					

POTENTIAL FUTURE WORK PLAN ITEMS

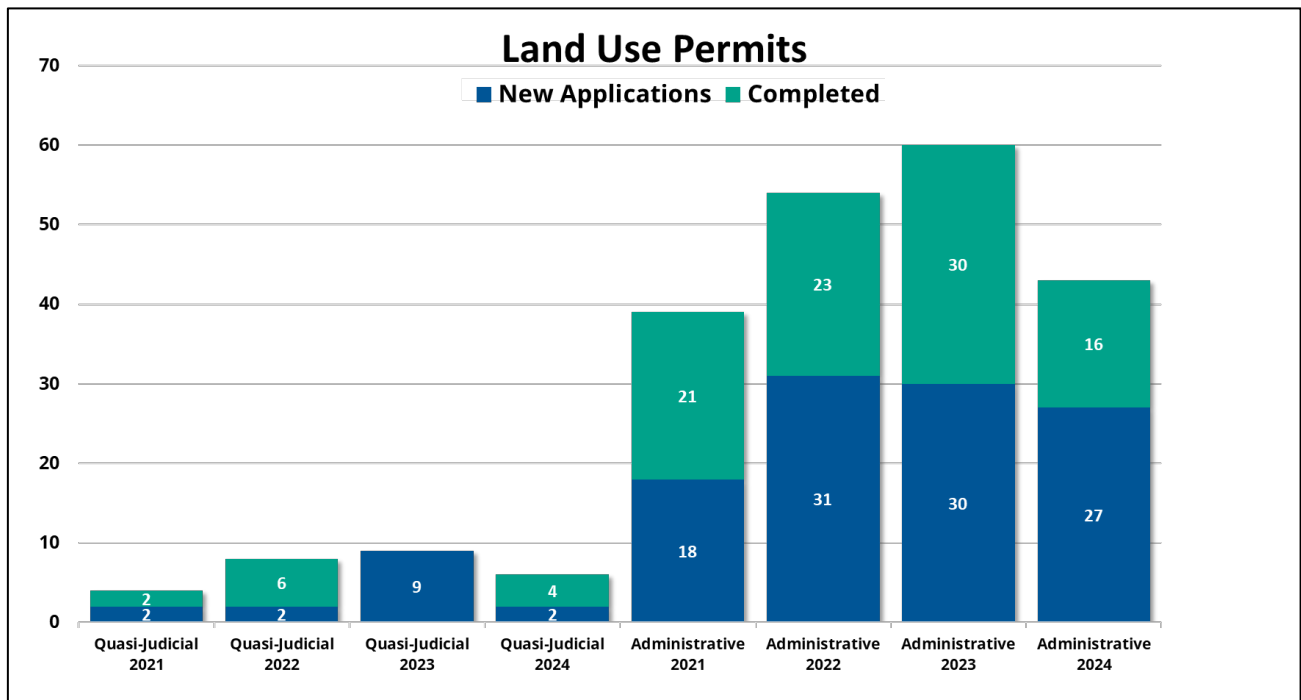
At the retreat, the Council agreed the following projects and programs remain important, though resources are not available in 2025. The Council is committed to revisit these items through the development of future budget and Work Plan processes.

POTENTIAL FUTURE WORK PLAN PROJECTS & PROGRAMS
4th Ave SE Connection
Annexations: Update Annexation Policies
Banner Program: Mid-Town Phase II
Enhance Cultural Community Programming: Increase Communication and Outreach
Greg Cuoio Park: Commence Phase 1B and Other Phases
Human Services Plan: Leverage City Surplus Properties for Social Services
Implement New Document Management System
Incubator Projects: Partner with SMU on Incubator Framework
Indoor Sport Facility
Public Art Program Implementations
Response Plan: Homeless Response Plan
Sister City Program
SMU Baseball Stadium
Solid Waste RPF/ Franchise
SPSCC Tuition Program
UGA Permitting
Utility Wrap Programs Phase II
Workforce Programs: Develop Workforce Academy Curriculum with WRA, EDC, SPSCC

2025 RETREAT REVIEW

Development Trends

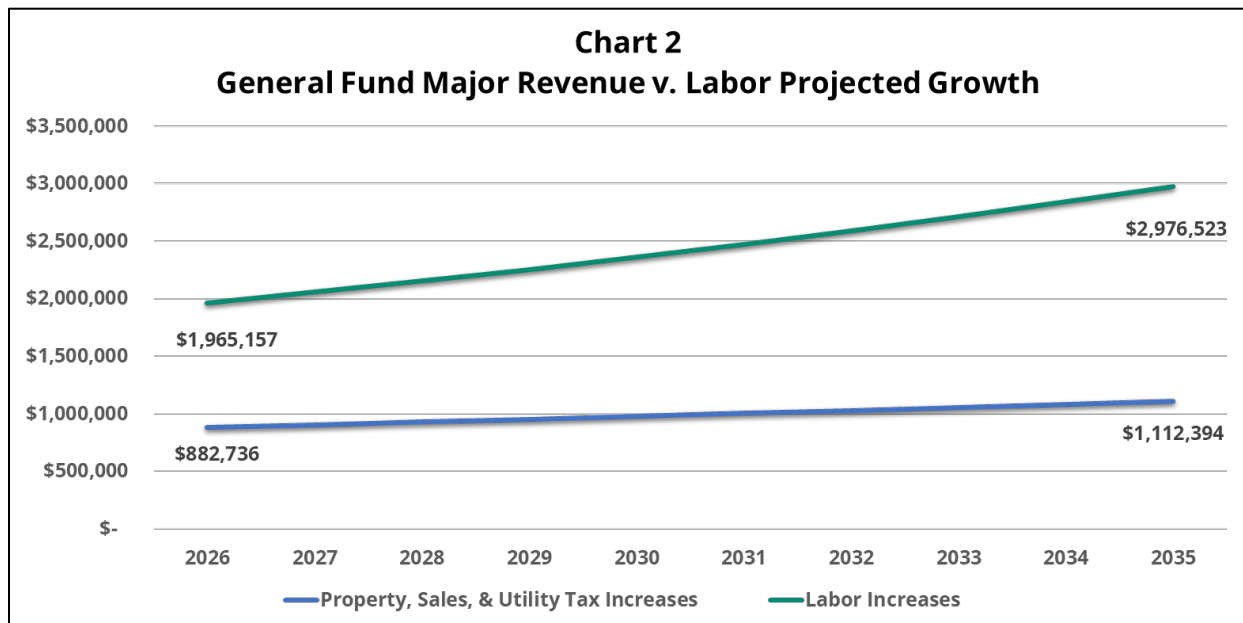
The Council reviewed both historical and projected development trends. The City has experienced rapid growth, reaching a population of 60,240 in 2025. This growth is driven by significant residential and industrial development. Much of the available land within city limits has been developed and the City is now transitioning from a fast-growing city to a maturing community. As a result, the City is expected to see a plateauing of new land use activity, commercial and industrial permitting, and housing starts. Based on these trends, the City is likely to see a significant decrease in the rate of growth. For a comprehensive review of the Development Trends and Revenue Forecast presented at the 2025 Council Retreat, refer to **Appendix B**.



General Revenue & Expenditure Projections

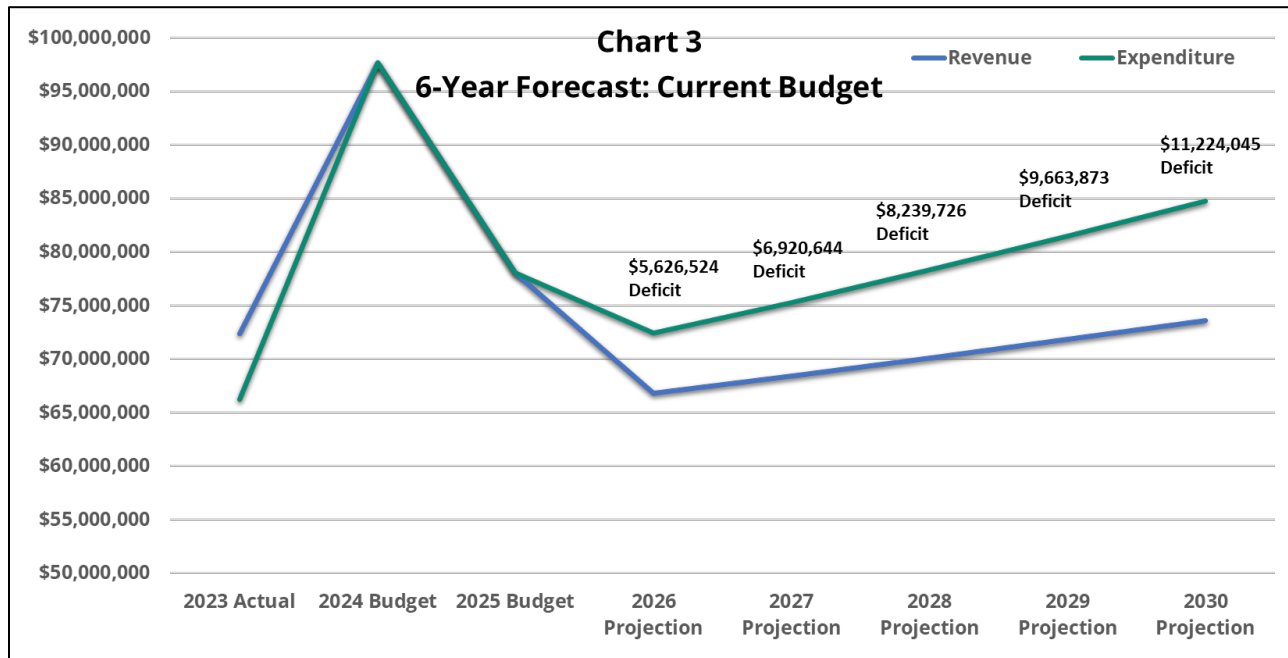
The Council reviewed revenue and expenditure projections for 2025. While revenues have shown steady year-over-year growth, even without significant expansion to retail brick-and-mortar, expenditure increases have remained consistent and are projected to outpace revenues in the coming years.

The largest expenditure category is labor. A notable example is the 15% increase in labor costs the City has faced over the last two years. During the same period, revenues increased nearly 6%. With staffing levels remaining unchanged, the labor cost increase is projected to be 4% for salaries and 6% for benefits year-over-year, driven by wage and benefit adjustments. **Chart 2** displays projected labor growth alone in comparison to all of the general fund's major tax categories' growth.

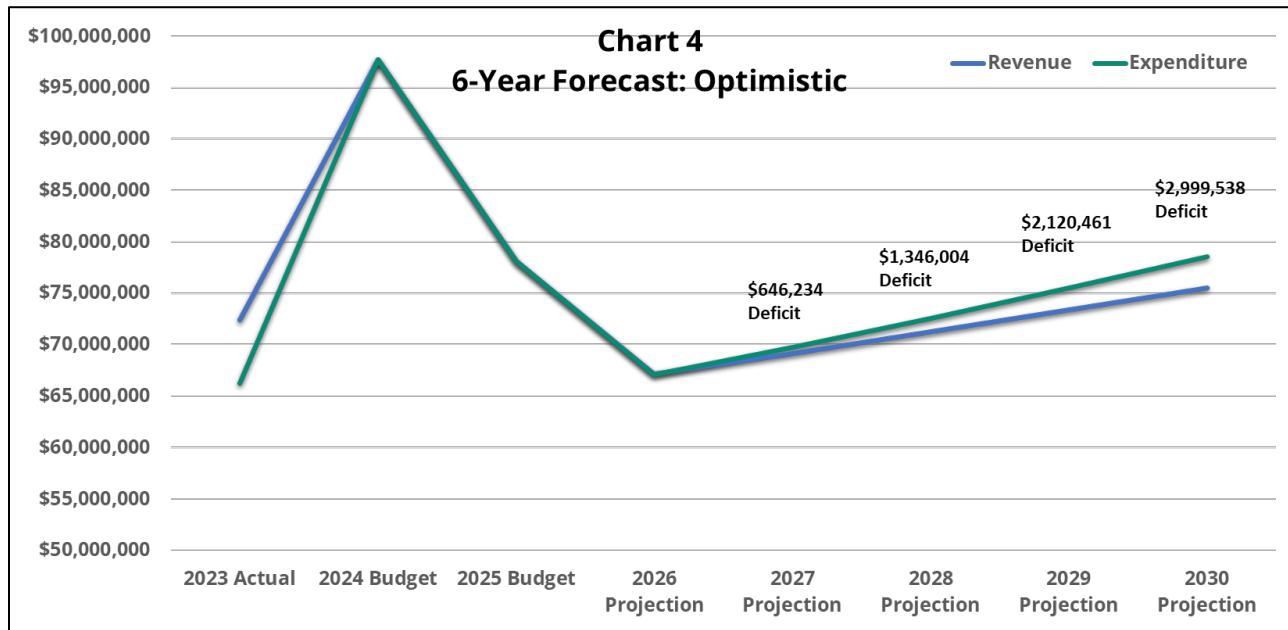


Given this information, the Council reviewed six-year financial forecasts for four separate potential outcomes. All four models do not include consideration of new public defense standards, or maintenance and operation of the new police station and training facility, Greg Cuoio Park, or the Regional Athletic Complex Phase III.

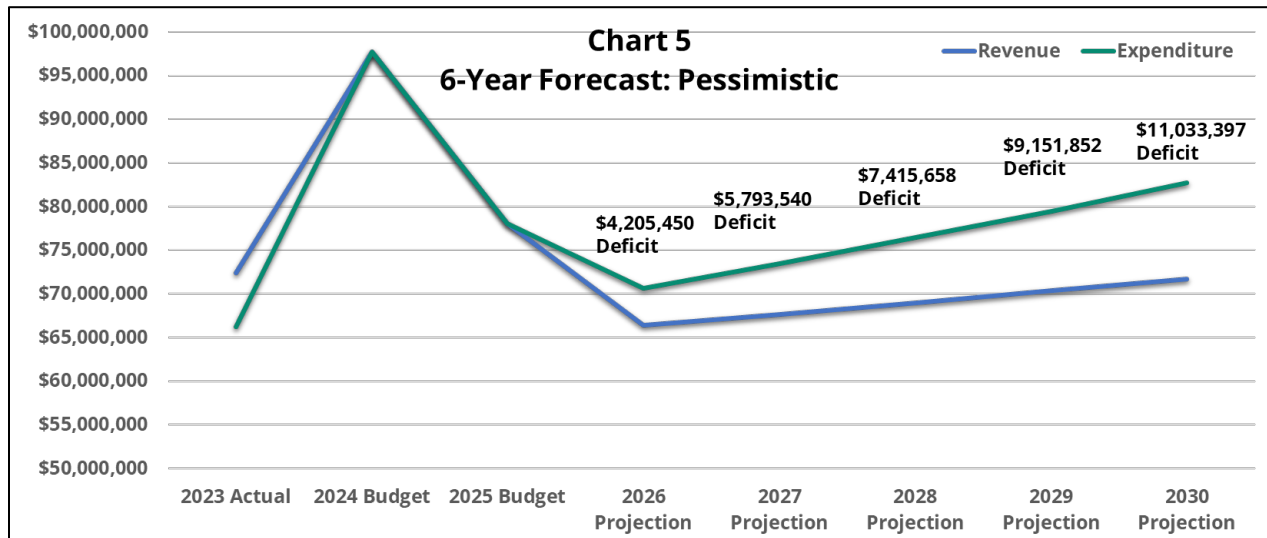
Current Budget Forecast: This model assumes 100% of the expenditure budget spent and 2% revenue growth. The six-year forecast is displayed in **Chart 3**.



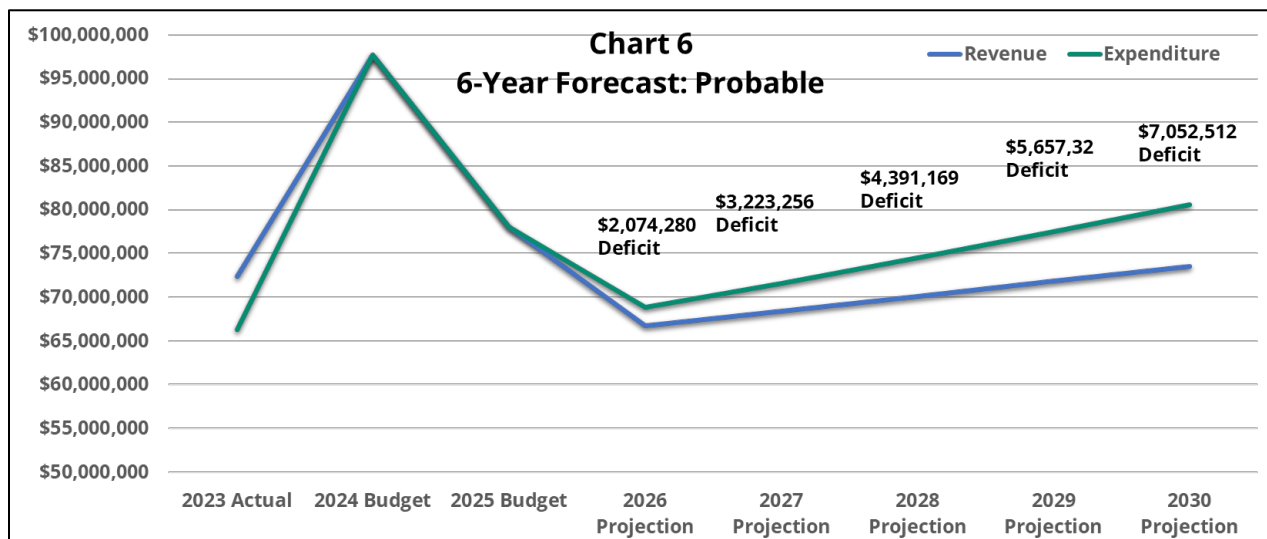
Optimistic Budget Forecast: This model assumes 92.5% of the expenditure budget is spent and higher revenue growth of 3%. The six-year forecast is displayed in **Chart 4**.



Pessimistic Budget Forecast: This model assumes 97.5% of the expenditure budget is spent and a lower revenue growth of 1%. The six-year forecast is displayed in **Chart 5**.



Probable Budget Forecast: This model follows historical trends and assumes 95% of the expenditure budget is spent and revenue growth of 2%. The six-year forecast is displayed in **Chart 6**.



All four financial forecasts indicated that without new revenue sources or adjustments to current services, City expenditures will exceed projected revenues including budget deficits by 2027. Forecasts also indicate by 2030, the annual shortfall between expenditures to revenues is projected to range from \$3 million, to over \$11 million.

Financial Planning

Building on the foundation of the six-year financial forecasts, the Council participated in a revenue exploration exercise to identify potential future revenue sources. Through this process, the Council identified revenue opportunities in two primary categories: (1) encouraging private investment through the expansion of commercial brick-and-mortar development, and (2) considering adjustments or expansions to existing taxes and fees. From this exercise and subsequent discussion, the Council identified the following potential revenue sources for further exploration:

- **Economic Investment Strategy:** Review potential City investments to incentivize private development.
- **Economic Development Strategy:** Develop a five-year strategy to attract private development.
- **Business and Occupation Taxes (B&O):** Explore the addition of Warehousing and Manufacturing B&O Tax collection.
- **Franchise Fees:** Examine solid waste contracts and franchise agreements to ensure alignment with current market rates.
- **Gambling Tax:** Explore increasing the Gambling Tax rate.
- **Gambling Tax:** Consider adjustments to land use restrictions to expand opportunities for gaming activities.
- **Lodging Taxes:** Explore adjustments to funding priorities and distribution.
- **Public Records Fees:** Update and expand fees for qualifying public records requests.
- **Technology Fees:** Explore implementation of convenience fees to support the maintenance of permitting systems.
- **Utility Taxes:** Consider adjustments to utility taxes, planned for early 2026.

The Council also conducted a prioritization exercise to assess the fiscal impacts of upcoming capital projects. This analysis showed that, regardless of how high a priority these projects are, completing any of these capital projects in the coming years would likely require additional revenue sources. Without these new revenue streams, the City would require a considerable amount of time to build up the reserves needed to fund these projects.

In preparation for future financial planning discussions, the Council requested additional information on revenue sources and how Lacey's financial position compares to other Washington cities.

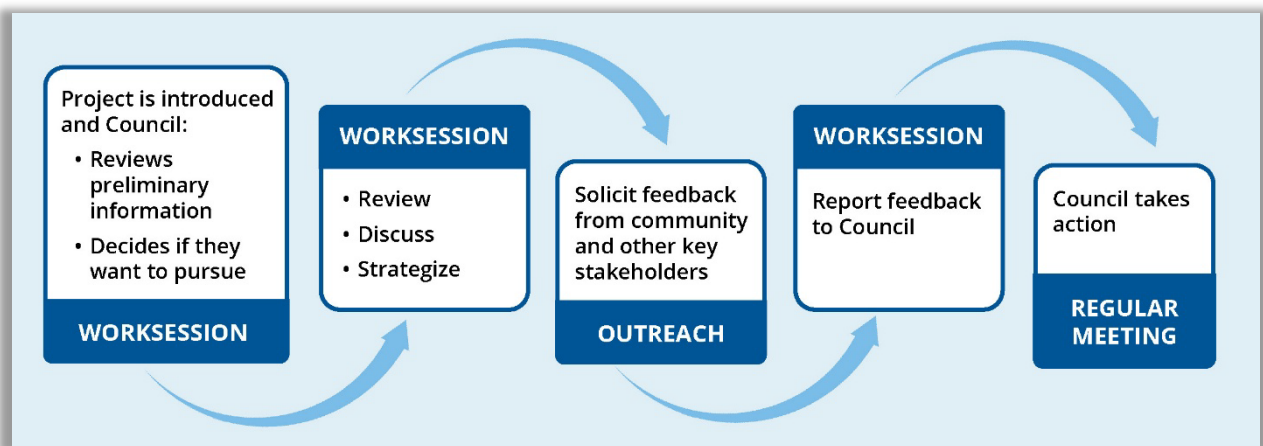
Throughout 2025, the Council will meet and continuously assess Capital Improvement planning and potential revenue sources in depth. The anticipated timeline for review is:

ANTICIPATED REVIEW TIMELINE FOR POTENTIAL REVENUE SOURCES	
QUARTER 1, 2025	<ul style="list-style-type: none"> • Economic Investment Strategy • Metropolitan Park District
QUARTER 2, 2025	<ul style="list-style-type: none"> • Economic Development Strategy
QUARTER 3, 2025	<ul style="list-style-type: none"> • Technology Fees • Public Records Fees
QUARTER 4, 2025	<ul style="list-style-type: none"> • B&O Taxes • Gambling Taxes • Franchise Fees • Determine action for potential revenue sources
Quarter 1, 2026	<ul style="list-style-type: none"> • Implement revenue strategies • Utility Taxes

Discussions on potential revenue sources will include consideration of:

- Revenue comparisons with other, like-kind, Cities.
- Evaluation of current rates.
- General overview of the revenue landscape.
- Review of current estimated potential revenue.
- Compliance with State and other mandated requirements.

This flowchart illustrates the policy review process. Depending on the specific project, certain steps may be condensed or expanded.



Metropolitan Park District

The Council continued to review and discuss the potential for a Metropolitan Park District (MPD) aligned with the current Lacey city limits boundaries. The Council discussed the potential MPD at council meetings on these dates:

Meeting	Summary
December 17, 2024 Regular Meeting	<ul style="list-style-type: none"> • Council received a briefing of the Parks Improvement Funding Workgroup recommendation.
January 14, 2025 Worksession	<ul style="list-style-type: none"> • Council received a review of the current funding structure for Parks, Culture, and Recreation programs. • Council received a briefing of the Parks Improvement Funding Workgroup recommendation. • Council received an overview of potential Parks Capital Improvement Programs and Projects. • Council received presentation outlining a 10-Year financial projection of the impacts of the a potential MPD. • Council received a briefing on considerations for potential election preparations.
January 30 & 31, 2025 Council Retreat	<ul style="list-style-type: none"> • Council received an overview of a potential MPD.
March 4, 2025 Worksession	<ul style="list-style-type: none"> • Council reviewed potential levy amounts. • Council received an overview of potential Parks Capital Improvement Programs and Projects. • Council received an overview of the draft Communications Plan.
March 25, 2025 Worksession	<ul style="list-style-type: none"> • Council received an overview of a draft resolution to submit a proposition for approval or rejection of creation of an MPD. • Council received an overview of the Communications Plan, emphasizing neutral communication related to the potential MPD.
April 1, 2025 Regular Meeting	<ul style="list-style-type: none"> • Council adopted Resolution No. 1166.
April 25, 2025 Administrative	<ul style="list-style-type: none"> • The City filed Resolution No. 1166 with the Thurston County Auditor's Office.

The Lacey Council adopted Resolution No. 1166 on April 1, 2025, submitting a proposition on the August 5, 2025, general election ballot, asking for approval or rejection for creation of a Metropolitan Park District. Further discussion regarding the proposition for approval or rejection for creation of an MPD is closed for discussion while the proposition is an active ballot measure.

APPENDIX A

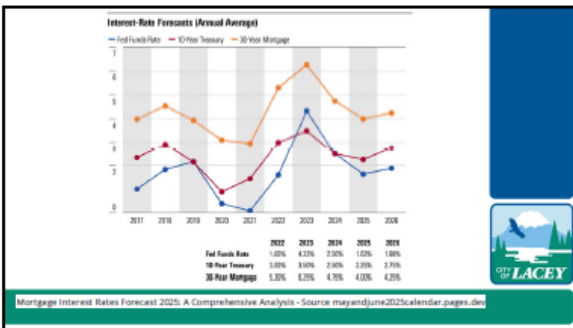
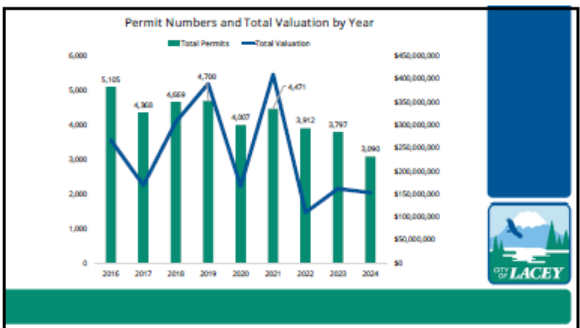
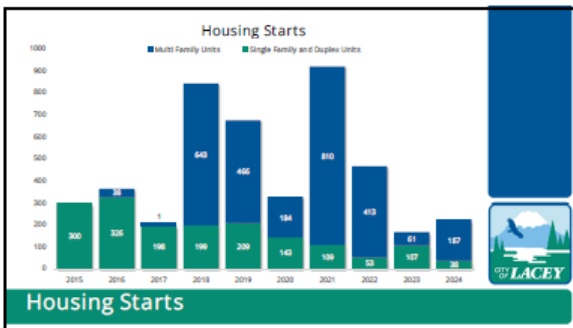
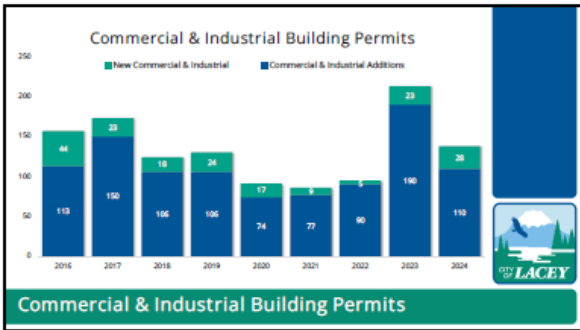
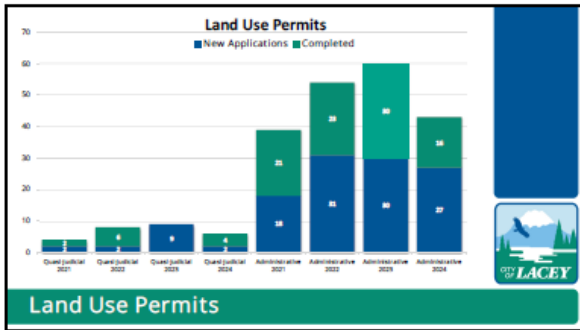
2022-2024 Work Plan Completed Projects and Programs
Annexations: Continue to Process City-Initiated Annexations
Annexations: Continue to Process Owner Initiated Annexations
Banner Program Phase I
Carpenter & Britton Pkwy RAB
CDBG Entitlement: Human Services Grant Program
CDBG Entitlement Program
Complete Non-Represented Position Compensation Study
Design and Implement Lacey 311 System
Development Regulations: Neighborhood Commercial Update
Economic Initiatives: BIPOC Business Programs
Economic Initiatives: Food Truck Plaza
Energy Efficiency Audit and Upgrade Program
Enhance Sports Events: City Shared Opportunities with Local Sports Clubs
Enhance Sport Events: Enhance Advertisement to Event Providers
Enhance Sports Events: LTAC Regional Workshop
EV for Lacey Fleet
Human Services Plan
Human Services Plan: Human Services Commission and Grant Program
Implement Non-Represented Position Compensation Study Findings
Interstate 5 and Nisqually Bridge Corridor
Legislative Agendas: Implement New Platform
LPOG Collective Bargaining
LPSMA Collective Bargaining
LPSU Collective Bargaining
MakerSpace Expansion
Public Art: Gold Star Memorial Monument Phase I
Public Art: Utility Wrap Program- Midtown
RAC: Steilacoom Rd Frontage Improvements
Recruitment: Applicant Interview Scoring Tools
Recruitment: Update Job Descriptions
Staff Support for Regional Climate Action Steering Committee
Staff Support for TCMP Phase 3 ILA
Staff Support for TCMP Phase 4 ILA
Supportive Housing Acquisitions: Franz Anderson Tiny Village
Supportive Housing Acquisitions: Maple Court Enhanced Shelter
Supportive Housing Acquisitions: Regional Coordination
Update Urban Forestry Plan
Update Development Regulations: Charging Stations
Volunteer Programs
Willamette & Campus Glen RAB Design

APPENDIX B

Appendix B contains a copy of Development Trends and Revenue Forecasts presented at the 2025 Council Retreat.

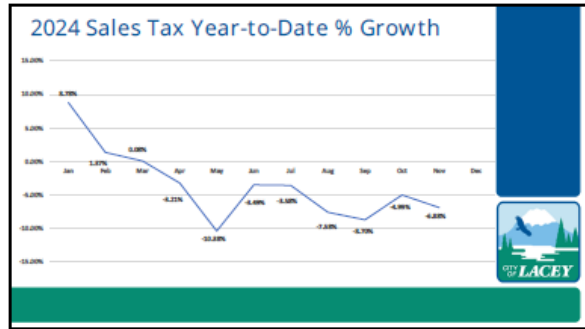
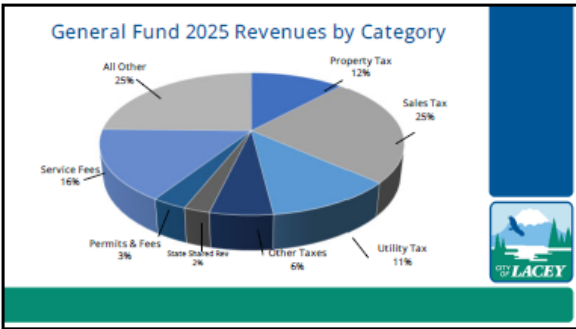
2025 City Council Retreat
January 30-31, 2025

Development Trends

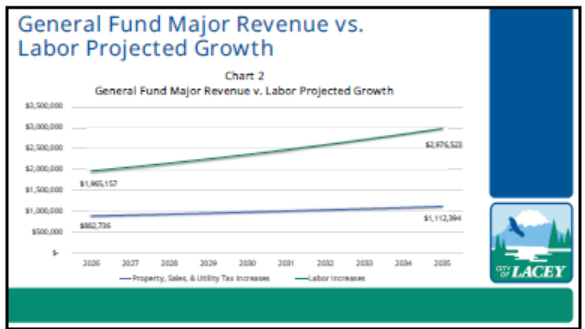
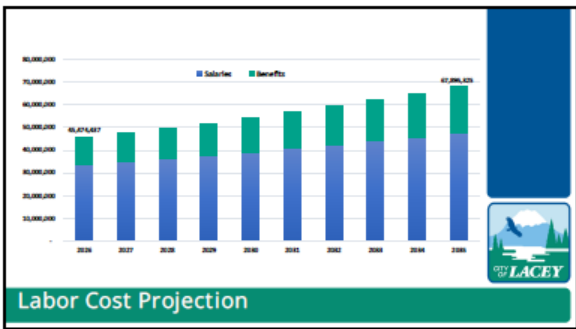
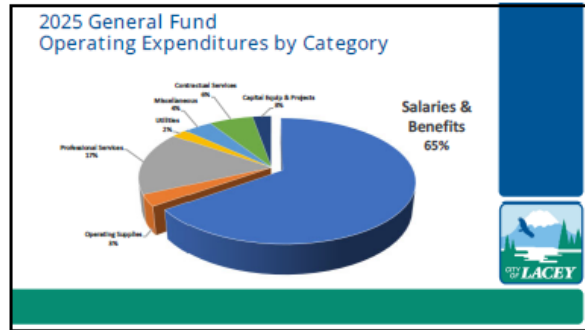


Revenue Projections

APPENDIX B- CONTINUED



Expenditure Projections



Reserves


General Government Reserves

Category (Not Flexible)	2024 Balance	2025 Use	2025 Balance
Restricted Reserves	15,024,973	-	15,024,973
Spent/Obligated/Partnership	14,056,990	(14,056,990)	-
Committed Operations	4,735,679	(2,419,601)	2,316,078
RAC Restricted (Flexible within Fund)	4,950,000	(3,053,000)	1,897,000
Transportation Restricted	23,810,741	(4,460,741)	19,350,000
Totals	62,578,383	(23,990,332)	38,588,051

APPENDIX B- CONTINUED


General Government Reserves

Maint./Oper. = Flexible?	2024 Balance	2025 Use	2025 Balance
Strategic Investment Program	2,500,000	(700,000)	1,800,000
7th Avenue & College St Roundabout	1,300,000	-	1,300,000
PCR - Trail System (Bike & Pedestrian)	250,000	-	250,000
PCR - Comprehensive Plan Priorities	100,000	-	100,000
PCR - Comprehensive Plan Priorities	300,000	-	300,000
Workspace/Remote Work Upgrades	200,000	-	200,000
City Facility Replacement	1,137,500	-	1,137,500
Community Building Repairs	450,000	(232,500)	217,500




General Government Reserves Cont.

Maint./Oper. = Flexible?	2024 Balance	2025 Use	2025 Balance
Insurance Deductibles	200,000	-	200,000
Community Building Furniture	42,500	-	42,500
Capital Equipment Replacement	263,157	(163,157)	100,000
Capital Equipment Replacement	850,000	(566,359)	283,641
Translation Technologies	50,000	-	50,000
Teleworking Technologies	250,000	-	250,000
Totals	7,893,157	(1,662,016)	6,231,141




Capital Facilities

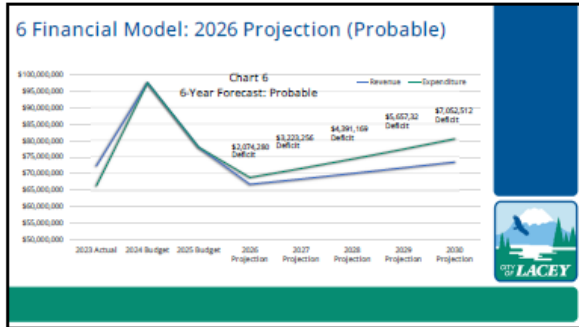
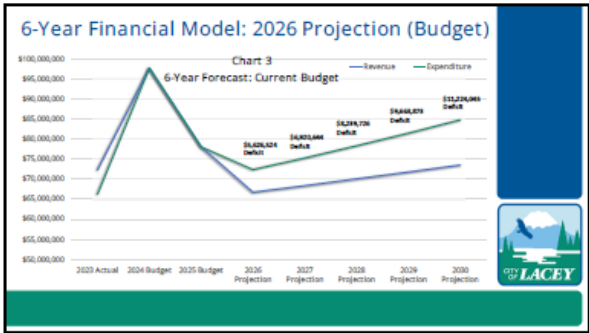
Council Priorities	Funding Need	Gap	Other Sources
Cap. Plan Implementation	2,667,500	N/A	0
Cap. Facilities Projects	1,500,000	N/A	0
Animal Services	3,000,000	(2,000,000)	
City Hall	822,500	(4,177,500)	
Vacated Police Station	1,000,000	1,000,000	0
Shop Operations	0	80,000,000	(80,000,000)
Museum	550,000	13,000,000	(12,450,000) Fundraising
Senior Services	350,000	3,200,000	(3,200,000) Grants/CDBG
White House	0	1,600,000	(1,600,000)
Total	9,890,000	108,800,000	(98,910,000)




6-Year Financial Outlook



- ### Projection Assumptions
- #### Significant Drivers of 6-Year Outlook
- Flatlined or less robust revenue growth
 - Slowing Development - Approaching Buildout
 - Inflationary increases for the cost of labor
 - Wages +4.0% / Benefits +6.0%
 - Less budget savings anticipated
 - 2024 Labor 97.5% of budget (2022 - 85.5%)
- 



Questions



APPENDIX B- CONTINUED



Current Staffing Needs?

2022-2025 Budget Process

- Requested - Not Approved: 27
- Capacity Need: 37
- Monitoring Budget for potential amendments
- Develop Staffing Strategy

LACEY

A slide with a white background and a blue vertical bar on the right. The text is in a dark blue font. At the bottom right, there is a small logo for "LACEY" featuring a mountain, trees, and a lake.