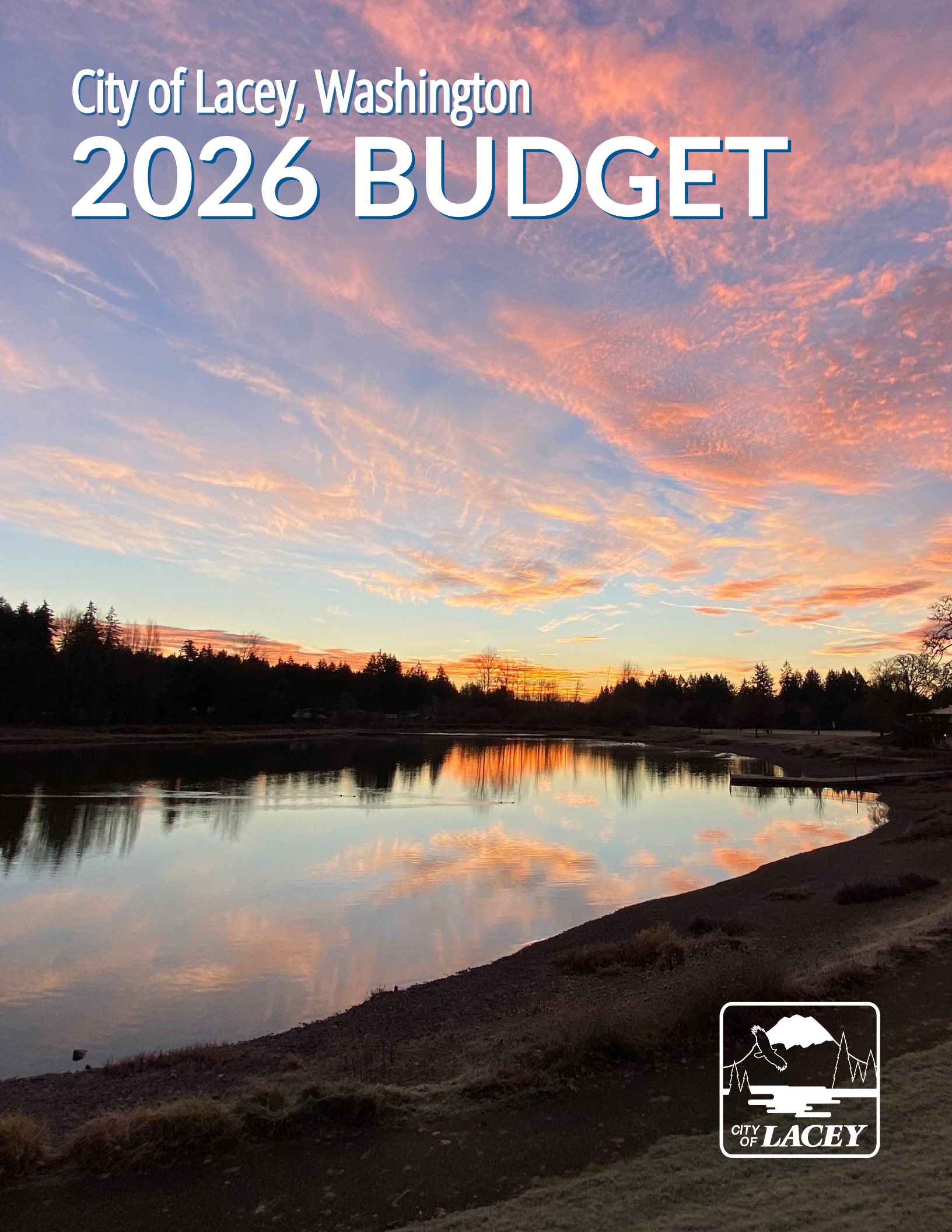


City of Lacey, Washington

# 2026 BUDGET



# City of Lacey, Washington 2026 Adopted Budget



Prepared by the City of Lacey  
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Malcolm Miller –  
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Lenny Greenstein



Michael Steadman



Carolyn Cox



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A message from Rick Walk, City Manager  
October 6, 2025

Citizens of Lacey, Honorable Mayor and Councilmembers and City Staff:

## **Introduction**

Over the past 20 years, the City of Lacey has doubled in size, developed and matured as a City to a population of 60,380. Amid this period of growth, the Lacey community has maintained a small-town feel, a strong sense of community safety and a high quality of life. Up to now this has been accomplished through substantial investment in services such as community-based law enforcement, high-quality well-maintained parks, proactive street repair and maintenance, efficient delivery of utilities and infrastructure investment. People choose to live in the Lacey community for many reasons, employment opportunities, proximity to service, the natural beauty of the area and public investment in services. Where they appreciate the City's traditional level of services, community events and programs, strong neighborhoods and are happy to call Lacey home. We are all proud to be members of the Lacey community.

In looking ahead, it is important to acknowledge that the City is currently facing numerous challenges:

- The plateauing of population growth and development activity combined with a lack of moderate commercial retail expansion since 2008, resulting in the second consecutive year of substantial budget deficit balanced by reserves
- Economic uncertainty, inflationary environment for basic goods and services, climbing interest rates and accessible and affordable child care, all of which impacts local purchasing power and household budgets
- The rising cost of providing public services and overall tax weariness affecting community members
- Failure of the Metropolitan Park District (MPD) ballot measure that would have created dedicated funding for park services
- State and Federal required mandates without funding support

Most, if not all, of these challenges are outside of the City's direct control, but do affect the level and type of services the city can afford going forward versus the level our community has come to expect.

The budget deficit identified for the 2026 Budget is \$2,991,304. I am able to present a balanced budget for Council consideration using \$2,991,304 from the budget policy implementation reserve. This is the second consecutive year the City has had to balance the budget with assigned reserves. A total of \$1,759,545 in assigned reserves were used to balance the adopted 2025 budget. While the City is fortunate to have reserves through sound fiscal management, those reserves are depleting and using reserves to balance the budget is not sustainable long-term.

This issue is not unique to the City of Lacey, as local governments across Washington are facing the same financial challenges. Nor do the financial challenges come as a surprise to City leadership. The City maintains a six-year financial forecast for the General Fund. The financial challenges facing the City were identified in the six-year forecast and discussed during the preparation of the 2025 budget. At the January 2025 City Council retreat, leadership reviewed the forecasts, city expenditures and options for stabilizing

the City's budget long-term. The outcome of the Council retreat is a three-pronged approach to address the compounding budget deficit:

1. Explore Revenue Enhancements  
Explore eight potential revenue options available to the City under current State law. Options include MPD, Technology Fees, Public Record Fees, expansion of B&O, Gambling and Utility Taxes, Franchise Fees and a Public Safety Sales Tax.
2. Invest in Economic Development Initiatives  
Implement a five-year economic development strategy by leveraging City resources and reserve funds to incentivize private sector investment in commercial and employment generators. This is considered a long-term strategy where public investment today would result in outcomes within five years or more.
3. Expenditure Reduction Strategy  
In preparation for the 2027 budget, develop a level of service and cost reduction strategy. We will need to reevaluate what services the City provides and at what levels. The multi-year budget deficit the City is experiencing is not only a revenue issue but also an expenditure issue.

We are currently in year one of a two-year process to analyze and implement strategies from the three options above. The City Council have worked on the revenue options and economic development initiatives over the course of five worksessions in 2025 and are scheduled to take action by the end of the year on the items the Council deems appropriate. After adoption of the 2026 budget, the City Council and staff will begin working on expenditure reduction strategies in the first quarter of 2026. This work informs and is in concert with the preparation of the 2026 budget.

The adopted 2026 budget is presented as a balanced budget. Like in 2025, the 2026 budget is extremely austere in nature, recognizing that existing revenues do not keep pace with the growing cost of delivery of public services to the community. It is imperative for the City to maintain sound fiscal practices and long-term financial strategies, continue to deliver core services at current levels and focus on key Council and community priorities. Using dedicated revenue and assigned reserve funding sources, this budget does so and reflects the Council's policy priorities, which include:

**Connect: Create and maintain a comprehensive infrastructure system that connects people and places** by the allocation of dedicated funding for transportation projects, sidewalk repairs and street maintenance, water utility, wastewater utility and a stormwater capital improvement program.

**Balance: Balance growth with protecting our environment** with the advancement of regionally coordinated energy efficient programs and carbon reduction initiatives benefiting Lacey households and businesses, in addition to ongoing protection and preservation of trees and environmentally sensitive and natural areas.

**Serve: Provide excellent, people centered services** by maintaining current level of services in permitting, improving efficiencies in utility billing, investing in customer service technology and supporting employee health.

**Create: Be the place to Play, Live, Work and Gather** by investing in cultural and recreational programs, community events and festivals and economic development initiatives and placemaking guided by the Comprehensive Plan.

**Unite: Build a community through safety and belonging** by maintaining community-based police programs, resources for houselessness, human and social services programs and equity and inclusion programs.

## **Total Budget**

The 2026 Total Budget maintains the City’s commitment to the delivery of quality services and programs to the Lacey community as well as investments in key priority areas. In financial terms, the 2026 Lacey Total Budget equals \$224,954,147. Although the Lacey budget consists of 31 funds, the financial position of the City can best be illustrated by its six distinct parts: the **General Fund, Capital Projects Funds, Special Revenue Funds, Debt Service Funds, Utility Funds and Internal Service Funds.**

## **General Fund**

The General Fund is the primary fund that most Lacey residents associate with direct services. This is the portion of the budget that receipts sales taxes, property taxes, business and occupation taxes and utility taxes. These sources of revenue provide the necessary funds to pay for parks, public safety, street maintenance and general government services. For the 2026 Budget, the General Fund totals \$74,396,916. This fund supports a total workforce of 276 FTEs in 2026, which is necessary to deliver essential services to the community. Compared to 2025, this represents one additional position. The new position in the adopted General Fund budget is related to a restructure in the Water Resources division.

The 2026 General Fund decreased by 16.30%, or \$14.5 million, in comparison to the amended 2025 General Fund. Transfers out of the General Fund from year-to-year related to capital projects contribute to this overall decrease. Projects include the second year of the two-year new police station and training center construction, RAC improvement design and Greg Cuoio Park Master Plan Phase 1A design and construction. However, total salaries and benefits provide a better barometer on changes within the General Fund. In the adopted 2026 General Fund, salaries and benefits equal \$45,457,172. Compared to the amended 2025 General Fund Budget, salaries and benefits totaled \$43,601,557. This represents an approximately 4.26% increase, or \$1,855,615. With the limited investment in City personnel, it should be noted that the percentage of personnel costs compared to the total General Fund remained relatively constant between 2025 and 2026 (i.e.; 65% in 2026 and 65% in 2025) when deducting transfers out of the overall balance.

The future police station began construction early in 2024. The total project cost is approximately \$61.5 million. In 2023, the City Council approved a funding strategy that included \$13.7M in General Fund reserves, \$5M in Design and Land reserves, \$18M of Real Estate Excise Tax (REET) reserves, \$6.8M of ARPA funds and the issuance of Limited-Term General Obligation Bonds using future REET revenues for bond payments. The police station project will be completed in 2026 expending the remaining \$3,205,462.

Additionally, the General Fund supports Lacey’s premier parks system, which includes 1,200 acres of parks and recreation space unequaled in the region.

Lacey continues to address and respond to community needs. The Lacey Veterans Services Hub annually serves between 5,000 and 6,000 client appointments to help the individuals who served our country. This is accomplished through key community partnerships and non-profits to provide services and assistance related to education, housing, job placement, financial aid and mental health counseling. This is part of the City's broader efforts to fund a variety of social service programs including addressing houselessness with a total investment of over \$1.1 million for 2026 plus additional support embedded in other operating budgets.

The General Fund also supports human services and houselessness response programs. The budget continues to invest in human services by establishing a local human services grant program. With continued funding of \$300,000, the program will provide resources to those in need in our community through an annual comprehensive, transparent and competitive application and award program. In addition, the general fund continues to support local homeless response programs by continuing to fund the Community Resource Unit, Mobile Outreach Team and Rapid Response Team with reserves. Finally, this budget supports continued regional coordination to address housing and houselessness in the County by providing \$80,679 to be allocated by the Regional Housing Council for low-income housing projects.

The primary revenues that support the General Fund are both sales tax and property tax—combined, both sources total 38.72% of the General Fund's total revenue. Sales tax projections for 2026 are \$19,286,412. Compared to last year, this is a \$31,832 decrease. Sales tax revenue, however, is subject to fluctuations due to the strength of the economy. The other key revenue is property tax. For 2026, Lacey's preliminary assessed value increased to \$13.6 billion, a \$396 million or 3% increase. This increase in assessed value reflects the effects of rising interest rates and the slowing of the housing market that has been impacted by continual interest rate increases. In calculating property taxes for next year, Lacey's regular levy is subject to a 1% growth factor with the exception of values related to new construction or annexation adjustments. The 1% adjustment equals \$92,729. For the adopted 2026 General Fund budget, revenue from property tax is estimated at \$9,520,883. This amount will be distributed over all taxable property. As a result, the estimated levy rate for 2026 is approximately \$0.7010 per \$1,000 of taxable assessed value.

## **Capital Projects**

Funds within Capital Projects include Arterial Streets, Transportation Benefit District, CDBG, Building Improvement, Parks and Open Space, Capital Project Revenue and Regional Athletic Complex (RAC). The Capital Projects budget will total \$20,674,533 in 2026. Previously in 2025, Capital Projects totaled \$85,912,832. This number fluctuates from year-to-year due to the changes in the number and scale of projects included in the respective budgets. For 2025, the construction of the new Police Station and Greg Cuoio Parks Master Plan Phase 1A make up the majority of the total capital projects budget.

The following captures some of the roadway projects and one-time projects scheduled for 2026:

- \$3,205,462 – Year Three of New Police Station and Training Center Construction
- \$1,900,000 – RAC Improvements Design
- \$500,000 – Transportation Right of Way Acquisition Program
- \$550,000 – College Street & 7th Avenue Roundabout Design
- \$2,730,000 – College Street & 16th Avenue Roundabout Design
- \$855,000 – College Street and 29th Avenue Roundabout Design

- \$3,275,000 – Willamette Drive Phase 1
- \$500,000 – 2025 Sidewalk Repair
- \$500,000 – 2026 Sidewalk Repair

### **Special Revenue**

Special Revenue consists of two funds—Hicks Lake Management District (District) and the Lodging Tax Fund. Combined, these two sources total \$735,338. The City Council established the District in 2015 after property owners petitioned the City to address aquatic vegetation that reduces water quality and the use of the lake. Property owners that front Hicks Lakes or have legal access, pay a special assessment on their property taxes to fund the District. This year, the budget for the District totals \$50,099 with \$45,900 of the total raised through assessments.

Lacey charges a 4% hotel/motel tax for each room booked for the night. This revenue source declined dramatically during the pandemic, which corresponded with a decrease in travel. Seven hotels/motels are currently located in Lacey with a total of 532 rooms. For 2026, lodging revenues are projected to reach \$685,239. The Lodging Tax Advisory Committee, a five-member board, receives applications each year to invest lodging tax dollars collected by the City in activities that will generate tourism and hotel/motel stays. This year the Lodging Tax Advisory Committee recommended 29 applications for funding consideration. Activities range from sporting events, cultural activities, community festivals, marketing and operations of the Lacey Regional Athletic Complex.

### **GO Debt**

The City of Lacey should take pride in its relatively low debt position for a community of our size. Lacey’s statutory debt capacity (i.e., 7.5% of Lacey’s Assessed Valuation) allows the City to leverage up to \$1,018,616,112. Our actual outstanding debt obligations total only \$18,715,000, or 1.84% of our limit.

For 2025, Lacey’s annual debt payments will equal \$1,415,000.

### **Enterprise Funds**

Enterprise Funds comprise the largest portion of the adopted 2025 Total Budget. In 2026, the Enterprise Funds or Lacey Utilities will total \$116,194,343, or 52% of next year’s budget. Lacey oversees three utilities: water, wastewater and stormwater. The value of these comprehensive public infrastructure systems totals nearly \$285 million. For perspective, the Lacey utilities operates 20 wells, eight reservoirs, 429 miles of water mains, 48 wastewater lift stations, 192 sewer mains, 6,590 catch basins and 50 stormwater ponds. The utilities are maintained and managed by a total staff of 66.50 FTEs. Expenditures to support this workforce equals \$10,978,781.

In 2026, capital expenditures in the utilities will total \$41,476,998. The following represents a sampling of the project investment in the Lacey Utilities:

- \$4,100,000 – Madrona Connection to 337 PZ
- \$3,300,000 – HP Reservoir Rehabilitation – Marvin Road NE and 41<sup>st</sup> Avenue NE
- \$3,000,000 – TQu Deep Test Well
- \$2,900,000 – Chambers Lake Main Abandonment

- \$1,400,000 – Meridian Campus Production Well
- \$1,200,000 – Marvin Rd Production Well
- \$1,000,000 – Madrona Wells pH Treatment
- \$1,000,000 – Westside Wells pH Treatment
- \$2,400,000 – Liftstation 6 Replacement
- \$1,200,000 – Liftstation 3 Replacement
- \$1,100,000 – Liftstation 9 Improvements
- \$1,000,000 – Liftstation 23 Improvements
- \$1,000,000 – Liftstation 17 Rehabilitation
- \$550,000 – Jubilee Stormwater Pond
- \$500,000 – Stormwater Liftstation 01 Improvements

Utility rates fund the necessary operations, maintenance and capital expenditures of Lacey’s three utilities. Single-year rate adjustments are adopted for water, wastewater and stormwater. These adjustments include 5.25% for water, 9.50% for wastewater and 4.50% for stormwater. In terms of dollars, this adopted rate equates to a \$2.01 per month water bill increase (based on 700 cubic feet of water usage), a \$3.15 per month increase for sewer and a \$0.67 per month increase for stormwater. Additionally, LOTT, the region’s wastewater treatment provider, will increase rates by \$1.43 per month.

### **Internal Service Funds**

The City uses an Internal Service Fund to account for its technical needs (i.e., computer, software, server, communications, etc.) through Information Services and fleet maintenance (i.e., vehicles, heavy equipment, maintenance, etc.) with the Equipment Rental Fund. Internal service funds total \$10,518,931 for the adopted 2026 Budget. Of significance is the City efforts to transition from internal combustion engines vehicles to all electric vehicles. The budget includes the purchase of electrical vehicles wherever operationally feasible. Vehicle procurement, continues to be a challenge based on manufacture inventory and other supply chain constraints. Overall vehicles and other equipment purchases in the Equipment Rental Fund will total approximately \$1.5 million in 2026.

### **Conclusion**

Many in the community are experiencing difficult times with the effects of inflation, economic uncertainty and affordability of basic needs. The City is no different. It is important in navigating these times to work within our means and stabilize our budget to be prepared for opportunities in the future. The adopted 2026 budget and the work behind it sets the City on that path.

I can’t state enough my appreciation to the Council, Department Directors and their staff and the work to tackle these tough issues and identify options to stabilize city services for the public.

An example of this work was during this year’s budget process, the City Finance team, Department Directors and their respective staff conducted a line-item by line-item analysis of the existing budget. The purpose of this exercise was to review average expenditures over the previous five-year period and based on those averages adjust line-item expenditures that were under- and over- funded to appropriate levels. Through this process; we identified \$938,638 in General Fund savings that we are able to use to reduce the 2026 projected deficit. The Lacey community can be confident that their local government is serving them in a fiscally efficient, responsible and conscientious manner.

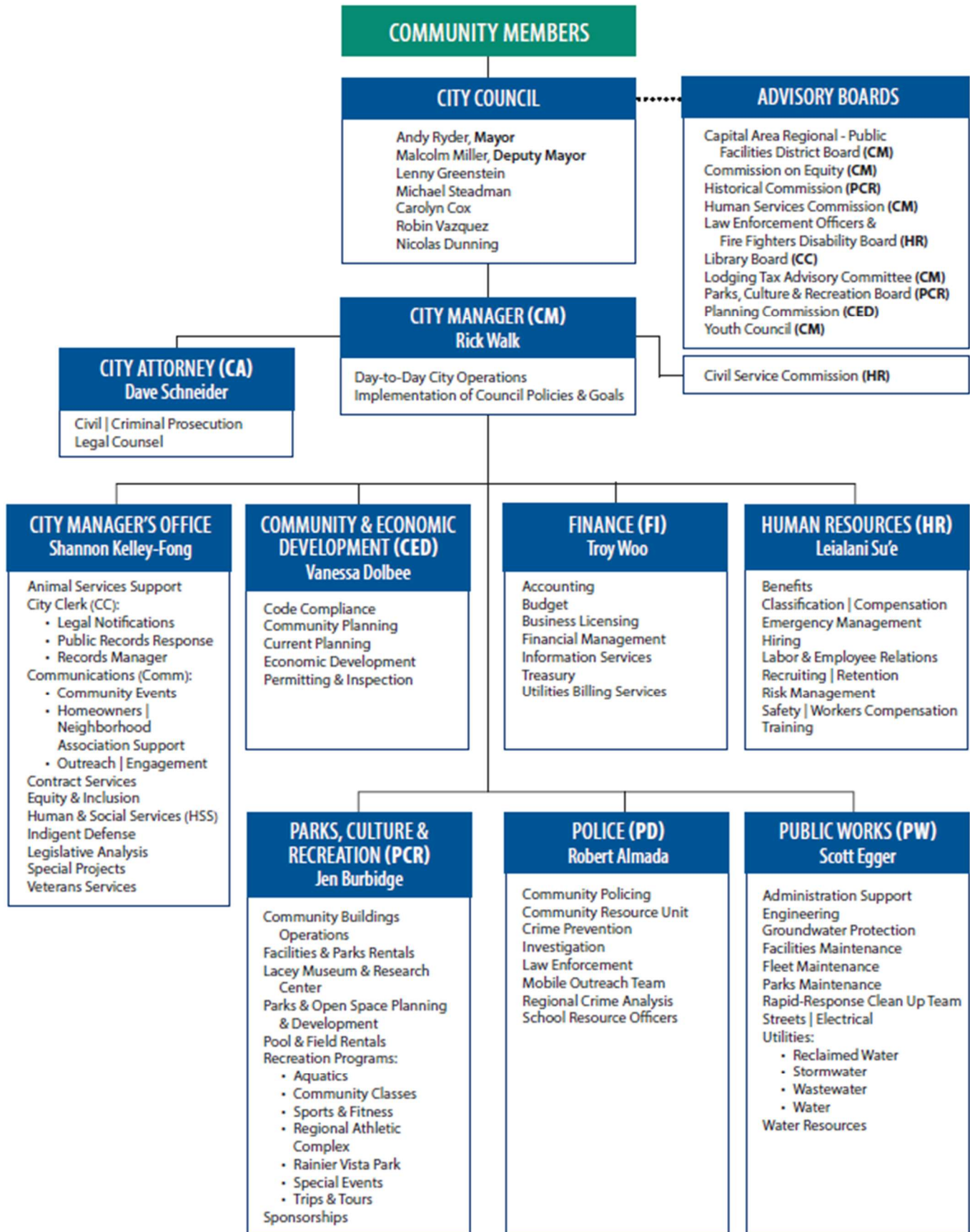
Forecasting our resources, preparing the budget, monitoring its implementation, assuring accountability and transparency, all while getting the work done, takes an exceptional group of professionals. I want to thank the Lacey City Council, the executive leadership team, the Finance Department and all the City employees who participated in the development and preparation of this budget.

Thank you.

Rick Walk  
City Manager



# LACEY CITY GOVERNMENT





## **BUDGET 2026 SUMMARY**

The City's 2026 Budget is adopted at \$224,954,147, reflecting a decrease of \$91,815,418, or 28.98 percent, compared to the amended 2025 budget. The \$91.8 million decrease in the 2026 Budget is primarily driven by the reduction of one-time transfers for capital projects, a lower level of capital improvement program projects and debt-related transactions that were part of the 2025 Budget. Most notable decreases relate to the completion or substantial completion of projects including a new Police Station and Training Facility, key transportation projects, Greg Cuoio Park Phase 1A and various utility infrastructure projects and rehabilitation.

The 2026 Adopted Budget continues to build upon the conservative approach taken in recent years, further strengthening the City's careful financial management. This strategy ensures that essential services and critical community needs are met, even during a period of limited revenue growth. To maintain long-term fiscal sustainability, several operations and maintenance requests were not included in the budget.

The 2025 Budget was adopted with a commitment to develop a three-pronged strategy aimed at closing the structural budget gap and strengthening long-term financial sustainability. The strategy focuses on three key areas: enhancing revenues, evaluating service levels and priorities and making targeted economic development investments.

This work is ongoing and will continue into 2026. To date, the City Council has reviewed multiple revenue options, with recommendations and implementation efforts in various stages. In addition, approximately \$938,638 in General Fund expenditures have been reduced through a detailed, line-by-line analysis process. Finally, the City is developing its economic development strategy with the support of a consultant to help guide future investments and growth opportunities.

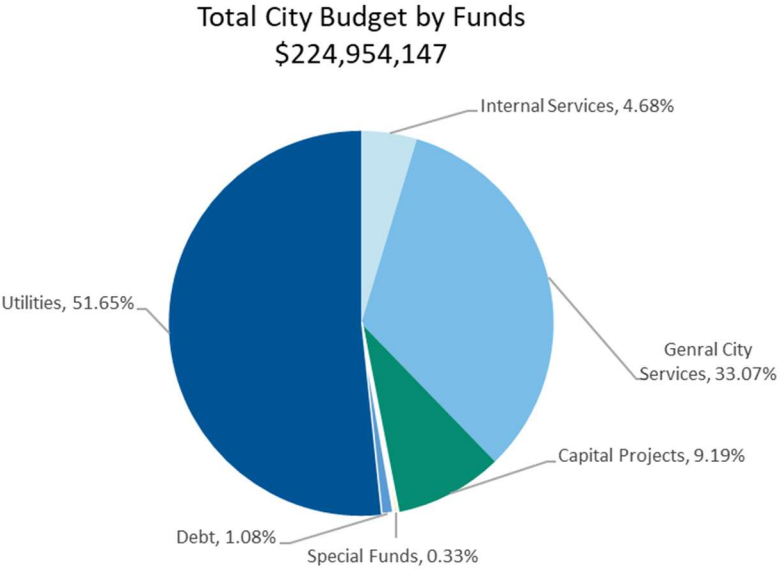
The 2026 Adopted General Fund Budget is balanced through the use of the \$3.0 million Budget Policy Implementation Reserve. Utilizing this reserve ensures the City can continue delivering essential services to the community without abrupt disruption, while also providing the necessary time and flexibility to develop and implement long-term solutions to the structural budget gap.

Intentional use of the reserve reflects a cautious and responsible fiscal approach that protects core services in the short term while allowing the City Council and staff to engage in a thoughtful, deliberate process to identify sustainable strategies for the future.

The General Fund's primary revenue source, sales tax, started 2025 with continued declines from the previous year. This downward trend ended after twelve straight months of decline in June. Since the end of the decline, each of the last four months has recorded positive year-over-year growth. As of the end of September 2025, sales tax receipts are meeting the projections assumed in the adopted 2025 Budget. Year-to-date, the city's largest sales tax category, general merchandise retailers, has experienced a 0.4 percent decrease, while the second-largest category, construction of buildings, has increased by 2.5 percent compared to the previous year.

In addition to these sales tax trends, other key indicators of future growth, such as building permit fees, are at a similar level as 2024, which was a down year. Plan check fees have dropped significantly in 2025 following significant decreases in 2024. These declines suggest potential slowdowns in future sales,

property and utility tax revenue. As a result of these trends, the revenue projections for 2026 are conservatively forecasted with minimal growth.



At the same time, the General Fund's largest expenditure, labor costs, continues to outpace inflation, further straining the City's budget. For 2026, salaries and benefits funded by the General Fund are projected to rise by \$1,855,615, representing a 4.3 percent increase. Historically, labor costs have grown faster than inflation, a trend that persists and contributes to ongoing financial pressures.

Projected General Fund labor cost increases for 2026 include the equivalent of one additional full-time position, resulting from the ongoing development of a reorganization within the Utility Project and Design Division. The purpose of these efforts is to strengthen service delivery, streamline internal workflows and maximize the effectiveness of existing staff resources. While the reorganization will be designed to achieve greater efficiency, early analysis indicates that one additional position will be necessary to fully implement the new structure. These positions are expected to enhance the City's capacity to manage increasingly complex utility projects and to provide timely completion. It is expected that the cost of this position will be fully recovered through internal service fees charged to the utility capital funds.

In addition, the 2026 Adopted Budget includes funding for two additional utility fund positions. First, the Utility Billing Department plans to move forward with a departmental reorganization similar in intent to the Utility Project and Design Division with a focus on improving customer service, strengthening workflows and enhancing accuracy in billing and customer service responses. Second, a journey-level maintenance technician is included, as identified in the Stormwater Comprehensive Plan, to support the City's growing infrastructure needs and ensure proper maintenance of stormwater systems.

As a result of slowing revenue growth and rising labor costs, the Adopted 2026 Budget maintains service levels, programs and City Council priorities and initiatives, but is balanced using one-time reserves. To address this budget gap, the City will continue developing strategies throughout 2025 and 2026 aimed at expanding economic development, increasing revenue streams and reducing expenditures. Minor revenue enhancements have been adopted in 2025 and will be primarily implemented during 2026 and 2027.

The City Council's foresight in creating the budget policy implementation reserve has given Lacey an important safeguard. These reserves provide the City with the flexibility to address today's financial challenges while preserving the stability of essential community services. By relying on this buffer, the City can take the time needed to design thoughtful, long-term solutions without abrupt immediate disruptions to the services residents have come to expect and depend upon. This added time allows the City to identify and increases the likelihood of identifying equitable and sustainable revenue enhancements.

The Adopted 2026 Budget prioritizes significant investments in the maintenance and repair of critical infrastructure, reinforcing the City's commitment to preserving Lacey's high quality of life. By maintaining historic service levels, the budget ensures residents continue to benefit from dependable and responsive public services. These infrastructure investments focus on safeguarding and extending the life of essential community assets such as roads, utilities, parks and public facilities, so they remain functional, safe and reliable. Proactive maintenance not only reduces long-term costs but also supports the City's ability to accommodate future growth, foster economic vitality and protect the investments already made by the community.

As a result, the 2026 Budget reflects a balanced approach: meeting today's needs while planning for tomorrow and ensuring that Lacey continues to thrive as a well-maintained, sustainable and vibrant community.

This summary section of the adopted 2026 budget will focus on the goals and priorities of the 31 funds that make up the City's budget. It is our hope that this document becomes more than pages of numbers but an understandable and informative message to you, the reader.

Each of the funds that make up the adopted budget has a specific role and responsibility. Revenues and expenditures, as adopted, must be balanced and each fund must be closely monitored to ensure accuracy, accountability and efficiency as well as remain solvent during the fiscal year.

## **The Funds**

The Current Expense, Criminal Justice, Public Safety, Community Buildings, Regional Athletic Complex (RAC), City Street and Capital Equipment Funds combine to make up the City's **GENERAL FUND**.

There are eleven separate funds that account for the major components of the City's water, wastewater, stormwater and reclaimed water utilities. These are referred to as the City's **ENTERPRISE FUNDS**.

Other **CAPITAL and SPECIAL REVENUE FUNDS** account for capital improvement expenditures for streets, buildings, transportation improvements (Transportation Benefit District), Hicks Lake Management District, Parks and Open Space, Capital Projects Revenue, RAC and activities of the Lodging Tax Fund. Voter-approved General Obligation Debt along with Local Improvement District (LID) debt also are accounted for separately.

The City established two funds that account for the resources and assets of internal support activities. These are the Equipment Rental Fund that manages all vehicles and equipment used in providing services and the Information Management Services Fund that accounts for expenses associated with all City's computer and communications equipment used by all departments.

A Community Development Block Grant Fund (CDBG) was established to facilitate the pass through of state and federal grants to address special needs within the community that satisfies the U.S. Department of Housing and Urban Development’s (HUD) CDBG National Objective (a project must benefit low-and-moderate income [LMI] persons).

Overall, the City accounts for its resources and expenditures in 31 separate funds. It also maintains a joint-venture fund for Animal Services and an agency fund for the Capital Area Regional Public Facilities District.

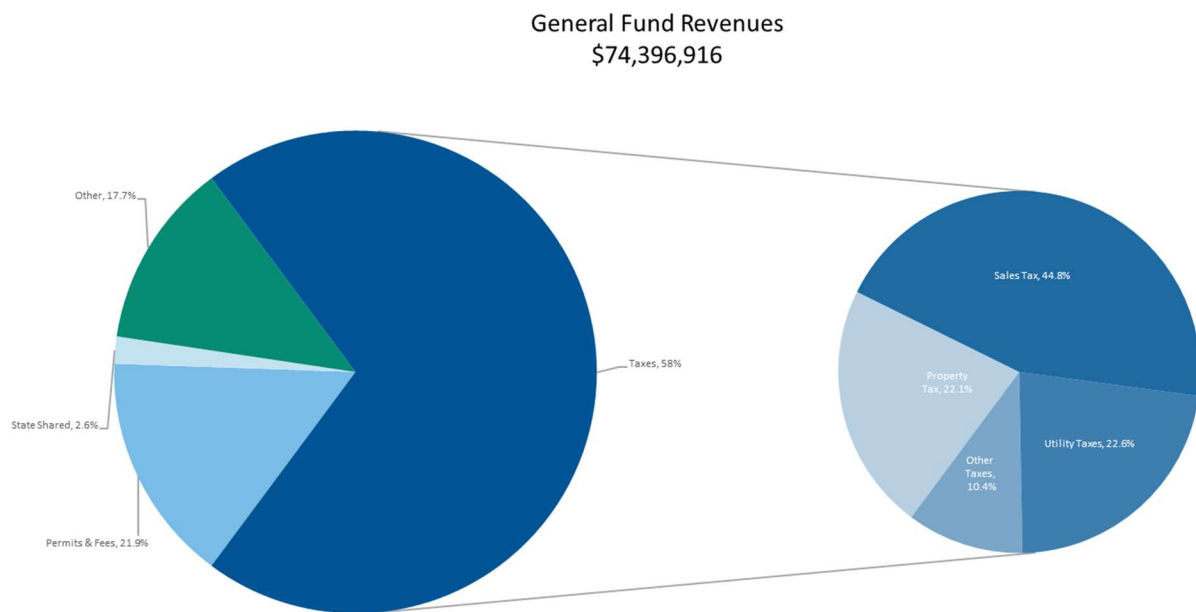
CITY OF LACEY FUNDS				
General Fund	Enterprise Funds	Capital & Special Funds	Internal Service Funds	Debt Funds
<ul style="list-style-type: none"> <li>• Current Expense</li> <li>• Criminal Justice</li> <li>• Public Safety</li> <li>• Community Buildings</li> <li>• Regional Athletic Complex (RAC)</li> <li>• City Street</li> <li>• Capital Equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Water utility</li> <li>• Wastewater utility</li> <li>• Stormwater utility</li> <li>• Reclaimed Water utility</li> </ul>	<ul style="list-style-type: none"> <li>• Capital improvement expenditures for streets, buildings, transportation improvement</li> <li>• Community Development Block Grant (CDBG)</li> <li>• Hicks Lake Management District</li> <li>• Parks and Open Space</li> <li>• Capital Projects Revenue</li> <li>• Regional Athletic Complex Capital</li> <li>• Lodging Tax</li> </ul>	<ul style="list-style-type: none"> <li>• Equipment Rental Fund</li> <li>• Information Management Services Fund</li> </ul>	<ul style="list-style-type: none"> <li>• General Obligation Debt</li> <li>• Local Improvement District (LID)</li> </ul>

## GENERAL FUND

The General Fund provides and accounts for most traditionally recognized local government functions, including:

- Public safety services, including the Lacey Police Department
- Human and social services
- Recreation and culture programs
- Financial and administrative services
- Community development including planning, zoning, permits, code enforcement and building inspection
- Maintenance of parks, streets and rights-of-way
- Public works administration and engineering services

The total General Fund budget for 2026 is \$74,396,916, which is 16.3 percent or \$14.5 million lower than the 2025 amended budget. The decrease to the General Fund Budget expenditures is mostly attributed to lower one-time transfers out of committed reserves to the construction of Greg Cuoio Community Park Phase 1A. The decrease is partially offset by significant inflationary increases to the cost of its workforce.



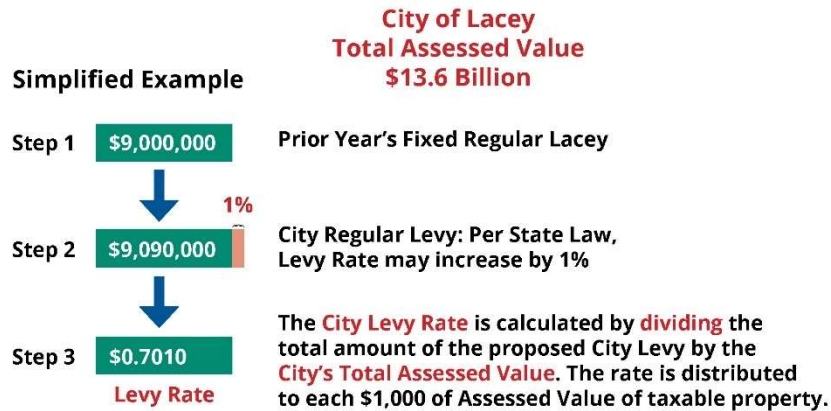
### General Fund - Revenue Summary

Property and sales tax revenues are the most significant income sources for the General Fund. Combined, they total \$28,807,295.

### Property Tax

The property tax levy for 2026 has been estimated by calculating the one percent allowable limitation, recovering the value of refunds and adding new construction valuation. The one percent adjustment amounts to a \$92,729 increase in the property tax levy. It should be noted that the one percent maximum adjustment in the property tax levy remains insufficient to meet the inflation and fixed cost increases

associated with a \$69.6 million public service operating budget. As such, it is critical that the City also experience a strong performance from new construction and other General Fund revenues in order to help maintain service levels each year.



Preliminary values issued by Thurston County Assessor's Office indicate that the City's total new construction will increase \$68.5 million, which is a significant reduction from last year's \$288.5 million increase. This increase is very significant because new construction and annexation valuation is not subject to the one percent maximum increase limitation. The preliminary estimate indicates that existing overall property value assessments may increase 2.4 percent due to market value increases. Based on this information, the City's regular levy is estimated to be \$9,520,882. As a result, the levy rate will decrease \$0.0013 to \$0.7010 per \$1,000 of assessed property value.

### Sales Tax

Sales tax receipts started 2025 with continued declines from the previous year. This downward trend ended after twelve straight months of decline in June. The four most current months have seen sales tax with positive growth. As of the end of September 2025, sales tax receipts are meeting the projections assumed in the adopted 2025 Budget.

Year-to-date, the City's largest sales tax category, general merchandise retailers, has experienced a 0.4 percent decrease, reflecting slower consumer spending in this sector. In contrast, the second-largest category, construction of buildings, has increased by 2.5 percent compared to the previous year. This upward trend in construction-related sales tax receipts is expected to be short-lived due to a decrease in development-related fees, signaling a slowdown in construction and development activity.

The 2026 sales tax projection is \$31,832 lower compared to the original 2025 projection. This is essentially a no growth expectation for sales activity.

The 2026 Budget anticipates a slight decrease in overall sales tax receipts to \$19,286,412, which is a 0.2 percent decrease compared to the amended 2025 Budget. The 2026 sales tax projection was adjusted to reflect the current trends. Overall, the sales tax projection is for no growth or retraction, recognizing the uncertain economic outlook.

Because sales tax is a historically volatile revenue source, the City will closely monitor receipts, particularly in light of potential economic shifts and uncertainty around inflation. A downturn in the economy could

reduce retail sales volumes and directly impact sales tax revenues. Recognizing this volatility, the City will track trends carefully and adjust revenue forecasts as needed.

Sales tax revenue plays a critical role in funding the City's operations, with the General Fund relying heavily on this source. For the adopted 2026 budget, sales tax revenue accounts for a substantial 25.9 percent of the General Fund.

Lacey's retail sales per capita remains low compared to the surrounding communities. Based on population, Lacey is the 23<sup>rd</sup> largest city in the State. However, the City's sales tax per-capita basis ranks 114<sup>th</sup>.

The Criminal Justice Fund is projected to receive \$1,446,963 in sales tax revenue that is collected from a special countywide levy and distributed by the County on a per-capita basis.

On November 7, 2023, the voters of Thurston County authorized a 0.2 percent sales tax dedicated to public safety. Similar to the Criminal Justice sales tax, the revenue that is collected from this countywide sales tax levy will be distributed by the County on a per-capita basis. The 2026 Adopted Budget assumes that \$2,232,239 will be received. These sales taxes will be accounted for in a newly formed Public Safety Fund.

### **Utility Tax**

The City's utility tax continues to be a stable and flexible source of General Fund revenue. Income from this tax has historically been distributed to the Current Expense, City Street and Capital Equipment. It is estimated that utility tax receipts for 2026 will be \$9.7 million. Utility taxes are projected to increase \$812,335 due to current consumption trends and projected utility rate increases.

### **Other Taxes & Fees**

Other taxes total \$4,494,520 or six percent of General Fund revenues.

#### *Business & Occupation Tax*

It is anticipated that Business and Occupation (B&O) tax revenue will increase compared to the adopted 2025 Budget and total \$3,770,320 in 2026.

#### *Admissions Tax*

Admissions tax projections are expected to remain lower than historical levels at \$160,000.

#### *Gambling Tax*

Total gambling tax revenues are expected to remain at \$540,700 in 2026, but will remain higher than historical levels.

### Development Fees

Anticipated revenue from building permits and development review fees, which peaked in 2023, are expected to continue to decline. The following table illustrates the most recent planning related revenues:

	Planning Fees	Variance
2026 Adopt.	2,065,000	(125,000)
2025 Bud.	2,190,000	(74,548)
2024	2,264,548	(906,631)
2023	3,171,178	699,638
2022	2,471,540	(239,424)
2021	2,710,964	474,787
2020	2,236,177	(1,597,880)
2019	3,834,057	821,690
2018	3,012,366	919,145
2017	2,093,222	(739,424)

The 2010s finished with strong multi-family and commercial/industrial development. So far, the beginning of the 2020s multi-family and commercial/industrial developments are experiencing strong levels of activity. Unfortunately, since 2024, permit and plan review activity has been slowing, which indicates slower development in 2026.

### User Fees

Many of the functions performed by the City are financed or partially reimbursed through service fees and user charges. These fees for service total \$16,260,399 and represent 21.9 percent of General Fund revenues. The most significant amount, \$9,522,535, comes from Public Works engineering, water resources and maintenance support services performed for the benefit of the City's utilities and capital projects. These services include utility planning, ground and surface water protection activities, water conservation, wellhead protection, capital facilities planning, engineering design, construction oversight and facilities maintenance.

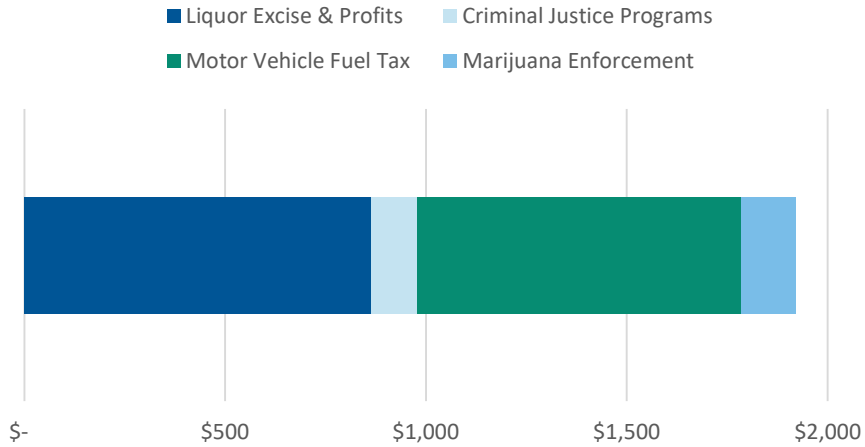
Indirect cost recovery fees charged to the water, wastewater and stormwater fund continue in 2026. During 2026, the utility funds will reimburse the General Fund for administrative and overhead costs in the amount of \$2,214,482.

Slight decreases in Parks, Culture and Recreation program fees are anticipated as participation levels continue to return to pre-pandemic activity levels, with projected revenues reaching \$837,000.

Also incorporated into this category of revenue are charges for administrative services to Animal Services, North Thurston Public Schools for pool and field use contracts and other contracted and internal services.

Each year, every city receives a per capita share of taxes collected by the State of Washington. These are commonly referred to as state-shared revenues and include Liquor Revolving Funds, Liquor Excise Tax, Fuel Tax and Criminal Justice Funds. The General Fund will receive state-shared revenues totaling \$1,919,942 in fiscal year 2026.

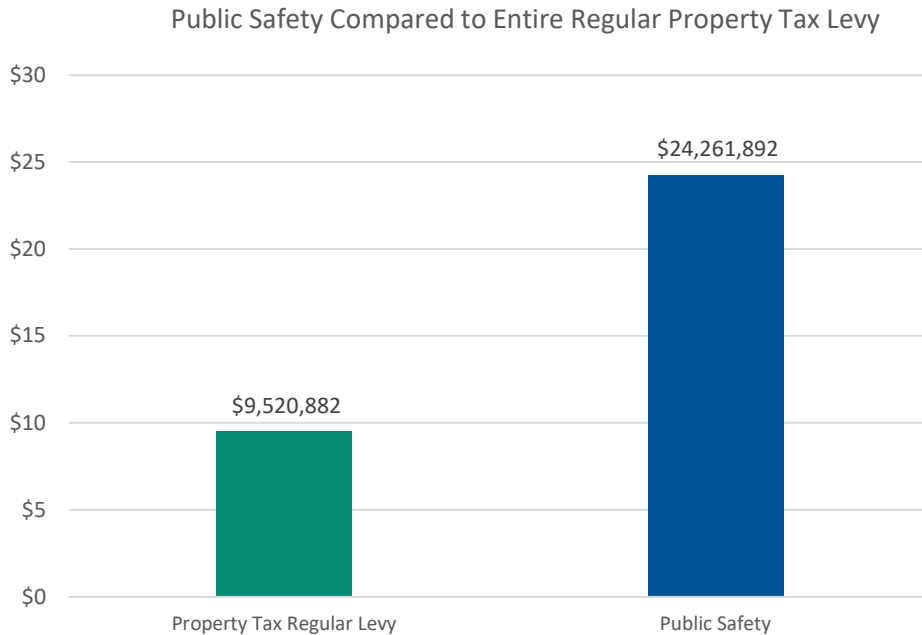
## 2026 State Shared Revenue \$1,919,942



### General Fund - Expenditure Summary

The City is a general-purpose government agency providing numerous services through its employees and other contracted sources. The cost of public safety services represents one of the single largest expenditures from the General Fund. These services will require \$24,261,892 in 2026, which represents 32.6 percent of all expenses within this \$74.4 million fund.

The corresponding chart illustrates the cost of our public safety services in relation to the City’s regular property tax levy. As demonstrated by this chart, revenue from property taxes falls \$14,741,010 short of meeting public safety costs.



It is often noted that property taxes are among the most known and most frustrating sources of revenue. Yet, despite this perception, the total amount of property tax collected by the City is insufficient to cover even the most basic and foundational service provided by City, public safety.

This reality highlights the structural challenge facing many municipalities like Lacey. While property taxes remain a critical revenue source, they represent only a portion of the resources required to provide the full range of essential services residents rely upon. As demands on public safety and other core services continue to grow, it underscores the need for a broader, more diversified approach to long-term fiscal sustainability.

## **Police Services**

The Lacey Police Department (LPD) budget for 2026 is \$21,215,403, an increase of \$927,644 from the amended 2025 budget. The adopted 2026 budget includes a \$412,241 rise in salary and benefit costs, an Equipment Rental rate increase of \$391,489 and an additional \$389,927 for anticipated operations and maintenance costs for the new Police Station and Training Facility. Offsetting these increases is a \$380,000 reduction due to the 2025 purchase of four new police vehicles from the new Public Safety sales tax. LPD's budget accounts for 28.5 percent of the total General Fund operating budget.

LPD's outreach effort to businesses, youth, seniors, ethnic and community groups is noteworthy and has produced positive benefits for the City and the community. The department's partnership with the Nisqually Indian Tribe for prisoner support services has also served the community well. Lacey allocates \$1,178,457 annually for prisoner support and medical expenses.



LPD has established two police substations, one in south Lacey, the second in Hawks Prairie. These substations are strategically located to support patrol officers and enhance their efficiency.

In 2009, LPD became the first city in Thurston County to be state-accredited. This means the LPD is meeting the best practices of professional performance established by the State of Washington.

Lacey residents are most fortunate to have such a fine group of personnel dedicated to providing innovative and quality public safety services. Once again, local crime statistics indicate that Lacey's residents enjoy one of the lowest crime rates per capita among municipalities in the state.

## Parks, Culture and Recreation

Lacey's parks and recreation programs, aquatics, sport, cultural and special events programming including the Lacey Teen Late Night and the After School and Day Camp programs are held in high regard by jurisdictions throughout the state because of their excellent variety, organization, planning and supervision. The popularity of the Friday Lacey Teen Late Night events is a testimony to the effectiveness of this program and the caring attitude of the staff and numerous volunteers who are dedicated to serving our community's youth.

The RAC continues to be a premier destination for outdoor sporting events. The RAC offers synthetic fields and advanced lighting for all-year use. The RAC also serves as a community park that offers active and passive amenities, e.g., play areas and walking trails.

The Senior Center continues to be a very active place operated by Senior Services of South Sound with the City maintaining the facility. The operation and maintenance of these three buildings are funded out of the Community Buildings Fund budget, which is included in the General Fund.

The Community Center and Jacob Smith House will generate combined rental income estimated at \$285,000 with additional revenue coming from the City's regular property tax levy. The 2025 Community Buildings Fund budget totals \$962,886.



Registration and service fees for the myriad of recreation programs Lacey Parks offers are estimated at \$837,000, or about 22.0 percent of the \$3,872,845 Parks, Culture and Recreation's program budgets. General Fund revenues support the balance of the cost of these quality-of-life activities.

Some, but not all, of the cultural programs offered by Lacey's Parks and Recreation department have been supported through Lodging Tax fund. (Note: This fund is not included in the General Fund). The July 3rd Fireworks Spectacular is partially funded by lodging tax in the adopted 2026 Budget. Also, historically funded are the operations of the local tourism promotion organizations and tourism facilities. These include the Lacey Chamber of Commerce Visitor Services, Washington Center for Performing Arts, Experience Olympia and Beyond, Lacey Regional Athletic Complex and the Lacey Museum.

## City Council, City Manager, Human Resources, Communications and City Clerk

Key components of the City's administrative services include City Council, City Manager, Human Resources, Communications and City Clerk. Adopted 2026 expenditures will be \$5,318,134, an increase of \$23,404 compared to the amended 2025 budget.

## Human and Social Services

Human and Social Services includes the Lacey Veterans Services Hub, homeless and affordable housing services and other social services. The expenditures are \$1,102,166.

Many of the services provided to Lacey community members for public health, human and social services, youth initiatives, library services and cultural and community enrichment programs are performed by contract through other agencies and volunteer groups. Each is important to the quality of life and well-being of the Lacey community.

Lacey continues its participation in regional human and social service initiatives. The 2026 budget assumes that the City's contribution will be \$80,679. The contribution will be to the Regional Housing Council.



## Library Services

The City owns and maintains the Lacey Timberland Library building located next to City Hall. Maintaining the building and grounds will cost \$101,205 in 2026. Each year the City replaces furniture and fixtures as required.

## Community and Economic Development

The Community and Economic Development Department is responsible for building code enforcement and planning services, including commercial and residential construction. Based on the adopted work plan, this coming year the City Council will focus time and energy on developing a framework to strategically advance annexations and Urban Growth Area (UGA) permitting, update the Comprehensive Plan and review development regulations, amongst other tasks.

Revenue projections relating to building permits include development proposals review, permits and building fees. The recent development activity increases have originated from industrial/commercial and multi-family developments.



The adopted 2026 budget for the Community and Economic Development Department totals \$5,175,209, representing a 20.0 percent decrease compared to the amended 2025 budget. This reduction is primarily driven by reductions of professional services and economic development, which are linked to three 2025 Washington State Department of Commerce grants, including a comprehensive plan development, climate action initiative and annexation-related professional services.

### **Public Works – Engineering and Maintenance Services**

Public Works administration, project and utility engineering, construction management, transportation planning and engineering, water resource management and parks and street maintenance services all are included in the General Fund budget. Where appropriate, the cost of these services is reimbursed from city capital construction projects, charges to utilities and from fees assessed to private development. Fees and charges collected for these services account for \$9,522,535, or 12.8 percent, of General Fund revenues. Adopted expenditures will be \$20,282,049, or 27.3 percent, of all General Fund activity.

The Engineering Division work program for 2026 continues to focus on the new Police Station and Training Facility, transportation and utility capital improvement projects. The focus is fixed on reservoir rehabilitation, well rehabilitation, waterline improvement/replacement, lift station rehabilitation/replacement, sewer line installations, stormwater line installation, pond rehabilitation and transportation and street overlay rehabilitation. A detailed listing of projects is provided in the summary pages entitled Arterial Street Fund, Water, Wastewater and Stormwater Utility Funds. The adopted Engineering Division services budget is \$6,271,237, an increase of \$388,485 or 6.6 percent.

The Water Resources Division of Public Works faces a full schedule of responsibilities and projects for 2026. Water Resource personnel are heavily involved in monitoring the quality of surface and groundwater, development review, flooding issues, design and construction, water system modeling and water conservation efforts.

Implementing the state and federal requirements of Phase 2 National Pollutant Discharge Elimination System (NPDES) (Stormwater treatment and discharge) remains a top priority for the City's Water Resources staff. Clearly, however, there is a long-term positive benefit to local waterways and Puget Sound. Budget requirements for this division total \$3,151,138. This is a \$286,476 increase from the 2025 budget.

The Facilities Maintenance Division will have a budget of \$1,314,825, an increase of \$33,798 from last year. This division is responsible for the care and upkeep of numerous City-owned buildings and facilities including City Hall, Library, Community Center, Maintenance Center, Lacey Depot, Jacob Smith House, the Senior Center and the new Police Station and Training Facility.

Part-time and seasonal employees are a key component to meeting the significant workload of this division. The adopted Parks Maintenance operating budget totals \$4,362,149, an increase of \$54,705.

The Street Maintenance Division is responsible for the cleaning, upkeep and repair of all City streets, sidewalks, street lighting, markings and signals. Repair and maintenance responsibilities continue to grow as new streets are added to the inventory of transportation infrastructure. The adopted 2026 City Street fund budget totals \$5,005,269, a decrease of \$959,231. The decrease is a result of \$1.1 million of one-time transfers out in 2025, which included a \$1.0 million transfer to the Arterial Street fund for the design of the College Street and 7<sup>th</sup> Avenue roundabout project. Funds for this program come primarily from the motor vehicle fuel tax and dedicated utility tax revenues. City streets continue to be very well maintained with most of the City's roadways rated as in good or excellent condition.

### **Regional Athletic Complex – Operating Fund**

The Regional Athletic Complex - Operating Fund is responsible for maintaining the fields and facilities as well as managing the scheduling of tournaments and events at this park. The adopted operating budget for the RAC is \$1,537,994. This is an increase compared to the 2025. Field use, league fees, sponsorship, concession contracts, rental fees and investment interest of \$623,352 need to be supplemented by contributions of \$278,739 from Lacey's Lodging Tax fund, \$235,905 from the City's General Fund and \$400,000 from Public Facilities District (PFD) revenues.



## **CAPITAL EQUIPMENT FUND**

The acquisition of tools and equipment for staff to effectively perform their work is provided for in the Capital Equipment Fund. This fund provides the software, computers, vehicles, tools and equipment that are required each year. A listing of all adopted operating capital is located at the end of this summary section of the budget document.

The 2026 Capital Equipment Fund budget totals \$733,036. The most significant 2026 capital equipment purchases are related to shortfalls to replacement funding for vehicles and equipment (\$203,288), police body worn and fleet camera installment payments (\$300,000) and business and occupation (B&O) tax management software (\$109,021).

## BUILDING IMPROVEMENT FUND

The Building Improvement Fund is used for the acquisition of property and construction of City-owned facilities.

The funding resources for these projects come from General Fund reserves and real estate excise tax reserves. The Building Improvement Fund budget for 2026 totals \$3,255,462 and includes the following projects:

Police Station & Training Facility	3,205,462
Art Plan Projects	50,000
<b>Total</b>	<b>\$ 3,255,462</b>



## **PARKS AND OPEN SPACE FUND**

The Parks and Open Space Fund was created to acquire property for future park development and the preservation of open space. Funding was provided by dedicating a one percent utility tax to this purpose. Over the years, the City has been very successful in acquiring property and leveraging grant funds to augment resources.

As more parks developed and others improved, the City plans to transfer some of the utility tax revenue to the Current Expense and the RAC Maintenance Fund to assist with the ongoing cost of maintaining these facilities.



## ARTERIAL STREET FUND

The 2026 Arterial Street Fund totals \$7,142,500, which is \$15,908,917 lower than last year's budget. The 2026 transportation capital improvement program includes the College Street and 16<sup>th</sup> Avenue roundabout design and right-of-way, 4<sup>th</sup> Avenue extension design and right-of-way, College Street and 29<sup>th</sup> Avenue roundabout design, Rainier Road improvements, electric vehicle charging program and College Street and 7<sup>th</sup> Avenue roundabout design.

In 2018, the street overlay and rehabilitation program returned because of a voter-approved Transportation Benefit District sales tax. The successful preservation program is accounted for in a separate special revenue fund, the Transportation Improvement Fund.

Finding the necessary resources for roadway improvements is always a challenge. Over the years, our transportation engineers have done an exceptional job of securing funding through various regional, state and federal programs. Recently, they have secured grants for the additional southbound I-5 exit lane at Marvin Road, Woodland Trail Phase 2, Carpenter Road design and right-of-way acquisition, 6<sup>th</sup> Avenue realignment project, major upgrade to Mullen Road east, the westbound lane of Britton Parkway, the College Street and 22<sup>nd</sup> Avenue roundabout, College Street and 16<sup>th</sup> Avenue roundabout, Smart Corridors, College Street NE Extension and Hogum Bay Road. Their skill in matching our needs with potential grant funds is second to none.

In 2026, the City will allocate \$452,137 of State Fuel Tax to match grants and construct several transportation improvements.

Many of the projects listed below have been in process for several months and/or will be in process in 2025 and will require the following resources during the 2026 budget year:

7th Avenue & College Street Roundabout	550,000
Carpenter Road & Britton Parkway Interim RAB	10,000
14th Avenue & Sleater-Kinney Rd Intersection Improvements	350,000
LED Street Lighting	200,000
Electric Car Charging Stations	10,000
College Street NE Extension	5,000
4th Avenue Extension	230,000
Marvin Rd Annexation Signal Improvements	75,000
4604 Belair Drive House Demo	150,000
College Street & 16th Avenue Roundabout Design	2,730,000
College Street & 29th Avenue Roundabout Design	855,000
Willamette Drive & Campus Glen Roundabout	60,000
Transportation Comprehensive Plan	10,000
Rainier Road Improvements	455,000
Draham Road Culvert Replacement	100,000
RAISE Grant Application (BUILD Grant)	30,000
Transportation Right of Way Acquisition Program	500,000
EV Fleet Charging Program	220,000

City Hall EV Type 2 Chargers	200,000
Bicycle/Pedestrian Improvements (5)	67,500
ADA Retrofits	50,000
Misc Mobility/Communications Enhancements	100,000
Pavement Management	100,000
Intercity Transit Preempt	20,000
Signal Timing	15,000
Bridge/Culvert Inspection, Rating and Reporting	50,000
<b>Total</b>	<b>\$ 7,142,500</b>

## TRANSPORTATION IMPROVEMENT FUND

The Transportation Improvement Fund was established to account for the voter-approved Transportation Improvement Benefit District 0.2 percent sales tax. This dedicated sales tax funds the pavement preservation program and sidewalk repairs and improvements. The 2026 Transportation Improvement Benefit District capital budget is expected to include Willamette Drive Phase 1, Stikes and Wellington improvements, sidewalk repairs and slurry and crack sealing. The adopted budget includes \$1,000,000 for sidewalk repairs and replacements.



## LODGING TAX FUND

Lodging tax revenues are generated through a four percent excise tax imposed by the City, often referred to as the hotel/motel tax (RCW 67.28). Lodging tax is a special excise tax, paid by the consumer, on the sale or charge of lodging that is subject to tax. This tax can be imposed on charges for lodging at hotels, motels, private campgrounds, RV parks and other similar lodging facilities for periods less than 30 days.

The Washington State Department of Revenue facilitates the program and distributions are made to the City monthly. The City records and maintains these revenues in the Lodging Tax Fund.

The City may use lodging tax revenues for tourism promotion. By statute, allowable uses for tourism promotion include: tourism marketing, marketing and operations of special events and festivals, tourism-related facilities owned or operated by a municipality or a public facilities district, or operations of tourism-related facilities owned or operated by nonprofit organizations (RCW 67.28.1816).

The City is required to establish a Lodging Tax Advisory Committee (LTAC) comprised of five members, including: two members who are representatives of businesses required to collect tax, two members who are persons involved in activities authorized to be funded by revenue received from this tax and one elected official to serve as chair of the committee (RCW 67.28.1817).

Each year, the LTAC reviews applications and makes funding recommendations to the City Council for the use of lodging tax revenues. The LTAC must select candidates from among the applicants who applied.

The City must file an annual report with the Joint Legislative Audit & Review Committee (JLARC) to report: lodging tax revenues received, lodging tax revenues distributed, all recipients of lodging tax monies and for recipients, the actual number of people traveling to participate in tourism activities.

Total revenues are estimated at \$685,239, with \$17,239 coming from interest earnings.



## REGIONAL ATHLETIC COMPLEX – CAPITAL FUND

Beginning with the 2008 budget, capital expenditures relating to construction of improvements for the second phase of the RAC were budgeted as a separate fund.

As part of the Public Facilities District (PFD) interlocal agreement, an additional 26 acres were purchased in 2007. This property is located on the southwest corner of Steilacoom and Marvin Roads. This land will be held in reserve until funding for the third phase of the RAC is available for development. It is anticipated that all future improvements beyond Phase 2 will be funded by PFD revenues.

The RAC capital budget totals \$2,492,200. Of that amount, \$1.9 million is budgeted for the soccer field improvements and \$584,200 will be used to pay the interest and principal due on the \$8.0 million of debt issued to help finance Phase 2 improvements.

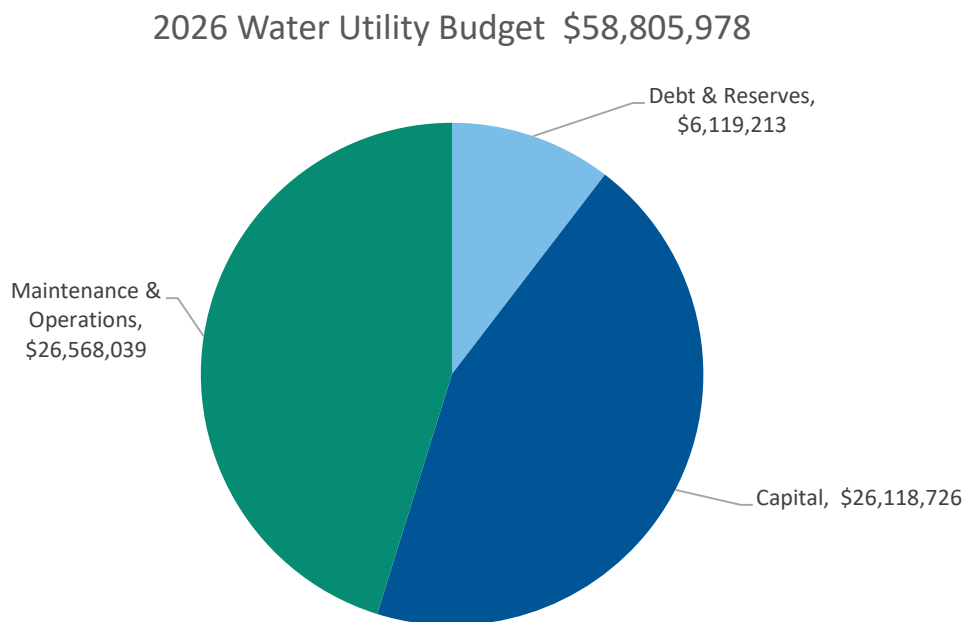


## WATER UTILITY FUND

The City's Water Utility is consistently growing. With over 27,498 water accounts, the City's Water Utility serves approximately 66,826 customers. As an enterprise fund, the Water Utility must be self-supporting through the collection of fees for service and system connection charges.

Each year, through the budget process, improvements to the system's service delivery capacity are initiated. Despite the challenges of financing essential capital improvements, Lacey continues to take appropriate steps to ensure its water system is in peak condition to guarantee the consistent delivery of high-quality water to our customers.

There are three major categories under which the Water Utility allocates revenues and expenditures. These are maintenance and operations, replacement and capital construction and debt and reserves.



### Maintenance and Operations

The 2026 Budget includes a 5.25 percent rate increase effective January 1, 2026. The increase is consistent with the adopted Water Comprehensive Plan update. The adopted Water Comprehensive Plan requires 5.25 percent annual increases to water resources to maintain quality and safe drinking water and to fund required capital improvement projects. Due to regulatory requirements, necessary facility repairs, growth and efficiency capital projects, the 2022 to 2029 capital improvement program is \$161 million. As a result of this increase, a residential customer will pay approximately \$2.01 more per month.



### Water System Improvements – Replacement and Construction

Within the Water Comprehensive Plan is a schedule of system improvements deemed necessary to maintain and meet service demands for the next several years. Replacement dollars are allocated to perform well replacements, designing waterline replacement projects for 2026 and complete waterline modifications in various service areas.

The capital budget for 2026 totals \$26,118,726 and includes the following projects:

Madrona Connection to 337 PZ	4,100,000
HP Reservoir Rehabilitation - Marvin Rd NE & 41st Ave NE	3,300,000
TQu Deep Test Well	3,000,000
Chambers Lake Main Abandonment	2,900,000
Meridian Campus Production Well	1,400,000
Marvin Rd Production Well	1,200,000
Madrona Wells pH Treatment-Milbanke Dr & Fitz Hugh	1,000,000
Westside Wells pH Treatment-College St & 32nd Ln SE	1,000,000
2022, S27 Rehab	900,000
S04 Supplemental Well	700,000
LS 6 Water - 32nd Ct SE Watermain	640,000
GW Trends and HP Water Rights	500,000
Lk Elem School Fire Flow	500,000
S09 Property Purchase	500,000
S06 Water Rights Grays Production Well	450,000
Stikes & Wellington Utility Improvements	395,000
Marvin Road Well House	300,000
HPWTF Capacity	250,000
S07 Replacement	200,000
Well Program Ph III	150,000
Southridge Water Improvement	150,000

31st - 26th Water Replace (College & 29th RAB)	112,500
Vista Village Water Improvement	110,000
S07 / ATEC Property Purchase	100,000
Water Risk Assessment & Emergency Response Plan Update	75,000
Rainier Road Improvements	50,000
COLLEGE/ 7TH RAB- WATER	50,000
S10 Well Site Improv (Blowoff, Generator, Electrical & Well Pump)	50,000
College & 16th RAB - Design	30,000
26th Loop Mains - W	20,000
HP SCADA & Wetland Mitigation - Marvin Rd NE & 41st Ave Ne	15,000
Homann Well Decommission	15,000
Water - LS 3 Replacement	10,000
Lakeview/37th Improvements	10,000
2025 Overlay Water 33rd/36th Improvements	10,000
Water Comprehensive Plan Update	5,000
College Street Extension	5,000
S04 House Demolition	5,000
Lakeview Meadows Water Main	5,000
4th Avenue Extension	5,000
Ridgeview Drive Pavement Repair - 2025 Funds for Misc. Projects	5,000
2026 Funds for Misc. Projects	300,000
Water Meter Utilities	250,000
Water Rights - Ground Water Recharge	150,000
2026 Public Works Board Loan Repayment	691,440
2026 Revenue Bond Repayment (83.17%)	504,786
<b>Total</b>	<b>\$ 26,118,726</b>

Revenue for system construction projects comes from General Facility Connection (GFC) charges, front footage charges and user rates. Major system improvements are funded in large part through the assessment of the GFC, which is paid by all new customers connecting to the City's water system. The 2026 GFC fee for a standard 5/8" connection, a typical single-family home meter size, will be increased to \$9,357 based upon the construction cost index adjustment. Larger meter connections will increase in proportion to the new cost of a residential meter.



## **Water System Debt and Reserves**

The Water Utility has the obligation to repay long-term financing provided by the 2013 Revenue Bonds. The 2026 Budget includes \$504,786 for interest and principal payments for the 2013 Revenue Bonds. These debt service payments are funded through Water rates and will be transferred into the debt service fund from the capital fund.

The principal draws from a \$10 million Public Works Board 20-year loan for the construction of pH treatment facilities at the Madrona and Westside wells which were completed during 2025. An interest-only payment was made during 2025. The low-interest loan's first principal and interest payment will be made mid-2026. The principal and interest payments are funded through Water rates.

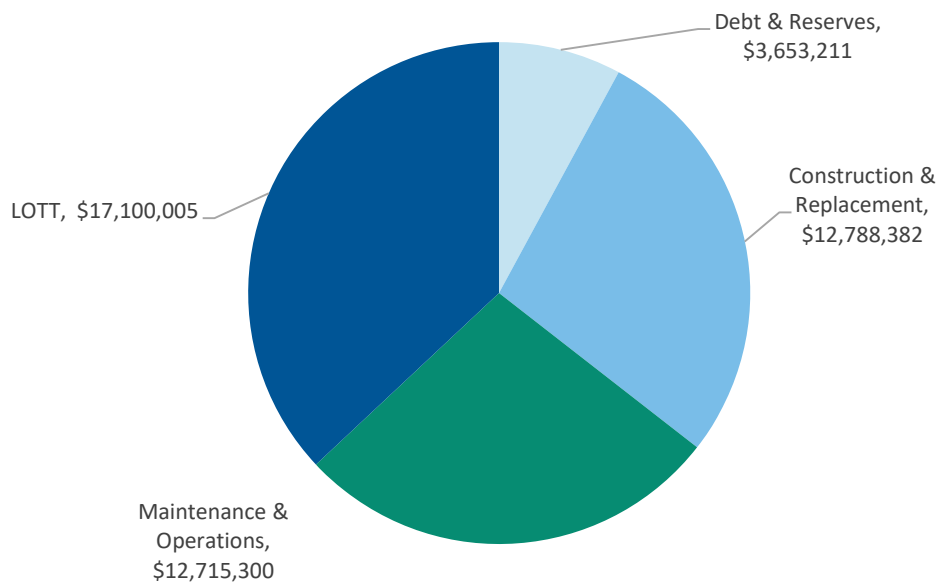
## WASTEWATER UTILITY FUND

Lacey's Wastewater Utility provides service to 20,982 connections. Lacey is responsible for the utility's collection system, while the Lacey, Olympia, Tumwater, Thurston County Alliance, aka LOTT, provides wastewater treatment services.

The 2026 Budget includes a 9.5 percent increase. The increase is consistent with the revenue requirement study completed by the City's rate consultant. The study included an analysis to determine the amount of revenue to maintain and operate the City's sewage conveyance system and the construction of new capital facilities and infrastructure and the needed repair of existing infrastructure facilities. The \$52 million 2022 to 2029 capital improvement program includes necessary repair projects for collection/conveyance and lift stations and capacity expansion projects. As a result of this increase, a residential customer will pay approximately \$3.15 more per month.

The Wastewater Utility also is divided into three major categories for budgeting and cost accounting purposes: maintenance and operations, replacement and capital construction and debt and reserves. Revenue for the utility comes from monthly user fees and connection charges.

### 2026 Wastewater Utility Budget \$46,256,898



### Maintenance and Operations

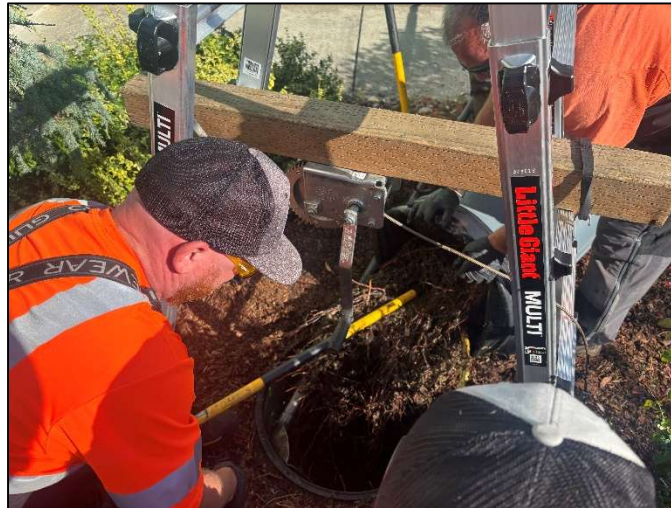
The adopted 2026 maintenance and operating budget totals \$29,815,305, which is \$296,837, or one percent, more than the 2025 amended budget. This increase reflects the estimate for new service connections or Equivalent Residential Units (ERUs), the adopted \$1.43 increase to LOTT fees, which the City collects and forwards to them and increasing transfers to the capital fund.

The user fee collected for LOTT (\$48.95 per month per equivalent residential unit, which includes a 2026 3.0 percent rate increase) is the most significant expenditure or pass-through payment. The estimated total LOTT fee for 2026 is \$17,100,005, or 57.4 percent, of the Wastewater Utility's operating budget.

The 2026 revenues for Wastewater Utility activities that fund City operations are estimated at \$12,715,300. A rate increase of 9.5 percent is included in this adopted budget. Lacey’s portion of the monthly user charge will increase from \$33.12 to \$36.27 effective January 1, 2026.

**Replacement and Capital Construction**

Construction of wastewater facilities is funded in the capital budget. The 2026 capital budget totals \$12,788,382.



Construction and design activity scheduled for 2026 is as follows:

Lift Station 6 Replacement	2,400,000
Lift Station 3 Replacement	1,200,000
LS9 Improvements	1,100,000
LS 23 Improvements	1,000,000
Lift Station 17 Rehabilitation	1,000,000
Stikes & Wellington Utility Improvements	395,000
Sewer Decant Facility, Pit Site	365,000
LS4 Improvements	350,000
LS5 Improvements	350,000
Wastewater Comprehensive Plan	300,000
LS 49 Land Purchase	200,000
2023 Lift Station Awnings	200,000
Chambers Lk Main Aband	150,000
31st - 26th WW Replacement (College & 29th RAB)	112,500
Vista Village Wastewater Improvements	95,000
LS 11 Improvements - Aldea Glen	50,000
Sleater Kinney Slipline & MH Rehab	50,000
7th Ave & College St Roundabout	20,000
26th Loop Mains	20,000

Classic Heights Roadway Rehabilitation	10,000
2025 Funds for Misc. Projects	10,000
Clearbrook Access & Misc Improv	10,000
College & 16th RAB - Design	10,000
Chatham - 2024 WW Looping & Annual Valves	5,000
Martin Way/Galaxy-Hoh WW Main	5,000
Little Prairie Sewer Main	5,000
Lk View Meadows Sewer Replacement	5,000
2023/2024 MH Rehab	5,000
College Street Ext & LS 27 Abandonment	5,000
LS 49 Improvements	300,000
2026 Annual Valves & Lping	300,000
2026 Funds for Misc. Projects	300,000
LS 8 Abandonment	100,000
LS 24 Improvements	50,000
LS 33 Improvements	50,000
Rainier Road Improvements	10,000
<b>Total</b>	<b>\$ 10,537,500</b>

### **Wastewater Debt and Reserves**

Current local improvement district debt includes Utility Local Improvement District (ULID) #23, which comprised of a sewer line installation and connections and ULID #24, which involved a sewer line installation.

ULID #25, which will include sewer line installations and connections to the City sewer system, is expected to become final at the end of 2025 or beginning of 2026. Any debt service payments or assessments that may be necessary for 2026 will be addressed through the budget amendment process.

## **STORMWATER UTILITY FUND**

The Stormwater Utility also is divided into three major categories for budgeting and cost accounting purposes: maintenance and operations, replacement and capital construction and debt and reserves. Since there is no connection charge for this utility, funding for construction projects and improvements must come from monthly rates not required for maintenance and operations.

### **Maintenance and Operations**

The Stormwater Utility operates and maintains storm drain facilities that serve the public right of way. An emphasis is placed on remediating water quality and flooding concerns; cleaning and maintaining catch basins, storm ponds, swales and other rainwater treatment facilities; monitoring water quality to address pollution problems; and ensuring compliance with state and federal standards for stormwater treatment.

The operating budget for 2026 totals \$6,204,191. Implementation of NPDES Phase 2 requirements of inspecting and monitoring stormwater treatment facilities continues to place increased demands on this utility.

The 2026 Budget includes an adopted 4.5 percent increase effective January 1, 2026. The increase is informed by the current Stormwater Comprehensive Plan, which was adopted in November 2020. The Stormwater Comprehensive Plan includes rate recommendations through 2025 and provides the necessary resources to meet the operational requirements of the NPDES Phase 2 permit and required capital improvements. As a result of this increase, a residential customer will pay approximately \$0.67 more per month.

### **Replacement and Capital Construction**

Over the past several years, Lacey has taken aggressive steps to address stormwater flooding and treatment problems in the community. Lacey continues to be in the forefront of communities within the state and across the nation in addressing water quality issues associated with stormwater runoff. Lacey also takes great pride in taking steps to improve habitat, stream flows and spawning beds to help restore salmon runs in Woodland Creek. The 2026 budget of \$2,522,140 provides for the ongoing commitment for stormwater treatment and water rights mitigation.

As mentioned above, funding of stormwater improvement projects comes from monthly service charges. The comprehensive plan increases the system replacement funding to 25 percent of the annual depreciation expense over the six-year plan period. Other funding has come from grants, mitigation fees and loans.

Construction and design activity scheduled for 2026 are as follows:

Jubilee SW Pond	550,000
Stormwater Lift Station 01 Improvements	500,000
Stormwater Comprehensive Plan Update	150,000
LS6-32nd Ct SW	130,000
Decant Effluent Modification	100,000
LS3-26th Lp SW	40,000
WCCP Habitat Restoration	20,000
Southridge Stormwater Improvements	20,000
26th Loop Mains - SW	10,000
Clearbrook Dr Roadway Rehabilitation	10,000
2025 Funds for Misc. Projects	10,000
2026 Funds for Misc. Projects	300,000
2026 SW Pond Rehab	250,000
Stormwater Manual & Code Updates	180,000
Private Stormwater Facility Maintenance	150,000
2025 Revenue Bond Repayment (16.83%)	102,140
<b>Total</b>	<b>\$ 2,522,140</b>

**Stormwater System Debt and Reserves**

An estimated \$102,140 is included in the 2026 Budget for interest and principal payments for the 2013 Revenue Bonds. These debt service payments are funded through Stormwater rates and will be transferred into the debt service fund from the capital funds.



## **RECLAIMED WATER FUND**

The City created the Reclaimed Water Fund in 2008. This fund is divided into two functions: maintenance and operations and Capital Projects. The Reclaimed Water Fund remains dormant pending the completion of a comprehensive plan. In the meantime, reclaimed water functions are being accounted for in the Water Utility Fund.

Reclaimed water is highly treated wastewater that is environmentally safe to use as irrigation water or to supplement stream flows.

The maintenance and operations portion of the fund will begin by addressing the planning and design of the infrastructure of this utility. This will be accomplished through professional service contracts. Development of a traditional maintenance and operations budget will not begin until such time as there is a system to maintain and customers to be served.

Upon completion of a comprehensive plan for this utility, connection and user fees will be established and implemented to fund operations and capital projects.

## GENERAL OBLIGATION DEBT/LID FUNDS

The General Obligation (GO) Debt Fund was created to provide for the payment of principal and interest on all general-purpose bonds issued by the City for facilities and equipment. When significant capital expenditures are funded by voter approval, the necessary revenue for debt retirement comes from an excess property tax levy.

The 2026 excess levy rate for voter-approved debt is estimated to be \$0.0271 per \$1,000 assessed value based on a \$364,000 levy. The levy began in 2007 for the final group of Parks Improvement projects. The 2026 excess levy rate will be significantly lower due to the 2025 final payment for the 2003 voter-approved debt, which were refunded in 2012, for parks improvements.

The following table provides additional information about the outstanding GO Bonds.

	Original Issue Maturity Amount	Jan. 1, 2026 Outstanding Balance	Maturity Date
2015 Parks Improv. Refunding GO Bond (2006)	\$2,995,000	\$350,000	Dec. 2026
<b>Total</b>	<b>\$2,995,000</b>	<b>\$350,000</b>	

## Councilmanic or LTGO Debt

State statutes permit city councils the authority to issue a limited amount of debt without voter approval. This is referred to as Limited Tax General Obligation (LTGO) bonded indebtedness. Income to pay annual principal and interest obligations must come from general revenue sources of the City. LTGO debt has been issued in the past to construct the Library, Community Center and an addition to City Hall. Some of the revenue from property, sales, business and occupation and utility taxes was committed to debt retirement.

In 2007, \$8.0 million of LTGO debt was issued for the development of phase 2 of the Regional Athletic Complex. Public Facility District sales tax provides for the annual debt service for this bond obligation.

	Original Issue Maturity Amount	Jan. 1, 2026 Outstanding Balance	Maturity Date
2015 RAC Phase 2 LTGO (2008)	\$4,770,000	\$1,105,000	Dec. 2027
<b>Total</b>	<b>\$4,770,000</b>	<b>\$1,105,000</b>	

On February 18, 2025, the City issued \$16,410,000 of LTGO bonds to finance the construction of a new Police Station and Training Facility. The proceeds from these bonds were deposited directly into the Building Improvement Fund, ensuring that the funds are allocated specifically for this critical infrastructure project.

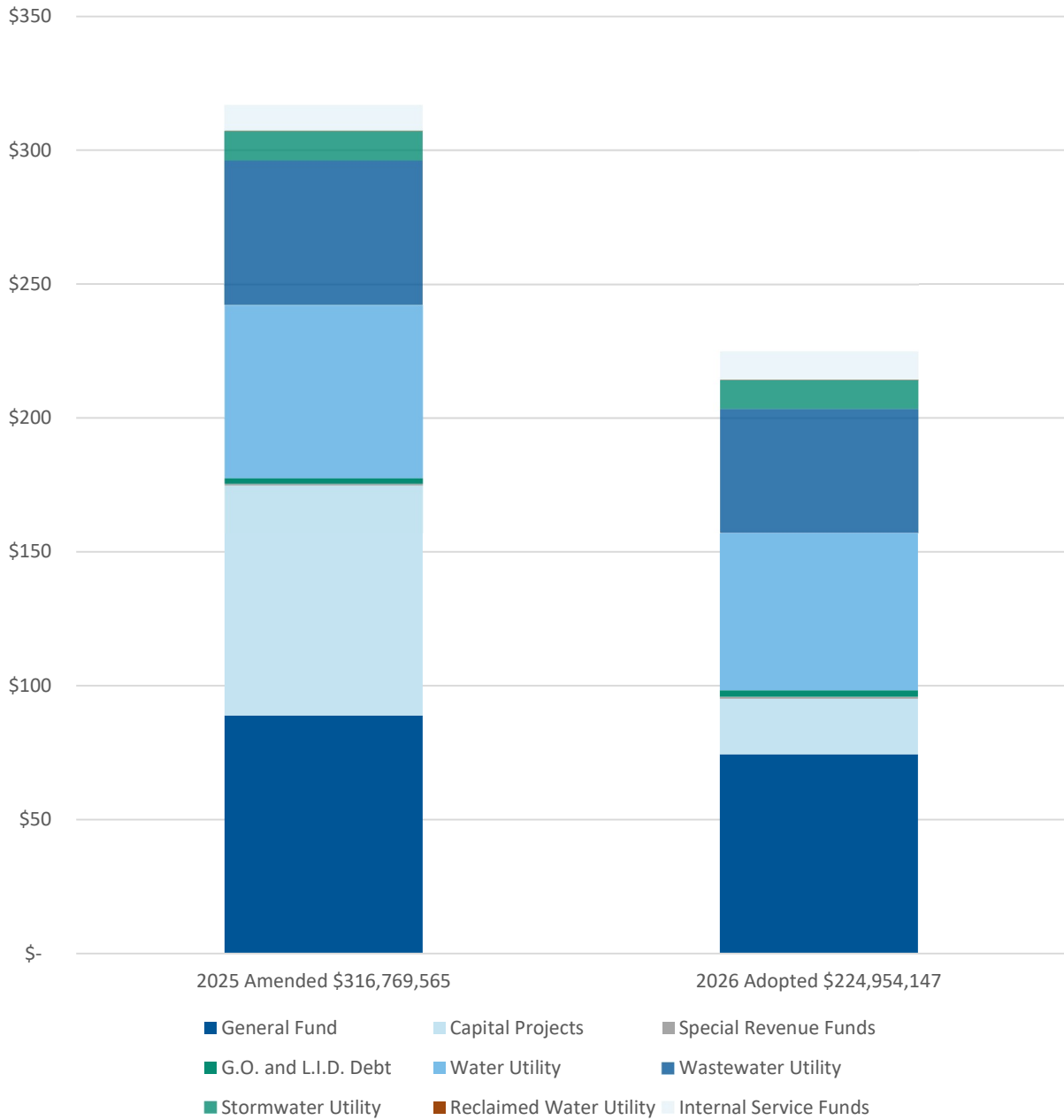
	Original Issue Maturity Amount	Jan. 1, 2026 Outstanding Balance	Maturity Date
2025 Police Station LTGO Bond (2025)	\$16,410,000	\$16,410,000	Dec. 2044
<b>Total</b>	<b>\$16,410,000</b>	<b>\$16,410,000</b>	

The first payment, which is an interest-only payment, will be paid from revenues generated by real estate excise taxes (REET). Future payments will also be paid from REET collections.

### **Local Improvement District Bond Fund**

One of the tools available to assist property owners finance public improvements in their neighborhood is the formation of a special taxing district called a Local Improvement District (LID). This is accomplished by petitioning the City Council to hold a public hearing for the purpose of creating a benefit district. When these improvements are solely for the purpose of water or wastewater services, it is referred to as a Utility Local Improvement District (ULID) and is accounted for in the utility debt portion of the budget. Transportation improvements funded through this mechanism are also referred to as LIDs. In either case, benefiting property owners are assessed for their portion of improvement costs and are required to make annual payments to the City until their assessment is paid in full.

## 2025 - 2026 Comparison Total City Budget



Revenue Summary by Fund			
	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
Current Expense Fund	60,486,281	73,337,308	61,999,390
Criminal Justice Fund	1,663,720	1,546,195	1,582,403
Public Safety Fund	2,366,812	2,510,962	2,575,938
Community Buildings Fund	981,807	999,447	962,886
Regional Athletic Complex Fund	1,430,964	1,515,013	1,537,994
City Street Fund	4,794,722	5,964,500	5,005,269
Arterial Street Fund	6,033,086	23,051,417	7,142,500
Transportation Improvement Fund	3,927,961	5,025,000	5,380,000
Lodging Tax Fund	620,534	607,225	685,239
Community Development Block Grant Fund	1,564	349,403	850
Hicks Lake Management District Fund	50,266	50,099	50,099
General Obligation Bonds Fund	934,303	1,986,080	2,284,954
LID Debt Fund	200,247	164,382	149,132
Building Improvement Fund	30,406,546	40,707,640	3,255,462
Capital Equipment Fund	532,824	3,016,245	733,036
Parks & Open Space Fund	63,153	9,767,539	24,810
Capital Project Revenue Fund	-	2,500,000	2,378,711
Regional Athletic Complex - Capital Fund	1,933,809	4,511,833	2,492,200
Water Utility Fund	23,396,068	27,056,207	26,568,039
Wastewater Utility Fund	26,212,245	29,518,468	29,815,305
Stormwater Utility Fund	5,863,777	6,283,986	6,204,191
Reclaimed Water Utility Fund	4,521	2,921	2,458
Water Capital Fund	14,290,826	32,562,420	26,118,726
Wastewater Capital Fund	3,006,937	20,745,407	12,788,382
Stormwater Capital Fund	2,262,369	2,529,135	2,522,140
Reclaimed Water Capital Fund	87,841	56,743	47,750
Water Debt Fund	8,137,310	5,085,477	6,119,213
Wastewater Debt Fund	11,518,783	3,404,735	3,653,211
Stormwater Debt Fund	370,631	2,352,267	2,354,928
Equipment Rental Fund	6,209,686	5,706,608	6,474,561
Information Management Services Fund	3,452,680	3,854,903	4,044,370
<b>Total Revenues</b>	<b>221,242,273</b>	<b>316,769,565</b>	<b>224,954,147</b>

Expenditure Summary by Fund			
	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
City Council	437,788	552,638	562,439
Contracted Services	2,909,424	3,304,102	3,542,093
City Manager	1,250,872	1,463,878	1,489,777
Human Resources	1,634,464	1,905,533	1,922,632
Human and Social Services	684,982	5,561,049	1,102,166
Communications	1,197,363	860,135	830,541
City Clerk	-	512,546	512,745
Finance	2,172,490	2,584,875	2,584,214
Legal Services	816,489	972,646	1,096,069
Common Facilities	1,648,454	1,846,333	2,178,932
Police Department	15,111,231	16,230,602	17,057,062
Public Works - Administration	128,462	184,743	177,431
Public Works - Engineering	5,379,187	5,882,752	6,271,237
Public Works - Parks Maintenance	3,901,658	4,307,444	4,362,149
Public Works - Facilities Maintenance	1,022,869	1,281,027	1,314,825
Community and Economic Development	4,150,109	6,463,772	5,175,209
Public Works - Water Resources	2,274,489	2,864,662	3,151,138
Parks, Culture & Recreation	3,587,706	3,695,326	3,872,845
Operating Transfer/Unencumbrance	22,109,822	12,863,245	4,795,886
<b>Current Expense Fund</b>	<b>70,417,859</b>	<b>73,337,308</b>	<b>61,999,390</b>
Criminal Justice Fund	3,137,097	1,546,195	1,582,403
Public Safety Fund	834,635	2,510,962	2,575,938
Community Buildings Fund	743,163	999,447	962,886
Regional Athletic Complex Fund	1,378,265	1,515,013	1,537,994
City Street Fund	4,854,714	5,964,500	5,005,269
Arterial Street Fund	15,732,547	23,051,417	7,142,500
Transportation Improvement Fund	2,476,365	5,025,000	5,380,000
Lodging Tax Fund	572,937	607,225	685,239
Community Development Block Grant Fund	-	349,403	850
Hicks Lake Management District Fund	25,983	50,099	50,099
General Obligation Bonds Fund	934,600	1,986,080	2,284,954
LID Debt Fund	-	164,382	149,132
Building Improvement Fund	15,501,612	40,707,640	3,255,462
Capital Equipment Fund	1,053,401	3,016,245	733,036
Parks & Open Space Fund	320,918	9,767,539	24,810
Capital Project Revenue Fund	-	2,500,000	2,378,711

<b>Expenditure Summary by Fund</b>			
	<b>2024 Actual Revenue/Expense</b>	<b>2025 Amended Budget</b>	<b>2026 Adopted Budget</b>
Regional Athletic Complex - Capital Fund	2,775,991	4,511,833	2,492,200
Water Utility Fund	20,887,348	27,056,207	26,568,039
Wastewater Utility Fund	23,498,086	29,518,468	29,815,305
Stormwater Utility Fund	5,703,086	6,283,986	6,204,191
Reclaimed Water Utility Fund	39,087	2,921	2,458
Water Capital Fund	1,290,085	32,562,420	26,118,726
Wastewater Capital Fund	562,413	20,745,407	12,788,382
Stormwater Capital Fund	111,523	2,529,135	2,522,140
Reclaimed Water Capital Fund	-	56,743	47,750
Water Debt Fund	4,836,214	5,085,477	6,119,213
Wastewater Debt Fund	3,411,421	3,404,735	3,653,211
Stormwater Debt Fund	2,039,226	2,352,267	2,354,928
Equipment Rental Fund	3,026,594	5,706,608	6,474,561
Information Management Services Fund	2,836,431	3,854,903	4,044,370
<b>Total Expenditures</b>	<b>189,001,601</b>	<b>316,769,565</b>	<b>224,954,147</b>

Budget at a Glance				
2026 Budget Comparison to 2025 Amended Budget				
	2025 Amended	2026 Adopted	Dollar Difference	Percent Difference
<b>General Fund</b>				
Current Expense Fund				
City Council	552,638	562,439	9,801	1.77%
Contracted Services	3,304,102	3,542,093	237,991	7.20%
City Manager	1,463,878	1,489,777	25,899	1.77%
Human Resources	1,905,533	1,922,632	17,099	0.90%
Human and Social Services	5,561,049	1,102,166	(4,458,883)	-80.18%
Communications	860,135	830,541	(29,594)	-3.44%
City Clerk	512,546	512,745	199	0.04%
Finance	2,584,875	2,584,214	(661)	-0.03%
Legal Services	972,646	1,096,069	123,423	12.69%
Common Facilities	1,846,333	2,178,932	332,599	18.01%
Police Department	16,230,602	17,057,062	826,460	5.09%
Public Works - Administration	184,743	177,431	(7,312)	-3.96%
Public Works - Engineering	5,882,752	6,271,237	388,485	6.60%
Public Works - Parks Maintenance	4,307,444	4,362,149	54,705	1.27%
Public Works - Facilities Maintenance	1,281,027	1,314,825	33,798	2.64%
Community & Economic Development	6,463,772	5,175,209	(1,288,563)	-19.94%
Public Works - Water Resources	2,864,662	3,151,138	286,476	10.00%
Parks, Culture & Recreation	3,695,326	3,872,845	177,519	4.80%
Subtotal without transfers	60,474,063	57,203,504	(3,270,559)	-5.41%
Operating Transfers - Transfers Out	12,863,245	4,795,886	(8,067,359)	-62.72%
<b>Total Current Expense Fund</b>	<b>73,337,308</b>	<b>61,999,390</b>	<b>(11,337,918)</b>	<b>-15.46%</b>
Criminal Justice Fund				
Criminal Justice - Police	1,546,195	1,582,403	36,208	2.34%
Public Safety Fund				
Public Safety - Police	2,510,962	2,575,938	64,976	2.59%
Community Buildings Fund				
Community Buildings	999,447	962,886	(36,561)	-3.66%
Regional Athletic Complex Fund				
Regional Athletic Complex	1,515,013	1,537,994	22,981	1.52%
City Street Fund				
Public Works - Street Maintenance	5,964,500	5,005,269	(959,231)	-16.08%
Capital Equipment Fund				
Capital Equipment/Projects	3,016,245	733,036	(2,283,209)	-75.70%
<b>Total General Fund</b>	<b>88,889,670</b>	<b>74,396,916</b>	<b>(14,492,754)</b>	<b>-16.30%</b>

Budget at a Glance				
2026 Budget Comparison to 2025 Amended Budget				
	2025 Amended	2026 Adopted	Dollar Difference	Percent Difference
<b>Capital Projects &amp; Special Funds</b>				
Arterial Street Fund	23,051,417	7,142,500	(15,908,917)	-69.01%
Transportation Improvement Fund	5,025,000	5,380,000	355,000	7.06%
Lodging Tax Fund	607,225	685,239	78,014	12.85%
Community Development Block Grant Fund	349,403	850	(348,553)	-99.76%
Hicks Lake Management District Fund	50,099	50,099	-	0.00%
Building Improvement Fund	40,707,640	3,255,462	(37,452,178)	-92.00%
Parks & Open Space/RAC Fund	9,767,539	24,810	(9,742,729)	-99.75%
Capital Projects Revenue Fund	2,500,000	2,378,711	(121,289)	-4.85%
Regional Athletic Complex - Capital Fund	4,511,833	2,492,200	(2,019,633)	-44.76%
<b>Total Capital Projects &amp; Special Funds</b>	<b>86,570,156</b>	<b>21,409,871</b>	<b>(65,160,285)</b>	<b>-75.27%</b>
<b>General Obligation Debt Funds</b>				
General Obligation - Tax Supported	1,986,080	2,284,954	298,874	15.05%
Local Improvement District Debt	164,382	149,132	(15,250)	-9.28%
<b>Total GO and LID Debt</b>	<b>2,150,462</b>	<b>2,434,086</b>	<b>283,624</b>	<b>13.19%</b>
<b>Enterprise Funds</b>				
<b>Water Utility</b>				
Maintenance & Operations	27,056,207	26,568,039	(488,168)	-1.80%
Capital Projects & Reserves	32,562,420	26,118,726	(6,443,694)	-19.79%
Debt & Debt Reserves	5,085,477	6,119,213	1,033,736	20.33%
<b>Total Water Utility</b>	<b>64,704,104</b>	<b>58,805,978</b>	<b>(5,898,126)</b>	<b>-9.12%</b>
<b>Wastewater Utility</b>				
Maintenance & Operations	29,518,468	29,815,305	296,837	1.01%
Capital Projects & Reserves	20,745,407	12,788,382	(7,957,025)	-38.36%
Debt & Debt Reserves	3,404,735	3,653,211	248,476	7.30%
<b>Total Wastewater Utility</b>	<b>53,668,610</b>	<b>46,256,898</b>	<b>(7,411,712)</b>	<b>-13.81%</b>
<b>Stormwater Utility</b>				
Maintenance & Operations	6,283,986	6,204,191	(79,795)	-1.27%
Capital Projects & Reserves	2,529,135	2,522,140	(6,995)	-0.28%
Debt & Debt Reserves	2,352,267	2,354,928	2,661	0.11%
<b>Total Stormwater Utility</b>	<b>11,165,388</b>	<b>11,081,259</b>	<b>(84,129)</b>	<b>-0.75%</b>

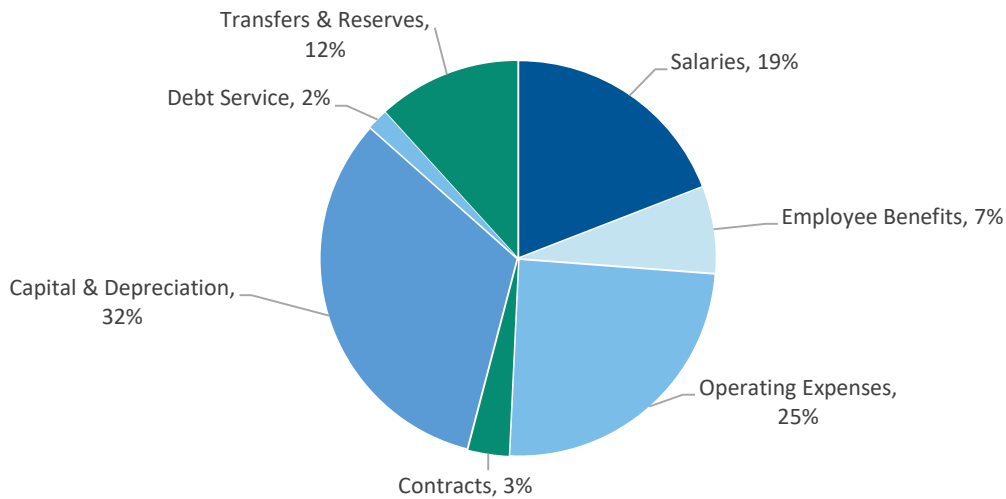
Reclaimed Water Utility				
Maintenance & Operations	2,921	2,458	(463)	-15.85%
Capital Projects & Reserves	56,743	47,750	(8,993)	-15.85%
<b>Total Reclaimed Water Utility</b>	<b>59,664</b>	<b>50,208</b>	<b>(9,456)</b>	<b>-15.85%</b>
<b>Total Enterprise Funds</b>	<b>129,597,766</b>	<b>116,194,343</b>	<b>(13,403,423)</b>	<b>-10.34%</b>
Internal Service Funds				
Equipment Rental Fund	5,706,608	6,474,561	767,953	13.46%
Information Services Fund	3,854,903	4,044,370	189,467	4.91%
<b>Total Internal Service Funds</b>	<b>9,561,511</b>	<b>10,518,931</b>	<b>957,420</b>	<b>10.01%</b>
<b>Total All Funds</b>	<b>316,769,565</b>	<b>224,954,147</b>	<b>(91,815,418)</b>	<b>-28.98%</b>



**2026 Summary of Expenditures by Budget Classification**

Classification	General Fund	Capital		Enterprise Funds	Internal Service Funds	Total
		Projects & Special Funds	GO & LID Debt Funds			
Salaries	33,732,289	-	-	7,518,291	1,715,603	42,966,183
Employee Benefits	11,724,883	-	-	3,460,490	771,949	15,957,322
Operating Supplies	2,016,378	-	-	3,505,594	889,419	6,411,391
Professional Services	3,818,376	50,099	-	4,998,176	15,250	8,881,901
Communications	422,188	-	-	97,600	64,250	584,038
Training/Travel	458,779	-	-	76,391	19,500	554,670
Advertising	63,516	-	-	-	-	63,516
Rentals/Internal Service Charges	5,930,136	-	-	2,637,726	32,771	8,600,633
Insurance	866,742	-	-	468,405	150,359	1,485,506
Utilities	1,648,975	-	-	19,019,965	18,201	20,687,141
Repairs & Maintenance	716,751	-	-	485,364	97,000	1,299,115
Other Miscellaneous	2,022,569	685,239	-	3,108,886	853,864	6,670,558
Contractual Services	5,264,685	-	-	2,214,480	-	7,479,165
Capital Equipment & Projects	763,263	17,485,962	-	38,430,111	3,819,857	60,499,193
Debt Service	151,500	-	2,273,950	1,403,266	-	3,828,716
Depreciation	-	-	-	10,500,000	2,070,908	12,570,908
Operating Transfers Out	4,795,886	2,109,950	-	15,802,113	-	22,707,949
Estimated Ending Fund Balance	-	1,078,621	160,136	2,467,485	-	3,706,242
<b>Total Budget</b>	<b>74,396,916</b>	<b>21,409,871</b>	<b>2,434,086</b>	<b>116,194,343</b>	<b>10,518,931</b>	<b>224,954,147</b>

**2026 Summary of Expenditures by Budget Classification**



**FTEs by Department**

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Adopted
<b>GENERAL GOVERNMENT</b>						
<b>CITY MANAGER DEPARTMENT</b>						
City Manager	1.00	1.00	1.00	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant II	-	1.00	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Confidential Administrative Assistant	-	0.67	0.34	-	-	-
Department Assistant III	0.67	-	-	-	-	-
Executive Assistant	1.00	-	-	-	-	-
Special Projects Administrator	-	-	-	1.00	1.00	1.00
Diversity, Equity & Inclusion Coordinator	-	-	1.00	1.00	1.00	1.00
Human Services Corrdinator	-	-	1.00	1.00	1.00	1.00
<b>Total Department</b>	<b>4.67</b>	<b>4.67</b>	<b>6.34</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>
<b>HUMAN RESOURCES DEPARTMENT</b>						
Human Resources Director	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Human Resources Director	-	1.00	-	-	-	-
Emergency Management Safety Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Senior Human Resources Analyst	2.00	2.00	-	-	-	-
Human Resources Analyst	1.00	2.00	2.00	4.00	4.00	4.00
Confidential Administrative Assistant	0.33	0.33	0.33	-	-	-
Human Resources Specialist (LTE)	-	1.00	-	-	-	-
Human Resources Specialist	1.00	-	1.00	-	-	-
Recruitment Coordinator	-	-	1.00	-	-	-
Recruitment Coordinator (LTE)	-	1.00	-	-	-	-
Employee Relations & Compensation Manager	1.00	-	-	-	-	-
Benefits Manager	-	-	1.00	1.00	1.00	1.00
Labor Relations & Compensation Manager	-	-	1.00	1.00	1.00	1.00
<b>Total Department</b>	<b>7.33</b>	<b>9.33</b>	<b>8.33</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>
<b>HUMAN AND SOCIAL SERVICES DEPARTMENT</b>						
Maintenance Assistant	2.00	2.00	2.00	2.00	2.00	2.00
Lacey Veterans Services Hub Coordinator	-	-	-	-	1.00	1.00
<b>Total Department</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>
<b>COMMUNICATIONS DEPARTMENT</b>						
Special Projects Administrator	1.00	1.00	1.00	-	-	-
Communications Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Community Relations Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Advanced Digital Media Production Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Communications Manager	-	-	-	1.00	1.00	1.00
<b>Total Department</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>CITY CLERK DEPARTMENT</b>						
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	2.00	2.00	2.00
Confidential Administrative Assistant	-	-	0.33	-	-	-
<b>Total Department</b>	<b>2.00</b>	<b>2.00</b>	<b>2.33</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

FTEs by Department						
	2021	2022	2023	2024	2025	2026
	Actual	Actual	Actual	Actual	Actual	Adopted
<b>FINANCE DEPARTMENT</b>						
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00
Financial Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00	1.00	1.00	1.00
Payroll Supervisor	-	-	1.00	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00	1.00	1.00	1.00
Accountant II	1.00	1.00	1.00	1.00	1.00	1.00
Accountant	1.00	2.00	1.00	1.00	1.00	1.00
Payroll/Accounting Services Specialist	1.00	2.00	2.00	2.00	2.00	2.00
Accounting Technician	2.00	2.00	2.00	2.00	2.00	2.00
Tax and Licensing Specialist	-	-	-	-	-	1.00
Department Assistant III	3.00	-	-	-	-	-
Department Assistant II	-	1.00	1.00	1.00	1.00	-
Department Assistant III (LTE)	1.00	-	-	-	-	-
<b>Total Department</b>	<b>13.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>
<b>INFORMATION SERVICES DEPARTMENT</b>						
Information Services Manager	1.00	1.00	1.00	1.00	1.00	1.00
Enterprise Resource Plan Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Network Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Systems Application Analyst	1.00	1.00	1.00	1.00	1.00	1.00
GIS Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Computer Technician	1.00	2.00	2.00	2.00	2.00	3.00
IT Programmer Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Help Desk Tech Support	1.00	1.00	1.00	1.00	1.00	-
SCADA/IT Technician	-	-	-	1.00	1.00	1.00
<b>Total Department</b>	<b>8.00</b>	<b>9.00</b>	<b>9.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT</b>						
Community & Economic Development Director	1.00	1.00	1.00	1.00	1.00	1.00
Planning & Development Services Manager	1.00	1.00	1.00	-	-	-
Current Planning & Economic Development Manager	-	-	-	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00	1.00	1.00
Plans Examiner	1.00	1.00	1.00	1.00	1.00	1.00
Building Code Compliance Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Building/Fire Code Specialist II	1.00	1.00	1.00	1.00	1.00	1.00
Building Code Specialist II	2.00	2.00	2.00	2.00	3.00	3.00
Stormwater Infrastructure Code Specialist	1.00	1.00	1.00	1.00	-	-
Economic Development Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Electrical Inspector	1.00	1.00	1.00	1.00	1.00	1.00
Community Planning Manager	1.00	1.00	1.00	1.00	1.00	1.00
Senior Planner	2.00	3.00	2.00	2.00	2.00	2.00
Assistant Planner	1.00	1.00	1.00	1.00	-	-
Associate Planner	1.00	-	1.00	1.00	2.00	2.00
Housing Coordinator	-	-	1.00	1.00	1.00	1.00
Climate & Sustainability Coordinator	-	-	1.00	1.00	1.00	1.00
Land Management Database Specialist	1.00	-	-	-	-	-
Senior Project Planner	-	1.00	1.00	1.00	1.00	1.00
Permit Technician	-	-	2.00	2.00	2.00	2.00
Executive Assistant	-	-	-	1.00	1.00	1.00
Department Assistant III	2.00	2.00	-	-	-	-
<b>Total Department</b>	<b>19.00</b>	<b>19.00</b>	<b>21.00</b>	<b>22.00</b>	<b>22.00</b>	<b>22.00</b>

**FTEs by Department**

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Adopted
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**PARKS, CULTURE & RECREATION DEPARTMENT**

Parks, Culture & Recreation Director	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Manager	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Supervisor II	5.00	5.00	5.00	5.00	5.00	5.00
Recreation Coordinator	4.00	4.00	3.00	4.00	4.00	4.00
Recreation Assistant	1.00	1.00	1.00	-	-	-
Department Assistant III	2.00	2.00	2.00	2.00	2.00	2.00
Senior Parks Planner	-	-	1.00	1.00	1.00	1.00
Museum Curator	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator-Special Events	-	0.50	0.50	0.50	0.50	0.50
Museum Coordinator	-	-	1.00	1.00	1.00	1.00
<b>Total Department</b>	<b>16.00</b>	<b>16.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>

**POLICE DEPARTMENT**

Police Chief	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Police Chief	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Commander	2.00	2.00	2.00	2.00	2.00	-
Lieutenant	-	-	2.00	2.00	3.00	4.00
Sergeant	8.00	9.00	9.00	9.00	9.00	9.00
Corporal	6.00	6.00	6.00	6.00	6.00	6.00
Police Officer/Detective	5.00	5.00	6.00	6.00	6.00	6.00
Police Officer	41.00	40.00	40.00	45.00	45.00	45.00
Police Records Supervisor	-	-	1.00	1.00	1.00	1.00
Customer Services Supervisor	1.00	1.00	-	-	-	-
Management Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Evidence/Property Technician	1.00	1.00	1.00	1.00	1.00	1.00
Department Assistant III	5.00	5.00	-	-	-	-
Community Service Officer	4.00	6.00	6.00	6.00	6.00	6.00
Digital Forensic Analyst	-	-	-	1.00	1.00	1.00
Records Specialist	-	1.00	6.00	6.00	6.00	6.00
<b>Total Department</b>	<b>77.00</b>	<b>80.00</b>	<b>83.00</b>	<b>89.00</b>	<b>90.00</b>	<b>89.00</b>

**PUBLIC WORKS DEPARTMENT**

*ENGINEERING DIVISION*

*Administration*

Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Department Assistant III	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

*Engineering*

City Engineer	1.00	1.00	1.00	1.00	1.00	1.00
Project Administrator	1.00	2.00	2.00	2.00	2.00	2.00
Transportation Design Manager	1.00	1.00	1.00	1.00	1.00	1.00
Civil Engineer	4.00	7.00	6.00	6.00	6.00	5.00

FTEs by Department						
	2021	2022	2023	2024	2025	2026
	Actual	Actual	Actual	Actual	Actual	Adopted
<i>Engineering Cont.</i>						
Project Manager	-	-	-	-	-	1.00
Engineering Design Manager	1.00	1.00	1.00	1.00	1.00	1.00
Engineering Construction Manager	-	-	-	1.00	1.00	1.00
City Surveyor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Development Review Specialist	2.00	2.00	2.00	2.00	2.00	2.00
Development Review Manager	1.00	1.00	1.00	1.00	1.00	1.00
Engineering Technician III	12.00	12.00	13.00	13.00	14.00	14.00
Senior Survey Technician	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>25.00</b>	<b>29.00</b>	<b>29.00</b>	<b>30.00</b>	<b>31.00</b>	<b>31.00</b>
<i>Water Resources</i>						
Water Resources Manager	1.00	1.00	1.00	1.00	1.00	1.00
Utility Engineering Manager	-	-	-	-	-	1.00
Senior Utilities Engineer	1.00	1.00	1.00	1.00	1.00	1.00
Senior Stormwater Engineer	-	-	-	1.00	1.00	1.00
Water Resource Specialist	2.00	2.00	2.00	2.00	2.00	2.00
Water Quality Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Civil Engineer	4.00	7.00	7.00	6.00	6.00	4.00
Project Manager	-	-	-	-	-	2.00
Engineering Technician III	2.00	2.00	2.00	4.00	5.00	5.00
<b>Total</b>	<b>11.00</b>	<b>14.00</b>	<b>14.00</b>	<b>16.00</b>	<b>17.00</b>	<b>18.00</b>
<b>Total Division</b>	<b>40.00</b>	<b>47.00</b>	<b>47.00</b>	<b>50.00</b>	<b>52.00</b>	<b>53.00</b>
<i>OPERATIONS DIVISION</i>						
<i>Administration</i>						
Operations Manager	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Department Assistant III	1.00	1.00	1.00	1.00	1.00	1.00
Department Assistant III (LTE)	-	-	1.00	1.00	1.00	1.00
Safety Coordinator - Public Works Operations	-	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>3.00</b>	<b>4.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<i>Equipment Rental</i>						
Equipment Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Equipment Mechanic	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<i>Parks Maintenance</i>						
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Maintenance Technician (1 at RAC)	3.00	3.00	3.00	3.00	3.00	3.00
Maint Technician Journey Level (1 at RAC)	13.00	13.00	13.00	13.00	13.00	13.00
Maintenance Assistant (2 at RAC)	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
<i>Facilities Maintenance</i>						
Facilities Maintenance Supervisor	-	1.00	1.00	1.00	1.00	1.00
Maintenance Technician Journey Level	2.00	3.00	3.00	3.00	3.00	3.00
Senior Facilities Maintenance Technician	1.00	-	-	-	-	-
<b>Total</b>	<b>3.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

FTEs by Department						
	2021	2022	2023	2024	2025	2026
	Actual	Actual	Actual	Actual	Actual	Adopted
<i>City Streets</i>						
Elec./Streets/Stormwater Trans. Maint. Supervisor	0.50	0.50	0.50	0.50	0.50	0.50
Senior Maintenance Technician	2.00	2.00	2.00	2.00	2.00	2.00
Maintenance Technician Journey Level	8.00	8.00	8.00	8.00	8.00	8.00
Senior Electrical Maintenance Technician	1.00	1.00	1.00	1.00	1.00	1.00
Electrical Maintenance Technician	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>
<b>Total Division</b>	<b>44.50</b>	<b>46.50</b>	<b>47.50</b>	<b>47.50</b>	<b>47.50</b>	<b>47.50</b>
<b>Total Department</b>	<b>84.50</b>	<b>93.50</b>	<b>94.50</b>	<b>97.50</b>	<b>99.50</b>	<b>100.50</b>
<b>Total General Government</b>	<b>237.50</b>	<b>252.00</b>	<b>260.00</b>	<b>272.00</b>	<b>276.00</b>	<b>276.00</b>

**ENTERPRISE FUNDS**

*CUSTOMER SERVICE-FINANCE*

*Water Division*

Utility Billing Supervisor	0.80	0.80	0.80	0.80	0.80	0.80
Utility Billing Specialist	-	1.00	1.00	1.00	1.00	1.00
Utility Billing Specialist II	-	-	-	1.00	1.00	1.00
Senior Utility Billing Representative	-	-	-	-	-	1.00
Utility Billing Representative	-	-	-	2.00	2.00	2.00
AMI Technician	1.75	1.75	1.75	1.75	1.75	3.75
AMI Technician (LTE)	-	3.00	3.00	3.00	3.00	-
Department Assistant III	0.90	2.90	2.90	-	-	-
Department Assistant III (LTE)	-	1.00	1.00	-	-	-

*Wastewater Division*

Utility Billing Supervisor	0.20	0.20	0.20	0.20	0.20	0.20
AMI Tech	0.25	0.25	0.25	0.25	0.25	0.25
Department Assistant III	0.10	0.10	0.10	-	-	-
Utility Billing Representative	-	-	-	1.00	1.00	1.00
Department Assistant III	-	1.00	1.00	-	-	-
<b>Total</b>	<b>4.00</b>	<b>12.00</b>	<b>12.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

*PUBLIC WORKS OPERATIONS*

*Water Division*

Water Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Maintenance Technician	1.00	1.00	1.00	1.00	1.00	1.00
Senior Water Distribution Technician	1.00	1.00	1.00	1.00	1.00	1.00
Senior Water Production Technician	1.00	1.00	1.00	1.00	1.00	1.00
Controls Technician	2.00	3.00	1.00	1.00	1.00	1.00
Controls Technician Specialist Journey Level	-	-	1.00	1.00	1.00	1.00
Controls Technician Apprentice (LTE)	-	-	1.00	1.00	1.00	1.00
Maintenance Technician Journey Level	15.00	15.00	15.00	15.00	16.00	16.00
Water Treatment Plant Operator	2.00	2.00	2.00	2.00	2.00	2.00
SCADA & Controls Specialist	0.50	0.50	0.50	1.00	1.00	1.00
Civil Engineer - Utilities	0.50	0.50	0.50	1.00	1.00	1.00
Senior Water Treatment Technician	-	-	-	1.00	1.00	1.00
<b>Total</b>	<b>24.00</b>	<b>25.00</b>	<b>25.00</b>	<b>27.00</b>	<b>28.00</b>	<b>28.00</b>

FTEs by Department						
	2021	2022	2023	2024	2025	2026
	Actual	Actual	Actual	Actual	Actual	Adopted
<i>Wastewater Division</i>						
Wastewater Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Senior Liftstation Technician	1.00	1.00	1.00	1.00	1.00	1.00
Senior Collections Technician	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Technician Journey Level	9.00	10.00	10.00	12.00	13.00	13.00
Controls Technician	2.00	2.00	2.00	2.00	2.00	2.00
SCADA & Controls Specialist	0.50	0.50	0.50	1.00	1.00	1.00
Civil Engineer - Utilities	0.50	0.50	0.50	1.00	1.00	1.00
Maintenance Technician Plant Operator Journey Level	1.00	-	-	-	-	-
Safety Coordinator - Public Works Operations	1.00	-	-	-	-	-
Controls Technician Apprentice (LTE)	-	-	-	-	-	-
Maintenance Technician Journey Level (LTE 2 year)	-	-	1.00	1.00	-	-
<b>Total</b>	<b>17.00</b>	<b>16.00</b>	<b>17.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
<i>Stormwater Division</i>						
Elec/Streets/Strmwtr Transportation Maint. Supervisor	0.50	0.50	0.50	0.50	0.50	0.50
Senior Maintenance Technician	1.00	1.00	1.00	1.00	1.00	1.00
Stormwater Code Compliance Specialist	1.00	1.00	1.00	-	-	-
Maintenance Technician Journey Level	3.00	3.00	3.00	3.00	3.00	4.00
Maintenance Assistant (LTE)	-	-	-	-	-	1.00
Sweeper Operator	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>6.50</b>	<b>6.50</b>	<b>7.50</b>
<b>Total Operations</b>	<b>48.50</b>	<b>48.50</b>	<b>49.50</b>	<b>53.50</b>	<b>54.50</b>	<b>55.50</b>
<b>Total Enterprise Funds</b>	<b>52.50</b>	<b>60.50</b>	<b>61.50</b>	<b>64.50</b>	<b>65.50</b>	<b>66.50</b>
<b>TOTAL CITY FTEs</b>	<b>290.00</b>	<b>312.50</b>	<b>321.50</b>	<b>336.50</b>	<b>341.50</b>	<b>342.50</b>



**2026 Capital Budget**

Department/Description	Adopted Budget
Common Facilities - City Hall	
Vehicle replacement shortfalls	22,786
	<b>22,786</b>
Finance/Information Management Services	
Business and Occupation Tax software	109,021
	<b>109,021</b>
Police	
Vehicle replacement shortfalls	49,108
Police Station & Training Facility	3,205,462
Body worn camera	300,000
	<b>3,554,570</b>
Community Buildings	
Sound system replacement (Community Center)	18,777
	<b>18,777</b>
Public Works - Parks Maintenance	
Ride on field liner for Rainier Vista	16,875
Vehicle replacement shortfalls	113,211
ATV & Conex for Cuoio Park maintenance	23,766
	<b>153,852</b>
Parks, Culture, & Recreation	
Vehicle replacement shortfalls	18,183
	<b>18,183</b>
Regional Athletic Complex (RAC)	
Sound system replacement (RAC)	10,450
Mitigate drainage issues in natural turf area on baseball fields 2, 3 and 4	85,000
RAC improvements design	1,900,000
	<b>1,995,450</b>
Public Works - Water M&O	
Vehicle replacement shortfalls	96,898
Hazmat fuel & service trailer	5,200
John Deere 85/P rubber track excavator	195,871
John Deere RE50 brush cutter 75/85G	14,195
Vehicle for water department supervisor	58,000
	<b>370,164</b>

Public Works - Wastewater M&O	
Spare pump for LS19R	96,000
Hazmat fuel & service trailer	20,800
	<b>116,800</b>
Public Works - Stormwater M&O	
Vehicle replacement shortfalls	63,147
	<b>63,147</b>
<b>Total Capital</b>	<b>6,422,750</b>

Current Expense Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
001-0000-308.00-00	Estimated Beginning Cash	-	17,503,797	4,884,056
001-0000-311.10-00	Property Taxes-Current	8,093,076	8,782,119	9,030,216
001-0000-311.15-00	Property Taxes-Delinquent	(108,189)	30,000	30,000
001-0000-313.10-00	Sales Taxes	16,135,804	15,663,031	15,496,837
001-0000-313.27-00	Affordable & Sup. Housing	105,807	110,374	110,374
001-0000-316.10-00	Business & Occupation Tax	3,866,995	3,697,413	3,770,320
001-0000-316.20-00	Admissions Tax	163,319	150,000	160,000
001-0000-316.41-00	Utility Tax/Electric	3,432,577	3,390,982	3,701,683
001-0000-316.43-00	Utility Tax/Gas	979,648	938,441	1,139,682
001-0000-316.45-00	Utility Tax/Solid Waste	573,130	588,455	608,623
001-0000-316.47-01	Utility Tax/Telephone	551,331	543,725	506,157
001-0000-316.52-00	Utility Tax/Olympia City	944	6,000	6,000
001-0000-316.70-00	Utility Tax/Lacey Utility	-	3,451,269	3,769,062
001-0000-316.72-00	Water Utility Tax	1,279,266	-	-
001-0000-316.72-10	Fire Suppression Util Tax	(5,571)	-	-
001-0000-316.74-00	Wastewater Utility Tax	1,541,383	-	-
001-0000-316.78-00	Stormwater Utility Tax	336,104	-	-
001-0000-317.20-00	Leasehold Excise Taxes	7,307	20,000	20,000
001-0000-317.51-00	Punch Board & Pull Tabs	48,117	40,000	40,000
001-0000-317.52-00	Bingo & Raffles	-	100	100
001-0000-317.53-00	Amusement Games	197	600	600
001-0000-317.54-00	Card Games	596,078	500,000	500,000
001-0000-319.60-00	B & O Penalties	18,758	3,500	3,500
001-0000-321.60-00	Professional & Occupation	378	1,500	1,500
001-0000-321.90-00	Business Licenses	81,236	86,572	89,158
001-0000-321.91-00	Franchise Fees	622,882	654,158	602,724
001-0000-322.10-00	Building Permits	993,076	1,000,000	950,000
001-0000-322.11-00	Mechanical Permits	164,513	250,000	225,000
001-0000-322.12-00	Plumbing Permits	118,108	100,000	125,000
001-0000-322.13-00	Electrical Permits	231,259	225,000	250,000
001-0000-322.14-00	Tree Protection Fees	-	15,000	15,000
001-0000-322.40-00	Street & Curb Permits	101,268	40,000	100,000
001-0000-322.41-00	Banner/Sign Permits	200	250	250
001-0000-322.90-00	Gun Permits	10,471	15,000	15,000
001-0000-331.16-72	Law Enforce Grant-Vests	14,199	-	-
001-0000-332.92-10	COVID-19	3,709,116	-	-
001-0000-333.16-00	DOJ	10,000	-	-
001-0000-333.20-60	CFDA 20.60X	1,757	-	-
001-0000-334.01-20	Other Judicial Agencies	45,030	-	-
001-0000-334.04-20	Dept of Commerce	892,914	427,668	-
001-0000-336.06-41	Marijuana Enforcement	-	135,000	-
001-0000-336.06-42	Marijuana Excise Tax	149,747	-	135,000
001-0000-334.06-90	Other State Agencies	13,400	-	-
001-0000-336.94-00	Liquor Excise Tax	408,614	394,978	422,056
001-0000-336.95-00	Liquor Board Profits	448,687	443,748	442,585

Current Expense Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
001-0000-337.19-00	Lodging Tax Funding	-	-	30,000
001-0000-337.69-10	Stay-At-Work Program	18,568	3,000	3,000
001-0000-338.21-00	Law Enforcement Service	10,900	-	-
001-0000-338.27-00	NTPS Security Contract	140,000	160,678	160,678
001-0000-338.33-00	DOT ROW CLEANUP	30,749	-	-
001-0000-338.39-00	Animal Services Admin	175,000	175,000	180,000
001-0000-341.50-00	Public Records/Reports	21	250	250
001-0000-341.53-00	Notary Services	171	250	250
001-0000-341.54-00	NSF Fees	200	150	150
001-0000-341.55-00	Police Taxable Fees	2,658	6,000	6,000
001-0000-341.70-10	Misc. Taxable Sales	147	100	100
001-0000-341.82-10	Document Recording Fee	105,460	-	-
001-0000-342.10-10	Nisqually MOA-Trust Prop.	-	4,500	4,500
001-0000-342.10-11	Criminal Justice Training	224,300	175,000	175,000
001-0000-342.40-01	Inspection Services	8,591	2,000	2,000
001-0000-343.95-00	RBRRPA Abatement Charges	-	4,500	4,500
001-0000-345.29-00	Abatement Collection	25,162	-	-
001-0000-345.81-00	Zoning/Subdivision Fees	84,444	100,000	100,000
001-0000-345.83-00	Plan Checking Fees	673,148	500,000	400,000
001-0000-347.60-29	Teen Prog Parks-CivicRec	218,151	199,000	215,000
001-0000-347.60-49	Aquatic ProgPark-CivicRec	128,272	200,000	135,000
001-0000-347.60-59	Sports Parks-CivicRec	156,189	195,750	170,000
001-0000-347.60-69	Cultural Parks-CivicRec	66,702	73,000	70,000
001-0000-347.60-79	Outdoor Parks-CivicRec	16,215	22,250	20,250
001-0000-347.60-89	Fitness Parks-CivicRec	16,783	-	-
001-0000-347.60-99	Spec Event Parks-CivicRec	54,187	48,900	55,000
001-0000-347.61-65	Museum Education Programs	-	1,750	1,750
001-0000-347.62-09	Shelters Parks-CivicRec	40,340	30,000	40,000
001-0000-347.63-00	Tumwater Pool Agreement	8,000	-	-
001-0000-347.64-00	Lacey ACT-Program Fees	29,450	23,500	35,000
001-0000-347.65-09	Field Fees Parks-CivicRec	48,310	40,000	45,000
001-0000-347.65-19	Field NTPS Parks-CivicRec	53,295	22,500	50,000
001-0000-347.90-01	Participant Fees	2,335	-	-
001-0000-348.95-00	Engineering Services Fees	2,214,841	2,892,821	2,865,510
001-0000-348.95-10	Engineering Svc - Culture	347,240	119,331	131,264
001-0000-348.95-20	Engineering Svc - Transp	1,136,719	1,428,676	1,718,951
001-0000-348.95-30	Engineering Svc - Gen Gov	22,435	119,331	131,264
001-0000-348.95-40	Engineering Svc -Pub Safe	299,341	119,331	131,264
001-0000-348.95-90	Animal Services	25,585	-	-
001-0000-348.96-00	Parks Maintenance Service	61,846	77,916	95,314
001-0000-348.96-20	Parks Maint - Streets	585,055	447,930	522,287
001-0000-348.99-00	Water Resources Services	2,754,214	3,090,593	3,926,681
001-0000-349.10-01	Indirect Plan-HR/PA	343,526	1,310,105	1,398,136
001-0000-349.10-02	Indirect Plan-Finance	910,361	166,717	155,706
001-0000-349.10-03	Indirect Plan-City Mgr.	291,087	691,122	660,640

Current Expense Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
001-0000-349.10-06	Indirect Plan-Legal	3,229	-	-
001-0000-351.10-00	District Court	38,234	50,000	50,000
001-0000-351.20-00	Lacey Violations	61,770	50,000	100,000
001-0000-361.10-00	Investment Interest	1,506,644	779,899	590,089
001-0000-361.10-40	LGIP Earnings	487,556	284,976	294,473
001-0000-361.11-00	Interest Earnings	29,242	-	-
001-0000-361.15-00	Leases	420	-	-
001-0000-361.32-00	Unrealized Gain(Loss)	(372,100)	-	-
001-0000-361.32-02	Reverse Prev Year Adj	765,508	-	-
001-0000-361.40-00	Interest Sales Tax	72,055	25,000	25,000
001-0000-362.50-10	Lease - Concessionaire	2,311	1,200	1,200
001-0000-362.50-20	Lease - Facilities	47,939	42,950	42,950
001-0000-362.51-00	Cell Tower Lease	4,261	-	-
001-0000-362.80-00	Concession Commission	-	1,750	1,750
001-0000-367.10-01	Contributions-General	3,184	-	-
001-0000-367.10-02	Contribution-Police	18,325	-	-
001-0000-367.10-03	Contribution-Parks-Gen.	7,500	100,000	-
001-0000-367.10-04	Cont.-Parks Sponsor/Event	71,000	72,500	72,500
001-0000-367.10-06	Cont.-Summer Lunch Prog.	1,249	7,500	7,500
001-0000-367.10-07	Cont.-Parks-Youth Scholar	-	1,000	1,000
001-0000-367.10-08	Contr.- TOGETHER Parks	-	5,000	5,000
001-0000-369.20-00	Unclaimed Property	1,476	1,000	1,000
001-0000-369.30-00	Sale of Forfeited Prop.	-	1,000	1,000
001-0000-369.40-00	Court Fees /Judgments	293,850	3,000	3,000
001-0000-369.41-00	False Alarm	8,597	3,500	3,500
001-0000-369.81-00	Cash Over & Short	(3,371)	-	-
001-0000-369.90-00	Other Misc. Revenue	52,248	60,000	-
001-0000-369.91-01	Procurement Card Rebate	1,478	-	-
001-0000-369.90-19	Misc. Museum CivicRec	300	-	-
001-0000-369.95-00	Physical Environment	-	500	500
001-0000-369.95-10	RBRRPA Reimbursement	-	8,000	8,000
001-0000-391.50-00	Capital Lease (noncash)	371,942	-	-
001-0000-397.01-00	Transfer In 302 Fund	-	137,902	-
001-0000-397.10-02	Transfer In 109 Fund	48,500	40,000	-
<b>Total Current Expense Revenue</b>		<b>60,486,281</b>	<b>73,337,308</b>	<b>61,999,390</b>



## **CITY COUNCIL**

The City Council is the elected governing body of the City of Lacey. The City Council is comprised of seven members elected at-large, each serving four-year staggered terms of office. The City Council serves as the City's legislative body with authority to enact laws, adopt the budget, determine service priorities, make public policy and appoint members to advisory bodies.

Every two years, the City Council selects a mayor and deputy mayor from among its membership. The Mayor presides over public meetings, recommends appointments to advisory bodies and represents the City at community activities, events and functions.

Members of the City Council serve on numerous intergovernmental committees, boards and commissions responsible for regional service delivery, oversight and policy development. Annually, the City Council holds a retreat to discuss city-wide issues, identify city priorities and update the City Council Work Plan.

### **Budget Summary**

The 2026 budget for the City Council is \$562,439. This amount funds salaries, travel and training, special community events, youth initiatives and related materials, supplies and services.

### **2025 Accomplishments**

- Established critical City policies and programs, e.g., 2025 Budget Amendments, Advisory Board Stipend Program, Regional Coordination for FIFA Fan Fest, Metropolitan Park District Ballot Measure, Amended Permit Fees Schedule, Body Camera Records Fee, International Building Code Adoption, Regional Athletic Center Phase 3 direction, Once a Month Informational Meetings, Advisory Board Stipend Program, Electric Vehicle Charging Station Rates, North Thurston Public Schools Master Interlocal Agreement, CDBG Consolidated Plan and Annual Action Review, Six-Year Transportation Improvement Plan and adopted 2026 Budget
- Established the Lacey Academy Program
- Joined multiple Opioid Settlements
- Awarded various capital projects throughout community
- Completed surplus of Mullen Road property to Thurston Housing Authority for low-income senior residential project
- Recognized important community efforts and initiatives through various proclamations
- Finalized Thurston County District Court interlocal agreement for management of the Lacey Violations Bureau
- Completed the Draham Road/Cuoio Park North Island Annexation pursuant to established policy
- Completed the Urban Growth Area annexation study
- Adopted Envision Tomorrow 2045 - Comprehensive Plan update
- Expanded the Multi-Family Tax Exemption program to include Neighborhood District Zoning District and added a twenty-year exemption option
- Continued to act in a leadership capacity at the federal, state and regional level
- Continued to engender a spirit of cooperation – locally, regionally and nationally
- Updated federal and state legislative agendas/policy manuals.
- Increased accessibility and public safety through infrastructure improvements, e.g., College Street Extension, Britton Parkway-Carpenter Road Roundabout

- Continued to improve visual presence of City, such as Utility Box Art Program Phase 1
- Appointed various Advisory Board members
- Awarded Human Services Grants

## **2026 Programs, Goals and Priorities**

- Establish goals and priorities for 2026 and beyond. Implement strategies to achieve these goals and priorities
- Implement a city financial sustainability strategy consisting of a combination of revenue expansion, investments in economic development and expenditure reductions
- Maintain Lacey’s record as a safe and secure community
- Support efforts for job creation, new livable wage jobs and promote the diversification of the community’s businesses and employment sector. Work on economic development initiatives across the community
- Support equity initiatives
- Maintain support of the Lacey MakerSpace and explore other economic partnerships to assist our business community
- Maintain the City of Lacey’s and Nisqually Tribe’s strong and collaborative relationship
- Monitor revenues and expenditures to ensure the financial solvency of the City
- Collaborate with neighboring jurisdictions and government entities
- Continue to support the City’s stewardship and climate mitigation initiatives
- Create opportunities and programs to increase affordable housing in Lacey
- Engage the Federal and State legislature on the City’s legislative priorities
- Maintain the City of Lacey’s and North Thurston Public School’s strong and collaborative relationship

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>CITY COUNCIL</b>				
<b>Council Services</b>				
001-0301-511.10-01	Salaries-Regular	153,180	157,380	161,580
001-0301-511.20-01	Employer Paid Benefits	15,145	16,257	9,622
001-0301-511.31-01	Office & Operating Supply	6,433	2,000	2,000
001-0301-511.41-01	Prof. Svc-Other	-	5,000	5,000
001-0301-511.42-01	Telecommunications	15,168	8,200	16,000
001-0301-511.43-01	Transportation/Per Diem	8,114	13,500	13,500
001-0301-511.43-02	Dues, Subscriptions, Publications	511	-	-
001-0301-511.43-03	Registrations	4,040	9,500	6,000
001-0301-511.45-02	IMS Rentals	23,946	29,790	26,819
001-0301-511.46-03	Insurance-Fidelity	1,969	2,940	3,087
001-0301-511.49-47	Receptions	1,299	2,000	2,000
001-0301-519.49-20	Special Projects	2,082	60,000	25,000
001-0301-573.49-12	Special Events	11,104	15,000	40,000
001-0301-573.49-62	Community Liason Program	-	-	25,000
<b>Total Council Services</b>		<b>242,990</b>	<b>321,567</b>	<b>335,608</b>
<b>Boards/Memberships</b>				
001-0302-511.49-20	Advisory Board Stipends	13,050	50,000	30,000
001-0302-519.20-01	Employer Paid Benefits	26	-	-
001-0302-519.49-14	Association of WA Cities	47,238	49,208	49,331
001-0302-519.49-15	National League of Cities	5,103	3,813	5,000
001-0302-519.49-19	Neighborhood Grant Prog	73,905	60,000	60,000
001-0302-519.49-41	ICLEI	-	600	-
001-0302-519.49-50	Military Support	50,000	50,000	50,000
001-0302-519.49-54	Cultural Events Grant	-	-	25,000
001-0302-572.31-30	Other Boards/Memberships	-	12,450	2,500
<b>Total Boards/Memberships</b>		<b>189,322</b>	<b>226,071</b>	<b>221,831</b>
<b>Youth Initiatives</b>				
001-0304-511.20-01	Employer Paid Benefits	30	-	-
001-0304-511.49-56	Youth Council	5,445	5,000	5,000
<b>Total Youth Initiatives</b>		<b>5,475</b>	<b>5,000</b>	<b>5,000</b>
<b>Total City Council</b>		<b>437,788</b>	<b>552,638</b>	<b>562,439</b>



## **CONTRACTED SERVICES**

The City utilizes contracts for services when quality public services can be delivered cost-effectively. The City will continue to contract for these services as long as the quality of service is cost-effective and meets public needs.

### **Budget Summary**

The 2026 budget for Contracted Services is \$3,542,093.

### **Contractual – Interlocal Agreements**

#### ***Public Safety & Criminal Justice***

##### **Court Services**

Thurston County District Court currently provides court services for infractions and criminal citations issued by Lacey Police. These services include the provision of a judge, a court and limited probationary services, as well as the collection of fines and forfeitures. As of late 2025, all infractions are processed by District Court.

##### **Public Defender**

The City is required to provide an attorney for those unable to afford one when charged with a criminal offense. The City pays all legal defense fees. The adopted 2026 budget includes an additional \$80,000 for contracted services in response to public defense case load standards changes. This increase is the first of a ten-year phase-in implementation plan.

##### **Jail Services**

The City currently contracts with the Nisqually Indian Tribe for the incarceration of individuals charged or convicted of offenses committed in Lacey. Thurston County also conducts a work release and electronic monitoring program. These charges include all medical and dental expenses incurred while an individual is in the City's custody.

##### **911/Emergency Dispatch**

TCOMM 911 provides dispatch services county-wide to police, fire and medic agencies. The City is a partner in an interlocal agreement for these services. A voter approved one tenth of one percent sales tax funds operating costs. This budget allocation is for services provided to Public Works operations.

##### **Animal Services**

Joint Animal Services is a service provider created through an interlocal agreement to provide animal control and related services to Lacey, Olympia, Tumwater and unincorporated Thurston County. Services include licensing, adoption, education, complaint investigation, enforcement and animal shelter. Each member jurisdiction is charged an assessment for maintenance and operational expenses.

## **Emergency Disaster Preparedness**

The City continues in its efforts to maintain and implement an emergency preparedness plan in the event of a significant event impacting the community. This fund supports ongoing training for City departments and community education.

## ***Community Planning and Programming***

### **Regional Planning**

The City partners with Thurston Regional Planning Council (TRPC) to address common regional issues and provide for area-wide coordination and planning. This budget reflects the City's contribution for these general services. The City also contracts with TRPC for special planning studies relating to transportation, growth and environmental issues.

### **Foreign Trade Zone**

The Port of Olympia is the grantee for the South Puget Sound Foreign Trade Zone where customs duty can be deferred or reduced. The zone includes 389 acres in northeast Lacey. There are 12 sites in a four-county area (Thurston, Mason, Lewis and Kitsap). As business sites are activated within the zone, the funding from the governmental partners in the zone is reduced.

### **Election/Voter Registration**

The Thurston County Auditor's Office oversees elections in Thurston County. This is for the City's portion of all general and special election costs. The City's portion is based on the number of registered voters.

### **Economic Development Council**

The Economic Development Council (EDC) is a partnership between local public agencies and private businesses to promote and maintain a healthy economic environment. The focus of the EDC is to nurture existing businesses considering expansion and to develop strategies to attract new manufacturing and warehousing companies that will create livable wage local jobs.

### **Miscellaneous Contracts**

The City also provides funding to other agencies that provide public services for Lacey community members, including Intercity Transit for the Amtrak Depot and the Olympic Air Pollution Control Authority for monitoring and enforcement of air quality issues.

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>CONTRACTED SERVICES</b>				
001-0401-511.58-18	Election/Voter Registratration	69,963	155,000	125,000
001-0401-511.58-21	Intergovernmental	70,992	100,000	100,000
001-0401-512.58-12	District Court	440,000	512,000	534,000
001-0401-512.58-13	Public Defender-Indigent	478,721	625,000	705,000
001-0401-521.49-08	Witness Fees	-	1,000	1,000
001-0401-521.49-09	Interpreter Service	12,279	6,500	14,000
001-0401-521.58-24	Victim Advocate	60,700	60,000	73,457
001-0401-523.58-10	Th Co Corrections	-	5,000	5,000
001-0401-523.58-11	Other Jail Services	1,085,165	989,935	1,153,457
001-0401-523.58-12	Medical Services	16,464	20,000	20,000
001-0401-525.58-22	Emergency Services Program	10,839	11,000	11,000
001-0401-528.58-05	Central Dispatch	-	6,274	-
001-0401-531.58-01	Pollution Control Authority	53,758	53,758	58,885
001-0401-539.58-04	Joint Animal Services	380,030	417,000	437,659
001-0401-552.58-14	Dispute Resolution Center	11,553	53,100	28,100
001-0401-552.58-15	Regional Housing Council	-	2,474	2,474
001-0401-552.58-24	Foreign Trade Zone	-	3,000	-
001-0401-557.58-17	Video Production	3,105	10,000	-
001-0401-558.58-02	Thurston Region Planning	121,959	141,061	141,061
001-0401-559.58-03	Economic Development Council	65,984	100,000	100,000
001-0401-573.58-20	IT/Amtrak	27,912	32,000	32,000
<b>Total Contracted Services</b>		<b>2,909,424</b>	<b>3,304,102</b>	<b>3,542,093</b>



## **CITY MANAGER**

The City Manager is the chief administrative officer of the City appointed by and accountable to the City Council. The City Manager is responsible for the effective administration and management of the City along with the efficient delivery of all City services. All Department Directors are appointed by and report directly to the City Manager. The City Manager is responsible for all hiring and employment decisions, the approval of all operating rules and procedures, ensuring quality organizational performance, proper financial management of City funds and carrying out the policy directives of the City Council.

The City Manager prepares the annual budget for City Council approval, assists in the identification of community priorities and facilitates public involvement and participation in key areas of policy development and service delivery. The City Manager proposes policy recommendations to the City Council, advises them on matters of community interest and supplies information to provide the City Council to make informed decisions as well as establish annual goals and priorities for the City. The City Manager also attends and represents the City on various intergovernmental committees.

### **Budget Summary**

The 2026 budget for the office of the City Manager is \$1,489,777. In addition to covering operating expenses, the City Manager's budget includes funding for the City Manager, Assistant City Manager, Special Projects Administrator, Management Analyst, Human Services Coordinator, Equity and Inclusion Program Manager and Executive Assistant, to provide technical and administrative support to the City Manager and the City Council.

### **2025 Accomplishments**

- Led formation and implementation of Lacey City Council Work Plan 2025 and other City Council priorities
- Facilitated continued multiple National Opioid Settlement funding to address opioid addiction in the community
- Facilitated the successful transition of the Lacey Veterans Service Hub management
- Coordinated and supported the first Lacey Community Academy
- Facilitated the review and adoption of a City Financial Sustainability Strategy
- Supported 2025 LTAC funding awards and the 2026 LTAC funding process
- Continued to provide support for the Commission on Equity and Lacey Youth Council
- Implemented of City wide staff survey
- Continued to build and expand relationships with the Nisqually Indian Tribe, including discussions on the development of Quiemuth Village and Resort projects
- Provided first-rate customer services to community members, City Council and City staff
- Managed public defense contracts. Negotiated public defense contract for 2026 and beyond
- Held two employee recognition events
- Successfully accomplished many key items on the City's state and federal legislative agenda
- Provided research for projects, grants and policies
- Helped develop policy recommendations with other City departments
- Continued to provide support for the Human Services Commission
- Created a comprehensive and transparent human services grant program
- Became a CDBG entitlement community and started development of all necessary programming
- Continued Implementation of the Diversity, Equity, Inclusion and Belonging Strategic Plan

- Implemented Phase 1 of the Utility Wrap Project
- Continued work on developing a city intranet
- Served as Joint Animal Services liaison; continued work toward a new Joint Animal Services facility
- Held a City Council retreat to learn priorities for future
- Awarded the Washington Center Free Day
- Coordinated and supported the Regional Equity Summit

## **2026 Programs, Goals and Priorities**

- Implementation of the City Financial Sustainability Strategy
- Collaborate with Thurston County on an interlocal agreement for annexation of the portions of the urban growth area
- Implement organizational improvements and programs based on results of the organizational survey
- Continue to promote business growth and economic development with the objective of improving Lacey’s sales tax base, expanding shopping opportunities for community members and diversifying the employment base
- Implement innovative government solutions that enhance community services
- Continue to serve in a leadership capacity for national, regional and local affairs
- Develop and advocate for the City’s federal and state legislative agendas
- Continue to improve government transparency and effectiveness
- Continue to develop and explore new partnerships to increase public engagement within the community
- Explore opportunities and initiatives to enhance the overall quality of life
- Continue to invest time, training and resources in City staff to enhance the organization and services
- Continue to build upon the City’s strong environmental stewardship efforts
- Continue role in the South Sound Military and Communities Partnership (SSMCP)
- Provide oversight of the Lacey Veterans Services Hub
- Continue comprehensive and transparent human services grant program
- Finalize the Human Services Needs Assessment to help inform future human service grant program and CDBG funding priorities
- Continue implementation of the Diversity, Equity, Inclusion and Belonging Strategic Plan

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>CITY MANAGER</b>				
001-0501-513.10-01	Salaries-Regular	881,750	993,292	1,026,810
001-0501-513.10-06	Salaries-Part-Time	-	12,000	12,000
001-0501-513.20-01	Employer Paid Benefits	272,455	335,824	365,734
001-0501-513.31-01	Office & Operating Supply	3,026	4,000	4,000
001-0501-513.41-01	Prof. Svc-Other	22,893	64,000	25,000
001-0501-513.42-01	Telecommunications	3,732	2,500	4,000
001-0501-513.43-01	Transportation/Per Diem	6,346	5,000	5,000
001-0501-513.43-02	Dues, Subscriptions, Publ	5,567	5,500	5,500
001-0501-513.43-03	Registrations	3,516	4,000	4,000
001-0501-513.45-02	IMS Rental	30,653	37,762	32,733
001-0501-513.49-06	Maintenance Contracts	5,944	-	5,000
001-0502-514.45-02	IMS Rental	14,990	-	-
<b>Total City Manager</b>		<b>1,250,874</b>	<b>1,463,878</b>	<b>1,489,777</b>



## **HUMAN RESOURCES**

The Human Resources (HR) Department provides complex administrative and support services to all City departments related to management of labor relations, training and organizational development, performance management, managing recruitment and onboarding processes for the City's work force, managing employee relations, coordinating internal diversity, equity, inclusion and belonging initiatives, conducting or managing contractors for investigations, managing a comprehensive benefits program, managing the City's loss control and safety programs, managing City liability and worker's injury claims and providing co-management of the City's Emergency Coordination Center (ECC) and emergency preparedness programs.

The following are the areas of program responsibility for the HR Department:

- Employee relations/investigations
- Labor relations (contract administration and negotiations)
- Recruitment and selection
- Outreach and advertising
- Risk management/loss control
- Classification and compensation
- Employee benefits and leave administration
- Wellness programs
- Personnel policy development and implementation
- Employee training and development
- Diversity, Equity, Inclusion and Belonging internal initiatives
- Compliance with and legislative review of, current employment law
- Safety, emergency management and preparedness
- Claims administration for City liability, worker's compensation and unemployment insurance

The HR Department has been staffed with eight full-time equivalent (FTE) employees since 2016, which is currently an HR Director, a Labor Relations, Classification and Compensation Manager, a Benefits Manager, four Human Resources Analysts and an Emergency Management and Safety Coordinator.

### **Budget Summary**

The HR Department budget is organized into two budget program areas: General Services and Risk Management/Loss Control. The total 2026 budget for the HR Department is \$1,922,632. Recruitment activity indicates a continued trend of turnover due to career path changes, retirements and promotions. For this past year (January-July 2025) this included, but is not limited to, the hiring of 40 FTEs (which does not include all seasonal, intern, contractor or part-time hiring), including an Accountant II, three Civil Engineers (Design/Transportation/Utilities), a Licensed Veterinary Technician, a Community Service Officer, an Engineering Development Review Manager, a new Veterans Service Hub Coordinator, three Maintenance Assistants-Rapid Response, two Maintenance Assistants-Parks, two Senior Maintenance Technicians (Stormwater/Signs & Markings), a Police Lieutenant, an Equipment Mechanic, a Controls Technician Apprentice, three Engineering Technician IIIs (Capital Projects/Utilities-Stormwater), two Entry Police Officers, a Permit Technician, two Animal Care Technicians, a Senior Project Planner, a Digital Forensic Analyst, a Computer Technician-Police, a Water Resources Manager and ten Journey Level

Maintenance Technicians (Transportation/Parks Maintenance/Water/Wastewater). This recruitment effort list also does not include FTEs pending completion or filled after July 15, 2025.

Activities in risk management included continued participation in the AWC Retro Pool, Safety Alliance service-only program for the City's Labor & Industries (L&I) worker's compensation, Stay-at-Work reimbursement programs complying with the COMPACT conditions required as a member of Washington Cities Insurance Authority (WCIA) risk pool, participating in an annual audit review, attendance of full board meetings, training participation and timely claims reporting.

Following the adoption of the updated Comprehensive Emergency Management Plan (CEMP), the Human Resources Department re-established monthly meetings of the Emergency Services Committee (ESC) in 2025 with representatives from all City departments. As part of the initial rollout, committee members received in-depth training along with a comprehensive review of the updated CEMP and its supporting strategies. Additionally, the ECC Plan was fully reviewed and updated to ensure alignment with the updated CEMP.

At the beginning of the second quarter, HR launched new training requirements based on the City's Integrated Preparedness Plan (IPP), which supports the National Incident Management System (NIMS) and the Incident Command System (ICS). The IPP outlines preparedness priorities and provides a strategic roadmap for building and maintaining the City's emergency management training capabilities. Employee training is a critical component of the Planning, Organizing, Equipment, Training and Exercises (POETE) framework, which is used to evaluate and strengthen the City's emergency management program.

Following the City's transition to a new cellular provider, all employee cell phone numbers, along with department, position and office numbers (as applicable), were added to the Government Emergency Telecommunications Service (GETS) and Wireless Priority Service (WPS) systems. These priority communication services improve the ability to place calls during emergencies when normal networks may be congested or unavailable. Additionally, employee contact information was updated in the City's Thurston County Alert system and emergency communication templates were developed for use during disaster or crisis situations.

The Human Resources Department continues to review and update the City of Lacey's Safety Manual in collaboration with department-assigned safety staff to ensure compliance with current L&I/Department of Occupational Safety and Health (DOSH) standards. Updates included a comprehensive revision of the Accident Prevention Program (APP) Chapter 1 and minor updates to Chapter 14 – Wildfire Smoke Exposure Protection Program and the addition of a new chapter for Heavy Equipment Operations. The City also continues to utilize the Safety 101 software to manage and track HR and safety-related training, incident reporting, facility inspections, document management and more.

The HR Department has continued to focus on enhancing organizational development and training and provided coaching, training and guidance in leave laws, recruitment, corrective action, accident and injury protocols, self-care and awareness. In addition, HR also focused on providing core training and development through completing City-wide policy manual update training, ensured staff attendance in Surviving the Active Lethal Threat (S.W.A.T), preventing harassment and discrimination in the workplace trainings, as well as the launch of the new Supervisor Training & Education Pathways (STEP) program for all new and recently promoted managers and supervisors.

The HR team bargained a contract prior to the scheduled expiration date with the Lacey Police Sergeants Unit, represented by Teamsters Local 252 and implemented the terms of the new agreement on January 1, 2025.

The HR Department has partnered with AFSCME and management teams to complete a compensation market study project which involved updating job classification descriptions and completing a survey of comparable city data. This project began in 2023 with job description updates and carried over into 2024, with the majority of work being in market review of the job classifications list that was bargained with the Union. This market study effort was completed in preparation for collective bargaining that kicked off on August 30, 2024. As of July 8, 2025 the contract was approved by Union membership and following that, the 2025-2027 AFSCME contract was approved by the City Manager.

Additional noteworthy department actions include the continuous work on the City's Wellness Program, which is anticipated to result in the City being awarded the Association of Washington Cities Wellness Award in 2026 (for 2025). This award will provide an additional benefit of reducing the City's premiums for medical, dental and vision coverage by 2% in 2025.

The HR team continued to partner with departments in implementing the use of Clifton Strengths into the organization. HR has completed training the City Manager's Office, Finance and Parks, Culture and Recreation and are now onboarding new employees with this organizational toolset within those departments. HR continues to partner with remaining departments into 2026, providing guidance on how to lead with talent and use the Clifton Strengths tools to build strength-based teams. The Public Works Department is already underway, with Community & Economic Development, Joint Animal Services and Police Management positions slated for the remainder of the year and possibly into 2026.

## **2026 Programs, Goals and Priorities**

- Conduct an annual review of the CEMP and Hazard Mitigation Plan (HMP) for the Thurston County Regional Plan and Lacey Annex
- Focus on employee and labor relations in support of the organization's overall human resources processes and programs
- Review current recruitment life cycle steps for possible efficiency improvements and changes related to creating a more inclusive and equitable hiring practice overall. Continue to recruit and hire quality staff for essential vacancies
- Negotiate agreements with Lacey Police Officer Guild, Lacey Police Sergeants Unit (Teamsters Local 252) and Lacey Police Senior Management (Teamsters Local 252)
- Reorganize and restructure positions as approved by executive leadership
- Review and update City Personnel Policies on an annual basis
- Review and update City Safety Manual annually
- Continue to utilize and enhance Safety 101 software to improve tracking, management and reporting of HR and safety-related activities
- Continue to develop and update HR intranet in partnership with the City Manager's team, incorporating pages for Safety, Emergency Management, Labor Relations and Training
- Work with City Manager to roll out action items relating to employee engagement survey results
- Develop and roll out a recruitment video to be posted on City platforms in support of outreach efforts
- Continue employee training and exercises related to emergency management

- ECC section specific training
- Engage in community outreach and deliver presentations on emergency and disaster preparedness
- Establish participants and provide training on the WebEOC platform
- Develop plans based on the strategies developed by the CEMP consultant and create reference materials for ECC staff
- Establish and set-up ECC procedures at the new Police Department
- Continue CERT basic training within the community
- Continue to implement Clifton Strengths into organization culture, using in onboarding of new employees and providing guidance on how to build strength-based teams
- Provide continued employee and supervisory training
- Continue to develop HR staff through ongoing training and stay current with industry best practice

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>HUMAN RESOURCES</b>				
<b>General Services</b>				
001-0701-516.10-01	Salaries-Regular	818,733	843,957	819,291
001-0701-516.10-05	Salaries-Overtime	-	500	500
001-0701-516.10-06	Salaries-Part-Time	-	32,500	-
001-0701-516.20-01	Employer Paid Benefits	266,467	320,553	311,596
001-0701-516.20-41	Tuition Reimbursement	5,265	15,000	15,000
001-0701-516.31-01	Office & Operating Supply	8,902	10,500	10,500
001-0701-516.31-04	Supplies - Testing/Exam	-	5,477	-
001-0701-516.41-01	Prof. Svc-Other	60,037	46,604	153,431
001-0701-516.41-03	Prof. Svc-Consultant	160,071	88,431	-
001-0701-516.41-46	Prof Svc-Civil Service	23,513	63,552	55,000
001-0701-516.42-01	Telecommunications	6,584	-	-
001-0701-516.43-01	Transportation/Per Diem	5,750	10,400	10,400
001-0701-516.43-02	Dues, Subscriptions, Publ	5,602	3,500	3,500
001-0701-516.43-03	Registrations	3,672	10,800	10,800
001-0701-516.44-01	Adv/Full-Time Position	2,176	8,000	5,000
001-0701-516.44-02	Adv/Part-Time Position	1,683	2,000	2,000
001-0701-516.45-02	IMS Rental	47,077	44,627	44,027
001-0701-516.49-02	Printing & Binding	-	3,500	-
001-0701-516.49-05	Professional Development	34,974	45,000	45,000
001-0701-516.49-30	Software Maintenance	-	9,202	-
001-0701-516.49-56	Emp Perform Recognition	23,552	24,000	24,000
<b>Total General Services</b>		<b>1,474,059</b>	<b>1,588,103</b>	<b>1,510,045</b>
<b>Risk Management/Loss Control</b>				
001-0702-514.10-01	Salaries-Regular	93,927	127,722	191,623
001-0702-514.20-01	Employer Paid Benefits	36,883	53,277	78,056
001-0702-514.41-03	Prof. Svc-Consultant	6,602	105,000	106,000
001-0702-514.42-01	Telecommunications	-	4,800	4,800
001-0702-514.43-02	Dues, Subscriptions, Publ	849	961	961
001-0702-514.49-17	Pre-employment Medicals	6,045	5,000	10,477
001-0702-514.49-18	Wellness Prog. AWC-Grant	15,488	16,170	16,170
001-0702-514.49-43	Drug & Alcohol Testing	612	4,500	4,500
<b>Total Risk Management/Loss Control</b>		<b>160,406</b>	<b>317,430</b>	<b>412,587</b>
<b>Total Human Resources</b>		<b>1,634,465</b>	<b>1,905,533</b>	<b>1,922,632</b>



## **HUMAN AND SOCIAL SERVICES**

The City provides and supports a broad range of local social services to community members. The services are targeted to alleviate hardships and help individuals in need access community resources. The City engages in this work in four distinct ways:

1. Direct social service outreach and clean-up response
2. Coordinated efforts with regional and community partners
3. Providing funding to support the work of non-profit and other governmental entities
4. Advocacy for more comprehensive solutions to houselessness at the state and federal levels

Through this work, the City's goal is to provide and support services in the community that are built on compassion, public safety and enhancing the well-being of all. Programs supported in this budget cycle include:

- Affordable Housing and Unhoused Services
- Early Learning and At-Risk Youth Services
- Senior Services
- Veterans Services
- Food Insecurity and Nutrition Services
- Hazardous Weather Sheltering Services
- Substance and Alcohol Abuse Treatment Services
- Crime Victim Advocate Services
- Dispute Resolution Services

### **Budget Summary**

The total 2026 budget for Human and Social Services is \$1,102,166.

### **2025 Accomplishments**

- Enhanced unhoused services with work on the Regional Housing Council
- Hired a Lacey Veterans Services Hub Coordinator
- Continued to provide direct services: Mobile Outreach Team (MOT), Community Resource Unit (CRU), Lacey Veterans Services Hub (LVSH), Rapid Response Team (RRT)
- Allocated \$300,000 for 2025 Human Services Grant Program
- Continued implementation of CDBG Entitlement Program
- Facilitated the Human Services Commission
- Continued work on the Human Services Needs Assessment

### **2026 Programs, Goals and Priorities**

- Continue to provide direct services: MOT, CRU, LVSH, RRT
- Finalize Human Services Needs Assessment
- Continue facilitation of Human Services Commission
- Continue to implement Human Services Grant Program
- Create a Strategic Plan and other policies for the LVSH
- Allocate CDBG FY 2025 funding

- Perform a comprehensive review of vacant properties and determine future uses that benefit the community

2025 Human Services Grant Awards		
Entity	Purpose	Award
North Thurston Education Foundation	Student Assistance Grants Program	\$30,000
Interfaith Works	Sergios Service Center	\$30,000
Boys & Girls Clubs of Thurston County	Scholarships for NTPS students experiencing houselessness	\$25,000
CIELO	Lacey Housing Stability and Advocacy Initiative	\$30,000
Community Action Council of Lewis, Mason, & Thurston County	Lacey Housing Services	\$23,125
Community Youth Services	Haven House	\$23,125
TOGETHER!	Host Homes	\$23,125
All Kids Win FKA Homeless Backpacks	Weekend Food Bags	\$23,125
Rebuilding Together Thurston County	Critical Home Repair	\$23,125
Senior Services for South Sound	Home Share Program	\$23,125
Homes First	Increasing pace of Homes First's Affordable Housing Development	\$23,125
South Puget Sound Habitat for Humanity	Home Repair Program	\$23,125

LVSH Snapshot	
Thurston County Veterans*	30,811
Thurston County Veterans VA Benefit % ^	44%
On-site Service Providers**	14
Volunteers**	25
Number of Unique Clients***	7,221
Thurston County	24.4%
Lacey	27.1%
Olympia	20.6%
Tumwater	5.3%

\* 2023 ACS, US Census

^ 2023 WDVA data

\*\* 2024-2025 LVSH data

\*\*\* 2024/2025 LVSH data, % are based on known addresses

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>HUMAN AND SOCIAL SERVICES</b>				
<b>General Services</b>				
001-0801-552.58-15	Regional Housing Council	-	163,489	80,679
001-0801-552.58-16	TOGETHER	15,000	-	-
001-0801-552.58-17	Social Svc-Local Grants	-	600,000	300,000
001-0801-552.58-18	GRUB	6,000	-	-
001-0801-565.58-01	Aff and Supp Housing	106,714	110,374	110,374
001-0801-565.58-26	Mobile Outreach Team	82,310	-	-
001-0801-565.58-27	Senior Services	9,464	-	-
001-0801-566.58-07	Th Co Social Services S/A	17,355	21,360	21,360
<b>Total General Services</b>		<b>236,843</b>	<b>895,223</b>	<b>512,413</b>
<b>Homeless Services</b>				
001-0802-565.10-01	Salaries-Regular	81,658	132,355	128,523
001-0802-565.10-05	Salaries-Overtime	1,763	-	1,800
001-0802-565.10-06	Salaries-Part Time	21	-	-
001-0802-565.20-01	Employer Paid Benefits	32,633	53,843	56,864
001-0802-565.31-01	Office & Operating Supply	4,000	15,942	10,000
001-0802-565.31-17	Supplies-Uniform Purchase	1,070	-	-
001-0802-565.40-01	Homeless Services	13,500	115,000	-
001-0802-565.41-01	Prof. Svc-Other	2,196	-	4,500
001-0802-565.41-02	Permanent Support Housing	-	3,000,000	-
001-0802-565.42-01	Telecommunications	2,447	7,000	5,000
001-0802-565.43-02	Dues, Subscriptions, Publ	-	1,500	-
001-0802-565.43-03	Registrations	60	-	-
001-0802-565.45-05	Rentals-Other	15,724	10,000	15,000
001-0802-565.47-07	Utility-Solid Waste	5,900	-	6,500
001-0802-565.48-03	Rep & Maint-Facilities	8,483	10,000	10,000
001-0802-565.60-05	Land	-	700,000	-
<b>Total Homeless Services</b>		<b>169,455</b>	<b>4,045,640</b>	<b>238,187</b>
<b>Veteran Services</b>				
001-0805-565.10-01	Salaries-Regular	-	44,484	85,220
001-0805-565.20-01	Employer Paid Benefits	233	17,793	20,979
001-0805-565.31-01	Office & Operating Supply	5,850	3,267	10,000
001-0805-565.31-02	Small Tools & Equipment	409	3,000	1,500
001-0805-565.41-01	Prof. Svc-Other	97,426	10,000	102,000
001-0805-565.42-01	Telecommunications	4,504	7,000	7,000
001-0805-565.43-02	Dues, Subscriptions, Publ	-	1,500	1,500
001-0805-565.43-03	Registrations	-	500	500
001-0805-565.45-02	IMS Rental	52,939	53,409	50,685
001-0805-565.45-05	Rentals-Other	6,504	1,575	6,500

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Veteran Services Cont.</b>				
001-0805-565.45-08	Lease Miscellaneous	1,843	60,000	2,000
001-0805-565.46-04	Insurance-Vehicle	47	47	157
001-0805-565.47-01	Utility-Electric	-	2,000	-
001-0805-565.48-01	Rep & Maint-Equipment	2,183	2,000	2,000
001-0805-565.49-02	Printing & Binding	788	3,537	1,000
001-0805-565.49-06	Maintenance Contracts	1,866	1,625	1,625
001-0805-565.49-20	Special Projects	11,280	-	10,000
001-0805-565.49-23	Custodial	8,652	-	10,000
001-0805-565.49-30	Software Maintenance	101	3,000	500
001-0805-565.60-01	Capital Outlays-Equipment	(1,002)	2,111	-
001-0805-591.65-01	Leases	26,404	-	28,400
001-0805-592.65-01	Lease interest	11,996	-	10,000
001-0805-594.65-01	Veterans Services HUB	46,661	403,338	-
<b>Total Veteran Services</b>		<b>278,683</b>	<b>620,186</b>	<b>351,566</b>
<b>Total Human and Social Services</b>		<b>684,981</b>	<b>5,561,049</b>	<b>1,102,166</b>

## COMMUNICATIONS

The Communications Department creates, administers and distributes the City's communications programs, along with assisting the City with a variety of community projects. The department also acts as a liaison to and resource for stakeholders and the public.

Communications activities include:

- Providing information about City activities through a variety of methods, including community meetings, forums, etc.
- Developing and implementing community engagement and participation opportunities
- Managing timely City communications, including, but not limited to, the website, LaceyLife, LaceyWeekly, Latest in Lacey, etc.
- Managing content on the City's intranet
- Managing content and providing oversight of the City's social media platforms
- Creating print, verbal and digital information
- Fostering ongoing relationships with community members, neighborhood groups and other community stakeholders
- Overseeing and responding to community questions, comments, complaints and concerns, including managing the online customer relationship management system, LaceyWorks
- Managing LaceyTV77 and other video productions
- Responding to media inquiries
- Protecting the City of Lacey brand and image

In addition to covering operating expenses, the Communications Department budget includes funding for a Communications Manager, two Communications Specialists, an Advanced Digital Media Specialist and an Intern.

### Budget Summary

The 2026 Communications Department budget is \$830,541.

### 2025 Accomplishments

- Organized a successful first-ever Lacey Community Academy
- Launched the LaceyWeekly, a new digital digest of City news
- Created the Lacey Branding Guide and Style Guide
- Completed first National Community Survey
- Responded to over 619 requests in Lacey Works
- Refreshed the City website to increase awareness and engagement
- Created content for over 30,000 users on social media
- Coordinated Plain Language training
- Coordinated 4,945 airings and 3,753 hours of programming on LaceyTV77
- Provided website management and oversight, with over 1M views
- Held four quarterly meetings

## **2026 Programs, Goals and Priorities**

- Assess Communications Program processes and programs
- Continue implementation of the current Communications Plan and develop the next Communications Plan
- Continue enhancement and oversight of the City's website and start a monitoring program to ensure information is timely and meets City standards
- Continue to provide neighborhood and community projects and programs
- Continue to support the City's intranet
- Continue applying brand guide requirements to update internal and external documents and other materials
- Refine Lacey intranet, expanding the document library, resources and other communications

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>COMMUNICATIONS</b>				
001-0903-513.10-01	Salaries-Regular	380,805	440,583	455,149
001-0903-513.10-05	Salaries-Overtime	-	500	500
001-0903-513.10-06	Salaries-Part-Time	683	12,000	12,000
001-0903-513.20-01	Employer Paid Benefits	152,484	193,374	206,901
001-0903-513.31-01	Office & Operating Supply	2,231	3,800	3,800
001-0903-513.31-02	Small Tools & Equip	502	-	-
001-0903-513.41-01	Prof. Svc-Other	105,656	70,000	10,000
001-0903-513.42-01	Telecommunications	2,131	4,000	4,000
001-0903-513.43-01	Transportation/Per Diem	-	3,000	3,000
001-0903-513.43-02	Dues, Subscriptions, Publ	2,934	2,700	2,700
001-0903-513.43-03	Registrations	1,470	3,000	3,000
001-0903-513.45-02	IMS Rental	58,570	54,178	57,991
001-0903-513.49-02	Printing & Binding	68	2,500	1,000
001-0903-573.49-12	Special Events	3,474	3,500	3,500
001-0903-573.49-20	Special Projects	4,757	7,000	7,000
001-0903-573.49-21	LaceyLife Newsletter	58,189	60,000	60,000
<b>Total Communications</b>		<b>773,954</b>	<b>860,135</b>	<b>830,541</b>



## **CITY CLERK**

The City Clerk's Department is responsible for ensuring compliance with local, state and federal laws related to the legislative process of the City. The City Clerk is required to record and preserve minutes, ordinances and resolutions adopted by the City Council, as well as oversee the protection and preservation of all city records. The City Clerk serves as the designated public records officer of the City, acting as a point of contact for members of the public who request disclosure of public records and overseeing the agency's compliance with public records disclosure requirements.

There are six areas of program responsibility within the City Clerk's Office:

1. Managing all city records, including retention, disposition and training
2. Ensuring legal compliance with city-wide public records requests
3. Providing legal and meeting notices
4. Recording legislative action approved by the City Council to include minutes, ordinances and resolutions
5. Providing administrative support for the City Council meeting agenda process
6. Providing administrative support for the City's Advisory Board, including recruitment, appointment process and meeting support

In addition to covering operating expenses, the Clerk's budget includes funding for the City Clerk and two Deputy City Clerks.

### **2025 Accomplishments**

- Performed process improvements, increasing efficiencies and services
- Tracked and distributed Advisory Board Stipend Program Payments
- Uploaded all newly adopted ordinances, resolutions and proclamations online
- Continued to provide public services, e.g., notary and front counter customer service; helped community members at the front counter, by phone and by email, including creating 80 entries in LaceyWorks
- Continued public record training and responses. Submitted JLARC Public Records Report. In 2024, closed 3,535 public records requests (Police: 3,080; City: 336; Animal Services: 119)
- Provided ongoing legislative support for the City Council and advisory boards; provided meeting support for 100 public meetings (agendas, minutes, notices, etc.)
- Continued distribution of city email addresses to advisory board members
- Improved accessibility of Council meeting materials on the public records portal
- Received 396 contracts through DocuSign; facilitated 84 contracts
- Continued records management for the City
- Supported various special projects through research
- Created content for the City's intranet

### **2026 Programs, Goals and Priorities**

- Continue enhancement of legislative agenda process system, CivicClerk
- Implement a city-wide document management system in compliance with all local, state and federal laws and other City departments

- Continue to support the City's intranet
- Continue city-wide records management training, including training for new employees
- Continue support of the Advisory Board Stipend Program
- Continue comprehensive review of the advisory board recruitment process with the City Manager's Office
- Review department processes
- Continue to train and collaborate with Records Coordinators regularly to identify issues, provide solutions and support networking
- Assist and support Records Coordinators during records remediation in each department
- Explore opportunities to improve accessibility and transparency with legislative actions and records
- Leverage continuing education opportunities to improve knowledge of and stay current on Public Records Act and Open Public Meetings Act laws
- Comply with reporting requirements for all city-wide public records requests

### **Budget Summary**

The 2026 budget for the City Clerk office is \$512,745.

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>CITY CLERK</b>				
001-0904-514.10-01	Salaries-Regular	289,451	-	-
001-0904-514.20-01	Employer Paid Benefits	104,865	-	-
001-0904-514.31-01	Office & Operating Supply	2,201	-	-
001-0904-514.41-06	Codification/Microfilm	6,128	-	-
001-0904-514.41-07	Records Destruction	4,478	-	-
001-0904-514.43-01	Transportation/Per Diem	3,260	-	-
001-0904-514.43-02	Dues, Subscriptions, Publ	3,719	-	-
001-0904-514.43-03	Registrations	2,371	-	-
001-0904-514.44-04	Ordinances & Resolutions	6,936	-	-
001-1004-514.10-01	Salaries-Regular	-	308,796	321,506
001-1004-514.10-05	Salaries-Overtime	-	1,250	1,250
001-1004-514.20-01	Employer Paid Benefits	-	117,889	124,933
001-1004-514.31-01	Office & Operating Supply	-	2,000	2,000
001-1004-514.41-01	Prof. Svc-Other	-	23,620	5,000
001-1004-514.41-06	Codification/Microfilm	-	12,000	12,000
001-1004-514.41-07	Records Destruction	-	4,000	5,000
001-1004-514.43-01	Transportation/Per Diem	-	8,250	8,250
001-1004-514.43-02	Dues, Subscriptions, Publ	-	1,275	1,800
001-1004-514.43-03	Registrations	-	5,000	5,000
001-1004-514.44-04	Ordinances & Resolutions	-	10,000	10,000
001-1004-514.45-02	IMS Rental	-	18,466	16,006
<b>Total City Clerk</b>		<b>423,410</b>	<b>512,546</b>	<b>512,745</b>



## **FINANCE**

The Finance Department is responsible for ensuring the sound financial management of all City operations, the safekeeping of City assets, budget development, debt administration, revenue collections for all utility customers and the administration of Lacey's Information Systems. Major program areas include:

- Payroll and Benefits
- Central Purchasing
- Miscellaneous Receivables, Accounts Payable and General Ledger Accounting
- Utilities Billing and Customer Services
- Budget and Financial Statements
- Investments and Debt Management
- Business Licensing and Registration
- Information Systems, Support and Services

These services are provided by 33 full-time employees that are budgeted in the Current Expense, Utilities and Information Management Services Funds.

### **Budget Summary**

The 2026 budget for the Finance Department is \$2,584,214. The Information Services division is listed under a separate budget because their expenses are managed as a separate fund. Finance Department costs assigned to Utility Billing are budgeted in each of the Utilities.

### **2026 Programs, Goals and Priorities**

- Maintain compliance with all financial reporting standards
- Provide excellent customer service to external and internal customers
- Revenue monitoring, forecasting and enhancement
- Pursue GFOA certification of Lacey's Annual Financial Report

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>FINANCE</b>				
001-1401-514.10-01	Salaries-Regular	1,339,514	1,536,336	1,525,477
001-1401-514.10-05	Salaries-Overtime	14,024	850	15,500
001-1401-514.20-01	Employer Paid Benefits	502,773	635,759	641,881
001-1401-514.31-01	Office & Operating Supply	8,371	5,000	9,000
001-1401-514.41-01	Prof. Svc-Other	80,203	128,703	106,000
001-1401-514.41-05	Prof. Svc-Audit	66,167	105,000	104,000
001-1401-514.41-48	Investment Advisor	85,903	88,000	88,000
001-1401-514.42-01	Telecommunications	1,964	-	2,500
001-1401-514.43-01	Transportation/Per Diem	4,499	7,500	7,500
001-1401-514.43-02	Dues, Subscriptions, Publ	2,392	2,175	2,175
001-1401-514.43-03	Registrations	4,654	7,500	7,500
001-1401-514.45-02	IMS Rental	58,033	64,100	69,329
001-1401-514.48-01	Rep & Maint-Equipment	-	100	-
001-1401-514.49-02	Printing & Binding	417	1,000	500
001-1401-514.49-06	Maintenance Contracts	3,576	1,500	3,500
001-1401-514.49-30	Software Maintenance	-	1,352	1,352
<b>Total Finance</b>		<b>2,172,492</b>	<b>2,584,875</b>	<b>2,584,214</b>

## **LEGAL SERVICES**

The City contracts with Schneider Law Office to provide legal services to the City. Legal services include representing the City in all legal actions brought by or against the City, including the prosecution of all misdemeanors and infractions resulting from citations issued by city personnel. Legal services also include attending City Council meetings, advising Council members and City staff on general legal matters related to the City's business and coordinating, reviewing and approving all legislative documents to be presented to the City Council. The City contracts for these services through its adopted budget.

Schneider Law Office also represents the City in Washington State Superior Court or Appellate Court actions, before State Hearings Boards, in Federal Court and Joint Animal Control legal actions. Additionally, the office performs work for the City when acting in a proprietary capacity, as distinguished from a governmental one. Work performed in a proprietary capacity includes the acquisition, care, maintenance and improvement of the City's streets, water, stormwater and wastewater facilities. These services are billed separately and are included in appropriate project or enterprise funds.

### **Budget Summary**

The total 2026 budget for City Attorney is \$1,096,069.

### **2026 Programs, Goals and Priorities**

- Provide legal guidance to the City Council and City administration on the planning and regulatory functions of the City
- Continue a positive and pragmatic approach to the City's legal ability to accomplish tasks and projects necessary for its community members
- Efficient, effective and accountable prosecution services
- Acquire necessary property rights for future City projects

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>LEGAL SERVICES</b>				
001-1501-515.41-08	Prof. Svc-Litigation	20,667	18,000	20,000
001-1501-515.41-09	Prof. Svc-Prosecution	470,114	489,938	555,575
001-1501-515.41-15	Governmental Services	308,620	436,683	491,269
001-1501-515.42-01	Telecommunications	991	-	1,200
001-1501-515.49-07	Support Services	16,097	28,025	28,025
<b>Total Legal Services</b>		<b>816,489</b>	<b>972,646</b>	<b>1,096,069</b>

## **COMMON FACILITIES**

The Common Facilities budget provides funding for the maintenance and operation of City Hall and the Library. Expenditures include all utilities, maintenance contracts, insurance, janitorial services, common supplies, postage, computer system replacement charges, maintenance of pooled vehicles, miscellaneous service charges and contract copying and support.

### **Budget Summary**

The 2026 budget for Common Facilities is \$2,178,932. This amount maintains the current level of services for City Hall and Library services.

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>COMMON FACILITIES</b>				
<b>City Hall &amp; Library Operations</b>				
001-1901-519.31-01	Office & Operating Supply	14,822	20,370	20,370
001-1901-519.41-01	Prof. Svc-Other	6,155	40,846	122,500
001-1901-519.42-01	Telecommunications	19,398	20,000	20,250
001-1901-519.42-02	Communications-Postage	35,131	30,000	38,500
001-1901-519.45-01	Equipment Rental	25,878	24,214	20,767
001-1901-519.45-02	IMS Rental	629,999	638,838	973,095
001-1901-519.45-03	Copier Rental	32,651	38,700	38,700
001-1901-519.45-08	Lease Miscellaneous	-	500	-
001-1901-519.46-01	Insurance-Liability	488,181	533,632	513,947
001-1901-519.46-02	Insurance-Fire/Property	81,700	82,401	82,938
001-1901-519.46-06	AWC-L & I Pool	24,192	100,407	25,000
001-1901-519.47-01	Utility-Electric	137,881	148,000	148,000
001-1901-519.47-02	Utility-City of Lacey	21,465	22,500	22,500
001-1901-519.47-07	Utility-Solid Waste	2,737	3,000	3,000
001-1901-519.48-01	Rep & Maint-Equipment	-	3,700	-
001-1901-519.49-02	Printing & Binding	4,002	8,000	8,000
001-1901-519.49-06	Maintenance Contracts	26,819	38,974	38,974
001-1901-519.49-09	Interpreter Services	1,822	-	2,000
001-1901-519.49-25	Assessments/Taxes	9,748	2,050	10,000
001-1901-519.49-27	Bad Debt Expense	-	1,000	-
001-1901-572.46-02	Insurance-Fire/Property	25,908	27,715	27,891
001-1901-572.47-01	Utility-Electric	49,155	50,000	50,000
001-1901-572.47-02	Utility-City of Lacey	8,325	9,000	9,000
001-1901-572.47-07	Utility-Solid Waste	2,485	1,500	3,500
001-1901-572.48-01	Rep & Maint-Equipment	-	250	-
001-1901-572.49-06	Maintenance Contracts	-	736	-
<b>Total Common Facilities</b>		<b>1,648,454</b>	<b>1,846,333</b>	<b>2,178,932</b>

## **POLICE**

The Police Department's mission is to partner with the community to make Lacey a safe and desirable place to live, work, learn and play.

Police Department staffing allocations for 2026 will include: 72 commissioned officers, 11.5 administrative staff members and 6 civilian Community Service Officers. Volunteer services are provided by a group of dedicated staff consisting of the Lacey Resource Unit (LRU), Chaplain Program and the Explorer Post. The Explorer Post consists of students ages 15.5 - 21 years old.

The Lacey Police Department consists of the following three divisions: Operations Division, Administrative Division and the Investigations Division.

### **Operations Division**

The Operations Division is comprised of two Lieutenants, six Sergeants, six Corporals, 35 Police Officers, two Traffic Officers and six civilian non-sworn Community Service Officers who work in six squads providing 24-hour law enforcement services to the city.

The Operations Division is the largest division in the Lacey Police Department. The primary responsibility is to provide uniformed patrol response to 911 dispatched calls and to provide pro-active patrol service to the City of Lacey 24 hours per day. Lacey Police Officers use a number of different methods and tactics to protect life and property while enhancing the perception of safety throughout the community. The City is divided into three patrol districts to allow officers a concentrated area of focus, where they can engage the community as partners for collaborative solutions to crime and quality of life issues. The Operations Division is complemented by a Traffic Unit that provides education and enforcement services related to vehicle, pedestrian and school zone safety. The Community Service Officer program provides non-emergency patrol support and in-custody transports to help maximize the time patrol officers are performing their duties in their patrol districts.

### **Administrative Division**

The Administrative Division is comprised of one Police Chief, one Deputy Police Chief, one Lieutenant, one Sergeant, one Criminal Justice Training Officer, one Executive Assistant and the Records Unit consisting of one Police Records Supervisor and five Police Records Specialists. Two of these Records Specialists focus on fulfilling Public Records requests. The Administrative Division also provides supervision and administrative support to the persons with disabilities employment program that includes one part-time car washer.

The Administrative Division consists of the Office of Chief of Police and Administrative Services. The Office of Chief of Police is led by the Police Chief and with the assistance of the Deputy Chief plans, organizes, coordinates, directs and evaluates all activities and operations of the Lacey Police Department. The Executive Assistant is the central point of contact for the Office of the Chief of Police and assists with a myriad of administrative functions in support of the division and the department.

Administrative Services is managed by the Administrative Lieutenant and is responsible for records, public disclosure compliance, administration of the department's Body Worn Camera Program, Washington Sheriffs and Police Chiefs (WASPC) Accreditation program, concealed weapons permit processing,

recruiting, hiring, training, policy development, internal investigations and professional standards, budgeting, logistics, planning and other administrative tasks. The Police Records Supervisor and five Police Record Specialists are responsible for completing these administrative tasks on a daily basis. The Personnel and Training Sergeant coordinates department training which consists of de-escalation techniques, less-lethal tools, driving, patrol tactics, firearms, case law updates and updating current policy and procedures. The Personnel and Training Sergeant is also the direct supervisor of the police officer assigned to the academy training staff at the Criminal Justice Training Center (CJTC). The cost of the CJTC position is reimbursed by CJTC. This position also oversees the Peer Support and Wellness programs for the department.

## **Investigative Division**

The Investigations Division is comprised of one Lieutenant, one Detective Sergeant, six Detectives, three School Resource Officers, one Special Operations Sergeant, two Community Resource Unit Officers, one Special Investigations Response Team Officer, one Joint Terrorism Task Force Liaison Officer, one Evidence Technician, one Digital Forensic Analyst, one Management Analyst and one Police Record Specialist.

The Investigative Division is managed by a Lieutenant who is responsible for four units: Detective Unit, School Resource Unit, Community Resource Unit and the Special Operations Unit. The Detective Unit is responsible for the investigation of major crimes such as Homicides, Felony Assaults, Sexual Assaults and other felony cases. The Detective Unit will investigate any complicated crimes that exceed the expertise or immediate resources of the Operations Division. The Detective Unit works closely with other local agencies for county-wide criminal investigations involving violent crime, property crimes, narcotics enforcement, as well as missing persons and child abuse cases. Detectives also complete background investigations for new hire and lateral officer candidates, ensuring only the best candidates become Lacey Police Officers. A Digital Forensic Analyst is assigned to the Investigative Division to provide technical assistance with the processing and analysis of digital evidence. The Management Analyst conducts extensive analysis of department metrics to ensure efficiency of operations, crime trend analysis to help focus patrol resources and provides analytical support of complex investigations.

The Community Resource Unit (CRU) is supervised by the Special Operations sergeant and staffed by two officers assigned to conduct community outreach and education. They engage with the unhoused population to provide assistance and services for positive outcomes, plan and conduct proactive enforcement operations based on crime analysis trends, instruct at community academies and coordinate community events. The CRU Police Records Specialist coordinates the department's community outreach efforts to include social media as well as planning and scheduling community engagement and crime prevention seminars. The CRU Police Records Specialist also coordinates and cares for the department's community engagement and employee wellness dog "Trip." The Community Resource Unit also houses the Lacey Police Department's Mobile Outreach Team (MOT). MOT personnel are non-sworn employees (consisting of licensed mental health clinicians and peer support personnel with lived experience) of Olympic Health and Recovery Services (OHRs) who specialize in responding to individuals in crisis. MOT's mission is to respond and engage those in need of services to assist in connecting them with resources. These resources can be for entry into housing or mental health services. The MOT team responds to many 911 calls as well as requests from patrol officers where there is a need for crisis intervention, but a police officer is not needed as the primary responder. OHRs provides this service on a contractual basis.

The School Resource Unit is staffed by three police officers who are assigned to North Thurston Public Schools. They serve four high schools, four middle schools and six elementary schools. They are

responsible for providing not only law enforcement and security, but also focus on initiating positive contacts and building relationships with the students, parents and school administration. The Special Operations Sergeant supervises the School Resource Officers Unit.

The Special Operations Unit consists of two officers assigned to specialized regional task forces to address regional crime issues that impact the City of Lacey. The officer assigned to the Special Investigations Response Team (SIRT) work with officers from the cities of Olympia and Tumwater to identify and address inter-jurisdiction crime trends. The officer assigned to the regional Federal Bureau of Investigation Joint Terrorism Task Force (JTTF) works to address regional crime issues including domestic violent extremists, human trafficking and organized crime organizations. The Special Operations Unit is under the supervision of the Investigations Lieutenant.

Our Evidence Technician is responsible for the evidence and property safekeeping function at the Police Department. This includes processing, storing, retrieval and disposition of all physical and digital evidence and found property. The Evidence Technician also assists in crime scene processing including crime scene mapping, photography and DNA collection.

### **Budget Summary**

The Police Department budget is organized into ten programs:

1. Administration
2. Investigations
3. Records and Support Services
4. Operations
5. Property and Evidence
6. Traffic
7. Training
8. Volunteers
9. Education and Community Outreach
10. Facility Maintenance

The total 2026 budget for Police is \$17,057,062 not including expenditures in the Criminal Justice and Public Safety Funds. Funding for court and jail services is budgeted separately. These services are provided through a contractual agreement with Thurston County and the Nisqually Tribe.

### **2026 Programs, Goals and Priorities**

- Provide high-quality, full-service community-based law enforcement and public safety
- Utilize contemporary crime analysis data to aggressively identify and mitigate emerging crime trends
- Continue our partnership with North Thurston Public Schools to ensure a safe and productive learning environment
- Work closely with our community partners to identify and proactively address crime and quality of life issues
- Increase proactive and compassionate contacts to continue to build community partnerships and trust

- Continue to promote equity, diversity and inclusion in all aspects of Police Department activities
- Increase the department's reach through social media to educate and better inform the community and increase transparency about the administration and operation of the Police Department
- Use and implement technology to ensure community safety
- Enhance our recruiting and training platforms to continue to build our diversified and inclusive public safety team
- Plan for city growth and future law enforcement needs

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>POLICE</b>				
<b>General Services</b>				
001-2101-521.10-01	Salaries-Regular	804,559	1,230,181	916,894
001-2101-521.10-05	Salaries-Overtime	5,255	500	2,500
001-2101-521.10-06	Salaries-Part-Time	7,335	3,000	5,000
001-2101-521.20-01	Employer Paid Benefits	215,243	345,278	274,042
001-2101-521.20-02	LEOFF Disability-Retired	127,181	210,960	150,000
001-2101-521.31-01	Office & Operating Supply	7,719	8,250	8,250
001-2101-521.31-15	Evidence Monies	-	1,000	1,000
001-2101-521.41-01	Prof. Svc-Other	67,622	87,900	50,000
001-2101-521.42-01	Telecommunications	4,680	5,057	8,000
001-2101-521.43-02	Dues, Subscriptions, Publ	1,485	1,700	1,700
001-2101-521.45-01	Equipment Rental	23,880	23,811	33,466
001-2101-521.45-02	IMS Rental	30,945	30,914	31,786
001-2101-521.45-10	Rental Facilities	2,800	4,200	1,000
001-2101-521.48-01	Rep & Maint-Equipment	-	20	-
001-2101-521.49-02	Printing & Binding	330	-	-
001-2101-521.49-06	Maintenance Contracts	1,390	-	-
<b>Total General Services</b>		<b>1,300,424</b>	<b>1,952,771</b>	<b>1,483,638</b>
<b>Records and Support Services</b>				
001-2102-521.10-01	Salaries-Regular	662,025	588,262	608,632
001-2102-521.10-05	Salaries-Overtime	4,069	5,100	5,100
001-2102-521.10-06	Salaries-Part-Time	-	1,000	-
001-2102-521.20-01	Employer Paid Benefits	241,190	236,076	260,901
001-2102-521.31-01	Office & Operating Supply	7,524	8,100	8,100
001-2102-521.31-02	Small Tools & Equipment	621	1,100	1,100
001-2102-521.31-17	Supplies-Uniform Purchase	632	600	650
001-2102-521.42-01	Telecommunications	4,017	4,500	6,250
001-2102-521.43-02	Dues, Subscriptions, Publ	-	475	475
001-2102-521.45-02	IMS Rental	31,934	31,902	32,802
001-2102-521.48-01	Rep & Maint-Equipment	-	100	-
001-2102-521.49-02	Printing & Binding	50	4,000	2,000
001-2102-521.49-06	Maintenance Contracts	1,579	-	1,000
001-2102-521.49-30	Software Maintenance	605	1,700	850
001-2102-521.50-04	Contract-RMS System	166,558	263,661	250,451
<b>Total Records and Support Services</b>		<b>1,120,803</b>	<b>1,146,576</b>	<b>1,178,311</b>
<b>Property Control</b>				
001-2103-521.10-01	Salaries-Regular	143,914	92,700	94,631
001-2103-521.10-05	Salaries-Overtime	80	1,800	1,800
001-2103-521.20-01	Employer Paid Benefits	41,641	32,136	33,673

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Property Control Cont.</b>				
001-2103-521.31-01	Office & Operating Supply	2,445	2,975	2,975
001-2103-521.31-02	Small Tools & Equipment	-	375	375
001-2103-521.31-17	Supplies-Uniform Purchase	-	700	250
001-2103-521.41-01	Prof. Svc-Other	399	500	500
001-2103-521.45-02	IMS Rental	8,562	8,553	8,794
001-2103-521.49-02	Printing & Binding	-	125	-
001-2103-521.49-30	Software Maintenance	13,714	10,587	15,000
<b>Total Property Control</b>		<b>210,756</b>	<b>150,451</b>	<b>157,998</b>
<b>Training</b>				
001-2104-521.31-01	Office & Operating Supply	1,924	-	4,500
001-2104-521.31-02	Small Tools & Equipment	1,629	-	2,000
001-2104-521.41-01	Prof. Svc-Other	5,259	-	10,000
001-2104-521.41-51	BLEA	-	13,975	44,370
001-2104-521.43-01	Transportation/Per Diem	51,036	40,000	40,000
001-2104-521.43-02	Dues, Subscriptions, Publ	-	450	450
001-2104-521.43-03	Registrations	79,331	74,800	47,200
001-2104-521.43-05	Memorial Fund-McMillen Sr	-	50	-
001-2104-521.49-05	Professional Development	45,804	62,566	62,566
001-2104-521.49-30	Software Maintenance	21,040	19,854	30,000
<b>Total Training</b>		<b>206,024</b>	<b>211,695</b>	<b>241,086</b>
<b>Crime Prevention</b>				
001-2105-521.10-01	Salaries-Regular	107,225	137,943	282,072
001-2105-521.10-05	Salaries-Overtime	11,411	12,398	16,000
001-2105-521.20-01	Employer Paid Benefits	41,503	45,295	91,833
001-2105-521.31-01	Office & Operating Supply	9,033	7,065	7,065
001-2105-521.31-10	Supplies-Multi-Housing	73	400	400
001-2105-521.31-17	Supplies-Uniform Purchase	84	400	400
001-2105-521.31-42	Community Events	15,901	10,000	10,000
001-2105-521.41-01	Prof. Svc-Other	931	100	500
001-2105-521.42-01	Telecommunications	4,795	3,100	5,000
001-2105-521.43-02	Dues, Subscriptions, Publ	-	100	100
001-2105-521.45-01	Equipment Rental	4,898	5,032	7,073
001-2105-521.48-01	Rep & Maint-Equipment	-	10	-
001-2105-521.49-02	Printing & Binding	3,165	4,500	4,500
001-2105-521.49-10	Uniform Contract/Cleaning	250	500	500
001-2105-521.49-11	Public Education	-	750	-
<b>Total Crime Prevention</b>		<b>199,268</b>	<b>227,593</b>	<b>425,443</b>

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Investigation and Apprehension</b>				
001-2106-521.10-01	Salaries-Regular	808,229	982,589	1,146,547
001-2106-521.10-05	Salaries-Overtime	92,221	47,150	86,000
001-2106-521.20-01	Employer Paid Benefits	250,127	320,888	342,307
001-2106-521.31-01	Office & Operating Supply	2,272	15,156	15,156
001-2106-521.31-02	Small Tools & Equipment	3,041	2,400	3,000
001-2106-521.31-17	Supplies-Uniform Purchase	1,054	1,500	1,500
001-2106-521.41-01	Prof. Svc-Other	227	6,000	6,000
001-2106-521.42-01	Telecommunications	7,336	9,508	16,631
001-2106-521.43-02	Dues, Subscriptions, Publ	17,569	9,734	33,300
001-2106-521.45-01	Equipment Rental	55,194	56,696	79,686
001-2106-521.45-02	IMS Rental	13,339	13,325	13,701
001-2106-521.48-01	Rep & Maint-Equipment	-	500	500
001-2106-521.49-02	Printing & Binding	-	100	100
001-2106-521.49-10	Uniform Contract/Cleaning	4,700	5,000	5,000
001-2106-521.49-30	Software Maintenance	-	3,203	33,203
<b>Total Investigation and Apprehension</b>		<b>1,255,309</b>	<b>1,473,749</b>	<b>1,782,631</b>
<b>Protective Enforcement Patrol</b>				
001-2107-521.10-01	Salaries-Regular	6,017,473	6,533,116	6,019,229
001-2107-521.10-05	Salaries-Overtime	889,502	542,175	845,000
001-2107-521.10-06	Salaries-Part-Time	16,041	10,593	15,500
001-2107-521.20-01	Employer Paid Benefits	1,901,104	1,997,685	1,830,116
001-2107-521.20-35	LEOFF2 Plan Contrib Add'l	21,219	-	15,000
001-2107-521.31-01	Office & Operating Supply	41,220	32,182	32,182
001-2107-521.31-02	Small Tools & Equipment	6,407	72,642	20,000
001-2107-521.31-05	Firearms/Ammunition	67,763	65,000	65,000
001-2107-521.31-06	Supplies-Water Patrol	-	394	-
001-2107-521.31-07	Supplies-Tactical Team	9,928	22,848	30,000
001-2107-521.31-17	Supplies-Uniform Purchase	57,966	60,000	60,000
001-2107-521.31-33	Supplies-Tactical Vests	54,874	28,165	28,165
001-2107-521.31-35	Supplies-Replaced Equip	21,639	30,000	30,000
001-2107-521.31-37	Less Lethal Equipment	38,227	20,000	25,000
001-2107-521.31-38	Public Order Team	-	15,000	15,000
001-2107-521.41-01	Prof. Svc-Other	7,881	3,000	7,500
001-2107-521.42-01	Telecommunications	99,281	51,011	111,600
001-2107-521.43-02	Dues, Subscriptions, Publ	361	3,775	500
001-2107-521.45-01	Equipment Rental	684,611	703,229	988,390
001-2107-521.45-02	IMS Rental	702,279	701,567	721,349
001-2107-521.45-03	Copier Rental	4,193	18,900	23,000
001-2107-521.48-01	Rep & Maint-Equipment	14,938	8,000	8,000
001-2107-521.49-02	Printing & Binding	4,090	1,754	3,000
001-2107-521.49-06	Maintenance Contracts	819	-	1,000
001-2107-521.49-10	Uniform Contract/Cleaning	17,510	15,575	15,575

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Protective Enforcement Patrol Cont.</b>				
001-2107-521.49-30	Software Maintenance	4,356	12,045	12,045
001-2107-521.50-01	Range Rental	24,158	16,000	16,000
001-2107-591.21-01	Related to Leases	9,780	-	10,000
001-2107-592.21-01	Related to Leases	408	-	600
<b>Total Protective Enforcement Patrol</b>		<b>10,718,027</b>	<b>10,964,656</b>	<b>10,948,751</b>
<b>Traffic</b>				
001-2108-521.10-01	Salaries-Regular	22,946	-	267,199
001-2108-521.10-05	Salaries-Overtime	8,369	24,088	24,088
001-2108-521.20-01	Employer Paid Benefits	7,110	-	58,466
001-2108-521.31-01	Office & Operating Supply	-	1,450	1,450
001-2108-521.31-02	Small Tools & Equipment	329	500	500
001-2108-521.31-17	Supplies-Uniform Purchase	-	1,000	1,000
001-2108-521.42-01	Telecommunications	154	1,700	1,700
001-2108-521.43-02	Dues, Subscriptions, Publ	-	50	50
001-2108-521.45-01	Equipment Rental	58,387	59,977	84,298
001-2108-521.48-01	Rep & Maint-Equipment	-	1,200	1,200
001-2108-521.49-10	Uniform Contract/Cleaning	261	688	688
<b>Total Traffic</b>		<b>97,555</b>	<b>90,653</b>	<b>440,639</b>
<b>Volunteers</b>				
001-2109-521.10-05	Salaries-Overtime	-	3,588	3,588
001-2109-521.20-01	Employer Paid Benefits	183	-	-
001-2109-521.31-01	Office & Operating Supply	31	750	750
001-2109-521.31-02	Small Tools & Equipment	-	125	-
001-2109-521.31-18	Uniforms	-	2,525	1,000
001-2109-521.43-01	Transportation/Per Diem	-	400	-
001-2109-521.43-02	Dues, Subscriptions, Publ	-	750	-
001-2109-521.43-03	Registrations	-	1,070	-
001-2109-521.49-10	Uniform Contract/Cleaning	241	750	300
001-2109-521.49-57	Lacey Resource Officers	2,608	2,500	3,000
<b>Total Volunteers</b>		<b>3,063</b>	<b>12,458</b>	<b>8,638</b>
<b>Police Station Facility</b>				
001-2110-521.31-01	Office & Operating Supply	-	-	9,888
001-2110-521.42-02	Communications-Postage	-	-	14,562
001-2110-521.45-03	Copier Rental	-	-	18,785
001-2110-521.46-02	Insurance-Fire/Property	-	-	39,997
001-2110-521.47-01	Utility-Electric	-	-	71,839
001-2110-521.47-02	Utility-City of Lacey	-	-	10,921
001-2110-521.47-07	Utility-Solid Waste	-	-	1,456

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Police Station Facility Cont.</b>				
001-2110-521.49-06	Maintenance Contracts	-	-	106,679
001-2110-521.49-23	Custodial	-	-	115,800
Total Police Station Facility		-	-	389,927
Total Police		15,111,230	16,230,602	17,057,062



## **PUBLIC WORKS ADMINISTRATION**

The Public Works Administration plays a pivotal role in offering comprehensive administrative support across all divisions of Public Works. The Director of Public Works assumes a crucial responsibility in overseeing the efficient management of a diverse array of divisions, which include:

- Engineering Division
- Water Resources Division
- Operations Division
  1. Water Operations
  2. Wastewater Operations
  3. Street Maintenance
  4. Parks Maintenance
  5. Facility Maintenance
  6. Equipment Rental
- Utility & Transportation Capital Programs

The Public Works Administrative Services team is comprised of a Management Analyst, two Executive Assistants, two Department Assistant IIIs and a Department Assistant III (two-year LTE). Together, they offer a wide range of services:

- Processing and routing of contracts and agreements, ensuring that all necessary documents are completed accurately and efficiently
- Managing the collection of various permit fees as well as the permit issuance for utility connections, traffic mitigation, right-of-way, etc.
- Providing customer service at the front counter in-person, over the phone and through email; offering guidance and support to residents and stakeholders with their inquiries and needs
- Organizing and maintaining files related to Public Works and Development projects
- Coordinating all interdepartmental efforts: managing the annual operating budgets, overseeing payroll and handling purchasing activities
- Special projects and research

### **Budget Summary**

The 2026 budget for Public Works Administration is \$177,431.

### **2026 Programs, Goals and Priorities**

- Continue to emphasize and improve customer service throughout the department
- Optimize all resources allocated to the department
- Continue to improve support to all Directors, the City Council and the City Manager
- Ensure division goals and priorities are facilitated and achieved

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>PUBLIC WORKS ADMINISTRATION</b>				
<b>General Services</b>				
001-3101-532.10-01	Salaries-Regular	56,369	72,688	74,975
001-3101-532.10-05	Salaries-Overtime	-	200	200
001-3101-532.20-01	Employer Paid Benefits	18,087	31,371	33,312
001-3101-532.31-01	Office & Operating Supply	2,159	9,850	5,000
001-3101-532.31-02	Small Tools & Equipment	74	461	250
001-3101-532.31-27	Software Upgrade	316	1,500	500
001-3101-532.41-01	Prof. Svc-Other	-	4,000	4,000
001-3101-532.43-01	Transportation/Per Diem	4,842	1,200	1,500
001-3101-532.43-02	Dues, Subscriptions, Publ	2,325	5,700	2,500
001-3101-532.43-03	Registrations	-	1,000	1,000
001-3101-532.45-01	Equipment Rental	12,806	17,232	16,083
001-3101-532.45-02	IMS Rental	31,374	37,241	37,861
001-3101-532.48-02	Rep & Maint-Equip Non-Pwr	-	300	-
001-3101-532.49-02	Printing & Binding	110	2,000	250
<b>Total Public Works Administration</b>		<b>128,462</b>	<b>184,743</b>	<b>177,431</b>

## **PUBLIC WORKS-ENGINEERING**

The Engineering Division is made up of 31 FTEs. The City Engineer oversees the transportation, survey, design, construction and development review sections of the Public Works Department.

The transportation section is responsible for planning and design of the City's street network which includes roadway geometry, roundabouts, traffic signals, signing, channelization, traffic complaints, speed studies, traffic calming and street lighting. This section also conducts and reviews Traffic Impact Analyses, administering the Traffic Mitigation Program and reviewing development proposals for transportation issues.

The design section manages all capital facility and parks projects. Other responsibilities include in-house design projects for all divisions as needed, management of City specifications and the procurement, advertising and bidding of public works projects. Engineering costs for these activities are charged to the utility or project for which the service is provided.

The construction section manages the construction of public works projects. Responsibilities include resolving construction issues, negotiating change orders, overseeing project site inspections, reviewing traffic control and lane/road closures, preparing press releases for public notifications regarding construction, resolves citizen complaints and managing documentation for federally funded projects. Engineering costs for these activities are charged to the utility or project for which the service is provided.

The survey section provides surveying and mapping services. Responsibilities include maintaining a horizontal and vertical control network, providing survey services for design, construction and as-builts of City of Lacey construction projects, conducting property boundary surveys, developing and maintaining accurate maps of utilities installed and producing descriptions for easements, rights-of-way and other land transactions involving the city.

The development review section reviews development proposals and inspects private construction of public facilities such as water, sewer, storm, roadways, street lighting and landscaping to ensure safety and City standards are incorporated into the construction of the project. These costs are partially recovered from fees assessed to development for plan review and inspection services.

### **Budget Summary**

The Engineering budget is organized into six programs:

- General Services
- Transportation Engineering
- Water Utility Engineering
- Wastewater Utility Engineering
- Stormwater Utility Engineering
- Project Engineering

The total 2026 budget for Public Works Engineering is \$6,271,237. Some operating costs are recovered through the assessment of plan fees and charges to utilities or projects.

## **2026 Programs, Goals and Priorities**

- Provide capital project management support for all departments in the City
- Maintain compliance with all bidding and procurement requirements for public works projects and services
- Public coordination, outreach and construction notifications
- Respond to stakeholder questions, complaints and concerns
- Continue to monitor and improve the City traffic signal system
- Provide timely responses to traffic complaints
- Inspect and maintain roadways through the Pavement Management Program
- Maintain the Development Guidelines & Public Works Standards
- Maintain timely plan review for development projects
- Work with contractors and consultants to ensure compliance with City, State and Federal standards
- Provide survey services during design and construction for City projects
- Develop and maintain accurate maps of City infrastructure

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>PUBLIC WORKS ENGINEERING</b>				
<b>General Services</b>				
001-3201-532.10-01	Salaries-Regular	1,176,137	1,155,808	1,262,025
001-3201-532.10-05	Salaries-Overtime	27,113	3,000	12,000
001-3201-532.10-06	Salaries-Part Time	105	-	500
001-3201-532.20-01	Employer Paid Benefits	431,863	443,718	512,628
001-3201-532.31-01	Office & Operating Supply	5,700	15,000	15,000
001-3201-532.31-02	Small Tools & Equipment	1,641	5,000	5,000
001-3201-532.31-17	Supplies-Uniform Purchase	3,718	4,950	4,950
001-3201-532.31-27	Software Upgrade	6,000	2,174	-
001-3201-532.41-01	Prof. Svc-Other	5,545	2,800	7,500
001-3201-532.42-01	Telecommunications	17,228	21,950	21,950
001-3201-532.43-01	Transportation/Per Diem	4,461	5,925	5,925
001-3201-532.43-02	Dues, Subscriptions, Publ	14,557	12,700	12,700
001-3201-532.43-03	Registrations	7,501	8,000	8,000
001-3201-532.44-01	Adv/Full-Time Position	1,550	800	1,200
001-3201-532.45-01	Equipment Rental	133,941	156,922	125,330
001-3201-532.45-02	IMS Rental	206,863	182,416	186,998
001-3201-532.45-08	Lease Miscellaneous	774	8,000	8,000
001-3201-532.49-03	Recording Fees	75,290	50,000	75,000
001-3201-532.49-05	Professional Development	7,730	17,000	17,000
001-3201-532.49-06	Maintenance Contracts	4,161	4,000	4,000
001-3201-532.49-30	Software Maintenance	98,686	110,446	110,446
001-3201-591.75-01	Capital Leases	6,306	-	-
001-3201-592.83-10	Capital Lease Interest	673	-	-
<b>Total General Services</b>		<b>2,237,544</b>	<b>2,210,609</b>	<b>2,396,152</b>
<b>Transportation Engineering</b>				
001-3202-532.10-01	Salaries-Regular	500,719	631,838	625,407
001-3202-532.10-05	Salaries-Overtime	9,573	3,000	3,500
001-3202-532.10-06	Salaries-Part-Time	5,077	9,953	9,953
001-3202-532.20-01	Employer Paid Benefits	192,762	242,667	259,864
001-3202-532.31-01	Office & Operating Supply	104	200	200
001-3202-532.31-02	Small Tools & Equipment	-	300	300
001-3202-532.31-03	Traffic Counting Supplies	-	3,000	500
001-3202-532.31-17	Supplies-Uniform Purchase	-	250	250
001-3202-532.41-02	Prof. Svc-Engineering	-	500	500
001-3202-532.43-01	Transportation/Per Diem	29	3,400	3,000
001-3202-532.43-02	Dues, Subscriptions, Publ	1,819	3,000	3,000
001-3202-532.43-03	Registrations	416	4,600	4,600
001-3202-532.45-01	Equipment Rental	6,808	7,976	6,370
001-3202-532.49-02	Printing & Binding	32	-	-
<b>Total Transportation Engineering</b>		<b>717,339</b>	<b>910,684</b>	<b>917,444</b>

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Water Utility Engineering</b>				
001-3203-532.10-01	Salaries-Regular	171,376	262,020	236,838
001-3203-532.10-05	Salaries-Overtime	1,578	8,000	2,600
001-3203-532.20-01	Employer Paid Benefits	76,431	113,445	111,875
<b>Total Water Utility Engineering</b>		<b>249,385</b>	<b>383,465</b>	<b>351,313</b>
<b>Wastewater Utility Engineering</b>				
001-3204-532.10-01	Salaries-Regular	178,409	263,133	248,283
001-3204-532.10-05	Salaries-Overtime	2,951	10,000	3,200
001-3204-532.20-01	Employer Paid Benefits	82,025	116,677	120,631
<b>Total Wastewater Utility Engineering</b>		<b>263,385</b>	<b>389,810</b>	<b>372,114</b>
<b>Stormwater Utility Engineering</b>				
001-3205-532.10-01	Salaries-Regular	90,697	139,897	130,594
001-3205-532.10-05	Salaries-Overtime	1,085	2,000	2,000
001-3205-532.20-01	Employer Paid Benefits	42,414	62,007	63,338
<b>Total Stormwater Utility Engineering</b>		<b>134,195</b>	<b>203,904</b>	<b>195,932</b>
<b>Project Engineering</b>				
001-3206-532.10-01	Salaries-Regular	1,182,367	1,222,982	1,362,098
001-3206-532.10-05	Salaries-Overtime	35,512	10,000	35,000
001-3206-532.10-06	Salaries-Part-Time	56,028	-	-
001-3206-532.20-01	Employer Paid Benefits	503,432	551,298	641,184
<b>Total Project Engineering</b>		<b>1,777,338</b>	<b>1,784,280</b>	<b>2,038,282</b>
<b>Total Public Works Engineering</b>		<b>5,379,187</b>	<b>5,882,752</b>	<b>6,271,237</b>

## **PUBLIC WORKS-PARKS MAINTENANCE**

The Public Works Parks Maintenance Division maintains the grounds of all City-owned and operated parks, buildings, water/wastewater facilities, open space, roundabouts, planter strips and greenbelts. Not including the Regional Athletic Complex, which is budgeted separately, this includes over 1,200 acres of park land, 19 athletic fields, 23 courts, 1 skate park, 52 single-stall restrooms, 13 picnic shelters, 31 play toy structures, 72 water/wastewater sites and 34.7 miles of right-of-way containing 4,559 street trees, 20.6 acres of turf strips and 25.76 acres of ornamental landscapes.

The work performed by the Parks Maintenance Division includes routine and preventative maintenance, as well as repairs, emergency responses and special projects. Staff perform janitorial services, turf and grounds maintenance, hazard tree removal, urban forest management, integrated pest management, graffiti/vandalism mitigation, support for Parks and Recreation programs, limited construction and support for volunteer and youth work groups. Work is prioritized to address safety and high community use areas.

### **Budget Summary**

The Parks budget is organized into four programs under the general service categories of Grounds.

1. General Services
2. Utilities/Right-of-Way
3. Buildings/Structures/Grounds - Parks
4. Rainier Vista Park Operations

The total 2026 Budget for Parks, Grounds and Facilities Maintenance is \$4,362,149. This includes staffing with 16 full-time employees (excluding 4 FTEs funded by the Regional Athletic Complex and 2 FTEs funded for homeless response through the Social Services budget), as well as up to 16 temporary employees hired for a six-month term. Temporary seasonal laborers help to meet the increased demands created by warm weather and additional park activity. Parks Maintenance Operations are supported by the revenues from the General Fund and Utility Tax receipts dedicated to parks maintenance.

### **2026 Programs, Goals and Priorities**

- Continue to develop innovative maintenance techniques to maximize efficiency
- Maintain current service levels
- Implement a comprehensive maintenance program for Greg Cuoio Park
- Implement a comprehensive maintenance program for the new Police Station grounds
- Continue to staff the Rapid Response Team to assist Lacey PD in homeless-related issues

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget

**PUBLIC WORKS PARKS MAINTENANCE**

**General Services**

001-3301-576.10-01	Salaries-Regular	334,807	412,135	414,787
001-3301-576.10-05	Salaries-Overtime	7,896	4,500	6,500
001-3301-576.10-06	Salaries-Part-Time	772	8,253	8,253
001-3301-576.20-01	Employer Paid Benefits	141,023	162,004	153,944
001-3301-576.20-03	Unemployment Compensation	7,508	25,500	10,000
001-3301-576.31-01	Office & Operating Supply	16,405	10,645	18,000
001-3301-576.31-02	Small Tools & Equipment	-	-	1,000
001-3301-576.31-17	Supplies-Uniform Purchase	8,865	8,385	10,000
001-3301-576.31-27	Software Upgrade	-	10,000	-
001-3301-576.31-35	Replaced Equip	3,640	15,000	5,000
001-3301-576.41-01	Prof. Svc-Other	40,818	147,422	5,000
001-3301-576.42-01	Telecommunications	1,797	3,000	3,000
001-3301-576.43-01	Transportation/Per Diem	3,374	12,843	5,000
001-3301-576.43-02	Dues, Subscriptions, Publ	-	915	915
001-3301-576.43-03	Registrations	18,208	6,242	15,000
001-3301-576.45-01	Equipment Rental	29,048	28,014	31,956
001-3301-576.45-02	IMS Rental	57,062	76,577	80,440
001-3301-576.45-03	Copier Rentals	1,459	1,425	1,425
001-3301-576.46-02	Insurance-Fire/Property	4,768	5,099	5,132
001-3301-576.47-01	Utility-Electric	4,420	7,146	5,500
001-3301-576.47-02	Utility-City of Lacey	-	2,824	500
001-3301-576.47-03	Utility-Natural Gas	4,529	7,869	7,869
001-3301-576.47-07	Utility-Solid Waste	6,436	19,900	21,500
001-3301-576.48-01	Rep & Maint-Equipment	-	1,580	1,580
001-3301-576.48-03	Rep & Maint-Facilities	1,347	-	2,000
001-3301-576.49-06	Maintenance Contracts	3,140	2,909	2,909
001-3301-576.49-10	Uniform Contract/Cleaning	-	300	-
001-3301-576.49-23	Custodial	9,300	8,753	8,753
001-3301-576.49-25	Assessments/Taxes	16	181	50
001-3301-576.49-35	CDL-Physicals/Licenses	1,177	958	1,500

<b>Total General Services</b>		<b>707,817</b>	<b>990,379</b>	<b>827,513</b>
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**Utilities/Right of Way**

001-3302-576.10-01	Salaries-Regular	357,154	312,186	370,280
001-3302-576.10-05	Salaries-Overtime	1,147	3,100	1,500
001-3302-576.10-06	Salaries-Part-Time	74,141	87,360	109,200
001-3302-576.20-01	Employer Paid Benefits	187,827	152,495	171,167
001-3302-576.31-01	Office & Operating Supply	39,271	43,750	43,750
001-3302-576.31-02	Small Tools & Equipment	2,476	4,175	2,500
001-3302-576.41-01	Prof. Svc-Other	3,554	5,468	5,468
001-3302-576.42-01	Telecommunications	5,237	3,250	5,750

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Utilities/Right of Way Cont.</b>				
001-3302-576.45-01	Equipment Rental	75,684	72,989	83,258
001-3302-576.45-05	Rentals-Other	12,605	8,000	12,000
001-3302-576.47-01	Utility-Electric	1,323	1,300	1,300
001-3302-576.47-02	Utility-City of Lacey	96,043	120,000	120,000
001-3302-576.47-07	Utility-Solid Waste	7,318	20,000	10,000
001-3302-576.48-01	Rep & Maint-Equipment	-	2,617	1,000
001-3302-576.48-15	Rep & Maint-Grounds	-	1,350	-
<b>Total Utilities/Right of Way</b>		<b>863,780</b>	<b>838,040</b>	<b>937,173</b>
<b>Buildings/Structures/Grounds</b>				
001-3303-576.10-01	Salaries-Regular	641,778	672,463	718,727
001-3303-576.10-05	Salaries-Overtime	7,400	3,500	7,500
001-3303-576.10-06	Salaries-Part-Time	121,468	174,720	174,720
001-3303-576.20-01	Employer Paid Benefits	305,830	315,137	323,458
001-3303-576.31-01	Office & Operating Supply	241,192	211,085	159,585
001-3303-576.31-02	Small Tools & Equipment	1,549	2,823	3,500
001-3303-576.31-29	Supplies-Ground Maint	11,957	12,000	15,000
001-3303-576.34-01	Fuel	8,631	4,238	10,000
001-3303-576.41-01	Prof. Svc-Other	55,678	77,857	73,000
001-3303-576.42-01	Telecommunications	4,609	2,000	5,250
001-3303-576.45-01	Equipment Rental	253,650	244,620	321,572
001-3303-576.45-05	Rentals-Other	13,857	6,300	16,000
001-3303-576.46-02	Insurance-Fire/Property	18,563	19,881	20,225
001-3303-576.47-01	Utility-Electric	14,200	14,000	16,500
001-3303-576.47-02	Utility-City of Lacey	132,513	125,000	135,000
001-3303-576.47-07	Utility-Solid Waste	1,851	5,000	15,000
001-3303-576.48-01	Rep & Maint-Equipment	(26)	1,000	2,500
001-3303-576.48-03	Rep & Maint-Facilities	-	-	125,000
<b>Total Buildings/Structures/Grounds</b>		<b>1,834,702</b>	<b>1,891,624</b>	<b>2,142,537</b>
<b>Rainier Vista Park</b>				
001-3304-576.10-01	Salaries-Regular	101,673	108,283	113,889
001-3304-576.10-05	Salaries-Overtime	2,534	2,000	3,000
001-3304-576.10-06	Salaries-Part-Time	92,316	88,400	66,560
001-3304-576.20-01	Employer Paid Benefits	59,523	51,900	55,527
001-3304-576.20-03	Unemployment Compensation	320	-	4,000
001-3304-576.31-01	Office & Operating Supply	43,132	45,310	45,310
001-3304-576.31-02	Small Tools & Equipment	-	1,350	1,350
001-3304-576.34-02	Diesel	9,084	14,000	10,000
001-3304-576.41-01	Prof. Svc-Other	9,489	596	5,000
001-3304-576.42-01	Telecommunications	3,585	3,500	4,000
001-3304-576.45-01	Equipment Rental	71,857	61,887	31,919

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Rainier Vista Park Cont.</b>				
001-3304-576.45-02	IMS Rental	6,260	8,662	11,258
001-3304-576.45-05	Rentals-Other	109	1,500	1,500
001-3304-576.46-02	Insurance-Fire/Property	5,765	6,173	6,213
001-3304-576.47-01	Utility-Electric	6,357	6,500	7,500
001-3304-576.47-02	Utility-City of Lacey	76,514	80,000	80,000
001-3304-576.47-07	Utility-Solid Waste	6,717	5,700	6,500
001-3304-576.48-01	Rep & Maint-Equipment	-	950	950
001-3304-576.48-03	Rep & Maint-Facilities	128	100,450	450
001-3304-576.49-23	Custodial	-	240	-
<b>Total Rainier Vista Park</b>		<b>495,362</b>	<b>587,401</b>	<b>454,926</b>
<b>Total Public Works Parks Maintenance</b>		<b>3,901,661</b>	<b>4,307,444</b>	<b>4,362,149</b>

## **PUBLIC WORKS-FACILITIES MAINTENANCE**

The Public Works Facilities Maintenance Division is responsible for the maintenance of over 280,000 square feet of buildings, including City Hall, Lacey Timberland Library, Lacey Museum, Lacey Depot Amenity, Maintenance Service Center, Equipment Rental, Jacob Smith House, Community Center, Virgil Clarkson Senior Center, Sprout property, Lacey Childcare Center, Animal Services and the Police Station and Training Facility. Support is also provided to the Water and Wastewater divisions on an as-needed basis, with over 74 water/wastewater facilities. Facilities Maintenance also assists the Parks division by maintaining 13 picnic shelters, 15 bathroom buildings and 5 maintenance shops located throughout the parks system.

### **Budget Summary**

The Facilities Maintenance Division is organized into one budget program under the umbrella of the General Fund. Funding for work in Water and Wastewater is provided through the applicable utility on an as-needed basis.

The total 2026 budget is \$1,314,825. The department is staffed by a Facilities Maintenance Supervisor and three Journey Level Maintenance Technicians.

### **2026 Programs, Goals and Priorities**

- Continue to emphasize and provide quick work order response times to our customers
- Replace the composition roof at the Virgil Clarkson Senior Center
- Replace the aging metal siding on two maintenance shops in the Operations compound
- Modernize the elevator system at Lacey City Hall
- Continue to upgrade building lighting systems to LED for energy savings
- Maintain optimal HVAC settings and performance for energy savings

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>PUBLIC WORKS FACILITIES MAINTENANCE</b>				
001-3601-519.10-01	Salaries-Regular	370,511	392,635	406,846
001-3601-519.10-05	Salaries-Overtime	211	1,000	1,000
001-3601-519.20-01	Employer Paid Benefits	183,499	191,971	203,721
001-3601-519.20-03	Unemployment Compensation	-	600	600
001-3601-519.31-01	Office & Operating Supply	12,893	10,000	12,000
001-3601-519.31-02	Small Tools & Equipment	-	2,500	2,500
001-3601-519.31-17	Supplies-Uniform Purchase	1,296	1,500	1,500
001-3601-519.31-23	Supplies-Building Maint.	19,665	28,000	28,000
001-3601-519.31-29	Supplies-Grounds Maint.	892	930	3,000
001-3601-519.41-31	Prof. Svc-Building Maint.	-	6,870	10,500
001-3601-519.41-39	Prof. Svc-Tree Evaluation	360	585	585
001-3601-519.42-01	Telecommunications	3,490	1,750	3,500
001-3601-519.43-01	Transportation/Per Diem	1,517	1,400	1,400
001-3601-519.43-03	Registrations	7,619	1,595	2,000
001-3601-519.45-01	Equipment Rental	15,642	17,459	31,019
001-3601-519.45-02	IMS Rental	19,374	23,515	24,999
001-3601-519.48-03	Rep & Maint-Facilities	97,919	254,397	325,000
001-3601-519.49-06	Maintenance Contracts	51,023	40,610	48,000
001-3601-519.49-10	Uniform Contract/Cleaning	-	950	-
001-3601-519.49-23	Custodial	111,681	106,920	106,920
001-3601-519.49-35	CDL-Physicals/Licenses	136	-	-
001-3601-519.60-01	Capital Outlays-Equipment	-	13,141	-
001-3601-572.31-01	Office & Operating Supply	15	-	-
001-3601-572.31-23	Supplies-Building Maint.	11,175	5,385	10,000
001-3601-572.31-29	Supplies-Grounds Maint.	420	1,184	1,184
001-3601-572.41-01	Prof. Svc-Other	-	3,420	5,000
001-3601-572.41-31	Prof. Svc-Building Maint.	-	12,964	5,000
001-3601-572.48-03	Rep & Maint-Facilities	46,948	106,521	16,521
001-3601-572.48-10	Rep & Maint-Equip-Grnds	-	130	-
001-3601-572.49-06	Maintenance Contracts	23,292	22,220	25,000
001-3601-572.49-23	Custodial	42,800	30,348	38,500
001-3601-576.46-02	Insurance-Fire/Property	491	527	530
<b>Total Public Works Facilities Maintenance</b>		<b>1,022,870</b>	<b>1,281,027</b>	<b>1,314,825</b>

## **COMMUNITY AND ECONOMIC DEVELOPMENT**

The Department's mission is to foster a safe, inclusive and prosperous community by ensuring the highest standards in building, planning and economic development. We are committed to supporting sustainable growth, enhancing our natural environment and empowering our residents and businesses to achieve their fullest potential. The Department of Community and Economic Development is responsible for implementation of the Growth Management Act (land use, housing and climate, drafting and implementation of these plans), developing and implementing economic development strategies, building permit review and inspection, fire permit review and inspection, code compliance services and coordinating housing, climate and growth with regional partners.

The major divisions in the Community and Economic Development Department include Building and Code Enforcement, Community Planning and Current Planning and Economic Development. The Department also provides support services to the Hearings Examiner and Planning Commission. Department services are provided by 22 full-time employee positions.

Residential permitting activity continues to predominately be in the form of high density multifamily residential development, as large undeveloped parcels for new single-family subdivisions have been mostly developed. This activity is expected to continue for the foreseeable future with nearly 1,200 multifamily residential units in the development pipeline. Based on Thurston Regional Planning Council's (TRPC) Buildable Lands Report, the City of Lacey is expected to see significant job growth over the course of the next 20 years, with an expected 11,450 new jobs by 2040. Given the forecast for strong employment growth, it is anticipated that commercial development will continue and permitting activity is expected to remain steady.

### **Building Division**

The Building Division is comprised of one Building Official and Fire Marshal, one Plans Examiner, three Building Code Specialists, one with Stormwater Emphasis, one Fire Code Inspector, one Electrical Code Inspector and one Code Compliance Officer.

The Building and Code Enforcement Team assures compliance with building, fire safety, electrical, mechanical, stormwater and plumbing codes. This team also coordinates with other City departments and divisions to assure that land use, environmental, construction, stormwater, property maintenance, housing and grading regulations are met.

### **Community Planning**

The Community Planning team is comprised of one Community Planning Manager, one Senior Planner, one Housing Coordinator, one Climate and Sustainability Coordinator and two Permit Technicians.

The Community Planning team, in conjunction with the Planning Commission, the City Council and City Administration, develops and administers long-range plans to achieve growth and development goals, planning for and accommodating housing affordable to all income levels and planning for climate change and resiliency as required under the State Growth Management Act. This team is responsible for administering public outreach efforts as required by the Growth Management Act and as a part of Lacey's culture of inclusion. Community Planning is dedicated primarily to drafting public land use, housing and climate policy, ensuring compliance with the State Growth Management Act and fostering inter-

jurisdictional planning efforts. Due to recent and ongoing legislative and administrative actions at the State level, amendments to the City's plans and development regulations need constant analysis in order to be kept up-to-date.

### **Current Planning and Economic Development**

The Current Planning and Economic Development team is comprised of one Current Planning and Economic Development Manager, one Senior Planner, one Associate Planner, one Assistant Planner, one Economic Development Coordinator and one Special Projects Senior Planner (in-training).

The Department's economic development focus is to facilitate a sustainable and robust local economy. This team serves to develop, update and implement economic development programs that improve economic conditions within the City. This team provides resources in order to link businesses and entrepreneurs to employment, workforce training and financial assistance providers. Additionally, economic development staff are responsible for coordinating the implementation of the City's economic plan and being a resource for property owners, brokers and businesses, as well as coordinating economic recruitment and retention strategies with Thurston Economic Development Council and the Lacey development community.

Current Planning staff coordinates the review of land use applications and related development permits to ensure compliance with federal, state and city guidelines and regulations, with a focus on growth adding value, quality and character to the Lacey community. A strong connection between development and the City's economic development policies require that the Current Planning team closely monitor the relationship between development permits and economic growth.

### **Hearings Examiner**

The Hearings Examiner provides an official quasi-judicial review and an objective hearing process to respond to individual applications for land use permits, administrative interpretations, wetland permits, shoreline permits, code compliance and appeals.

### **Budget Summary**

The 2026 budget for Community and Economic Development is \$5,175,209. A portion of the Department's expenses is funded by revenues generated from permit and City service fees.

### **2025 Accomplishments**

- Maintained high-quality customer service for permitting, while implementing the newly adopted 5290 permit timelines
- Successfully reviewed site plans, design applications and subdivisions
- Successfully held pre-submission conferences for housing, commercial and mixed-use developments
- Adopted Development Procedures Chapter in the Lacey Municipal Code
- Ensured new construction met the City's life safety standards and building standards
- Continued regional coordination with building and fire officials
- Provided high-quality code compliance services, closed 124 cases by mid-year, July 2025

- 11 new certifications obtained in the Building Division providing better knowledge for staff and accreditation to the City of Lacey
- Successfully staffed the Planning Commission
- Advanced the Comprehensive Plan Update, including major draft goals and policies for Land Use, Housing, Economic Development, Climate, Transportation and Utilities. Public outreach included community surveys, open houses and stakeholder engagement
- Finalized the Draham Road and Cuoio Park North Islands annexation, annexation of 272 acres.
- Completed a detailed Annexation Fiscal Analysis
- Updated Accessory Dwelling Unit (ADU) pre-approved plans through a new Interlocal Agreement
- Welcomed 59 new businesses to Lacey by mid-year, July 2025
- Continued economic development efforts, recruitment of family wage jobs, business retention and business support
- Conducted business retention visits to support local employers
- Launched a 5-Year Economic Development Strategy in partnership with ECONorthwest
- Led recruitment efforts for national food and retail chains
- Distributed monthly economic updates to nearly 2,000 business contacts
- Supported the Lacey Night Market series, drawing over 25,000 attendees across monthly events since April 2025
- Working with local partners, continued to grow the Lacey MakerSpace
- Represented the City as a board member for the Lacey MakerSpace Board
- Continued coordination internally and externally with the Maple Court enhanced shelter
- Continued leadership within the Regional Housing Council (RHC), promoting affordable housing initiatives
- Successfully advanced the disposition of surplus property at 5025 Mullen Rd SE through direct negotiation with the Housing Authority of Thurston County, support of affordable housing goals
- Relaunched the Rental Registration Program, focusing on education and outreach to multifamily property owners
- Awarded the 2025 Green Business Award, Municipality Category by the Thurston Chamber
- Directly distributed \$485,131 to the community for direct electrification conversions and rebates supporting climate and greenhouse gas reduction goals
- Continued electrification rebate program in partnership with Puget Sound Energy (PSE)
- Co-led the Energize Thurston program, funding heat pump installations for income-qualified residents
- Hosted public workshops on climate resiliency and sustainability
- Provided staff support to the Thurston Climate Mitigation Collaborative (TCMC)
- Participated in a lithium-ion battery storage system and solar farm group with regional partners

## **2026 Programs, Goals and Priorities**

- Continue to provide high-quality customer service
- Continue to ensure new development is constructed to the City's life safety standards and building standards, by continuing to review and inspect new construction
- Continue to review and process land use applications in a timely, predictable and efficient manner
- Continue to work on improvements to the City's permit tracking system and process
- Continue to provide code compliance services
- Continue to staff the Planning Commission

- Update codes, regulations and policies consistent with Comprehensive Plan and GMA
- Implement a 2026 Docket, focused on meeting state mandates and implementation of the 2025 Comprehensive Plan
- Continue to implement adopted plans and strategies such as the Woodland District Strategic Plan and Branding Strategy, Housing Action Plan, Depot District Subarea Plan, etc.
- Coordinate with Thurston County staff to develop an ILA to annex Martin Way and surrounding area for completion in 2027. Engage a consultant team to complete the fiscal analysis of the annexation and begin public engagement for residents, businesses and other stakeholders
- Continue to process city and property owner-initiated annexations
- Continue economic development efforts, recruitment of family wage jobs, business retention and business support
- Implement year one actions identified in the Five-Year Economic Development Strategy, as prioritized by council
- Develop partnerships to enhance existing and develop new workforce training programs to grow the local labor pool and ensure they can meet the workforce needs of today and the future
- Identify a permanent location for the Lacey Food Truck Depot
- Continue to engage the community with the Night Market at the Depot
- Continue to work with local partners to implement fundraising and promotion strategies to manage and grow Lacey MakerSpace to be a community and economic asset located on the Saint Martin's University Campus
- Represent the City on the Lacey MakerSpace Board
- Provide staff support to the RHC and the TCMC
- Coordinate with Lacey Fire on a Memorandum of Understanding for shared services to conduct annual fire safety inspections and service

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>				
<b>General Services</b>				
001-3701-558.10-01	Salaries-Regular	1,412,515	1,616,459	1,728,943
001-3701-558.10-05	Salaries-Overtime	4,029	5,000	5,000
001-3701-558.20-01	Employer Paid Benefits	476,622	612,478	681,797
001-3701-558.31-01	Office & Operating Supply	7,085	7,188	7,188
001-3701-558.31-02	Small Tools & Equipment	1,310	2,700	2,700
001-3701-558.31-27	Software Upgrade	252	-	-
001-3701-558.41-01	Prof. Svc-Other	143,802	521,518	32,000
001-3701-558.41-12	Special Needs Interpreter	-	500	500
001-3701-558.41-24	Tree Protection Specialist	25,965	40,000	35,000
001-3701-558.42-01	Communications-Telephone	1,156	1,210	1,750
001-3701-558.43-01	Transportation/Per Diem	4,671	29,075	29,075
001-3701-558.43-02	Dues, Subscriptions, Publ	5,747	4,875	10,000
001-3701-558.43-03	Registrations	4,361	14,650	14,650
001-3701-558.44-01	Adv/Full-Time Position	679	-	500
001-3701-558.44-05	Adv/Public Hearings	17,440	14,000	14,000
001-3701-558.45-02	IMS Rental	195,258	199,428	195,041
001-3701-558.49-02	Printing & Binding	85	6,000	6,000
001-3701-558.49-03	Recording Fees	-	-	15,000
001-3701-558.49-06	Maintenance Contracts	861	500	1,000
001-3701-558.49-20	Special Projects	349,994	938,314	205,000
001-3701-558.49-63	Programs & Outreach	-	10,000	-
001-3701-558.70-00	Economic Development	240,874	1,049,126	649,400
<b>Total General Services</b>		<b>2,892,706</b>	<b>5,073,021</b>	<b>3,634,544</b>
<b>Building Codes</b>				
001-3702-524.10-01	Salaries-Regular	742,862	778,826	936,229
001-3702-524.10-05	Salaries-Overtime	456	13,000	5,000
001-3702-524.10-06	Salaries-Part-Time	-	6,200	-
001-3702-524.20-01	Employer Paid Benefits	297,277	319,919	378,758
001-3702-524.31-01	Office & Operating Supply	17,068	26,000	26,000
001-3702-524.41-01	Prof. Svc-Other	55,325	55,000	55,000
001-3702-524.41-35	Prof Svc-Hazard Abatement	-	5,000	5,000
001-3702-524.42-01	Telecommunications	13,244	10,000	13,500
001-3702-524.43-01	Transportation/Per Diem	1,829	5,714	5,714
001-3702-524.43-02	Dues, Subscriptions, Publ	12,134	13,389	13,389
001-3702-524.43-03	Registrations	5,255	5,143	5,143
001-3702-524.45-01	Equipment Rental	48,663	50,566	50,652
001-3702-524.49-02	Printing & Binding	-	800	250
001-3702-524.49-30	Software Maintenance	1,807	-	8,030
<b>Total Building Codes</b>		<b>1,195,920</b>	<b>1,289,557</b>	<b>1,502,665</b>

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Hearings Examiner</b>				
001-3703-558.10-01	Salaries-Regular	41,069	45,213	-
001-3703-558.10-05	Salaries-Overtime	97	500	500
001-3703-558.20-01	Employer Paid Benefits	13,340	15,481	-
001-3703-558.31-01	Office & Operating Supply	-	2,500	-
001-3703-558.41-10	Prof/Hearings Examiner	6,977	36,000	36,000
001-3703-558.44-05	Adv/Public Hearings	-	1,500	1,500
<b>Total Hearings Examiner</b>		<b>61,483</b>	<b>101,194</b>	<b>38,000</b>
<b>Total Community and Economic Development</b>		<b>4,150,108</b>	<b>6,463,772</b>	<b>5,175,209</b>

## **PUBLIC WORKS-WATER RESOURCES**

The Water Resources Division of the Public Works Department provides high quality technical, engineering and professional services relating to the Water, Wastewater, Reclaimed Water and Stormwater utilities. These services include planning, regulatory compliance, community education/outreach, design and capital facilities programming, comprehensive review of developer utility projects and broad oversight within the utilities. The Water Resources Division draws upon resources both within and outside of the City to provide cross-departmental services throughout the City. The Water Resources Division services are provided by 18 FTEs.

Water Resources is leading the City's efforts in a myriad of natural resource management issues including watershed planning, water right management, wastewater reduction, stormwater management, water conservation, water reuse and drinking, groundwater and surface water quality monitoring and protection. Water Resources staff manage programs for cross-connection control, customer response, wellhead protection, drinking water distribution system monitoring, volunteer programs and Stream Team; and support South Sound Green education efforts. Staff also work with other local, state and federal agencies on regulatory issues, including wetland protection, water quality standards, permits and environmental program evaluation. Additionally, Water Resources is the lead agency within the City for salmon recovery efforts. Water Resources also provides engineering design and project management services for the water, wastewater and stormwater utilities' comprehensive planning, capital projects and operational strategies.

### **Budget Summary**

Implementing sound management practices and enhancing service to both internal and external customers remain the foremost goals of the Water Resources Division for 2026. In addition, Water Resources will support the LOTT Alliance efforts to produce Class A+ reclaimed water as a demonstration project to support education and outreach on the safety and benefits of direct potable reuse of reclaimed water.

The total budget for Water Resources is \$3,151,138.

### **2026 Programs, Goals and Priorities**

- Implement the programmatic requirements of NPDES Phase II permit, including code updates
- Follow progress with the two Shellfish Protection Districts and participate as appropriate
- Identify and pursue property acquisitions and grant funding to address stormwater treatment requirements
- Replace aging water and wastewater infrastructure
- Continue water rights mitigation efforts in the Woodland Creek and Deschutes River basins
- Support the LOTT Alliance Class A+ Reclaimed Water Demonstration Project

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>PUBLIC WORKS WATER RESOURCES</b>				
<b>General Services</b>				
001-3801-532.10-01	Salaries-Regular	420,763	541,532	501,582
001-3801-532.10-05	Salaries-Overtime	2,039	-	1,500
001-3801-532.10-06	Salaries-Part-Time	371	-	350
001-3801-532.20-01	Employer Paid Benefits	129,095	192,046	187,483
001-3801-532.31-01	Office & Operating Supply	2,403	9,350	5,000
001-3801-532.31-02	Small Tools & Equipment	3,511	7,280	7,280
001-3801-532.31-17	Supplies-Uniform Purchase	1,187	750	1,200
001-3801-532.41-01	Prof. Svc-Other	6,446	1,500	2,500
001-3801-532.42-01	Telecommunications	8,803	11,750	11,750
001-3801-532.42-02	Communications-Postage	-	500	-
001-3801-532.43-01	Transportation/Per Diem	765	5,000	5,000
001-3801-532.43-02	Dues, Subscriptions, Publ	6,145	5,850	6,500
001-3801-532.43-03	Registrations	10,403	22,830	22,830
001-3801-532.45-01	Equipment Rental	10,421	17,037	18,825
001-3801-532.45-02	IMS Rental	66,226	73,736	80,029
001-3801-532.48-01	Rep & Maint-Equipment	-	350	-
001-3801-532.49-02	Printing & Binding	-	500	-
001-3801-532.49-03	Recording Fees	-	300	-
001-3801-532.49-30	Software Maintenance	29,252	52,500	27,500
001-3801-532.49-35	CDL-Physicals/Licenses	273	-	250
<b>Total General Services</b>		<b>698,103</b>	<b>942,811</b>	<b>879,579</b>
<b>Water Utility</b>				
001-3803-532.10-01	Salaries-Regular	220,379	356,022	359,433
001-3803-532.10-05	Salaries-Overtime	979	5,200	1,000
001-3803-532.10-06	Salaries-Part-Time	19,574	20,580	20,580
001-3803-532.20-01	Employer Paid Benefits	90,608	154,207	160,360
<b>Total Water Utility</b>		<b>331,540</b>	<b>536,009</b>	<b>541,373</b>
<b>Wastewater Utility</b>				
001-3804-532.10-01	Salaries-Regular	46,704	83,811	82,003
001-3804-532.10-05	Salaries-Overtime	497	500	500
001-3804-532.10-06	Salaries-Part-Time	2,858	7,500	3,000
001-3804-532.20-01	Employer Paid Benefits	14,445	33,060	31,003
<b>Total Wastewater Utility</b>		<b>64,504</b>	<b>124,871</b>	<b>116,506</b>
<b>Stormwater Utility</b>				
001-3805-532.10-01	Salaries-Regular	523,972	461,241	663,133
001-3805-532.10-05	Salaries-Overtime	1,610	3,000	3,000

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Stormwater Utility Cont.</b>				
001-3805-532.10-06	Salaries-Part-Time	2,024	9,500	2,500
001-3805-532.20-01	Employer Paid Benefits	196,566	161,468	237,430
<b>Total Stormwater Utility</b>		<b>724,172</b>	<b>635,209</b>	<b>906,063</b>
<b>Water Resources Projects</b>				
001-3806-532.10-01	Salaries-Regular	335,278	446,256	497,472
001-3806-532.10-05	Salaries-Overtime	5,096	500	15,000
001-3806-532.10-06	Salaries-Part-Time	5,457	7,500	7,500
001-3806-532.20-01	Employer Paid Benefits	110,339	171,506	187,645
<b>Total Water Resources Projects</b>		<b>456,170</b>	<b>625,762</b>	<b>707,617</b>
<b>Total Public Works Water Resources</b>		<b>2,274,490</b>	<b>2,864,662</b>	<b>3,151,138</b>



## **PARKS, CULTURE AND RECREATION**

The City of Lacey Parks, Culture and Recreation Department (LPCR) creates exceptional events, experiences and environments that delight, educate and inspire the human spirit, connect people to each other and the past and build a strong, healthy community. LPCR achieves this by enhancing the community with parks, trails, open space and natural habitat areas and a museum and providing Lacey’s residents with the best possible recreational opportunities through its facilities, services and programs. LPCR plans City parks, trails, open space and natural habitat areas to meet current and future community needs. Full-time department staff include the Director, one Recreation Manager, one Executive Assistant, two Department Assistants, one Senior Parks Planner, five Recreation Supervisors, four and a half Recreation Coordinators, one Museum Curator and one Museum Coordinator. In addition, LPCR relies on a large number of part-time and seasonal employees to support its wide range of programs and services.

### **Budget Summary**

The Parks, Culture and Recreation Department budget is organized into eleven programs:

1. General Services
2. Youth/Teens
3. Recreation Administration
4. Aquatics
5. Physical Activities/Sports/Fitness
6. Cultural Arts and Education
7. Outdoor Activities
8. Fitness
9. Special Events
10. Museum Operations
11. Volunteer Programs

The total 2026 budget for Parks, Culture and Recreation is \$3,872,845. The direct cost of most recreation programs and classes is recovered through user fees with the exception of some special events and the Summer Playground Pals Program.

The City does not offer its own specialized recreation program, but contributes financial support, as do the cities of Olympia and Tumwater, to Thurston County to manage a county-wide program.

The City does not offer its own senior programs, but contributes use of the Virgil S. Clarkson Senior Center which is owned and maintained by the City, to Senior Services for South Sound (SSSS). SSSS provides a broad range of programs to the public at the Virgil S. Clarkson Senior Center.

### **2026 Programs, Goals and Priorities**

- **General Services:** Continue to develop performance measures for the department, further develop the department’s leadership team and plan ahead for Recreation & Conservation Office grant opportunities for the next cycle. Consider changes to the department based on community-expressed needs and the increased challenges of hiring and retaining part-time staff, particularly in aquatics. Enhance community engagement in all programs and activities

- Youth/Teens: Continue the community and grant-supported summer playground program, pursue increased volunteer participation and pursue preschool programs. Continue to add programs at Jacob Smith House and Lacey Community Center. Continue to expand ACT Nights
- Recreation Administration: Track the data of program participation and make necessary changes based on those metrics. Explore marketing opportunities based on the metrics and with a focus of meeting people where they are while considering limited access to computers and social media
- Aquatics: Explore ways to recruit and retain staff due to local and national shortages and try to ensure swim lessons are available for the community. Continue making improvements to the Long Lake Park swim area and the planning effort to incorporate the new adjacent property
- Physical Activities/Sports/Fitness: Increase youth and adult participation by offering new and additional classes/program/leagues. Continue to work with Experience Olympia & Beyond for zip code tracking and economic impact numbers from athletic events
- Cultural Arts and Education: Provide many different special interest and recreation opportunities to all ages, including cultural arts opportunities. Audit program offerings to meet community needs and interests
- Outdoor Activities: Offer new outdoor programs targeted to seniors, families and teens
- Special Events: Expand visibility with more advertising; enhance year-round special events with new activities and features to attract more participants. Oversee and expand the Sponsorship Program and the department's marketing. Oversee department Grand Opening events
- Museum Operations: Continue inventory and entry of the museum collection into the database, provide public access to collections and engage in grant opportunities when applicable. Work in cooperation with the Historical Commission to plan for the New Museum and Cultural Center. Continue to refine the new museum strategic plan which includes a funding strategy. Continue a changing exhibit schedule at the museum and developing programs at the current museum
- Volunteer Program: Continue to grow the LPCR volunteer program. Foster strong collaboration with community partners and coordinate work parties. Cross-promote volunteer opportunities with department volunteers. Oversee annual volunteer appreciation

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>PARKS, CULTURE AND RECREATION</b>				
<b>General Services</b>				
001-7401-574.10-01	Salaries-Regular	401,772	434,683	481,399
001-7401-574.10-05	Salaries-Overtime	1,446	10,000	2,500
001-7401-574.10-06	Salaries-Part-Time	1,499	-	-
001-7401-574.20-01	Employer Paid Benefits	128,761	149,231	173,670
001-7401-574.31-01	Office & Operating Supply	858	750	2,000
001-7401-574.31-02	Small Tools & Equipment	602	-	1,000
001-7401-574.35-35	Replaced Equipment	17,095	31,556	9,000
001-7401-574.41-01	Prof. Svc-Other	38,569	127,415	172,000
001-7401-574.43-01	Transportation/Per Diem	9,802	7,800	7,800
001-7401-574.43-02	Dues, Subscriptions, Publ	1,250	2,520	2,250
001-7401-574.43-03	Registrations	2,665	3,700	3,700
001-7401-574.45-01	Equipment Rental	2,689	2,527	3,429
001-7401-574.45-02	IMS Rental	28,957	28,036	25,996
001-7401-574.47-02	Utility-City of Lacey	177	-	-
001-7401-574.48-01	Rep & Maint-Equipment	-	100	100
001-7401-574.49-25	Assessments/Taxes	22,272	19,178	29,373
001-7401-574.49-30	Software Maintenance	28,686	30,160	31,367
<b>Total General Services</b>		<b>687,099</b>	<b>847,656</b>	<b>945,584</b>
<b>Youth/Teens</b>				
001-7402-574.10-01	Salaries-Regular	150,451	147,010	155,485
001-7402-574.10-05	Salaries-Overtime	3,407	2,500	2,500
001-7402-574.10-06	Salaries-Part-Time	148,413	159,950	159,950
001-7402-574.20-01	Employer Paid Benefits	78,573	58,091	62,083
001-7402-574.20-03	Unemployment Compensation	590	-	-
001-7402-574.31-01	Office & Operating Supply	9,951	15,365	15,365
001-7402-574.31-02	Small Tools & Equipment	-	4,950	750
001-7402-574.41-11	Prof. Svc-Recreational	45,182	72,000	50,000
001-7402-574.45-06	Rentals-School Facilities	3,886	5,500	5,500
001-7402-574.49-02	Printing & Binding	-	880	-
<b>Total Youth/Teens</b>		<b>440,452</b>	<b>466,246</b>	<b>451,633</b>
<b>Recreation Administration</b>				
001-7403-574.10-01	Salaries-Regular	200,684	196,016	175,935
001-7403-574.10-05	Salaries-Overtime	1,053	2,000	2,000
001-7403-574.10-06	Salaries-Part-Time	5,549	6,369	6,369
001-7403-574.20-01	Employer Paid Benefits	73,294	76,652	69,035
001-7403-574.31-01	Office & Operating Supply	3,265	6,149	6,500
001-7403-574.31-02	Small Tools & Equipment	1,943	200	750
001-7403-574.31-17	Supplies-Uniform Purchase	239	250	500

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Recreation Administration Cont.</b>				
001-7403-574.41-01	Prof. Svc-Other	78	2,100	1,500
001-7403-574.41-37	Prof Svc-Sunshine Program	8,377	8,377	8,377
001-7403-574.42-01	Telecommunications	13,546	13,500	15,500
001-7403-574.42-03	Communications-Recreation	13,922	13,923	26,495
001-7403-574.43-01	Transportation/Per Diem	7,687	15,000	15,000
001-7403-574.43-02	Dues, Subscriptions, Publ	1,340	1,300	1,340
001-7403-574.43-03	Registrations	7,632	8,500	8,500
001-7403-574.45-01	Equipment Rental	22,597	21,238	28,821
001-7403-574.45-02	IMS Rental	85,208	82,496	76,493
001-7403-574.49-02	Printing & Binding	118	2,200	500
001-7403-574.49-06	Maintenance Contracts	2,794	2,000	2,000
001-7403-574.49-25	Assessments/Taxes	13,060	17,000	17,000
001-7403-574.49-58	Misc-Scholarships	6,672	13,678	13,678
001-7403-574.49-59	Scholarship - Restr Funds	5,663	-	-
<b>Total Recreation Administration</b>		<b>474,722</b>	<b>488,948</b>	<b>476,293</b>
<b>Aquatics</b>				
001-7404-574.10-01	Salaries-Regular	85,896	93,023	97,176
001-7404-574.10-05	Salaries-Overtime	5,548	12,500	6,000
001-7404-574.10-06	Salaries-Part-Time	94,633	128,000	105,000
001-7404-574.20-01	Employer Paid Benefits	53,052	41,592	44,241
001-7404-574.31-01	Office & Operating Supply	645	8,500	8,500
001-7404-574.31-02	Small Tools & Equipment	2,222	5,650	5,650
001-7404-574.41-11	Prof. Svc-Recreational	977	2,500	2,500
001-7404-574.42-01	Telecommunications	-	2,000	2,000
001-7404-574.43-01	Transportation/Per Diem	299	200	200
001-7404-574.43-03	Registrations	225	200	200
001-7404-574.45-09	North Thurston Pool Agree	(4,415)	88,710	-
001-7404-574.49-02	Printing & Binding	231	2,500	2,500
001-7404-574.60-01	Capital Outlays-Equipment	371,942	-	-
001-7404-591.75-01	Capital Leases	98,772	-	100,000
001-7404-592.75-01	Lease Interest	3,728	-	2,500
<b>Total Aquatics</b>		<b>713,755</b>	<b>385,375</b>	<b>376,467</b>
<b>Physical Activities</b>				
001-7405-574.10-01	Salaries-Regular	104,023	111,053	118,021
001-7405-574.10-05	Salaries-Overtime	89	1,100	1,100
001-7405-574.10-06	Salaries-Part-Time	16,685	37,609	22,000
001-7405-574.20-01	Employer Paid Benefits	40,010	40,138	42,953
001-7405-574.31-01	Office & Operating Supply	19,844	16,550	21,050
001-7405-574.31-02	Small Tools & Equipment	5,777	6,100	6,100
001-7405-574.41-11	Prof. Svc-Recreational	101,053	88,350	100,000

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Physical Activities Cont.</b>				
001-7405-574.45-05	Rentals-Other	33,626	30,400	35,000
001-7405-574.45-06	Rentals-School Facilities	30,780	30,500	32,000
001-7405-574.48-01	Rep & Maint-Equipment	-	600	-
001-7405-574.49-02	Printing & Binding	-	500	-
<b>Total Physical Activities</b>		<b>351,886</b>	<b>362,900</b>	<b>378,224</b>
<b>Cultural Arts and Education</b>				
001-7406-574.10-01	Salaries-Regular	49,005	55,334	56,514
001-7406-574.10-05	Salaries-Overtime	54	-	250
001-7406-574.10-06	Salaries-Part-Time	5,890	15,600	6,000
001-7406-574.20-01	Employer Paid Benefits	18,966	18,142	18,276
001-7406-574.31-01	Office & Operating Supply	139	2,820	1,500
001-7406-574.31-02	Small Tools & Equipment	-	1,000	-
001-7406-574.41-11	Prof. Svc-Recreational	38,209	37,000	40,000
001-7406-574.45-06	Rentals-School Facilities	38	500	500
<b>Total Cultural Arts and Education</b>		<b>112,300</b>	<b>130,396</b>	<b>123,040</b>
<b>Outdoor Activities</b>				
001-7407-574.10-01	Salaries-Regular	7,064	17,387	18,063
001-7407-574.10-05	Salaries-Overtime	83	200	200
001-7407-574.10-06	Salaries-Part-Time	7,392	12,780	9,000
001-7407-574.20-01	Employer Paid Benefits	3,449	7,862	8,388
001-7407-574.20-03	Unemployment Compensation	-	100	100
001-7407-574.31-01	Office & Operating Supply	1,315	2,840	1,500
001-7407-574.31-02	Small Tools & Equipment	-	300	150
001-7407-574.41-11	Prof. Svc-Recreational	3,708	10,005	10,005
<b>Total Outdoor Activities</b>		<b>23,012</b>	<b>51,474</b>	<b>47,406</b>
<b>Fitness</b>				
001-7408-574.10-01	Salaries-Regular	3,532	-	-
001-7408-574.20-01	Employer Paid Benefits	1,039	-	-
<b>Total Fitness</b>		<b>4,571</b>	<b>-</b>	<b>-</b>
<b>Special Events</b>				
001-7409-574.10-01	Salaries-Regular	192,013	222,600	238,932
001-7409-574.10-05	Salaries-Overtime	1,931	-	5,000
001-7409-574.10-06	Salaries-Part-Time	20,977	20,560	25,000
001-7409-574.20-01	Employer Paid Benefits	78,235	96,903	91,947
001-7409-574.20-03	Unemployment Compensation	26	-	-
001-7409-574.31-01	Office & Operating Supply	13,834	15,200	15,200

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Special Events Cont.</b>				
001-7409-574.31-02	Small Tools & Equipment	475	3,000	3,000
001-7409-574.41-11	Prof. Svc-Recreational	125,440	137,300	165,331
001-7409-574.43-03	Registrations	76	-	-
001-7409-574.44-06	Promotion - Events	6,809	11,350	28,816
001-7409-574.45-05	Rentals-Other	25,416	28,200	35,223
001-7409-574.45-06	Rentals-School Facilities	-	200	100
001-7409-574.49-02	Printing & Binding	1,206	1,600	3,730
<b>Total Special Events</b>		<b>466,437</b>	<b>536,913</b>	<b>612,279</b>
<b>Museum Operations</b>				
001-7410-575.10-01	Salaries-Regular	179,409	190,588	201,482
001-7410-575.10-05	Salaries-Overtime	474	-	1,500
001-7410-575.10-06	Salaries-Part-Time	22,667	34,317	44,318
001-7410-575.20-01	Employer Paid Benefits	82,036	90,748	98,414
001-7410-575.31-01	Office & Operating Supply	2,591	4,500	4,500
001-7410-575.31-02	Small Tools & Equipment	533	1,000	1,000
001-7410-575.31-16	Store Inventory	-	4,000	9,000
001-7410-575.31-17	Supplies-Uniform Purchase	31	250	250
001-7410-575.41-01	Prof. Svc-Other	1,150	17,300	1,800
001-7410-575.42-01	Telecommunications	3,864	3,800	8,000
001-7410-575.43-01	Transportation/Per Diem	-	100	100
001-7410-575.43-02	Dues, Subscriptions, Publ	690	1,000	1,000
001-7410-575.43-03	Registrations	-	250	250
001-7410-575.44-06	Promotions	-	500	500
001-7410-575.45-02	IMS Rental	11,814	11,489	14,501
001-7410-575.45-05	Rentals-Other	4,511	24,300	27,810
001-7410-575.46-02	Insurance-Fire/Property	1,199	1,284	1,292
001-7410-575.47-01	Utility-Electric	537	-	1,800
001-7410-575.47-03	Utility-Natural Gas	422	-	-
001-7410-575.49-02	Printing & Binding	350	12,000	17,000
001-7410-575.49-06	Maintenance Contracts	50	-	400
001-7410-575.49-30	Software Maintenance	540	2,600	600
<b>Total Museum Operations</b>		<b>312,869</b>	<b>400,026</b>	<b>435,517</b>
<b>Fitness</b>				
001-7411-574.10-01	Salaries-Regular	-	13,880	14,475
001-7411-574.10-06	Salaries-Part-Time	-	3,000	3,000
001-7411-574.20-01	Employer Paid Benefits	-	6,512	6,927
001-7411-574.31-01	Office & Operating Supply	601	2,000	2,000
<b>Total Fitness</b>		<b>601</b>	<b>25,392</b>	<b>26,402</b>
<b>Total Parks, Culture and Recreation</b>		<b>3,587,704</b>	<b>3,695,326</b>	<b>3,872,845</b>

Current Expense Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Other Operating Expense</b>				
001-7501-597.02-01	Transfer Out 301 Fund	17,494,126	335,485	-
001-7501-597.02-10	Transfer Out 307 Fund	-	329,040	-
001-7501-597.10-03	Transfer Out 303 Fund	-	6,648,943	-
001-7501-597.10-04	Transfer Out-Util. Tax	3,690,035	4,081,473	4,058,112
001-7501-597.10-08	Transfer Out 007 Fund	200,000	-	-
001-7501-597.11-02	Transfer Out 302 Fund	163,608	1,164,174	420,403
001-7501-597.11-04	Transfers Out	-	300,000	-
001-7501-597.15-01	Transfer Out	562,053	-	-
001-7501-597.15-02	Transfer out to 003	-	4,130	317,371
<b>Total Other Operating Expenses</b>		<b>22,109,822</b>	<b>12,863,245</b>	<b>4,795,886</b>
<b>Total Current Expense Fund Expenditures</b>		<b>70,417,864</b>	<b>73,337,308</b>	<b>61,999,390</b>



## **CRIMINAL JUSTICE FUND**

The Criminal Justice Fund was established in 1990 to account for the revenue and expenditures associated with special purpose public safety resources. State legislative action provided extra funding for criminal justice related activities with revenue coming from local option sales tax of .001 cents. Other funding comes from the Washington State criminal justice distributions.

### **Budget Summary**

The total budget for 2026 is \$1,582,403. This budget amount maintains the current level of staffing and services.

### **2026 Programs, Goals and Priorities**

- Continue the enhancement and support of the department's policing strategies and priorities

Criminal Justice Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
003-0000-313.70-00	Sales Tax-Crim/Justice	1,470,053	1,416,364	1,446,963
003-0000-336.06-21	Criminal Justice - Pop	23,110	24,084	25,360
003-0000-336.06-26	Special Programs	81,108	84,294	89,362
003-0000-336.06-51	DUI/Other Criminal Asst	5,104	-	-
003-0000-361.10-00	Investment Interest	46,131	12,687	13,821
003-0000-361.10-40	LGIP Earnings	15,543	4,636	6,897
003-0000-361.32-00	Unrealized Gain(Loss)	(7,361)	-	-
003-0000-361.32-02	Reverse Prev Year Adj	30,009	-	-
003-0000-369.91-01	Procurement Card Rebate	23	-	-
003-0000-397.11-01	Transfer In 001,003,005	-	4,130	-
<b>Total Criminal Justice Fund Revenues</b>		<b>1,663,720</b>	<b>1,546,195</b>	<b>1,582,403</b>

Criminal Justice Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>POLICE</b>				
<b>Investigation and Apprehension</b>				
003-2106-521.10-01	Salaries-Regular	1,002,172	1,068,154	1,057,996
003-2106-521.10-05	Salaries-Overtime	118,108	26,650	70,000
003-2106-521.20-01	Employer Paid Benefits	357,495	382,523	364,131
003-2106-521.31-01	Office & Operating Supply	1,697	4,725	3,500
003-2106-521.31-02	Small Tools & Equipment	-	4,100	3,500
003-2106-521.31-09	Supplies-Bike Patrol	7,079	2,000	10,000
003-2106-521.31-17	Supplies-Uniform Purchase	1,333	3,365	3,365
003-2106-521.41-01	Prof. Svc-Other	-	1,620	-
003-2106-521.45-01	Equipment Rental	45,653	46,895	65,911
003-2106-521.48-01	Rep & Maint-Equipment	-	500	-
003-2106-521.49-10	Uniform Contract/Cleaning	3,560	2,963	4,000
003-2106-521.49-30	Software Maintenance	-	2,700	-
003-2106-597.02-01	Transfer Out 301 Fund	1,600,000	-	-
<b>Total Criminal Justice Fund Expenditures</b>		<b>3,137,097</b>	<b>1,546,195</b>	<b>1,582,403</b>



## **PUBLIC SAFETY FUND**

The Public Safety Fund was established in 2024 to account for the revenue and expenditures associated with special purpose public safety resources. State legislative action provided extra funding for public safety related activities with revenue coming from local option sales tax of .001 cents.

### **Budget Summary**

The total budget for 2026 is \$2,575,938. This budget amount maintains funding for nine positions, maintenance and operations of the new police station and training facility and Mobile Outreach Team (Olympic Health and Recovery Services).

### **2026 Programs, Goals and Priorities**

- Continue the enhancement and support of the department's policing strategies and priorities

Public Safety Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
004-0000-308.00-00	Estimated Beginning Cash	-	380,000	-
004-0000-313.15-00	Public Safety	1,794,748	2,128,475	2,232,239
004-0000-361.10-00	Investment Interest	14,544	1,821	17,563
004-0000-361.10-40	LGIP Earnings	3,959	666	8,765
004-0000-361.32-00	Unrealized Gain (Loss)	(8,492)	-	-
004-0000-397.11-01	Transfer In 001,003,005	562,053	-	317,371
<b>Total Public Safety Fund Revenues</b>		<b>2,366,812</b>	<b>2,510,962</b>	<b>2,575,938</b>

Public Safety Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>POLICE</b>				
<b>Protective, Enforcement</b>				
004-2107-508.90-00	Unassigned Funds	-	84,961	-
004-2107-521.10-01	Salaries-Regular	528,025	1,275,673	1,582,367
004-2107-521.10-05	Salaries-Overtime	45,220	120,000	120,000
004-2107-521.20-01	Employer Paid Benefits	140,521	351,006	450,136
004-2107-521.31-01	Office & Operating Supply	-	4,000	4,000
004-2107-521.31-05	Firearms/Ammunition	-	4,000	4,000
004-2107-521.31-17	Supplies-Uniform Purchase	-	4,000	4,000
004-2107-521.45-01	Equipment Rental	-	69,802	98,107
004-2107-521.49-10	Uniform Contract/Cleaning	-	4,000	4,000
004-2107-521.64-10	Capital - Police	22,763	380,000	-
004-2107-565.58-26	Mobile Outreach Team	98,106	213,520	309,328
<b>Total Public Safety Fund Expenditures</b>		<b>834,635</b>	<b>2,510,962</b>	<b>2,575,938</b>



## **COMMUNITY BUILDINGS FUND**

The Community Buildings Fund was established to manage revenues and expenditures directly related to operation of two of the City's public facilities: the Lacey Community Center and Jacob Smith House. The Community Center opened for public use in 1996. The Jacob Smith House was acquired and renovated in 2003 and opened for public use in 2004.

Lacey's Senior Center was included in the fund in 2003, when it opened to public use. The Senior Center has been managed by Senior Services for South Sound since July 2003. The City completed construction of a 5,344 square foot expansion to the Senior Center in April 2013. The Lacey Museum is also accounted for in the Community Buildings Fund.

### **Budget Summary**

Thirty years of operations at the Community Center and twenty-two years of the Jacob Smith House have provided a solid foundation for examining maintenance and operation costs and were used to project potential revenue in 2026 for both the Community Center and the Jacob Smith House.

Regarding the Virgil S. Clarkson Senior Center, Senior Services for South Sound uses revenues from membership fees, grants and fundraising activities to offset their organizations' operating expenses. The City owns the building and pays for utilities and insurance, plus routine maintenance and repair of the building and grounds.

For 2026 the operating budget will be \$962,886.

### **2026 Programs, Goals and Priorities**

- Continue to work with recreation staff to determine programming that can be held in the facilities, balanced with community rentals
- Continue to evaluate and implement the most effective staffing strategies for facilities, ensuring optimal use of available resources
- Continue to update our Employee Manual to reflect our expectations and job responsibilities
- Estimate life cycle repairs at the Lacey Community Center, Jacob Smith House and Lacey Senior Center
- Develop a program for repair and replacement to keep the buildings in good sound operating condition

Community Buildings Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
005-0000-308.00-00	Estimated Beginning Cash	-	259,500	183,777
005-0000-311.10-00	Property Taxes-Current	644,001	460,814	460,666
005-0000-348.94-00	Parks & Recreation Serv.	-	4,000	4,000
005-0000-361.10-00	Investment Interest	29,626	14,745	19,641
005-0000-361.10-40	LGIP Earnings	9,175	5,388	9,802
005-0000-361.32-00	Unrealized Gain(Loss)	(9,226)	-	-
005-0000-361.32-02	Reverse Prev Year Adj	12,048	-	-
005-0000-362.40-19	Com Center Parks CivicRec	244,997	220,000	240,000
005-0000-362.40-29	Jacob Smith ParksCivicRec	51,186	35,000	45,000
<b>Total Community Buildings Fund Revenues</b>		<b>981,806</b>	<b>999,447</b>	<b>962,886</b>

Community Buildings Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget

**PARKS, CULTURE AND RECREATION**

**Community Center**

005-7601-575.10-01	Salaries-Regular	157,150	158,696	167,281
005-7601-575.10-05	Salaries-Overtime	1,075	-	2,500
005-7601-575.10-06	Salaries-Part-Time	55,732	44,812	57,500
005-7601-575.20-01	Employer Paid Benefits	64,471	61,355	66,261
005-7601-575.31-01	Office & Operating Supply	1,090	2,000	2,000
005-7601-575.31-02	Small Tools & Equipment	1,775	2,500	2,500
005-7601-575.31-17	Supplies-Uniform Purchase	570	600	600
005-7601-575.41-01	Prof. Svc-Other	5,360	3,400	3,400
005-7601-575.42-01	Telecommunications	4,494	4,000	5,250
005-7601-575.45-02	IMS Rental	8,370	6,737	5,962
005-7601-575.45-03	Copier Rental	847	750	850
005-7601-575.46-01	Insurance-Liability	9,551	10,440	10,055
005-7601-575.46-02	Insurance-Fire/Property	9,278	9,934	9,997
005-7601-575.46-06	AWC-L & I Pool	3,094	4,370	3,200
005-7601-575.47-01	Utility-Electric	16,824	15,500	18,000
005-7601-575.47-02	Utility-City of Lacey	12,798	10,500	14,000
005-7601-575.47-03	Utility-Natural Gas	(268)	8,500	6,000
005-7601-575.47-07	Utility-Solid Waste	6,205	15,000	15,000
005-7601-575.48-01	Rep & Maint-Equipment	-	13,000	1,500
005-7601-575.49-06	Maintenance Contracts	-	500	-
005-7601-575.49-23	Custodial	6,676	5,000	6,750
005-7601-575.49-25	Assessments/Taxes	5,040	3,600	3,600
005-7601-575.60-01	Capital Outlays-Equipment	25,629	-	18,777
<b>Total Community Center</b>		<b>395,763</b>	<b>381,194</b>	<b>420,983</b>

**Jacob Smith Facility**

005-7602-575.10-01	Salaries-Regular	44,504	44,982	47,261
005-7602-575.10-05	Salaries-Overtime	290	-	1,000
005-7602-575.10-06	Salaries-Part-Time	20,992	15,563	25,000
005-7602-575.20-01	Employer Paid Benefits	18,876	17,013	18,342
005-7602-575.31-01	Office & Operating Supply	925	1,250	1,250
005-7602-575.31-02	Small Tools & Equipment	897	1,500	1,500
005-7602-575.41-01	Prof. Svc-Other	-	1,150	5,000
005-7602-575.42-01	Telecommunications	2,020	2,500	2,500
005-7602-575.45-02	IMS Rental	4,947	4,983	4,973
005-7602-575.46-02	Insurance-Fire/Property	2,786	2,983	3,002
005-7602-575.47-01	Utility-Electric	1,639	2,000	2,000
005-7602-575.47-02	Utility-City of Lacey	8,819	7,250	10,000
005-7602-575.47-03	Utility-Natural Gas	961	2,000	1,500
005-7602-575.48-01	Rep & Maint-Equipment	-	400	-
005-7602-575.48-03	Rep & Maint-Facilities	-	500	-

Community Buildings Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Jacob Smith Facility Cont.</b>				
005-7602-575.48-10	Rep & Maint-Equip-Grnds	-	1,000	-
005-7602-575.49-06	Maintenance Contracts	2,553	3,300	3,300
005-7602-575.49-23	Custodial	7,578	5,000	8,000
005-7602-575.60-01	Capital Outlays-Equipment	9,764	-	-
<b>Total Jacob Smith Facility</b>		<b>127,551</b>	<b>113,374</b>	<b>134,628</b>
<b>Senior Center</b>				
005-7603-555.31-01	Office & Operating Supply	-	600	200
005-7603-555.46-02	Insurance-Fire/Property	10,031	10,739	10,807
005-7603-555.47-01	Utility-Electric	15,649	16,000	16,000
005-7603-555.47-02	Utility-City of Lacey	3,302	2,200	3,000
005-7603-555.47-03	Utility-Natural Gas	4,495	4,500	4,500
005-7603-555.48-01	Rep & Maint-Equipment	-	1,250	500
005-7603-555.49-06	Maintenance Contracts	-	450	-
<b>Total Senior Center</b>		<b>33,477</b>	<b>35,739</b>	<b>35,007</b>
<b>Museum Building</b>				
005-7604-575.31-01	Office & Operating Supply	33	1,000	150
005-7604-575.31-23	Supplies-Building Maint.	1,004	-	-
005-7604-575.46-02	Insurance-Fire/Property	2,943	3,152	3,172
005-7604-575.47-01	Utility-Electric	7,726	7,500	7,500
005-7604-575.47-02	Utility-City of Lacey	1,286	1,500	1,500
005-7604-575.47-03	Utility-Natural Gas	502	3,000	3,000
005-7604-575.48-03	Rep & Maint-Facilities	-	2,500	2,500
005-7604-575.49-06	Maintenance Contracts	2,081	500	2,000
<b>Total Museum Building</b>		<b>15,574</b>	<b>19,152</b>	<b>19,822</b>
<b>Museum Complex</b>				
005-7606-575.31-01	Office & Operating Supply	588	1,700	1,000
005-7606-575.31-23	Supplies-Building Maint.	-	350	350
005-7606-575.41-31	Prof. Svc-Building Maint.	-	15,500	-
005-7606-575.47-01	Utility-Electric	-	960	1,800
005-7606-575.47-02	Utility-City of Lacey	8,551	900	2,400
005-7606-575.47-03	Utility-Natural Gas	-	-	1,500
005-7606-575.47-07	Utility-Solid Waste	-	840	-
005-7606-575.48-01	Rep & Maint-Equipment	-	100	-
005-7606-575.48-03	Rep & Maint-Facilities	-	6,500	5,000
<b>Total Museum Complex</b>		<b>9,139</b>	<b>26,850</b>	<b>12,050</b>

Community Buildings Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Community Center Facility Maintenance</b>				
005-7611-575.31-23	Supplies-Building Maint.	7,547	5,041	6,500
005-7611-575.31-24	Small Tools & Equip-Bldg	-	200	-
005-7611-575.31-29	Supplies-Grounds Maint.	1,308	1,000	1,200
005-7611-575.41-31	Prof. Svc-Building Maint.	-	14,100	14,100
005-7611-575.47-07	Utility-Solid Waste	11,782	-	-
005-7611-575.48-01	Rep & Maint-Equipment	-	103	-
005-7611-575.48-03	Rep & Maint-Facilities	14,742	54,750	29,750
005-7611-575.48-10	Rep & Maint-Equip-Grnds	-	200	200
005-7611-575.49-06	Maintenance Contracts	9,519	7,694	12,000
005-7611-575.49-23	Custodial	33,386	41,803	41,803
<b>Total Community Center Facility Maintenance</b>		<b>78,285</b>	<b>124,891</b>	<b>105,553</b>
<b>Jacob Smith Facility Maintenance</b>				
005-7612-575.31-23	Supplies-Building Maint.	604	875	875
005-7612-575.31-29	Supplies-Grounds Maint.	1,578	1,750	1,750
005-7612-575.41-31	Prof. Svc-Building Maint.	1,178	9,518	9,518
005-7612-575.41-39	Prof. Svc-Tree Evaluation	-	250	-
005-7612-575.48-01	Rep & Maint-Equipment	-	250	250
005-7612-575.48-03	Rep & Maint-Facilities	10,855	160,750	750
005-7612-575.48-10	Rep & Maint-Equip-Grnds	-	200	200
005-7612-575.49-06	Maintenance Contracts	1,433	3,780	1,500
<b>Total Jacob Smith Facility Maintenance</b>		<b>15,648</b>	<b>177,373</b>	<b>14,843</b>
<b>Senior Center Facility Maintenance</b>				
005-7613-555.31-23	Supplies-Building Maint.	8,861	1,126	9,000
005-7613-555.31-24	Small Tools & Equip-Bldg	-	200	200
005-7613-555.31-29	Supplies-Grounds Maint.	233	1,000	1,000
005-7613-555.41-31	Prof. Svc-Building Maint.	-	1,300	500
005-7613-555.41-39	Prof. Svc-Tree Evaluation	-	3,700	-
005-7613-555.48-01	Rep & Maint-Equipment	-	250	250
005-7613-555.48-03	Rep & Maint-Facilities	10,204	32,000	149,500
005-7613-555.48-10	Rep & Maint-Equip-Grnds	-	300	300
005-7613-555.49-06	Maintenance Contracts	11,424	8,000	15,000
005-7613-555.49-23	Custodial	28,409	40,791	30,000
<b>Total Senior Center Facility Maintenance</b>		<b>59,131</b>	<b>88,667</b>	<b>205,750</b>

Community Buildings Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Child Care Center Facility Maintenance</b>				
005-7615-554.31-23	Building Maint.	704	-	750
005-7615-554.48-01	Rep & Maint-Equipment	-	2,500	2,500
005-7615-554.48-03	Rep & Maint-Facilities	4,783	9,207	5,000
005-7615-554.49-06	Maintenance Contracts	2,466	-	5,000
005-7615-594.60-08	Replace Res-Child Care	644	20,500	1,000
<b>Total Child Care Center Facility Maintenance</b>		<b>8,596</b>	<b>32,207</b>	<b>14,250</b>
<b>Total Community Buildings Fund Expenditures</b>		<b>743,163</b>	<b>999,447</b>	<b>962,886</b>

## **REGIONAL ATHLETIC COMPLEX (RAC)**

The Regional Athletic Complex operating fund is comprised of 98 acres, 68 of which opened for public use in May of 2009. Phase III is a 26-acre parcel located west of Marvin Road and scheduled for future development.

An on-site crew of four full-time Public Works Parks Maintenance employees and seasonal staff maintain the 68-acre site as well as a full-time Recreation Supervisor and part-time recreational staff overseen by the Lacey Parks, Culture & Recreation Manager. Recreation staff schedules use of the complex, facilitates leagues, tournaments and events, solicits sponsors and manages the concession contract. Since the softball/fastpitch/baseball complex opened in May 2009, revenue generated at the RAC has exceeded revenue projections, with the exception of the COVID-19 public health crisis. The 20-year financial plan was updated by staff most recently in 2023.

### **Budget Summary**

The 2026 budget of \$1,537,994 is the estimated cost to operate the RAC. The costs to maintain this facility are covered by fees and intergovernmental revenues. The intergovernmental revenues are made up of the City's contribution, LTAC funds applied for, as well as revenues contractually received from the Capital Area Regional Public Facilities District.

### **2026 Programs, Goals and Priorities**

- Increase revenues by optimizing tournament and league play and special events
- Develop, promote and maintain the complex as the premier athletic facility in Washington
- Market special events to a wider audience to increase revenue and off-season use
- Ensure gender equitable use of the facility
- Work with the Sports Commission to market the facility and secure event bookings
- Articulate field capacities in order to secure bookings during times of non-use
- Develop and promote a diversity of activities not typical to athletic complexes
- Enhance community engagement

Regional Athletic Complex - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
007-0000-308.00-00	Estimated Beginning Cash	-	1,097	-
007-0000-337.19-00	Lodging Tax Funding	-	-	278,739
007-0000-338.10-10	Capital Area - PFD	200,000	400,000	400,000
007-0000-347.40-00	Event Admissions Fee	-	5,000	5,000
007-0000-347.60-59	Sports Parks-CivicRec	29,378	34,000	34,000
007-0000-347.60-99	Spec Event Parks-CivicRec	15,000	10,000	10,000
007-0000-347.62-09	Shelters Parks-CivicRec	12,990	16,000	16,000
007-0000-347.65-09	Field Fees Parks-CivicRec	459,755	375,000	420,000
007-0000-347.67-00	Concession Commission	-	1,000	1,000
007-0000-347.68-00	League Fees	-	55,000	-
007-0000-347.68-09	RAC League Parks CivicRec	63,800	-	60,000
007-0000-361.10-00	Investment Interest	39,005	22,220	23,583
007-0000-361.10-40	LGIP Earnings	12,244	8,119	11,769
007-0000-361.15-00	Leases	1,909	-	-
007-0000-361.32-00	Unrealized Gain(Loss)	(11,412)	-	-
007-0000-361.32-02	Reverse Prev Year Adj	17,655	-	-
007-0000-362.50-10	Lease - Concessionaire	25,240	22,000	28,000
007-0000-367.10-04	Cont.-Parks Sponsor/Event	23,000	14,000	14,000
007-0000-369.40-00	Court Fees /Judgments	564	-	-
007-0000-369.91-01	Procurement Card Rebate	46	-	-
007-0000-397.10-02	Transfer In 109 Fund	188,000	180,000	-
007-0000-397.10-04	Transfer In - Utility Tax	153,790	318,577	235,903
007-0000-397.10-10	Transfer In 307 Fund	-	53,000	-
007-0000-397.11-01	Transfer In 001,003,005	200,000	-	-
<b>Total Regional Athletic Complex Fund Revenues</b>		<b>1,430,962</b>	<b>1,515,013</b>	<b>1,537,994</b>

Regional Athletic Complex - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Regional Athletic Complex Maintenance</b>				
007-3305-576.10-01	Salaries-Regular	304,419	349,021	339,156
007-3305-576.10-05	Salaries-Overtime	10,414	12,563	12,563
007-3305-576.10-06	Salaries-Part-Time	145,897	145,415	145,415
007-3305-576.20-01	Employer Paid Benefits	138,012	143,973	117,506
007-3305-576.20-03	Unemployment Compensation	2,196	-	2,500
007-3305-576.31-01	Office & Operating Supply	73,803	99,000	99,000
007-3305-576.31-02	Small Tools & Equipment	433	2,500	2,500
007-3305-576.31-17	Supplies-Uniform Purchase	1,426	2,000	2,000
007-3305-576.34-01	Fuel	8,262	10,000	10,000
007-3305-576.41-01	Prof. Svc-Other	6,676	28,360	103,360
007-3305-576.42-01	Telecommunications	9,765	7,750	8,000
007-3305-576.43-03	Registrations	1,575	-	1,500
007-3305-576.45-01	Equipment Rental	85,035	85,929	86,336
007-3305-576.45-02	IMS Rental	13,834	13,367	17,991
007-3305-576.45-05	Rentals-Other	301	2,500	2,500
007-3305-576.46-01	Insurance-Liability	17,966	19,639	18,915
007-3305-576.46-02	Insurance-Fire/Property	23,742	25,422	25,366
007-3305-576.46-06	AWC L & I Pool	1,496	2,112	1,500
007-3305-576.47-01	Utility-Electric	86,623	105,000	105,000
007-3305-576.47-02	Utility-City of Lacey	123,213	135,000	135,000
007-3305-576.47-07	Utility-Solid Waste	15,086	14,360	15,000
007-3305-576.48-01	Rep & Maint-Equipment	1,327	3,500	3,500
007-3305-576.48-03	Rep & Maint-Facilities	6,210	3,500	10,000
007-3305-576.49-06	Maintenance Contracts	51,027	-	-
007-3305-576.49-25	Assessments/Taxes	27	11,000	5,000
<b>Total Regional Athletic Complex Maintenance</b>		<b>1,128,765</b>	<b>1,221,911</b>	<b>1,269,608</b>
<b>Regional Athletic Complex General Services</b>				
007-7401-576.10-01	Salaries-Regular	113,862	122,941	121,693
007-7401-576.10-05	Salaries-Overtime	800	-	1,500
007-7401-576.10-06	Salaries-Part-Time	5,578	14,000	10,000
007-7401-576.20-01	Employer Paid Benefits	45,644	49,237	50,379
007-7401-576.20-03	Unemployment Compensation	-	500	500
007-7401-576.31-01	Office & Operating Supply	8,100	7,500	8,200
007-7401-576.31-02	Small Tools & Equipment	1,415	1,500	1,500
007-7401-576.31-17	Supplies-Uniform Purchase	-	500	500
007-7401-576.41-01	Prof. Svc-Other	32,594	20,000	35,000
007-7401-576.41-11	Prof. Svc - Recreation	-	6,000	-
007-7401-576.43-01	Transportation/Per Diem	1,357	1,500	1,500
007-7401-576.43-02	Dues, Subscriptions, Publ	-	120	120
007-7401-576.43-03	Registrations	66	800	800
007-7401-576.45-02	IMS Rental	20,524	18,554	15,294
007-7401-576.49-06	Maintenance Contracts	634	450	750

Regional Athletic Complex - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Regional Athletic Complex General Services Cont.</b>				
007-7401-576.49-25	Assessments/Taxes	10,166	6,500	10,200
007-7401-576.60-01	Capital Outlays-Equipment	8,760	43,000	10,450
Total Regional Athletic Complex General Services		249,499	293,102	268,386
Total Regional Athletic Complex Expenditures		1,378,264	1,515,013	1,537,994

## **PUBLIC WORKS-CITY STREET FUND**

The Public Works Transportation Maintenance Division is responsible for the maintenance and operation of the City's transportation infrastructure. In addition, the division takes on special projects, including hanging street and holiday banners, supporting community events and managing the volunteer Adopt-a-Roadway litter program.

### **Budget Summary**

The Transportation Maintenance Division budget is organized into nine programs.

1. Supervision and Support
2. Street Lights
3. Signs & Markings
4. Snow and Ice
5. Roadside
6. Roadways
7. Sidewalks
8. Traffic Signals
9. City Buildings, Electrical

There are three maintenance sections that address the nine programs. The three sections are described below:

#### **Signs & Markings Section**

Responsible for the evaluation, maintenance and repair of all signs, pavement markings, stripes and guardrails within the city, as well as the installation and removal of all street banners. Currently, we maintain 99 miles of road edge lines, 120 miles of traffic buttons, 9,434 street signs and 378 intersections with legends and symbols.

#### **Roads Section**

Responsible for evaluation and repair of our roadway and sidewalk networks, including snow & ice control, vegetation encroachments into the right of way, sidewalk repair, litter pickup and roadway repairs. Currently, we maintain 225.3 miles of sidewalk and 419.7 lane miles of roadway.

#### **Electrical Section**

Responsible for all street light repairs and all traffic signals within the city, including maintenance of some signals that are owned by the State DOT and Thurston County by contract. The section is also responsible for all electrical issues related to city facilities. Currently, we maintain 78 city traffic signals (City, County and State), 5,660 streetlights, 9 flashing school beacons, 40 pedestrian crosswalk beacon pairs and 2 four-way flashing beacons.

The total 2026 budget for the Transportation Maintenance Division is \$5,005,269. In addition to general operating revenue, the City Street Fund receives State Fuel Tax revenue to partially offset the cost of street maintenance.

## **2026 Programs, Goals and Priorities**

- Continue an active and volunteer-oriented Adopt-a-Roadway program
- Accomplish preventive maintenance goals on time and within budget
- Reduce energy usage and enhance our street light maintenance program by replacing all street light burn-outs with energy-efficient LED lights
- Improve our sidewalk repair program
- Improve Mastic and Crack Seal program
- Upgrade signs to meet new engineered standards
- Implement our new Maintenance Management Software program, OpenGov

City Street Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
101-0000-308.00-00	Estimated Beginning Cash	-	1,135,292	-
101-0000-336.71-00	Multimodal Transpo City	51,921	-	51,429
101-0000-336.87-00	Motor Vehicle Fuel Tax	672,721	745,873	754,150
101-0000-338.36-00	Signal Maintenance	32,760	30,000	30,000
101-0000-344.81-00	New Development Signage	426	5,000	5,000
101-0000-345.83-01	Plan Check Fees	23,980	15,000	15,000
101-0000-345.83-02	Inspection Services	33,180	15,000	25,000
101-0000-361.10-00	Investment Interest	99,591	39,870	67,698
101-0000-361.10-40	LGIP Earnings	31,058	14,569	33,783
101-0000-361.32-00	Unrealized Gain(Loss)	(27,387)	-	-
101-0000-361.32-02	Reverse Prev Year Adj	45,483	-	-
101-0000-367.10-01	Contributions-General	26,246	-	-
101-0000-369.10-00	Sale of Scrap & Surplus	22,881	1,000	1,000
101-0000-369.40-00	Court Fees /Judgments	45,608	-	-
101-0000-369.91-01	Procurement Card Rebate	9	-	-
101-0000-397.10-04	Transfer In - Utility Tax	3,536,245	3,762,896	3,822,209
101-0000-397.10-11	Transfer In 102 Fund	200,000	200,000	200,000
<b>Total Public Works City Street Fund Revenues</b>		<b>4,794,723</b>	<b>5,964,500</b>	<b>5,005,269</b>

City Street Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget

**PUBLIC WORKS STREET DIVISION**

**General Services**

101-4201-543.10-01	Salaries-Regular	413,547	445,003	455,139
101-4201-543.10-05	Salaries-Overtime	9,920	2,200	10,000
101-4201-543.10-06	Salaries-Part-Time	9,831	24,264	10,000
101-4201-543.20-01	Employer Paid Benefits	161,017	174,472	168,271
101-4201-543.20-03	Unemployment Compensation	368	20,000	20,000
101-4201-543.31-01	Office & Operating Supply	4,659	3,433	6,500
101-4201-543.31-02	Small Tools & Equipment	-	1,000	1,000
101-4201-543.31-17	Supplies-Uniform Purchase	1,763	5,000	3,000
101-4201-543.31-27	Software Upgrade	-	10,000	-
101-4201-543.31-35	Replaced Equipment	6,111	15,000	12,000
101-4201-543.41-01	Prof. Svc-Other	40,614	48,981	500
101-4201-543.42-01	Telecommunications	8,180	4,750	8,250
101-4201-543.43-01	Transportation/Per Diem	2,081	2,315	2,315
101-4201-543.43-02	Dues, Subscriptions, Publ	564	552	552
101-4201-543.43-03	Registrations	2,336	1,950	1,950
101-4201-543.45-01	Equipment Rental	14,514	17,289	18,099
101-4201-543.45-02	IMS Rental	91,018	91,467	93,039
101-4201-543.45-03	Copier Rental	949	926	1,000
101-4201-543.46-01	Insurance-Liability	44,108	48,215	46,437
101-4201-543.46-02	Insurance-Fire / Property	4,349	4,652	4,682
101-4201-543.46-06	AWC-L & I Pool	3,066	4,330	3,200
101-4201-543.47-01	Utility-Electric	5,743	9,090	9,090
101-4201-543.47-02	Utility-City of Lacey	383	1,586	500
101-4201-543.47-03	Utility-Natural Gas	652	2,085	1,000
101-4201-543.47-07	Utility-Solid Waste	9,308	18,185	20,000
101-4201-543.48-01	Rep & Maint-Equipment	-	1,027	750
101-4201-543.48-03	Rep & Maint-Facilities	3,852	-	2,500
101-4201-543.49-06	Maintenance Contracts	2,471	1,891	2,500
101-4201-543.49-23	Custodial	6,045	5,689	6,000
101-4201-543.49-25	Assessments/Taxes	3,610	2,900	2,900
101-4201-543.49-27	Bad Debt Expense	-	8,785	-
101-4201-543.49-35	CDL-Physicals/Licenses	1,496	600	2,500
101-4201-597.10-01	Transfer Out 102 Fund	-	1,000,000	-
101-4201-597.11-02	Transfer Out 302 Fund	39,458	101,043	-
<b>Total General Services</b>		<b>892,012</b>	<b>2,078,680</b>	<b>913,674</b>

**Street Lighting**

101-4204-542.10-01	Salaries-Regular	141,950	115,411	126,103
101-4204-542.10-05	Salaries-Overtime	767	500	1,000
101-4204-542.10-06	Salaries-Part-Time	322	6,276	500
101-4204-542.20-01	Employer Paid Benefits	53,838	43,393	45,560

City Street Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Street Lighting Cont.</b>				
101-4204-542.31-17	Supplies-Uniform Purchase	1,383	2,500	2,500
101-4204-542.32-01	Electrical Supplies	335,304	329,500	340,000
101-4204-542.33-01	Small Tools-Electrical	1,974	2,000	2,500
101-4204-542.41-01	Prof. Svc-Other	158	10,000	500
101-4204-542.41-13	Prof. Svc-Electrical	-	-	25,000
101-4204-542.41-32	Prof. Svc-Utility Locates	-	340	-
101-4204-542.43-03	Registrations	7,059	2,000	2,500
101-4204-542.45-01	Equipment Rental	36,284	43,222	45,249
101-4204-542.47-01	Utility-Electric	402,644	363,000	420,000
<b>Total Street Lighting</b>		<b>981,681</b>	<b>918,142</b>	<b>1,011,412</b>
<b>Street Signs &amp; Markers</b>				
101-4205-542.10-01	Salaries-Regular	188,711	197,425	202,436
101-4205-542.10-05	Salaries-Overtime	2,667	790	3,200
101-4205-542.10-06	Salaries-Part-Time	39,421	36,565	36,565
101-4205-542.20-01	Employer Paid Benefits	88,328	88,194	87,387
101-4205-542.20-03	Unemployment Compensation	3,358	-	-
101-4205-542.31-01	Office & Operating Supply	992	4,000	4,000
101-4205-542.31-02	Small Tools & Equipment	6,754	3,500	3,500
101-4205-542.31-27	Software Upgrade	-	1,075	-
101-4205-542.31-31	Supplies-City Projects	2,415	2,950	2,950
101-4205-542.31-32	Sign Making Supplies	47,160	34,700	45,000
101-4205-542.31-34	Road Marking Supplies	55,723	81,000	75,000
101-4205-542.41-01	Prof. Svc-Other	71,799	100,000	100,000
101-4205-542.41-32	Prof. Svc-Utility Locates	-	50	-
101-4205-542.43-03	Registrations	-	1,500	1,500
101-4205-542.45-01	Equipment Rental	39,913	47,545	49,773
<b>Total Street Signs &amp; Markers</b>		<b>547,240</b>	<b>599,294</b>	<b>611,311</b>
<b>Snow &amp; Ice Removal</b>				
101-4206-542.10-01	Salaries-Regular	19,642	38,742	27,743
101-4206-542.10-05	Salaries-Overtime	1,532	3,500	3,500
101-4206-542.20-01	Employer Paid Benefits	8,759	16,487	11,420
101-4206-542.31-01	Office & Operating Supply	33,827	35,000	35,000
101-4206-542.31-02	Small Tools & Equipment	1,361	10,000	10,000
101-4206-542.45-01	Equipment Rental	36,284	43,222	45,249
<b>Total Snow &amp; Ice Removal</b>		<b>101,405</b>	<b>146,951</b>	<b>132,912</b>
<b>Street Cleaning</b>				
101-4207-542.10-01	Salaries-Regular	4,726	5,340	5,350
101-4207-542.10-05	Salaries-Overtime	12	300	300

City Street Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Street Cleaning Cont.</b>				
101-4207-542.20-01	Employer Paid Benefits	2,289	2,406	2,383
101-4207-542.31-01	Office & Operating Supply	-	600	200
<b>Total Street Cleaning</b>		<b>7,027</b>	<b>8,646</b>	<b>8,233</b>
<b>Roadside Maintenance</b>				
101-4208-542.10-01	Salaries-Regular	109,520	134,535	124,822
101-4208-542.10-05	Salaries-Overtime	1,721	200	800
101-4208-542.10-06	Salaries-Part-Time	5,722	17,149	8,000
101-4208-542.20-01	Employer Paid Benefits	50,469	56,785	52,536
101-4208-542.31-01	Office & Operating Supply	13,615	12,900	15,000
101-4208-542.31-02	Small Tools & Equipment	2,714	3,000	3,000
101-4208-542.31-11	Program supplies	39	4,000	4,000
101-4208-542.34-01	Fuel	2,823	1,750	1,750
101-4208-542.41-01	Prof. Svc-Other	36	6,000	6,000
101-4208-542.41-16	Prof. Svc-Parks	585,055	447,930	522,287
101-4208-542.41-47	Prof. Svc-Tree Inspection	7,500	2,000	5,000
101-4208-542.45-01	Equipment Rental	87,084	103,734	108,596
101-4208-542.48-01	Rep & Maint-Equipment	(86)	-	-
<b>Total Roadside Maintenance</b>		<b>866,209</b>	<b>789,983</b>	<b>851,791</b>
<b>Roadway Maintenance</b>				
101-4209-542.10-01	Salaries-Regular	112,281	128,778	126,962
101-4209-542.10-05	Salaries-Overtime	1,350	400	1,600
101-4209-542.10-06	Salaries-Part-Time	26,349	22,865	22,865
101-4209-542.20-01	Employer Paid Benefits	56,053	55,571	56,085
101-4209-542.20-03	Unemployment Compensation	-	60	-
101-4209-542.31-01	Office & Operating Supply	88,149	65,000	80,000
101-4209-542.31-02	Small Tools & Equipment	350	1,000	1,000
101-4209-542.41-01	Prof. Svc-Other	41	5,000	5,000
101-4209-542.43-03	Registrations	-	3,000	500
101-4209-542.45-01	Equipment Rental	94,342	112,381	117,645
101-4209-542.45-05	Rentals-Other	19,938	30,000	30,000
101-4209-542.48-15	Rep & Maint-Grounds	853	12,000	5,000
<b>Total Roadway Maintenance</b>		<b>399,706</b>	<b>436,055</b>	<b>446,657</b>
<b>Sidewalk Maintenance</b>				
101-4210-542.10-01	Salaries-Regular	189,621	170,777	195,001
101-4210-542.10-05	Salaries-Overtime	935	100	1,200
101-4210-542.10-06	Salaries-Part-Time	25,219	14,219	25,000
101-4210-542.20-01	Employer Paid Benefits	82,565	71,998	81,089
101-4210-542.31-01	Office & Operating Supply	17,915	2,000	30,000

City Street Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Sidewalk Maintenance Cont.</b>				
101-4210-542.31-02	Small Tools & Equipment	5,599	4,500	6,000
101-4210-542.41-01	Prof. Svc-Other	52,410	80,000	55,000
101-4210-542.45-01	Equipment Rental	14,514	17,289	18,099
101-4210-542.48-01	Rep & Maint-Equipment	(112)	-	-
<b>Total Sidewalk Maintenance</b>		<b>388,666</b>	<b>360,883</b>	<b>411,389</b>
<b>Traffic Control Device/Electrical</b>				
101-4211-542.10-01	Salaries-Regular	104,820	112,795	112,421
101-4211-542.10-05	Salaries-Overtime	1,053	2,000	2,000
101-4211-542.10-06	Salaries-Part-Time	207	13,808	250
101-4211-542.20-01	Employer Paid Benefits	39,672	41,793	40,390
101-4211-542.32-01	Electrical Supplies	205,557	90,000	90,000
101-4211-542.33-01	Small Tools-Electrical	1,708	2,000	2,000
101-4211-542.41-01	Prof. Svc-Other	-	1,000	-
101-4211-542.41-32	Prof. Svc-Utility Locates	-	250	-
101-4211-542.42-01	Telecommunications	8,709	8,250	8,750
101-4211-542.45-01	Equipment Rental	39,913	47,545	49,773
101-4211-542.47-01	Utility-Electric	75,759	80,000	80,000
<b>Total Traffic Control Device/Electrical</b>		<b>477,399</b>	<b>399,441</b>	<b>385,584</b>
<b>Electrical Other</b>				
101-4212-543.10-01	Salaries-Regular	136,081	155,654	163,862
101-4212-543.10-05	Salaries-Overtime	829	500	500
101-4212-543.10-06	Salaries-Part-Time	-	3,766	100
101-4212-543.20-01	Employer Paid Benefits	49,802	55,505	56,344
101-4212-543.31-01	Office & Operating Supply	1,352	500	1,000
101-4212-543.32-01	Electrical Supplies	5,025	10,000	10,000
101-4212-543.33-01	Small Tools-Electrical	274	500	500
<b>Total Electrical Other</b>		<b>193,362</b>	<b>226,425</b>	<b>232,306</b>
<b>Total Public Works City Street Fund Expenditures</b>		<b>4,854,708</b>	<b>5,964,500</b>	<b>5,005,269</b>



## **PUBLIC WORKS-ARTERIAL STREET FUND**

The Arterial Street Fund provides funding for street construction and transportation improvement projects. Work accomplished includes right-of-way acquisition, design and construction of roadways, storm drainage, sidewalks, street lighting, traffic signals and landscaping.

Revenues for the Arterial Street Fund come from the following sources:

- State and Federal Grants
- State Shared Fuel Taxes
- Mitigation

### **Budget Summary**

All expenditures are for specific improvement projects included in the City's Six-Year Transportation Plan and Capital Facilities Plan. Expenditures from this fund fluctuate dramatically based on the City's success in obtaining grant funding, new development occurring in the city and the number of street projects ready for construction. For 2026, budgeted expenditures are \$7,142,500.

### **2026 Programs, Goals and Priorities**

- 7th Ave & College St Roundabout - Design
- LED Street Lighting Replacement
- College St. & 16th Ave Roundabout - Right of Way Acquisition
- College St & 29th Ave Roundabout – Design
- Rainier Rd Improvements - Design
- 14th Ave & Sleater-Kinney Rd Intersection Improvements
- 4th Avenue Extension Design
- Marvin Road Annexation Signal Improvements
- Willamette & Campus Glen Roundabout Design
- Bicycle/Pedestrian Improvements Program – Ruddell Rd Crossings
- City Electric Vehicle Fleet Charging Project
- Draham Rd Culvert Replacement – Preliminary Assessment
- Pavement Management Program (pavement inspections, ratings, planning)
- Miscellaneous 2026 Minor Projects

Arterial Street Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
102-0000-308.00-00	Estimated Beginning Cash	-	11,793,968	2,751,338
102-0000-317.34-00	Real Estate Excise Tax 1	2,785,102	-	-
102-0000-331.21-20	FHA Office of Safety	4,875	-	-
102-0000-333.20-20	20.205 Highway Planning	153,589	4,152,147	2,980,000
102-0000-334.03-61	WADOT	-	1,770,700	246,600
102-0000-334.03-80	03.8x Trans Improv Board	116,752	-	-
102-0000-336.71-00	Multimodal Transpo City	24,277	-	24,046
102-0000-336.88-00	Motor Vehicle Fuel Tax	314,542	348,745	352,615
102-0000-336.89-00	MVA Transpo City	66,674	76,467	75,475
102-0000-339.22-02	DOT/ Hwy Planning & Const	-	2,855,700	-
102-0000-344.85-00	Mitigation/Impact Fees	706,542	-	-
102-0000-361.10-00	Investment Interest	1,164,026	524,747	458,580
102-0000-361.10-40	LGIP Earnings	375,735	191,743	228,846
102-0000-361.11-00	Interest Earnings	23	-	-
102-0000-361.32-00	Unrealized Gain(Loss)	(284,985)	-	-
102-0000-361.32-02	Reverse Prev Year Adj	577,434	-	-
102-0000-362.60-10	Lease - Rental House	28,500	37,200	25,000
102-0000-397.10-03	Transfer in 101 Fund	-	1,000,000	-
102-0000-397.11-01	Transfer in 001, 003, 005	-	300,000	-
<b>Total Public Works Arterial Street Fund Revenues</b>		<b>6,033,087</b>	<b>23,051,417</b>	<b>7,142,500</b>

Arterial Street Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>PUBLIC WORKS ARTERIAL STREETS</b>				
<b>Street and Transportation Improvements</b>				
102-4101-508.50-00	Assigned Funds	-	1,300,000	-
102-4101-595.90-01	Preliminary Engineering	741,779	2,342,600	2,255,000
102-4101-595.90-02	Right of Way	454,209	7,502,147	3,285,000
102-4101-595.90-03	Road Way	2,670,558	3,892,212	1,000,000
102-4101-595.90-05	Construction Engineering	757,913	470,188	-
102-4101-595.90-06	Sidewalks	-	-	67,500
102-4101-595.90-09	Traffic Control Devices	347	20,000	20,000
102-4101-595.90-10	Roadside Development	-	-	50,000
102-4101-595.90-11	Const Admin & Fac Maint	28,315	-	-
102-4101-595.90-13	Side Walks-ADA	-	50,000	50,000
102-4101-595.90-14	Signal Timing	-	15,000	15,000
102-4101-595.90-15	Pavement Mgmt System	4,034	100,000	100,000
102-4101-595.90-16	Pavement Restoration/PMS	-	100,000	100,000
102-4101-597.01-05	Transfer Out 301 Fund	10,875,392	7,059,270	-
102-4101-597.02-09	Transfer Out 101 Fund	200,000	200,000	200,000
<b>Total Public Works Arterial Street Fund Expenditures</b>		<b>15,732,547</b>	<b>23,051,417</b>	<b>7,142,500</b>



## **TRANSPORTATION IMPROVEMENT FUND**

The Transportation Improvement Fund is established to manage revenues and expenditures directly related to the operation of the Transportation Benefit District (TBD).

The District was created in February 2017 by Special Public Election:

- The TBD revenue is generated by a 0.2% sales tax increase
- The fund has a sunset duration of 10 years after enactment
- The 2026 projected revenue is \$3,500,000

The City will use the money for street and sidewalk reconstruction and repair to help prevent full-scale, costly reconstruction later. To minimize costs, proper street maintenance must be completed at the appropriate time. The longer maintenance is postponed, the more expensive repairs become. For example, delaying maintenance could advance the type of repair from a simple overlay, to a complete street reconstruction.

### **Budget Summary**

For 2026 the operating budget will be \$5,380,000.

### **2026 Projects, Goals and Priorities**

Pavement repair on the following streets:

- Willamette Drive Phase 1
- Design of future pavement repairs on the following streets: Lakecrest Neighborhood, 37th Ave, 36th Ave and 33rd Ave/33rd Lp 33rd Ave SE/33rd Loop SE
- 36th Ave SE
- Clearbrook Dr
- Classic Heights Improvements
- Stikes/Wellington Improvements
- Compton Blvd
- Britton & Gateway Roundabout
- Sidewalk Repair Program, \$500k per year
- Crack Seal Program, \$200k per year
- Slurry Seal Program, \$300k per year

Transportation Improvement Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
103-0000-308.00-00	Estimated Beginning Cash	-	1,160,594	1,573,769
103-0000-313.21-00	Sales Taxes -TBD	3,796,674	3,759,872	3,719,977
103-0000-361.10-00	Investment Interest	99,931	77,897	57,540
103-0000-361.10-40	LGIP Earnings	31,314	26,637	28,714
103-0000-361.32-00	Unrealized Gain(Loss)	(27,879)	-	-
103-0000-361.32-02	Reverse Prev Year Adj	27,921	-	-
<b>Total Transportation Improvement Fund Revenues</b>		<b>3,927,962</b>	<b>5,025,000</b>	<b>5,380,000</b>

Transportation Improvement Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Transportation Improvement Fund</b>				
103-4301-595.90-01	Preliminary Engineering	426,317	127,500	358,875
103-4301-595.90-03	Road Way	1,801,993	4,366,500	4,624,750
103-4301-595.90-05	Construction Engineering	247,055	531,000	396,375
103-4301-595.90-06	Side Walks	1,000	-	-
<b>Total Transportation Improvement Fund Expenditures</b>		<b>2,476,364</b>	<b>5,025,000</b>	<b>5,380,000</b>



## **LODGING TAX FUND**

The collection and use of lodging tax revenues in the Lodging Tax Fund is governed by state law. Lodging tax revenues are generated from a 4% excise tax on the sale of eligible lodging stays for periods less than 30 days. Lodging tax receipts for 2026 are estimated at \$560,000. Expenditures of lodging tax dollars are limited to tourism promotion activities including: tourism marketing; marketing and operations of tourism events and festivals; and for tourism-related facilities owned or operated by a municipality or public facilities district or tourism-related facilities owned or operated by nonprofit organizations.

### **Budget Summary**

The total 2026 budget for the Lodging Tax Fund is \$685,239 pending final recommendations from the Lodging Tax Advisory Committee (LTAC). The LTAC reviews funding applications annually and makes funding recommendations to the City Council for the use of lodging tax revenues by qualifying applicants.

Lodging Tax Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
109-0000-308.00-00	Estimated Beginning Cash	-	40,784	108,000
109-0000-313.30-00	Hotel/Motel Taxes	583,738	540,000	560,000
109-0000-361.10-00	Investment Interest	24,856	19,365	11,500
109-0000-361.10-40	LGIP Earnings	7,908	7,076	5,739
109-0000-361.32-00	Unrealized Gain(Loss)	(7,123)	-	-
109-0000-361.32-02	Reverse Prev Year Adj	11,155	-	-
<b>Total Lodging Tax Fund Revenues</b>		<b>620,533</b>	<b>607,225</b>	<b>685,239</b>

Lodging Tax Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>COUNCIL/PARKS AND RECREATION</b>				
<b>Contracted Services</b>				
109-0401-573.49-51	Promotion-Community Event	153,437	214,225	685,239
109-0401-575.49-33	Chamber of Commerce	35,000	35,000	-
109-0401-575.49-34	Washington Center	30,000	20,000	-
109-0401-575.49-38	Visitor/Convention Bureau	100,000	100,000	-
109-0401-597.10-08	Transfer Out 007 Fund	188,000	180,000	-
109-0401-597.11-01	Transfer Out 001 Fund	48,500	40,000	-
<b>Total Contracted Services</b>		<b>554,937</b>	<b>589,225</b>	<b>685,239</b>
<b>Performing Arts &amp; Events</b>				
109-0601-573.49-54	Concert Series/Events	18,000	18,000	-
<b>Total Performing Arts &amp; Events</b>		<b>18,000</b>	<b>18,000</b>	<b>-</b>
<b>Total Lodging Tax Fund Expenditures</b>		<b>572,937</b>	<b>607,225</b>	<b>685,239</b>



## **COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

The Community Development Block Grant (CDBG) Fund provides for the accounting of federal grant dollars awarded that satisfy HUD's CDBG National Objective (a project must benefit low-and moderate-income [LMI] persons).

In the past, Lacey has utilized CDBG funding for affordable housing rehabilitation and preservation, the construction of an early-learning childcare center, the expansion of the Virgil Clarkson Senior Center and Lacey Veteran Services Hub (LVSH) and the provision of social services, among other initiatives.

Before 2024, the City was a member of the Thurston County Urban CDBG partnership (2013-2015, 2016-2018, 2019-2021, 2022-2024). In 2024, the City Council voted to become a standalone entitlement community. The City anticipates receiving approximately \$348,393 in CDBG funding for FY 2025. The 2026 budget will be amended once the final number is confirmed.

The City's Consolidated Plan priority goals for CDBG funding are:

1. **Public Facilities and Infrastructure Improvements:** The City needs additional funding for public facilities and community centers that primarily serve low- and moderate-income persons. These include, but are not limited to, Lacey Senior Center, Lacey Veterans Services Hub (LVSH), parks, community facilities and public infrastructure in LMI Census Block Tracts
2. **Housing:** Increase and improve affordable housing
3. **Public Services:** Human services programming to assist low- and moderate-income community members in Lacey

### **2025 Accomplishments**

- Completed Community Participation Plan
- Completed 2025 Program Timeline
- Completed 3-Year Consolidated Plan, 2025-2027 (amendment to existing Thurston County Plan)
- Completed Annual Action Plan
- Worked with the Human Services Commission to accomplish all of the above
- Successful monitoring by HUD and Thurston County for LVSH Project

### **2026 Projects, Goals and Priorities**

- Use FY 2025 CDBG allocation for Public Facilities and Infrastructure Improvements
- Continue to work with Human Services Commission

### **Budget Summary**

The total 2026 budget for the CDBG Fund is anticipated to be \$850.

Community Development Block Grant Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
120-0000-333.14-20	Community Development	-	348,393	-
120-0000-361.10-00	Investment Interest	1,062	740	567
120-0000-361.10-40	LGIP Earnings	337	270	283
120-0000-361.32-00	Unrealized Gain(Loss)	(295)	-	-
120-0000-361.32-02	Reverse Prev Year Adj	460	-	-
<b>Total Community Dev. Block Grant Fund Revenues</b>		<b>1,564</b>	<b>349,403</b>	<b>850</b>

Community Development Block Grant Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>PUBLIC AFFAIRS AND COMMUNITY RELATIONS</b>				
<b>General Services</b>				
120-3701-508.30-00	Restricted Funds	-	1,010	850
120-3701-558.60-06	Capital Outlays-Improvements	-	348,393	-
<b>Total Community Dev. Block Grant Fund Expenditures</b>		-	349,403	850



## **HICKS LAKE MANAGEMENT DISTRICT**

The Hicks Lake Management District fund is established to manage revenues and expenditures directly related to the operation of the Hicks Lake Management District.

The District was created in October 2015 in accordance with the following plan:

- Studying various lake water quality problems and possible solutions;
- Controlling or removing invasive aquatic plants and vegetation; and
- Developing and implementing appropriate lake management and educational activities

All of these plans are designed to avoid adverse impacts on fish and wildlife while enhancing the recreational uses of the lake. The Lake Management District will exist for thirty (30) years, unless dissolved earlier by the members of the district. Special assessments are imposed annually for the duration of the Hicks Lake Management District. The District, with Lacey City Council approval, decreased assessments for all properties by 10.0 percent starting in 2020. The amount of money to be raised by special assessments is approximately \$43,000 per year.

### **Budget Summary**

For 2026 the operating budget will be \$50,099.

### **2026 Projects, Goals and Priorities**

- Follow the adopted Lake Management Plan to control or remove invasive plants
- Implement plan recommendations to remove or control undesired plant growth that impact use of the lake
- Research and apply for grants that leverage the limited funds collected by the district to meet plan objectives
- Conduct public outreach to educate citizens on methods to minimize detrimental impacts to the lake

Hicks Lake Management District Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
130-0000-308.00-00	Estimated Beginning Cash	-	-	463
130-0000-359.60-03	HLMD #1 Delq. Penalties	30	-	-
130-0000-361.10-00	Investment Interest	3,801	2,923	2,456
130-0000-361.10-40	LGIP Earnings	1,205	1,068	1,226
130-0000-361.11-10	HLMD#1 Invest Interest	63	2	2
130-0000-361.32-00	Unrealized Gain(Loss)	(1,084)	-	-
130-0000-361.32-02	Reverse Prev Year Adj	1,466	-	-
130-0000-361.41-20	HLMD#1 Delq. interest	201	206	52
130-0000-368.50-10	Hicks LMD#1	44,584	45,900	45,900
<b>Total Hicks Lake Management Dist. Fund Revenues</b>		<b>50,265</b>	<b>50,099</b>	<b>50,099</b>

Hicks Lake Management District Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services</b>				
130-0401-553.41-70	Hicks Lake Mgmt Dist	25,983	50,099	50,099
<b>Total Hicks Lake Management Dist. Fund Expenditures</b>		<b>25,983</b>	<b>50,099</b>	<b>50,099</b>



## **GENERAL OBLIGATION BOND FUND**

The General Obligation (GO) Bond Fund was created to provide for the retirement of all general-purpose bonds issued for City facilities or equipment. When capital expenditures are funded by debt authorized by voter approval (i.e., Unlimited Tax General Obligation, or UTGO), the revenues generated to retire this debt come from property taxes. Debt issued or bonds sold without the guarantee of City tax revenues (i.e., Limited Tax General Obligations, or LTGO) must depend on general revenues of the City to retire the debt.

General Obligation debt currently supported by property taxes includes:

- 2015 Unlimited General Obligation Refunding Bonds (originally issued as \$4.985 million of Parks Improvement Bonds in 2003)

Non-property tax supported debt includes:

- 2015 Limited Tax General Obligation Refunding Bonds (originally issued for \$8.0 million to complete the 68 acres of the Regional Athletic Complex)
- 2025 Limited Tax General Obligation Bonds (originally issued for \$16.41 million for the construction of a new police station and training facility)

The total outstanding Unlimited General Obligation Tax support debt as of September 30, 2025 is \$685,000. The total outstanding Limited Tax General Obligation debt as of September 30, 2025 is \$18,030,000.

The total 2026 debt service budget is \$2,284,954.

GO Bond Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
201-0000-311.10-00	Property Taxes-Current	355,235	359,900	361,500
201-0000-311.15-00	Property Taxes-Delinquent	(9,420)	2,500	2,500
201-0000-361.10-00	Investment Interest	10,258	2,839	7,341
201-0000-361.10-40	LGIP Earnings	2,996	1,037	3,663
201-0000-361.11-00	Interest Earnings	876	-	-
201-0000-361.32-00	Unrealized Gain(Loss)	(118)	-	-
201-0000-361.32-02	Reverse Prev Year Adj	76	-	-
201-0000-397.10-05	Transfer In 307 Fund	574,400	579,800	584,200
201-0000-397.11-04	Transfer In 304 Fund	-	1,040,004	1,325,750
<b>Total GO Bond Fund Revenues</b>		<b>934,303</b>	<b>1,986,080</b>	<b>2,284,954</b>

GO Bond Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>GO Debt Supported</b>				
201-1904-591.70-19	2015 UTGO RFDG (06 Parks)	320,000	335,000	350,000
201-1904-592.70-22	Principal LTGO 2025	-	395,000	525,000
201-1904-592.80-19	2015 UTGO RFDG (06 Parks)	40,200	27,400	14,000
201-1904-592.80-22	2025 LTGO Police Station	-	645,004	800,750
<b>Total GO Debt Supported</b>		<b>360,200</b>	<b>1,402,404</b>	<b>1,689,750</b>
<b>LTGO &amp; Loans</b>				
201-1905-508.50-00	Assigned Funds	-	3,876	11,004
201-1905-591.70-20	2015 LTGO RFDG (07 RAC)	490,000	515,000	540,000
201-1905-592.80-20	2015 LTGO RFDG (07 RAC)	84,400	64,800	44,200
<b>Total LTGO &amp; Loans</b>		<b>574,400</b>	<b>583,676</b>	<b>595,204</b>
<b>Total GO Bond Fund Expenditures</b>		<b>934,600</b>	<b>1,986,080</b>	<b>2,284,954</b>



## **LOCAL IMPROVEMENT DISTRICT BOND FUND**

The Local Improvement District (LID) Bond Fund was created to provide for the retirement of all local improvement district bonds issued for City streets, utilities and related equipment. Debt issued or bonds received without the guarantee of City tax revenues must depend on these special assessments against property owners.

Although annual assessments are billed to property owners, the actual retirement of LID debt in any given year is based on the amount of dollars collected. The amount collected is either a result of billed assessment amounts received or paid-in-full as property changes ownership. Regardless when payments are received, the City must call (retire) outstanding bonds when funds are available to do so. Currently, there is no outstanding debt in this fund.

### **Budget Summary**

The total 2026 budget is \$149,132.

LID Bond Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
202-0000-361.10-00	Investment Interest	112,805	78,139	61,000
202-0000-361.10-40	LGIP Earnings	35,733	28,552	30,441
202-0000-361.32-00	Unrealized Gain(Loss)	(31,588)	-	-
202-0000-361.32-02	Reverse Prev Year Adj	48,615	-	-
202-0000-366.10-10	Interest - (451) (ULID23)	14,257	13,313	12,331
202-0000-381.20-10	Loan Repayment 451 Fund	-	23,953	24,935
202-0000-397.11-50	Transfer In 450 Fund	20,425	20,425	20,425
<b>Total LID Bond Fund Revenues</b>		<b>200,247</b>	<b>164,382</b>	<b>149,132</b>

LID Bond Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>LID Bond</b>				
202-1906-508.50-00	Assigned Funds	-	164,382	149,132
<b>Total LID Bond Fund Expenditures</b>		-	164,382	149,132



## **BUILDING IMPROVEMENT FUND**

The Building Improvement Fund is only used when there is a need to account for a significant building or facility improvement project.

### **Budget Summary**

The 2026 budget is \$3,255,462.

### **2026 Programs, Goals and Priorities**

- Police Station and Training Facility

Building Improvement Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
301-0000-308.00-00	Estimated Beginning Cash	-	14,839,885	3,221,662
301-0000-361.10-00	Investment Interest	414,114	233,055	22,548
301-0000-361.10-40	LGIP Earnings	119,938	85,159	11,252
301-0000-361.32-00	Unrealized Gain(Loss)	(167,070)	-	-
301-0000-361.32-02	Reverse Prev Year Adj	58,632	-	-
301-0000-367.26-00	Museum Depot Project	11,414	-	-
301-0000-382.10-00	General Obligations Bonds	-	16,410,000	-
301-0000-392.00-00	Premium on Bonds	-	1,744,786	-
301-0000-397.10-08	Transfer In 102 Fund	10,875,392	7,059,270	-
301-0000-397.11-01	Transfer In 001,003,005	19,094,126	335,485	-
<b>Total Building Improvement Fund Revenues</b>		<b>30,406,545</b>	<b>40,707,640</b>	<b>3,255,462</b>

Building Improvement Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Building Improvement</b>				
301-0101-514.60-02	Capital Outlay-Public Art	-	50,000	50,000
301-0101-514.60-03	Capital-Improvements	174,392	335,485	-
301-0101-514.60-04	Capital Outlay-Buildings	15,327,220	40,124,155	3,205,462
301-0101-514.60-05	Capital Outlay-Land	-	198,000	-
<b>Total Building Improvement Fund Expenditures</b>		<b>15,501,612</b>	<b>40,707,640</b>	<b>3,255,462</b>



## **CAPITAL EQUIPMENT FUND**

The Capital Equipment Fund accounts for revenues dedicated to capital facility construction and equipment purchases that are required for general operating purposes. Transfers in from the other General Fund departments and reserves are the main sources of revenue.

### **Budget Summary**

Expenditures are budgeted in two program areas:

- Operating Capital and Reserves
- Capital Improvement Projects

The 2026 budget is \$733,036.

### **2026 Programs, Goals and Priorities**

A full listing of Capital Equipment expenditures is provided in the Budget Summary section of this document.

Capital Equipment Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
302-0000-308.00-00	Estimated Beginning Cash	-	1,609,298	227,054
302-0000-321.91-01	PEG Fees	25,576	39,000	25,000
302-0000-361.10-00	Investment Interest	95,869	66,671	40,412
302-0000-361.10-40	LGIP Earnings	30,701	24,362	20,167
302-0000-361.32-00	Unrealized Gain(Loss)	(25,622)	-	-
302-0000-361.32-02	Reverse Prev Year Adj	47,858	-	-
302-0000-367.00-00	Contributions	6,000	6,000	-
302-0000-367.10-02	Contribution-Police	-	5,697	-
302-0000-369.91-01	Procurement Card Rebate	13	-	-
302-0000-391.90-03	Police- Financed Cameras	149,363	-	-
302-0000-397.11-01	Transfer In 001,003,005	203,066	1,265,217	420,403
<b>Total Capital Equipment Fund Revenues</b>		<b>532,825</b>	<b>3,016,245</b>	<b>733,036</b>

Capital Equipment Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Capital Equipment</b>				
302-0102-519.64-04	Capital-Community Relations	7,840	60,000	-
302-0102-519.64-05	Capital-Finance	-	-	109,021
302-0102-519.64-06	Capital-Common Facilities	81,759	63,025	22,786
302-0102-519.64-07	Capital-Common Fac.-Shop	52,224	-	-
302-0102-519.64-10	Capital-Police	344,407	717,156	75,746
302-0102-519.64-11	Capital-Public Works-Admi	87,352	81,679	-
302-0102-519.64-12	Capital-Public Works-Pks	75,061	340,719	153,852
302-0102-519.64-13	Capital-Public Works-Elec	20,174	15,410	-
302-0102-519.64-15	Capital-Community Develop	64,204	-	28,448
302-0102-519.64-16	Capital-Parks & Recreation	5,046	857	18,183
302-0102-519.64-17	Capital-City Streets	17,190	429,109	-
302-0102-519.64-20	Public Ed & Govt Prog	23,984	39,000	25,000
302-0102-594.60-21	BWC Installment	247,238	264,966	300,000
302-0102-597.11-01	Transfer Out 001 Fund	-	137,902	-
302-0102-597.11-03	Transfer Out 303 Fund	-	160,000	-
<b>Total Capital Equipment</b>		<b>1,026,478</b>	<b>2,309,823</b>	<b>733,036</b>
<b>Projects</b>				
302-0104-542.60-02	Capital-Streetscaping	-	20,000	-
302-0104-559.60-01	Economic Development	26,922	436,422	-
<b>Total Projects</b>		<b>26,922</b>	<b>456,422</b>	<b>-</b>
<b>Capital Projects</b>				
302-0105-597.02-01	Transfer Out 301 Fund	-	250,000	-
<b>Total Capital Projects</b>		<b>-</b>	<b>250,000</b>	<b>-</b>
<b>Total Capital Equipment Fund Expenditures</b>		<b>1,053,400</b>	<b>3,016,245</b>	<b>733,036</b>



## **PARKS AND OPEN SPACE FUND**

The Parks and Open Space Fund was established by Council action in 1989. The City maximizes this fund by securing local, state and federal grant funds to finance a significant portion of acquisition and development costs. Other revenues from the sale of bonds and Public Facility District funds are deposited into this fund to re-develop existing parks and construct new parks. Park development has been accomplished primarily utilizing the 2002 and 2006 Park Bonds. The 2002 bond was retired (paid off) at the end of 2023 and the 2006 bond will be retired (paid off) at the end of 2026.

### **Significant Park Development Projects**

During 2021-2022, the Greg Cuoio Park & Greenways Master Plan was completed. In 2022 City Council approved development of Greg Cuoio Park Phase 1A, which encompasses 139 acres of the new park. Phase 1A will provide safe entry off of busy Carpenter Road, 50 parking stalls, approximately 2 miles of hard and natural surface trails, 18 holes of disc golf, a park shelter and Phase 1 (~5,000 SF) of a large all-access playground. This project will also include signage, seating and open play areas to accommodate a multitude of all age and ability users and a maintenance/emergency vehicle access drive.

Construction of Phase 1A is tentatively planned for completion in the Fall of 2025.

Other notable projects which are estimated to take place during 2025 – 2027 include replacing the William A. Bush Park Playground for ages 5-12, installing four new pickleball courts at Rainier Vista Park and replacing the bridge at Woodland Creek Community Park – a vital connection between the park and the Karen Fraser Woodland Trail.

### **Budget Summary**

The 2026 budget is \$24,810.

Parks and Open Space Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
303-0000-308.00-00	Estimated Beginning Cash	-	725,802	-
303-0000-334.02-70	Outdoor Recreation IAC	-	1,220,710	-
303-0000-334.04-20	Dept of Commerce	-	499,550	-
303-0000-361.10-00	Investment Interest	24,770	78,059	5,909
303-0000-361.10-40	LGIP Earnings	7,976	28,523	2,949
303-0000-361.32-00	Unrealized Gain(Loss)	(5,934)	-	-
303-0000-361.32-02	Reverse Prev Year Adj	13,903	-	-
303-0000-362.50-20	Lease - Facilities	6,486	-	-
303-0000-362.60-10	Lease - Rental House	15,952	15,952	15,952
303-0000-367.00-00	Contributions	-	140,000	-
303-0000-397.10-10	Transfer In 307 Fund	-	160,000	-
303-0000-397.11-01	Transfer In 001,003,005	-	6,898,943	-
<b>Total Parks and Open Space Fund Revenues</b>		<b>63,152</b>	<b>9,767,539</b>	<b>24,810</b>

Parks and Open Space Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
303-0106-508.90-00	Unassigned Funds	-	122,534	24,810
303-0106-576.31-48	Repairs & Maintenance	114	-	-
303-0106-576.48-03	Rep & Maint-Facilities	4,185	-	-
303-0106-576.60-01	Capital Outlays-Equipment	2,697	300,752	-
303-0106-576.60-03	Capital-Improvements	313,922	9,295,662	-
303-0106-576.60-04	Capital Outlay-Buildings	-	48,591	-
<b>Total Parks and Open Space Fund Expenditures</b>		<b>320,917</b>	<b>9,767,539</b>	<b>24,810</b>



## **CAPITAL PROJECT REVENUE FUND**

The Capital Project Revenue Fund was established to account for revenues for capital projects. The main revenue source is Real Estate Excise Tax (REET). A substantial portion of the future REET revenues will be allocated toward the repayment of the Limited Tax General Obligation (LTGO) Bonds that were issued to fund the construction of the Police Station and Training Facility. Once these annual bond obligations are met, the remaining REET funds will be assessed and allocated annually based on the most pressing infrastructure needs. This prioritization process will ensure that critical public projects, such as transportation improvements, public facilities upgrades and other essential capital investments, receive the necessary funding to support the community's evolving needs.

### **Budget Summary**

The 2026 budget is \$2,378,711.

Capital Project Revenue Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
304-0000-317.34-00	Real Estate Excise Tax 1	-	2,500,000	-
304-0000-318.34-00	Real Estate Excise Tax 1	-	-	1,187,800
304-0000-318.35-00	Real Estate Excise Tax 2	-	-	1,187,800
304-0000-361.10-00	Investment Interest	-	-	2,075
304-0000-361.10-40	LGIP Earnings	-	-	1,036
<b>Total Capital Project Revenue Fund Revenues</b>		-	<b>2,500,000</b>	<b>2,378,711</b>

Capital Project Revenue Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
304-0102-508.50-00	Assigned Funds	-	1,459,996	1,052,961
304-0102-597.02-01	Transfer Out 301 Fund	-	1,040,004	1,325,750
<b>Total Capital Project Revenue Fund Expenditures</b>		-	<b>2,500,000</b>	<b>2,378,711</b>



## **REGIONAL ATHLETIC COMPLEX CAPITAL FUND**

The Regional Athletic Complex (RAC) was a joint venture between Thurston County and the City of Lacey. In March of 1998, Thurston County and the City entered into an agreement to jointly purchase, own and cooperatively develop recreational lands, then equally share the costs of maintaining the recreational facilities. Phase I of the facility was completed in September 2005 and opened and dedicated for the benefit of the citizens of Thurston County. In 2006, the Capital Area Regional Public Facilities District (CARPFD) contracted with the City of Lacey to further develop the RAC, in conjunction with the Hands-on Children's Museum, a City of Olympia-approved project. As a result of amendments to the CARPFD Inter-local agreements, the City of Lacey receives 71.77% of the revenues received by the CARPFD which are dedicated to operations and capital improvements at the RAC. These funds in conjunction with other city contributions and a 2007 Park Bond were used to finance Phase II of this project. Phase II of the RAC opened in May 2009. In June 2010, Thurston County transferred its share of ownership along with all responsibilities for operation and maintenance to the City of Lacey.

### **Budget Summary**

The 2026 budget is \$2,492,200 for capital improvements.

This budget accounts for the \$584,200 transferred out to cover debt service for the 2007 LTGO Park Bond. Phase III (26 acres) is slated for future development, dependent on generating sufficient revenue for operation, maintenance and development.

### **2026 Programs, Goals and Priorities**

The CARPFD funding was extended by 30 years if the City issues debt on the original project before the current debt expires.

The City will issue debt on the priority improvement of converting soccer field #2 from natural grass to synthetic turf, the addition of lights to this field and the addition of portable seating. Additional alternatives such as increased fencing, permanent seating and Wi-fi installations and upgrades will be included if budget allows.

In addition, master planning for the entire site was completed and if partners can provide funding there are multiple opportunities for expansion of not only the soccer complex, but the RAC Phase III property located to the west of Marvin Road.

Regional Athletic Complex Capital Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
307-0000-308.00-00	Estimated Beginning Cash	-	2,344,135	479,249
307-0000-338.10-10	Capital Area - PFD	1,690,551	1,697,445	1,893,881
307-0000-361.10-00	Investment Interest	153,246	103,422	79,431
307-0000-361.10-40	LGIP Earnings	49,055	37,791	39,639
307-0000-361.32-00	Unrealized Gain(Loss)	(41,354)	-	-
307-0000-361.32-02	Reverse Prev Year Adj	82,311	-	-
307-0000-397.10-12	Transfer In 001,003,005	-	329,040	-
<b>Total Reg. Athletic Complex Cap. Fund Revenues</b>		<b>1,933,809</b>	<b>4,511,833</b>	<b>2,492,200</b>

Regional Athletic Complex Capital Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
307-0106-508.50-00	Assigned Funds	-	1,250,858	-
307-0106-576.60-01	Capital Outlays-Equipment	57,979	227,705	-
307-0106-576.60-03	Capital-Improvements	249,421	15,000	-
307-0106-576.62-29	Sport Com-Admin Costs	-	329,040	-
307-0106-576.62-18	PFD - Administrative Cost	3,622	8,000	8,000
307-0106-576.62-19	Sport Com-Prel Design	19,470	1,730,529	1,900,000
307-0106-576.62-21	Sport Com-Contractor Prim	1,871,099	317,901	-
307-0106-597.10-08	Transfer Out 007 Fund	-	53,000	-
307-0106-597.69-03	Transfer Out 201 Fund	574,400	579,800	584,200
<b>Total Reg. Athletic Complex Cap. Fund Expenditures</b>		<b>2,775,991</b>	<b>4,511,833</b>	<b>2,492,200</b>



## **PUBLIC WORKS-WATER UTILITY FUND**

The Water Utility provides high-quality drinking water in sufficient quantity and pressure to support the residents of Lacey and residents of the entire water service area. All of Lacey's water comes from groundwater wells owned and operated by the Utility. Water rates cover current operating expenses, system maintenance, replacement of worn and failing waterlines, emergency repairs and debt service. In addition to water rates, new connections to the water system are charged a one-time fee to cover the costs of infrastructure requirements necessary to ensure continued quality service to utility customers. Such infrastructure includes twenty City-owned production wells, four treatment facilities, over 400 miles of distribution lines, numerous pressure control devices, chlorination capability at each well and nine storage reservoirs. There is also an intertie with the City of Olympia through which the City of Lacey purchases a limited amount of water via a temporary supply agreement.

Public Works programs include distribution line maintenance and repair, water quality and regulatory compliance, resource management, conservation, wellhead protection, water production, water treatment, storage operations and system engineering. Financial services include meter reading, accounting, billing and collections. The Operations Division is responsible for the daily operation of the system, Telemetry and SCADA, water production, treatment, chlorine production, well source rehabilitation, system repairs, preventive maintenance, hydraulic modeling, engineering, development review and construction support. The Water Resources and Engineering Divisions provide planning, capital improvements, regulatory compliance, community education/outreach, design, capital programming and source development services. Water Utility maintenance services are provided by 28 full-time employees.

### **Budget Summary**

This budget reflects the Utility's current maintenance and operation expenses. Construction projects as well as debt payments for the utility are funded under the Water Capital Fund and the Water Debt Service Fund.

The Water maintenance and operations budget is organized into seven programs.

1. General Services
2. Customer Service
3. Production and Storage
4. System Maintenance
5. Cross Connection Control
6. Water Quality
7. Reclaimed Water

The 2026 operating budget for the Utility is \$26,568,039. Water revenues are obtained from water rates with no support from the City's operating levy or general fund.

### **2026 Programs, Goals and Priorities**

- Maximize production capabilities from existing water production facilities
- Continue priority programs such as leak detection, cross connection control, waterline cleaning, water conservation, education and outreach

- Continue large water-meter preventative maintenance program consisting of annual inspection, maintenance and replacement
- Water meter and AMR replacement program

### Explanation of Water Rates

Beginning in 2006, the City adopted a new non-commercial water rate schedule designed to encourage conservation. These rates place greater emphasis on the relationship between water usage and the amount paid by the customer. This change rewards the water-conserving customer while encouraging the high-water-use consumer to conserve water resources. The rates have four tier fees instead of the two tiers that were in place prior to 2006.

The Base Rate reflects the cost of meter reading, billing, debt payment, debt reserves, replacement and replacement reserves. Revenues generated from consumption charges pay for the maintenance, operating and replacement of the utility infrastructure, as well as making additional contributions to replacement reserves and capital construction. The chart below illustrates rates for the years 2022 through 2026. The City has adopted two rate schedules - resident and non-resident. The nonresident rates are based on the schedule printed below plus 20%. This differential in charges reflects the costs associated with serving areas outside the city.

Rates and Cost Per 100 Cubic Feet <sup>(1)</sup>					
	2022	2023	2024	2025	2026
Base Rate	\$18.37	\$19.33	\$21.51	\$22.64	\$23.83
First 600 c.f.	1.5289	1.6092	1.7900	1.8840	1.9829
Tier 2 (601 to 1,200 c.f.) Per 100 c.f.	3.5887	3.7770	4.2019	4.4225	4.6547
Tier 3 (1,201 to 2,400 c.f.) Per 100 c.f.	4.5866	4.8274	5.3703	5.6523	5.9490
Tier 4 (2,401 plus) Per 100 c.f.	6.1245	6.4460	7.1711	7.5475	7.9438

Example of Monthly Bill 700 Cubic Feet Consumption					
	2022	2023	2024	2025	2026
Base Rate	\$18.37	\$19.33	\$21.51	\$22.64	\$23.83
Consumption	12.76	13.43	14.14	15.73	16.55
<b>Total<sup>(1)</sup></b>	<b>\$31.13</b>	<b>\$32.76</b>	<b>\$35.65</b>	<b>\$38.37</b>	<b>\$40.38</b>

<sup>(1)</sup>The City provides a 50% discount for qualified low-income senior and disabled citizens, earning less than 50% of the median income for Thurston County depending on the size of the household as it relates to income.

Water Utility Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
401-0000-308.00-00	Estimated Beginning Cash	-	2,030,556	-
401-0000-343.05-00	Shut-Offs	105,687	150,000	150,000
401-0000-343.40-01	Sales	21,309,828	23,425,839	25,070,096
401-0000-343.40-02	Penalties	579,244	425,000	600,000
401-0000-345.83-01	Plan Check Fees	4,972	-	-
401-0000-345.83-02	Inspection Services	30,438	25,000	25,000
401-0000-361.10-00	Investment Interest	547,497	413,660	192,086
401-0000-361.10-40	LGIP Earnings	173,299	151,152	95,857
401-0000-361.15-00	Leases	37,899	-	-
401-0000-361.32-00	Unrealized Gain(Loss)	(165,539)	-	-
401-0000-361.32-02	Reverse Prev Year Adj	237,102	-	-
401-0000-362.51-00	Cell Tower Lease	175,845	200,000	200,000
401-0000-362.90-00	Hydrant Meter Rental	49,186	50,000	50,000
401-0000-369.10-00	Sale of Scrap & Surplus	22,881	-	-
401-0000-369.11-00	Sale of Meters	194,842	150,000	150,000
401-0000-369.40-00	Court Fees /Judgments	62,610	-	-
401-0000-369.90-00	Other Misc Revenue	913	-	-
401-0000-369.90-01	Olympia Share WCGRRF M&O	3,285	-	-
401-0000-369.91-01	Procurement Card Rebate	18	-	-
401-0000-369.97-00	Escrow Search Fees	26,061	35,000	35,000
<b>Total Water Utility Fund Revenues</b>		<b>23,396,067</b>	<b>27,056,207</b>	<b>26,568,039</b>

Water Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services</b>				
401-3401-534.10-01	Salaries-Regular	1,032,785	1,266,809	1,221,250
401-3401-534.10-05	Salaries-Overtime	23,239	35,000	35,000
401-3401-534.20-01	Employer Paid Benefits	389,011	541,988	533,230
401-3401-534.20-42	GASB68 Pension Expense	(366,777)	-	-
401-3401-534.31-01	Office & Operating Supply	12,202	11,757	13,500
401-3401-534.31-02	Small Tools & Equipment	543	1,040	2,000
401-3401-534.31-17	Supplies-Uniform Purchase	7,624	11,412	11,412
401-3401-534.31-27	Software Upgrade	158	12,000	1,000
401-3401-534.31-35	Replaced Equipment	29,885	30,000	30,000
401-3401-534.41-01	Prof. Svc-Other	42,399	139,550	59,750
401-3401-534.41-02	Prof. Svc-Engineering	390,985	653,485	590,751
401-3401-534.41-05	Prof. Svc-Audit	19,487	9,425	15,000
401-3401-534.41-15	Prof. Svc-Legal	24,837	20,000	20,000
401-3401-534.41-17	Prof. Svc-Water Resources	567,425	917,811	922,386
401-3401-534.41-32	Prof. Svc-Utility Locates	4,366	2,000	5,000
401-3401-534.41-45	Long Lake Mgmt Dist	6,994	7,500	7,500
401-3401-534.42-01	Telecommunications	5,344	6,000	6,000
401-3401-534.43-01	Transportation/Per Diem	3,936	12,372	4,000
401-3401-534.43-02	Dues, Subscriptions, Publ	7,446	15,128	7,500
401-3401-534.43-03	Registrations	16,919	33,030	20,000
401-3401-534.45-01	Equipment Rental	4,535	4,731	4,910
401-3401-534.45-02	IMS Rental	277,221	286,972	367,014
401-3401-534.45-03	Copier Rental	2,335	2,280	2,280
401-3401-534.45-08	Lease Miscellaneous	379	6,900	750
401-3401-534.46-01	Insurance-Liability	76,994	84,162	81,058
401-3401-534.46-02	Insurance-Fire/Property	7,628	8,159	8,211
401-3401-534.47-01	Utility-Electric	7,811	8,465	9,000
401-3401-534.47-02	Utility-City of Lacey	8,025	4,500	10,500
401-3401-534.47-03	Utility Gas	2,192	3,706	2,750
401-3401-534.47-07	Utility-Solid Waste	11,566	38,300	40,000
401-3401-534.47-09	Utility- City of Tumwater	1,638	-	-
401-3401-534.48-01	Rep & Maint-Equipment	-	2,528	1,500
401-3401-534.48-03	Rep & Maint-Facilities	9,256	2,000	53,000
401-3401-534.49-02	Printing & Binding	-	500	-
401-3401-534.49-03	Recording Fees	-	5,000	-
401-3401-534.49-06	Maintenance Contracts	7,773	5,655	5,655
401-3401-534.49-10	Uniform Contract/Cleaning	-	1,000	-
401-3401-534.49-30	Software Maintenance	236	-	1,000
401-3401-534.49-23	Custodial	14,879	14,004	14,004
401-3401-534.49-25	Assessments/Taxes	1,899	18,210	2,750
401-3401-534.49-35	CDL-Physicals/Licenses	2,277	210	3,000
401-3401-534.50-90	Indirect Cost Plan Charge	732,128	987,854	1,007,319
401-3401-534.60-01	Capital Outlays-Equipment	170,866	103,037	273,769
401-3401-534.60-99	Capitalized Assets	(185,412)	-	-
401-3401-587.60-99	Capital-Transferred Out	163,272	-	-
<b>Total General Services</b>		<b>3,536,306</b>	<b>5,314,480</b>	<b>5,393,749</b>

Water Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Customer Service</b>				
401-3402-514.10-01	Salaries-Regular	665,193	665,160	815,960
401-3402-514.10-05	Salaries-Overtime	16,707	100	15,000
401-3402-514.10-06	Salaries-Part-Time	-	32,000	-
401-3402-514.20-01	Employer Paid Benefits	255,605	294,318	369,395
401-3402-514.31-01	Office & Operating Supply	1,415	10,000	30,000
401-3402-514.31-02	Small Tools & Equipment	4,395	500	3,500
401-3402-514.31-17	Supplies-Uniform Purchase	-	650	650
401-3402-514.31-37	Meters	1,298,112	2,770,408	1,429,224
401-3402-514.41-01	Prof. Svc-Other	32,451	10,000	16,250
401-3402-514.41-25	Prof. Svc-Computer	-	750	750
401-3402-514.41-44	Community Action Council	270	-	-
401-3402-514.42-01	Telecommunications	12,639	10,000	12,750
401-3402-514.42-02	Communications-Postage	-	1,000	-
401-3402-514.43-01	Transportation/Per Diem	867	2,140	600
401-3402-514.43-03	Registrations	-	990	100
401-3402-514.45-01	Equipment Rental	18,184	18,970	19,689
401-3402-514.45-02	IMS Rental	61,771	63,944	81,779
401-3402-514.46-06	AWC-L & I Pool	4,880	6,891	5,000
401-3402-514.48-01	Rep & Maint-Equipment	-	5,000	500
401-3402-514.49-01	Excise Taxes	1,034,705	1,120,275	1,250,000
401-3402-514.49-02	Printing & Binding	-	8,900	-
401-3402-514.49-06	Maintenance Contracts	131,533	54,101	125,000
401-3402-514.49-10	Uniform Contract/Cleaning	-	500	500
401-3402-514.49-27	Bad Debt Expense	-	6,600	1,200
401-3402-514.49-30	Software Maintenance	-	1,000	25,000
401-3402-514.49-60	Contractual Services	782,137	726,988	799,000
401-3402-514.60-01	Capital Outlays-Equipment	-	-	77,000
401-3402-597.69-04	Transfer Out 410 Fund	7,255,488	9,239,646	9,534,850
<b>Total Customer Service</b>		<b>11,576,350</b>	<b>15,050,831</b>	<b>14,613,697</b>
<b>Production and Storage</b>				
401-3403-534.10-01	Salaries-Regular	853,916	922,358	922,222
401-3403-534.10-05	Salaries-Overtime	16,618	19,000	19,000
401-3403-534.20-01	Employer Paid Benefits	372,977	411,698	434,929
401-3403-534.31-01	Office & Operating Supply	895	10,145	10,145
401-3403-534.31-02	Small Tools & Equipment	13,906	20,395	20,395
401-3403-534.31-11	Water Treatment Supplies	(12,832)	-	-
401-3403-534.31-48	Repairs & Maintenance	507,773	745,657	512,300
401-3403-534.34-01	Fuel	4,099	1,000	3,500
401-3403-534.41-01	Prof. Svc-Other	147,018	91,100	130,000
401-3403-534.41-16	Prof. Svc-Parks	52,743	77,916	95,314
401-3403-534.41-23	Prof. Svc-H2O Smpls-DSHS	-	1,500	1,500
401-3403-534.42-01	Telecommunications	22,049	14,380	23,250

Water Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Production and Storage Cont.</b>				
401-3403-534.45-01	Equipment Rental	77,069	80,399	84,101
401-3403-534.45-05	Rentals-Other	-	3,100	5,000
401-3403-534.46-02	Insurance-Fire/Property	142,575	152,681	153,653
401-3403-534.47-01	Utility-Electric	882,172	615,000	850,000
401-3403-534.47-02	Utility-City of Lacey	13,711	7,000	14,000
401-3403-534.47-03	Utility Gas	13,616	-	13,500
401-3403-534.47-06	Olympia Water Agreement	136,087	594,210	594,210
401-3403-534.48-01	Rep & Maint-Equipment	2,162	2,500	5,000
401-3403-534.48-03	Rep & Maint-Facilities	75,347	30,000	50,000
401-3403-534.48-11	Rep & Maint-Telemetry	123,165	95,000	95,000
401-3403-534.48-18	Generators	-	9,000	9,000
401-3403-534.49-06	Maintenance Contracts	3,207	31,790	2,500
401-3403-534.49-28	Misc - Disposal Fees	5,074	600	5,000
401-3403-534.49-30	Software Maintenance	852	1,000	1,000
401-3403-534.60-01	Capital Outlays-Equipment	93,881	35,771	19,395
401-3403-534.60-99	Capitalized Assets	(82,240)	-	-
401-3403-587.60-99	Capital-Trasferred Out	61,122	-	-
<b>Total Production and Storage</b>		<b>3,526,963</b>	<b>3,973,200</b>	<b>4,073,914</b>
<b>System Maintenance</b>				
401-3404-534.10-01	Salaries-Regular	871,613	989,760	903,683
401-3404-534.10-05	Salaries-Overtime	34,456	10,800	35,200
401-3404-534.20-01	Employer Paid Benefits	431,423	465,621	459,217
401-3404-534.31-01	Office & Operating Supply	11,093	12,150	12,150
401-3404-534.31-02	Small Tools & Equipment	20,754	18,218	25,000
401-3404-534.31-19	Inventory	187,954	270,389	230,000
401-3404-534.31-20	Street Restoration	23,838	20,000	20,000
401-3404-534.31-26	Valves	111,977	108,650	108,650
401-3404-534.31-38	Hydrant Meters	8,258	9,000	9,000
401-3404-534.41-01	Prof. Svc-Other	7,305	9,050	9,050
401-3404-534.42-01	Telecommunications	11,615	11,250	12,250
401-3404-534.43-03	Registrations	729	-	-
401-3404-534.45-01	Equipment Rental	385,061	401,699	416,947
401-3404-534.45-05	Rentals-Other	393	2,300	3,000
401-3404-534.49-28	Misc.-Disposal Fees	40	-	-
401-3404-534.60-01	Capital Outlays-Equipment	27,680	92,467	-
401-3404-534.60-99	Capitalized Assets	(21,118)	-	-
<b>Total System Maintenance</b>		<b>2,113,070</b>	<b>2,421,354</b>	<b>2,244,147</b>
<b>Cross Connection Control</b>				
401-3406-534.31-01	Office & Operating Supply	-	3,600	-
401-3406-534.31-02	Small Tools & Equipment	-	1,200	-

Water Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Cross Connection Control Cont.</b>				
401-3406-534.41-01	Prof. Svc-Other	-	500	-
401-3406-534.48-02	Rep & Maint-Equip Non-Pwr	-	750	-
401-3406-534.49-35	CDL-Physicals/Licenses	-	120	-
<b>Total Cross Connection Control</b>		-	6,170	-
<b>Water Quality</b>				
401-3407-534.20-01	Employer Paid Benefits	101	-	52
401-3407-534.31-01	Office & Operating Supply	275	750	750
401-3407-534.31-02	Small Tools & Equipment	-	1,150	250
401-3407-534.31-17	Supplies-Uniform Purchase	-	500	-
401-3407-534.41-01	Prof. Svc-Other	-	15,725	-
401-3407-534.41-14	Prof. Svc-Grdwater Mgmt	-	25,000	25,000
401-3407-534.41-23	Prof. Svc-H2O Smpls-DSHS	59,777	80,000	80,000
401-3407-534.42-01	Telecommunications	-	500	-
401-3407-534.42-02	Communications-Postage	-	9,500	5,000
401-3407-534.43-02	Dues, Subscriptions, Publ	-	500	500
401-3407-534.48-01	Rep & Maint-Equipment	336	20,250	500
401-3407-534.49-02	Printing & Binding	1,848	18,600	5,500
401-3407-534.49-32	Operating Permit-DSHS	35,470	37,000	37,000
401-3407-534.49-44	Project Green	4,680	3,600	9,300
401-3407-534.49-55	Conservation Program	21,159	64,500	64,500
<b>Total Water Quality</b>		123,647	277,575	228,352
<b>Reclaimed Water</b>				
401-3408-534.10-01	Salaries-Regular	3,061	3,797	4,286
401-3408-534.20-01	Employer Paid Benefits	1,322	-	1,394
401-3408-534.31-01	Office & Operating Supply	220	-	2,000
401-3408-534.41-01	Prof. Svc-Other	6,177	8,500	6,200
401-3408-534.47-01	Utility-Electric	231	300	300
<b>Total Reclaimed Water</b>		11,010	12,597	14,180
<b>Total Water Utility Fund Expenditures</b>		20,887,346	27,056,207	26,568,039



## **PUBLIC WORKS-WASTEWATER UTILITY FUND**

Lacey's Wastewater Utility consists of a collection system of sewer pipelines, sewage pump stations, STEP systems, grinders and community on-site septic systems. These facilities serve to collect, initiate treatment and transport wastewater to the regional LOTT Treatment Facilities. Lacey's Wastewater Utility is responsible for the operation and maintenance of approximately 192 miles of sewer transmission lines, 68 miles of STEP transmission lines, 48 lift stations and approximately 5,080 residential and community STEP systems, 300 grinders and 10 Odor Control & Corrosion facilities.

Utility operations are funded through wastewater service fees. These revenues cover current operating expenses, maintenance of the system, replacement and emergency repairs. Capital improvements are also supported by the general facility charge (GFC) that all new connections must pay.

The Wastewater Utility is supported by 20 full-time employees in the Public Works Operations and Maintenance Division. This support includes the repair and maintenance of pipe and pumping infrastructure, planning and capital improvements, design and construction compliance, infrastructure analysis, odor control and corrosion mitigation measures, septic system conversion to public sewer systems and administrative support.

### **Budget Summary**

This budget reflects the Utility's current maintenance and operating expenses. Replacement and construction projects, as well as debt services for the Utility, are funded under the Wastewater Replacement and Construction Fund and Wastewater Debt Service Fund.

The Wastewater maintenance and operations budget is organized into five programs.

1. Supervision and Support
2. Utility Billing
3. Maintenance - Wastewater Lift Stations
4. Maintenance - Wastewater Mains (collection system)
5. Maintenance - STEP Systems

The total 2026 operating budget for the Wastewater Utility is \$29,815,305, of which \$17,100,005 will be paid to LOTT Alliance for treatment plant operations and capital requirements.

### **2026 Programs, Goals and Priorities**

- Continue Community outreach and education to eliminate or reduce FOG (Fats, Oils, Grease)
- Continue efforts in replacing aging gravity sewer pipes, pump stations retrofits and onsite septic system conversions
- Continue priority programs such as lift station maintenance, odor control, sewer main cleaning and televising, STEP and grinder maintenance

### **Explanation of Charges**

The monthly Wastewater Utility rate is composed of several components, listed below. The current rates and the increase approved by LOTT for one equivalent residential unit (ERU) are as follows:

<b>City Charges<sup>(1)</sup></b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Maintenance/Operations	\$22.98	\$25.37	\$30.25	\$33.12	\$36.27
Replacement Reserves	1.25	1.25	-	-	-
Construction/Capital	1.00	1.00	-	-	-
<b>Subtotal</b>	<b>25.23</b>	<b>27.62</b>	<b>30.25</b>	<b>33.12</b>	<b>36.27</b>
LOTT Charges	43.49	44.80	46.15	47.53	48.95
<b>Total Monthly Charges</b>	<b>\$68.72</b>	<b>\$72.42</b>	<b>\$76.40</b>	<b>\$80.65</b>	<b>\$85.22</b>

<sup>(1)</sup>The city provides a 50% discount for qualified low-income senior and disabled citizens earning less than 50% of the median income for Thurston County, depending on the size of the household as it relates to income.

Wastewater Utility Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
402-0000-308.00-00	Estimated Beginning Cash	-	734,512	-
402-0000-343.50-01	Sales	10,182,889	11,389,010	12,361,286
402-0000-343.50-02	Penalties	166,724	150,000	150,000
402-0000-343.50-03	LOTT Sales	15,493,524	17,014,695	17,100,005
402-0000-345.83-01	Plan Check Fees	19,161	-	-
402-0000-345.83-02	Inspection Services	29,108	22,000	22,000
402-0000-345.83-04	Inspection Services-STEP	1,071	-	-
402-0000-361.10-00	Investment Interest	216,454	152,520	121,421
402-0000-361.10-40	LGIP Earnings	67,987	55,731	60,593
402-0000-361.32-00	Unrealized Gain(Loss)	(67,958)	-	-
402-0000-361.32-02	Reverse Prev Year Adj	84,211	-	-
402-0000-369.10-00	Sale of Scrap & Surplus	5,918	-	-
402-0000-369.40-00	Court Fees /Judgments	13,153	-	-
402-0000-369.91-01	Procurement Card Rebate	3	-	-
<b>Total Wastewater Utility Fund Revenues</b>		<b>26,212,246</b>	<b>29,518,468</b>	<b>29,815,305</b>

Wastewater Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services</b>				
402-3501-535.10-01	Salaries-Regular	625,650	677,904	774,391
402-3501-535.10-05	Salaries-Overtime	8,075	8,200	15,000
402-3501-535.20-01	Employer Paid Benefits	242,167	270,912	322,563
402-3501-535.20-03	Unemployment Compensation	-	500	500
402-3501-535.20-42	GASB68 Pension Expense	(148,722)	-	-
402-3501-535.31-01	Office & Operating Supply	11,635	10,113	12,500
402-3501-535.31-02	Small Tools & Equipment	-	1,390	1,390
402-3501-535.31-17	Supplies-Uniform Purchase	6,153	11,307	7,500
402-3501-535.31-23	Office & Operating- Bldg	-	1,000	1,000
402-3501-535.31-27	Software Upgrade	866	10,285	2,000
402-3501-535.31-35	Replaced Equipment	24,774	30,000	20,000
402-3501-535.41-01	Prof. Svc-Other	40,305	182,487	40,000
402-3501-535.41-02	Prof. Svc-Engineering	414,574	662,943	623,597
402-3501-535.41-05	Prof. Svc-Audit	21,381	11,500	22,000
402-3501-535.41-15	Prof. Svc-Legal	1,331	2,890	2,890
402-3501-535.41-17	Prof. Svc-Water Resources	110,984	216,682	202,009
402-3501-535.41-32	Prof. Svc-Utility Locates	1,559	2,000	2,000
402-3501-535.42-01	Telecommunications	395	2,770	2,770
402-3501-535.43-01	Transportation/Per Diem	5,586	9,900	9,900
402-3501-535.43-02	Dues, Subscriptions, Publ	600	4,447	1,500
402-3501-535.43-03	Registrations	11,518	17,500	17,500
402-3501-535.45-01	Equipment Rental	11,659	12,499	15,980
402-3501-535.45-02	IMS Rental	190,715	202,000	233,083
402-3501-535.45-03	Copier Rentals	2,043	1,995	1,995
402-3501-535.45-08	Lease Miscellaneous	-	3,000	340
402-3501-535.46-01	Insurance-Liability	48,731	53,268	51,303
402-3501-535.46-02	Insurance-Fire/Property	6,675	7,139	7,184
402-3501-535.47-01	Utility-Electric	7,111	32,000	7,500
402-3501-535.47-02	Utility-City of Lacey	-	2,288	-
402-3501-535.47-03	Utility-Natural Gas	2,029	3,000	3,000
402-3501-535.47-04	LOTT Treatment	15,473,845	17,014,695	17,100,005
402-3501-535.47-07	Utility-Solid Waste	9,011	17,500	19,500
402-3501-535.48-01	Rep & Maint-Equipment	-	2,212	1,000
402-3501-535.48-03	Rep & Maint-Facilities	4,862	2,000	52,000
402-3501-535.49-02	Printing & Binding	-	10,400	-
402-3501-535.49-03	Recording Fees	-	3,000	-
402-3501-535.49-06	Maintenance Contracts	5,338	4,073	4,500
402-3501-535.49-10	Uniform Contract/Cleaning	-	1,000	-
402-3501-535.49-23	Custodial	13,019	12,256	12,256
402-3501-535.49-25	Assessments/Taxes	866	301	400
402-3501-535.49-30	Software Maintenance	2,985	3,000	3,000
402-3501-535.49-35	CDL-Physicals/Licenses	1,106	1,340	1,340
402-3501-535.50-90	Indirect Cost Plan Charge	614,300	834,339	863,786
402-3501-535.60-01	Capital Outlays-Equipment	155,576	221,375	-

Wastewater Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services Cont.</b>				
402-3501-535.60-99	Capitalized Assets	(164,090)	-	-
402-3501-587.60-99	Capital-Transferred Out	153,586	-	-
<b>Total General Services</b>		<b>17,918,197</b>	<b>20,579,410</b>	<b>20,459,182</b>
<b>Customer Service</b>				
402-3502-514.10-01	Salaries-Regular	19,744	45,551	34,278
402-3502-514.10-05	Salaries-Overtime	1,180	100	1,000
402-3502-514.20-01	Employer Paid Benefits	7,010	18,648	14,386
402-3502-514.31-01	Office & Operating Supply	-	3,100	500
402-3502-514.31-17	Supplies-Uniform Purchase	-	80	-
402-3502-514.42-01	Telecommunications	-	200	-
402-3502-514.42-02	Communications-Postage	-	9,080	-
402-3502-514.45-01	Equipment Rental	7,001	7,506	9,597
402-3502-514.45-02	IMS Rental	18,658	19,763	22,804
402-3502-514.45-08	Lease Miscellaneous	-	1,000	-
402-3502-514.46-06	AWC-L & I Pool	3,052	4,309	2,500
402-3502-514.49-01	Excise Taxes	360,831	419,535	500,000
402-3502-514.49-02	Printing & Binding	-	1,450	-
402-3502-514.49-10	Uniform Contract/Cleaning	-	60	-
402-3502-514.49-27	Bad Debt Expense	-	9,000	-
402-3502-597.02-03	Transfer Out 411 Fund	673,092	2,976,188	3,772,911
<b>Total Customer Service</b>		<b>1,090,568</b>	<b>3,515,570</b>	<b>4,357,976</b>
<b>Lift Station Maintenance</b>				
402-3503-535.10-01	Salaries-Regular	767,268	907,255	948,106
402-3503-535.10-05	Salaries-Overtime	18,393	12,000	19,000
402-3503-535.20-01	Employer Paid Benefits	353,352	430,715	475,576
402-3503-535.31-01	Office & Operating Supply	22,431	26,500	30,000
402-3503-535.31-02	Small Tools & Equipment	12,706	12,700	12,700
402-3503-535.31-48	Repairs & Maintenance	454,176	315,990	315,990
402-3503-535.32-01	Electrical Supplies	14,392	-	-
402-3503-535.34-01	Fuel	3,849	9,300	9,300
402-3503-535.41-01	Prof. Svc-Other	10,917	10,400	10,400
402-3503-535.41-16	Prof. Svc-Parks	9,103	11,000	11,000
402-3503-535.42-01	Telecommunications	29,023	27,580	29,250
402-3503-535.45-01	Equipment Rental	128,255	137,503	178,394
402-3503-535.45-05	Rentals-Other	-	1,000	-
402-3503-535.46-02	Insurance-Fire/Property	128,240	127,699	128,512
402-3503-535.47-01	Utility-Electric	122,417	100,000	145,000
402-3503-535.47-02	Utility-City of Lacey	8,498	5,000	15,000
402-3503-535.47-03	Utility-Natural Gas	142	2,500	1,500
402-3503-535.47-07	Utility-Solid Waste	73	-	-

Wastewater Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Lift Station Maintenance Cont.</b>				
402-3503-535.47-08	Utility-Private Water	15,415	18,000	18,000
402-3503-535.48-01	Rep & Maint-Equipment	3,613	5,500	10,000
402-3503-535.48-11	Rep & Maint-Telemetry	64,964	50,064	50,064
402-3503-535.48-12	Rep & Maint-Liftstations	31,605	50,000	50,000
402-3503-535.48-18	Rep & Maint-Generator	4,459	61,674	20,000
402-3503-535.49-06	Maintenance Contracts	509	1,000	1,000
402-3503-535.49-30	Software Maintenance	852	6,200	6,200
402-3503-535.60-01	Capital Outlays-Equipment	105,976	252,560	116,800
402-3503-535.60-99	Capitalized Assets	(97,943)	-	-
402-3503-587.60-99	Capital-Transferred Out	73,463	-	-
<b>Total Lift Station Maintenance</b>		<b>2,286,150</b>	<b>2,582,140</b>	<b>2,601,792</b>
<b>Wastewater Main Maintenance</b>				
402-3504-535.10-01	Salaries-Regular	293,070	507,931	426,401
402-3504-535.10-05	Salaries-Overtime	4,750	6,000	6,000
402-3504-535.20-01	Employer Paid Benefits	134,868	212,273	202,147
402-3504-535.31-01	Office & Operating Supply	5,501	12,730	12,730
402-3504-535.31-02	Small Tools & Equipment	13,585	19,000	19,000
402-3504-535.31-25	Supplies-Odor Control	245,189	240,000	240,000
402-3504-535.31-48	Repairs & Maintenance	3,141	3,000	3,000
402-3504-535.41-01	Prof. Svc-Other	-	3,000	-
402-3504-535.41-38	Wastewater Testing	-	500	500
402-3504-535.45-01	Equipment Rental	290,310	311,246	397,917
402-3504-535.45-05	Rentals-Other	15,418	200	1,500
402-3504-535.48-01	Rep & Maint-Equipment	15,753	23,000	15,500
402-3504-535.49-28	Misc - Disposal Fees	30	500	500
402-3504-535.49-30	Software Maintenance	3,357	3,000	3,500
402-3504-535.60-01	Capital Outlays-Equipment	352,125	544,894	-
402-3504-535.60-99	Capitalized Assets	(349,248)	-	-
402-3504-587.60-99	Capital-Transferred Out	326,537	-	-
<b>Total Wastewater Main Maintenance</b>		<b>1,354,386</b>	<b>1,887,274</b>	<b>1,328,695</b>
<b>STEP System Maintenance</b>				
402-3505-535.10-01	Salaries-Regular	259,072	289,353	319,000
402-3505-535.10-05	Salaries-Overtime	18,377	14,500	18,000
402-3505-535.20-01	Employer Paid Benefits	132,700	154,850	180,847
402-3505-535.31-01	Office & Operating Supply	3,678	16,203	15,000
402-3505-535.31-02	Small Tools & Equipment	9,811	10,000	10,000
402-3505-535.31-25	Supplies-Odor Control	81,730	90,000	90,000
402-3505-535.31-48	Repairs & Maintenance	96,588	136,358	136,358
402-3505-535.41-38	Wastewater Testing	-	2,000	2,000
402-3505-535.41-41	On site septic system	-	950	950

Wastewater Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>STEP System Maintenance Cont.</b>				
402-3505-535.45-01	Equipment Rental	186,556	200,010	255,705
402-3505-535.45-05	Rentals-Other	-	50	-
402-3505-535.48-01	Rep & Maint-Equipment	1,997	3,800	3,800
402-3505-535.48-17	Rep & Maint-Grinders	58,632	36,000	36,000
402-3505-535.60-99	Capitalized Assets	(355)	-	-
<b>Total STEP System Maintenance</b>		<b>848,787</b>	<b>954,074</b>	<b>1,067,660</b>
<b>Total Wastewater Utility Fund Expenditures</b>		<b>23,498,088</b>	<b>29,518,468</b>	<b>29,815,305</b>



## **PUBLIC WORKS-STORMWATER UTILITY FUND**

The Stormwater Utility operates and maintains City-owned storm drainage systems. The Utility is also responsible for developing plans and programs as necessary to comply with Federal, State and City stormwater and surface water requirements. Significant resources are devoted to public education, responding to citizen and business inquiries, identifying concerns related to water quality/quantity and developing solutions. An emphasis is placed on:

- Identifying requirements for facilities to address known water quality and flooding concerns
- Cleaning and maintaining catch basins, storm ponds, swales and other treatment devices
- Developing water quality monitoring and maintenance plans for both public and private stormwater facilities
- Maximizing pollutant removal efficiency of the stormwater system through our street sweeping program
- Emphasizing response to chemical spills through our response system
- Education and outreach to homeowners' associations to gain regulatory compliance with standards applicable to their privately owned stormwater facilities

### **Budget Summary**

This budget reflects the Utility's current supervision and support, utility billing and maintenance, as well as support and program services from Water Resources staff. Construction projects and land acquisition are funded in the Stormwater Capital Fund budget and debt payments are accounted for in the Stormwater Debt Service Fund.

The Stormwater Utility budget is organized into three programs.

1. Supervision and Support
2. Customer Service
3. Stormwater Facilities Maintenance

The total 2026 budget for the Stormwater Utility is \$6,204,191. The rates provide for current operating expenses and reserves for future treatment and flow control facilities. Upon completion, the comprehensive capital improvement plan will identify new treatment facilities and programs that will be funded by rates.

### **2026 Projects, Goals and Priorities**

- Continue implementing programs and policies to maintain compliance with NPDES Phase II requirements
- Accomplish preventative maintenance goals to maintain drainage system capacity and functionality
- Respond to citizen and business inquiries regarding stormwater concerns and provide technical assistance
- Continue implementation of the private facility inspection and maintenance program
- Identify and improve stormwater flow problems in residential areas

- Continue implementation of the Source Control Program to reduce water pollution and meet state requirements

	Explanation of Rate				
	2022	2023	2024	2025	2026
Residential Stormwater Rate	\$12.96	\$13.54	\$14.16	\$14.79	\$15.46
Duplex Stormwater Rate	\$25.93	\$27.09	\$28.32	\$29.58	\$30.92

The City offers a 50% discount to qualified low-income senior and disabled citizens who earn less than 50% of the median income for Thurston County, based on household size and income.

Commercial rates are calculated by a formula based on the parcel’s impervious surface area and total parcel area. The percentage of impervious surface establishes a rate category, which is multiplied by parcel area to determine rates.

Stormwater Utility Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
403-0000-308.00-00	Estimated Beginning Cash	-	97,827	-
403-0000-343.51-01	Sales	5,598,838	6,003,301	6,089,975
403-0000-345.83-01	Plan Check Fees	27,987	-	-
403-0000-345.83-02	Inspection Services	13,124	20,000	20,000
403-0000-361.10-00	Investment Interest	148,881	119,275	62,851
403-0000-361.10-40	LGIP Earnings	47,621	43,583	31,365
403-0000-361.32-00	Unrealized Gain(Loss)	(40,491)	-	-
403-0000-361.32-02	Reverse Prev Year Adj	64,760	-	-
403-0000-369.40-00	Court Fees /Judgments	3,056	-	-
403-0000-369.91-01	Procurement Card Rebate	1	-	-
<b>Total Stormwater Utility Fund Revenues</b>		<b>5,863,778</b>	<b>6,283,986</b>	<b>6,204,191</b>

Stormwater Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services</b>				
403-4201-538.10-01	Salaries-Regular	295,843	418,204	422,440
403-4201-538.10-05	Salaries-Overtime	1,610	1,000	3,000
403-4201-538.10-06	Salaries-Part-Time	742	953	953
403-4201-538.20-01	Employer Paid Benefits	109,997	177,931	188,539
403-4201-538.20-03	Unemployment Compensation	4,012	-	-
403-4201-538.20-42	GASB68 Pension Expense	(35,752)	-	-
403-4201-538.31-01	Office & Operating Supply	9,358	27,541	9,500
403-4201-538.31-02	Small Tools & Equipment	927	2,580	1,000
403-4201-538.31-17	Supplies-Uniform Purchase	3,305	4,300	1,000
403-4201-538.31-27	Software Upgrade	23,037	15,260	15,260
403-4201-538.31-35	Replaced Equipment	12,449	15,000	15,000
403-4201-538.41-01	Prof. Svc-Other	38,850	54,059	54,059
403-4201-538.41-02	Prof. Svc-Engineering	225,469	345,801	328,526
403-4201-538.41-05	Prof. Svc-Audit	4,419	450	4,500
403-4201-538.41-15	Prof. Svc-Legal	-	2,200	2,200
403-4201-538.41-17	Prof. Svc-Water Resources	1,231,980	876,082	1,574,694
403-4201-538.41-23	Prof. Svc-Local Monitor	22,776	40,000	40,000
403-4201-538.41-27	Prof. Svc-PIE Program	33,127	60,000	60,000
403-4201-538.41-32	Prof. Svc-Utility Locates	312	725	400
403-4201-538.41-42	Illicit Discharge Detect.	-	9,000	9,000
403-4201-538.41-43	Analyze Stormwater Sample	1,102	10,000	10,000
403-4201-538.42-01	Telecommunications	5,208	2,500	6,330
403-4201-538.43-01	Transportation/Per Diem	746	2,228	2,000
403-4201-538.43-02	Dues, Subscriptions, Publ	150	173	173
403-4201-538.43-03	Registrations	3,800	2,818	7,818
403-4201-538.45-01	Equipment Rental	5,663	5,876	6,634
403-4201-538.45-02	IMS Rental	44,838	54,697	73,891
403-4201-538.45-03	Copier Rentals	511	499	500
403-4201-538.45-08	Lease Miscellaneous	406	-	-
403-4201-538.46-01	Insurance-Liability	23,381	25,559	24,616
403-4201-538.46-02	Insurance-Fire/Property	4,983	5,335	5,368
403-4201-538.47-01	Utility-Electric	3,013	2,800	2,800
403-4201-538.47-02	Utility-City of Lacey	-	529	-
403-4201-538.47-03	Utility-Natural Gas	326	811	400
403-4201-538.47-07	Utility-Solid Waste	60,611	92,000	155,000
403-4201-538.48-01	Rep & Maint-Equipment	-	553	250
403-4201-538.48-03	Rep & Maint-Facilities	3,448	-	2,000
403-4201-538.49-06	Maintenance Contracts	1,397	1,018	1,018
403-4201-538.49-23	Custodial	3,255	3,063	3,063
403-4201-538.49-25	Assessments/Taxes	25,351	28,500	28,500
403-4201-538.49-35	CDL-Physicals/Licenses	826	120	500
403-4201-538.49-43	Regional Monitoring Prog.	1,873	10,000	10,000
403-4201-538.49-44	Project Green	14,040	15,000	15,000
403-4201-538.50-90	Indirect Cost Plan Charge	201,775	345,749	343,375

Stormwater Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services Cont.</b>				
403-4201-538.60-01	Capital Outlays-Equipment	4,382	-	63,147
403-4201-538.60-99	Capitalized Assets	(14,260)	-	-
403-4201-587.60-99	Capital-Transferred Out	3,474	-	-
<b>Total General Services</b>		<b>2,382,758</b>	<b>2,660,914</b>	<b>3,492,454</b>
<b>Customer Service</b>				
403-4202-514.10-01	Salaries-Regular	13,047	12,983	15,417
403-4202-514.10-05	Salaries-Overtime	680	-	500
403-4202-514.20-01	Employer Paid Benefits	4,477	5,308	6,460
403-4202-514.31-01	Office & Operating Supply	44	200	200
403-4202-514.42-01	Telecommunications	-	50	-
403-4202-514.42-02	Communications-Postage	-	1,750	-
403-4202-514.45-02	IMS Rental	7,607	9,280	12,536
403-4202-514.45-08	Lease Miscellaneous	-	500	-
403-4202-514.46-06	AWC-L & I Pool	1,127	1,592	1,000
403-4202-514.49-01	Excise Taxes	104,492	107,127	125,000
403-4202-514.49-02	Printing & Binding	-	500	1,000
403-4202-514.49-27	Bad Debt Expense	-	1,800	200
403-4202-597.69-02	Transfer Out 412 Fund	1,860,382	2,076,319	1,138,295
<b>Total Customer Service</b>		<b>1,991,856</b>	<b>2,217,409</b>	<b>1,300,608</b>
<b>Stormwater Facility Maintenance</b>				
403-4203-538.10-01	Salaries-Regular	400,072	425,285	486,443
403-4203-538.10-05	Salaries-Overtime	10,763	4,000	12,000
403-4203-538.10-06	Salaries-Part-Time	42,424	44,761	44,761
403-4203-538.20-01	Employer Paid Benefits	204,181	218,225	271,255
403-4203-538.20-03	Unemployment Compensation	17,194	-	-
403-4203-538.31-01	Office & Operating Supply	46,017	40,040	40,040
403-4203-538.31-02	Small Tools & Equipment	750	2,500	1,000
403-4203-538.31-17	Supplies-Uniform Purchase	1,850	2,000	3,700
403-4203-538.31-22	Manhole/Ring/Lid Replace	265	4,000	4,000
403-4203-538.34-01	Fuel	458	750	500
403-4203-538.41-01	Prof. Svc-Other	8,352	13,000	13,000
403-4203-538.43-03	Registrations	-	4,800	4,800
403-4203-538.45-01	Equipment Rental	372,550	386,512	436,380
403-4203-538.45-05	Rentals-Other	-	-	5,000
403-4203-538.47-01	Utility-Electric	1,854	900	2,000
403-4203-538.47-02	Utility-City of Lacey	14,839	13,000	15,000
403-4203-538.47-05	Utility-City of Olympia	820	-	1,000
403-4203-538.48-01	Rep & Maint-Equipment	-	800	250
403-4203-538.48-03	Rep & Maint-Facilities	27,703	52,050	30,000
403-4203-538.49-10	Uniform Contract/Cleaning	-	500	-

Stormwater Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Stormwater Facility Maintenance Cont.</b>				
403-4203-538.49-28	Misc - Disposal Fees	3,771	10,000	10,000
403-4203-538.49-29	Vactor Waste	37,968	30,000	30,000
403-4203-538.60-01	Capital Outlays-Equipment	136,639	152,540	-
403-4203-538.60-99	Capitalized Assets	(134,863)	-	-
403-4203-587.60-99	Capital-Transferred Out	134,863	-	-
<b>Total Stormwater Facility Maintenance</b>		<b>1,328,470</b>	<b>1,405,663</b>	<b>1,411,129</b>
<b>Total Stormwater Utility Fund Expenditures</b>		<b>5,703,085</b>	<b>6,283,986</b>	<b>6,204,191</b>

## **PUBLIC WORKS-RECLAIMED WATER UTILITY FUND**

The Martin Way Reclaimed Water Treatment Plant, owned and operated by the LOTT Alliance, is currently online and, through use of a membrane bioreactor system, is producing Class A reclaimed water. In time, the reclaimed water available will provide the City of Lacey with the opportunity to reduce both peak and annual potable water demands by utilizing an alternative water supply for non-potable water applications such as irrigation, toilet flushing and water rights mitigation. Currently, reclaimed water is used to mitigate the predicted impacts to surface and shallow groundwater from utilizing City of Lacey water rights. The City of Lacey currently has access to 1.06 MGD of reclaimed water daily and is injecting reclaimed water into the Woodland Creek Ground Water Recharge facility in Woodland Creek Community Park.

The LOTT Alliance is also pursuing a Class A+ Demonstration Project, supported by the City of Lacey and other partners, to produce Class A+ reclaimed water suitable for direct potable reuse. The project is scheduled for completion in 2026 and with State Board of Health, Department of Health and Department of Ecology approval, will provide potable water for production of beverages and other products used to support education and outreach efforts to demonstrate the benefits and safety of reclaimed water as an alternative water supply.

### **Budget Summary**

The 2026 maintenance and operating budget for the Reclaimed Water Utility Fund is \$2,458.

All associated costs for this fund have been transferred to the Water Utility for maintenance of systems.

Reclaimed Water Utility Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
404-0000-361.10-00	Investment Interest	3,070	2,139	1,640
404-0000-361.10-40	LGIP Earnings	973	782	818
404-0000-361.32-00	Unrealized Gain(Loss)	(853)	-	-
404-0000-361.32-02	Reverse Prev Year Adj	1,331	-	-
<b>Total Reclaimed Water Utility Fund Revenues</b>		<b>4,521</b>	<b>2,921</b>	<b>2,458</b>

Reclaimed Water Utility Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services</b>				
404-3501-508.80-00	Unreserved Funds	-	2,921	2,458
404-3501-535.82-01	Depreciation-Utilities	39,087	-	-
<b>Total Reclaimed Water Utility Fund Expenditures</b>		<b>39,087</b>	<b>2,921</b>	<b>2,458</b>



## **PUBLIC WORKS-WATER CAPITAL FUND**

The Water Capital Fund provides revenues and reserve dollars to construct new or replace older water production and distribution facilities. Revenues also provide resources for studies and resources to fund system improvements.

### **Budget Summary**

Revenues in this fund come from GFCs, user fees, bond sales and loans. After all expenses are paid, remaining revenues are carried forward into the next fiscal year and are allocated to fund reserves for construction.

The total 2026 Budget for this fund is \$26,118,726.

### **2026 Programs, Goals and Priorities**

Water Construction Fund Projects:

- Madrona Wells pH Treatment-Milbanke Dr & Fitz Hugh
- Westside Wells pH Treatment-College St & 32nd Ln SE
- College Street Extension
- Marvin Rd Production Well
- Meridian Campus Production Well
- Stikes and Wellington Utility Improvements
- Marvin Road Well House
- S04 Supplemental Well
- S04 House Demolition
- TQu Deep Test Well
- S10 Well Site Improv (Blowoff, Generator, Electrical & Well Pump)
- 2022, S27 Rehab
- LS6 Water - 32nd Ct SE Watermain
- Lakes Elementary School Fire Flow
- Madrona Connection to 337 PZ
- Groundwater Trends and Hawks Prairie Water Rights
- S06 Water Rights Grays Production Well
- Lakeview Meadows Water Main
- College & 16th roundabout – Design
- College & 7th roundabout – Water
- Well Program Ph III
- Chambers Lake Main Abandonment
- S09 Property Purchase
- 2026 Funds for Misc. Projects
- Hawks Prairie Water Treatment Facility Capacity
- Hawks Prairie Reservoir Rehabilitation – Marvin Rd NE and 41st Ave NE
- Water Risk Assessment Update and Emergency Response Plan Update
- Water Meter Replacement Project

- S07 Replacement
- Water Rights – Groundwater Recharge
- Southridge Water Improvement
- 31st – 26th Water Replace (College & 29th roundabout)
- Vista Village Water Improvement
- Ridgeview Drive Pavement Repair
- 4th Avenue Extension
- 2025 Overlay Water 33rd/36th Improvements
- S07 / ATEC Property Purchase
- Rainier Road Improvements
- Hawks Prairie SCADA and Wetland Mitigation – Marvin Rd NE and 41st Ave NE
- LS3 Replacement
- Lakeview/37th Improvements
- Water Comprehensive Plan Update
- 26<sup>th</sup> Loop Mains

Water Capital Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
410-0000-308.00-00	Estimated Beginning Cash	-	14,045,159	13,375,559
410-0000-308.01-00	Construction Cash	-	35,439	-
410-0000-333.97-39	Hazard Mitigation	206,554	-	-
410-0000-343.40-07	General Facilities Charge	3,133,242	2,500,000	2,500,000
410-0000-361.10-00	Investment Interest	856,349	543,559	472,516
410-0000-361.10-40	LGIP Earnings	271,501	198,617	235,801
410-0000-361.32-00	Unrealized Gain(Loss)	(226,838)	-	-
410-0000-361.32-02	Reverse Prev Year Adj	390,454	-	-
410-0000-369.13-00	Proceeds of Capital Asset	2,400,461	-	-
410-0000-369.90-00	Other Misc. Revenue	3,615	-	-
410-0000-382.70-00	PWTF Loan	-	6,000,000	-
410-0000-397.02-00	Transfer In 401 Fund	7,255,488	9,239,646	9,534,850
<b>Total Water Capital Fund Revenues</b>		<b>14,290,825</b>	<b>32,562,420</b>	<b>26,118,726</b>

Water Capital Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Water Replacement Construction</b>				
410-3417-534.90-01	Preliminary Engineering	7,580	-	-
<b>Total Water Replacement Construction</b>		<b>7,580</b>	<b>-</b>	<b>-</b>
<b>Water Capital Construction</b>				
410-3418-534.60-99	Capitalized Assets	(12,833,607)	-	-
410-3418-534.90-01	Preliminary Engineering	814,900	2,931,465	7,506,250
410-3418-534.90-05	Construction Engineering	1,310,169	2,217,729	1,255,875
410-3418-534.90-11	Construction Admin	230	-	-
410-3418-534.90-13	Construction/Utilities	11,483,944	26,183,829	15,560,375
410-3418-534.90-22	Purchase of Land	4,079	692,000	600,000
410-3418-597.69-01	Transfer Out 450 Fund	502,790	537,397	1,196,226
<b>Total Water Capital Construction</b>		<b>1,282,505</b>	<b>32,562,420</b>	<b>26,118,726</b>
<b>Total Water Capital Fund Expenditures</b>		<b>1,290,085</b>	<b>32,562,420</b>	<b>26,118,726</b>

## **PUBLIC WORKS-WASTEWATER CAPITAL FUND**

The Wastewater Capital Fund provides revenues to construct new or replace portions of existing wastewater collection and treatment systems. Revenues also provide funding for special studies and resources for system improvements.

### **Budget Summary**

Revenues in this fund come from GFCs, user fees, bond sales and loans. The Utility also has a separate component to fund future construction projects.

The total 2026 fund requirements are \$12,788,382.

### **2026 Programs, Goals and Priorities**

Wastewater Construction Fund Projects:

- Lift Station 9 Improvements
- Lift Station 3 Replacement
- Lift Station 23-College St NE/Abernathy Improvements
- Lift Station 6 Replacement
- College Street Ext & Lift Station 27 Abandonment
- College and 16th roundabout – Design
- Lift Station 11 Improvements - Aldea Glen
- Lift Station 17 Rehabilitation
- Sewer Decant Facility, Pit Site
- Wastewater Comprehensive Plan
- Vista Village Wastewater Improvements
- Classic Heights Roadway Rehabilitation
- Martin Way/Galaxy-Hoh Wastewater Main
- 2023/2024 Manhole Rehab
- 2023 Lift Station Awnings
- Lake View Meadows Sewer Replacement
- Little Prairie Sewer Main
- 2026 Funds for Misc. Projects
- Lift Station 49 Land Purchase
- Lift Station 49 Improvements
- 2026 Annual Valves & Looping
- 31st - 26th Wastewater Replacement (College and 26th roundabout)
- 7th and College Street Roundabout
- Lift Station 4 Improvements
- Lift Station 5 Improvements
- Lift Station 24 Improvements
- Lift Station 33 Improvements
- Lift Station 8 Abandonment
- Rainier Road Improvements
- Stikes and Wellington Utility Improvements

- Chambers Lake Main Abandonment
- Chapman – 2024 Wastewater Looping and Annual Valves
- Sleater Kinney Slipline & MH Rehab
- 26<sup>th</sup> Loop Mains

Wastewater Capital Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
411-0000-308.00-00	Estimated Beginning Cash	-	6,193,765	-
411-0000-343.50-08	General Facilities Charge	1,777,256	1,250,000	1,250,000
411-0000-361.10-00	Investment Interest	345,394	238,358	177,095
411-0000-361.10-40	LGIP Earnings	111,371	87,096	88,376
411-0000-361.32-00	Unrealized Gain(Loss)	(84,308)	-	-
411-0000-361.32-02	Reverse Prev Year Adj	184,132	-	-
411-0000-382.20-00	Revenue Bond Proceeds	-	10,000,000	7,500,000
411-0000-397.03-00	Transfer In 402 Fund	673,092	2,976,188	3,772,911
<b>Total Wastewater Capital Fund Revenues</b>		<b>3,006,937</b>	<b>20,745,407</b>	<b>12,788,382</b>

Wastewater Capital Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Wastewater Capital Construction</b>				
411-3518-508.80-00	Unreserved Funds	-	-	2,250,882
411-3518-535.60-99	Capitalized Assets	(6,236,744)	-	-
411-3518-535.90-01	Preliminary Engineering	1,281,071	2,540,162	1,954,500
411-3518-535.90-02	Right of Way	289	-	-
411-3518-535.90-05	Construction Engineering	372,743	1,333,802	641,250
411-3518-535.90-13	Construction/Utilities	5,144,839	16,053,443	7,741,750
411-3518-535.90-22	Purchase of Land	215	818,000	200,000
<b>Total Wastewater Capital Fund Expenditures</b>		<b>562,414</b>	<b>20,745,407</b>	<b>12,788,382</b>

## **PUBLIC WORKS-STORMWATER CAPITAL FUND**

This fund provides revenues to construct new or replace portions of the stormwater collection and treatment system. Revenues also provide funding to purchase studies and resources for system improvements.

### **Budget Summary**

All expenditures are allocated for specific improvement projects included in the City's Capital Facilities Plan. Expenditures from this fund fluctuate significantly based on success in obtaining grant funding. Expenditures for 2026 are budgeted to be \$2,522,140. Revenues for this fund come from rates, loans and grants.

### **2026 Programs, Goals and Priorities**

- LS3-26th Loop SW Stormwater
- Decant Effluent Modification
- LS6-32nd Court SW Stormwater
- Stormwater Comprehensive Plan Update
- Stormwater Manual and Code Update
- Jubilee Stormwater Pond Rehabilitation
- 2026 Funds for Misc. Projects
- 2026 Stormwater Pond Rehabilitation
- Woodland Creek Community Park Habitat Restoration
- Clearbrook Dr Roadway Rehabilitation
- Southridge Stormwater Improvements
- Stormwater Lift Station 01 Improvements
- 26<sup>th</sup> Loop Mains

Stormwater Capital Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
412-0000-308.00-00	Estimated Beginning Cash	-	239,315	1,125,998
412-0000-334.03-13	Dept of Ecology	51,341	-	-
412-0000-361.10-00	Investment Interest	250,001	156,365	172,009
412-0000-361.10-40	LGIP Earnings	78,281	57,136	85,838
412-0000-361.32-00	Unrealized Gain(Loss)	(75,630)	-	-
412-0000-361.32-02	Reverse Prev Year Adj	97,994	-	-
412-0000-397.10-06	Transfer In 403 Fund	1,860,382	2,076,319	1,138,295
<b>Total Stormwater Capital Fund Revenues</b>		<b>2,262,369</b>	<b>2,529,135</b>	<b>2,522,140</b>

Stormwater Capital Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Stormwater Capital Construction</b>				
412-4218-508.80-00	Unreserved Funds	-	733,252	-
412-4218-542.60-99	Capitalized Assets	(71,780)	-	-
412-4218-542.90-01	Preliminary Engineering	41,796	584,276	1,038,750
412-4218-542.90-05	Construction Engineering	-	82,260	105,000
412-4218-542.90-11	Construction Administration	12,508	-	-
412-4218-542.90-13	Construction/Utilities	27,263	985,779	1,276,250
412-4218-542.90-17	Capital Projects-Land	-	42,000	-
412-4218-597.69-05	Transfer Out 452 Fund	101,736	101,568	102,140
<b>Total Stormwater Capital Fund Expenditures</b>		<b>111,522</b>	<b>2,529,135</b>	<b>2,522,140</b>



## **PUBLIC WORKS-RECLAIMED WATER CAPITAL FUND**

The Martin Way Reclaimed Water Treatment Plant, owned and operated by the LOTT Alliance, is currently online and, through use of a membrane bioreactor system, is producing Class A reclaimed water. The reclaimed water will provide the City of Lacey with the opportunity to reduce both peak and annual potable water demands by utilizing an alternative water supply for non-potable water applications such as irrigation, toilet flushing and fire suppression. Currently, reclaimed water is used to mitigate the predicted impacts to surface and shallow groundwater from utilizing City of Lacey water rights. The City of Lacey currently has access to 1.06 MGD of reclaimed water daily and is injecting reclaimed water into the Woodland Creek Ground Water Recharge facility in Woodland Creek Community Park.

The LOTT Alliance is also pursuing a Class A+ Demonstration Project, supported by the City of Lacey and other partners, to produce Class A+ reclaimed water suitable for direct potable reuse. The project is scheduled for completion in 2026 and with State Board of Health, Department of Health and Department of Ecology approval, will provide potable water for production of beverages and other products used to support education and outreach efforts to demonstrate the benefits and safety of reclaimed water as an alternative water supply.

### **Budget Summary**

The 2026 budget for the Reclaimed Water Capital Fund is \$47,750. This fund will provide for the future construction of the facilities necessary to irrigate rights-of-way in northeast Lacey and the Regional Athletic Complex and provide future water right mitigation efforts.

Reclaimed Water Capital Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
414-0000-361.10-00	Investment Interest	59,645	41,558	31,854
414-0000-361.10-40	LGIP Earnings	18,913	15,185	15,896
414-0000-361.32-00	Unrealized Gain(Loss)	(16,568)	-	-
414-0000-361.32-02	Reverse Prev Year Adj	25,851	-	-
<b>Total Reclaimed Water Capital Fund Revenues</b>		<b>87,841</b>	<b>56,743</b>	<b>47,750</b>

Reclaimed Water Capital Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Reclaimed Water Capital Construction</b>				
414-3518-508.80-00	Unreserved Funds	-	56,743	47,750
<b>Total Reclaimed Water Capital Fund Expenditures</b>		-	56,743	47,750



## **WATER DEBT SERVICE FUND**

The Water Debt Service Fund was created to remove debt obligations from the operating budget.

Debt obligations must be retired from utility system operating revenues or by special assessment against benefited properties. The Water Utility has a debt cost component built into its rate structure. Current debt obligations are the result of various improvement projects including reservoirs, tanks and major transmission lines.

The 2026 budget of \$6,119,213 included \$1,195,977 for interest and principal payments for the 2013 revenue bonds, ULID #21 and 2025 Public Works Board loan. These debt service payments are funded through Water rates and are transferred into the debt service fund from the Water Capital fund.

Water Debt Service Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
450-0000-308.04-00	Depreciation-Balancing	-	4,500,000	4,750,000
450-0000-361.10-00	Investment Interest	11,418	16,739	98,572
450-0000-361.10-13	Debt Reserve Interest	18,189	4,500	4,500
450-0000-361.10-40	LGIP Earnings	6,112	6,116	49,191
450-0000-361.13-40	LGIP Interest	3,205	300	300
450-0000-361.32-00	Unrealized Gain(Loss)	(37,422)	-	-
450-0000-361.32-02	Reverse Prev Year Adj	11,330	-	-
450-0000-361.51-08	Penalty-ULID 21	107	-	-
450-0000-361.55-08	Interest-ULID 21	1,219	5,373	5,875
450-0000-368.10-08	Principal-ULID 21	-	15,052	14,549
450-0000-373.00-00	Other Gains & Losses	(2,076,735)	-	-
450-0000-383.10-00	Contributed Capital	9,697,097	-	-
450-0000-397.06-00	Transfer In 410 Fund	502,790	537,397	1,196,226
<b>Total Water Debt Service Fund Revenues</b>		<b>8,137,310</b>	<b>5,085,477</b>	<b>6,119,213</b>

Water Debt Service Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
450-3401-508.80-00	Unreserved Funds	-	27,905	152,811
450-3401-534.82-01	Depreciation-Utilities	4,665,489	4,500,000	4,750,000
450-3401-591.34-01	Public Works Board Loan	-	-	526,316
450-3401-591.72-05	Principal-2013 Rev Bonds	-	345,159	361,794
450-3401-592.34-01	Public Works Board Loan	-	35,439	172,000
450-3401-592.83-05	Interest-2013 Rev Bonds	150,300	156,549	135,867
450-3401-597.69-06	Transfer Out 202 Fund	20,425	20,425	20,425
<b>Total Water Debt Service Fund Expenditures</b>		<b>4,836,214</b>	<b>5,085,477</b>	<b>6,119,213</b>



## **WASTEWATER DEBT SERVICE FUND**

The Wastewater Debt Service Fund was created to separate the budgetary functions of this utility into three distinct funds including operations, construction and replacement and debt.

Debt obligations must be retired from utility system operating revenues, general facility charges for new sewer connections, or by special assessment against benefited properties. Generally speaking, debt in the wastewater utility has been issued to finance liftstations and major transmission lines. When property owners request the formation of a local improvement district to finance the construction of sewer lines to serve their property, bonds are sold to provide financing. Property owners then make installment payments to retire the debt.

Current local improvement district debt obligations are for Utility Local Improvement District (ULID) #23, which included a sewer line installation and connections, ULID #24 and #25, which included the replacement of a community septic systems with a sewer interceptor connection to the city system.

The 2026 budget of \$3,653,211 includes \$142,415 for interest and principal for outstanding debt for ULID #23 and ULID #24. Any transactions relating to the pending ULID #25 will be addressed through the budget amendment process after the final assessment and debit is issued.

Wastewater Debt Service Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
451-0000-308.04-00	Depreciation-Balancing	-	3,250,000	3,500,000
451-0000-361.10-00	Investment Interest	-	9,799	8,365
451-0000-361.10-13	Debt Reserve Interest	10,106	-	-
451-0000-361.13-40	LGIP Interest	3,183	2,506	2,416
451-0000-361.32-00	Unrealized Gain(Loss)	(3,148)	-	-
451-0000-361.32-02	Reverse Prev Year Adj	5,175	-	-
451-0000-361.51-09	Penalty-ULID23	1,057	-	-
451-0000-361.51-10	Penalty-ULID24	474	-	-
451-0000-361.55-09	Interest-ULID #23	13,254	13,313	12,331
451-0000-361.55-10	Interest-ULID #24	16,981	21,363	18,950
451-0000-368.10-09	Principal-ULID# 23	-	23,953	24,935
451-0000-368.10-10	Principal-ULID #24	-	83,801	86,214
451-0000-383.10-00	Contributed Capital	11,471,701	-	-
<b>Total Wastewater Debt Service Fund Revenues</b>		<b>11,518,784</b>	<b>3,404,735</b>	<b>3,653,211</b>

Wastewater Debt Service Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
451-3501-508.80-00	Unreserved Funds	-	12,320	10,796
451-3501-535.82-01	Depreciation-Utilities	3,378,151	3,250,000	3,500,000
451-3501-591.72-07	ULID #24 Bonds	-	105,149	105,149
451-3501-592.83-07	ULID #24 Bonds	19,326	-	-
451-3501-592.85-02	Loan Intr Fund 202-ULID23	13,944	37,266	37,266
<b>Total Wastewater Debt Service Fund Expenditures</b>		<b>3,411,421</b>	<b>3,404,735</b>	<b>3,653,211</b>



## **STORMWATER DEBT SERVICE FUND**

The Stormwater Debt Service Fund was created to remove debt obligations from the operating budget.

Debt obligations must be retired from utility system operating revenues or by special assessment against benefited properties. The Water Utility has a debt cost component built into its rate structure. Current debt obligations are the result of various improvement projects including reservoirs, tanks and major transmission lines.

The 2026 budget of \$2,354,928 includes \$102,089 for interest and principal for the 2013 revenue bonds. These debt service payments are funded through stormwater rates and are transferred into the debt service fund from the Stormwater Capital Fund.

Stormwater Debt Service Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
452-0000-308.04-00	Depreciation-Balancing	-	2,250,000	2,250,000
452-0000-361.10-00	Investment Interest	1,928	512	1,860
452-0000-361.10-40	LGIP Earnings	595	187	928
452-0000-361.32-00	Unrealized Gain(Loss)	(334)	-	-
452-0000-361.32-02	Reverse Prev Year Adj	513	-	-
452-0000-383.10-00	Contributed Capital	266,193	-	-
452-0000-397.05-00	Transfer In 412 Fund	101,736	101,568	102,140
<b>Total Stormwater Debt Service Fund Revenues</b>		<b>370,630</b>	<b>2,352,267</b>	<b>2,354,928</b>

Stormwater Debt Service Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
452-4201-508.80-00	Unreserved Funds	-	699	2,788
452-4201-538.82-01	Depreciation-Utilities	2,008,814	2,250,000	2,250,000
452-4201-591.72-05	Principal-2013 Rev Bonds	-	69,841	73,206
452-4201-592.83-05	Interest-2013 Rev Bonds	30,412	31,676	28,883
452-4201-592.84-00	Issue Cost	-	51	51
<b>Total Stormwater Debt Service Fund Expenditures</b>		<b>2,039,226</b>	<b>2,352,267</b>	<b>2,354,928</b>



## **EQUIPMENT RENTAL FUND**

The Equipment Rental Fund is an internal service fund established to cover the repair, maintenance and replacement of City-owned vehicles and equipment. The Finance Department provides administrative support while the Public Works Department provides maintenance, management and repair services. The Equipment Rental Division is responsible for the repair and maintenance of approximately 350 vehicles and pieces of equipment, as well as the operation of the fueling facility. The work is performed in-house by four full-time equipment mechanics, with some specialized work being contracted to local automotive repair shops.

### **Budget Summary**

The Equipment Rental Fund budget is organized into three programs:

1. General Services
2. Preventative Maintenance and Repairs
3. Fuel, Oil and Tires

The 2026 budget for the Equipment Rental Fund is \$6,474,561, inclusive of annual replacement reserve expenses. This budget maintains the current level of services. Equipment Rental operations are funded by direct charges assessed to all operating budgets based on vehicle use and maintenance costs.

### **2026 Programs, Goals and Priorities**

- Ensure 2026 charges provide full funding of depreciation and replacement
- Continue systematic preventive maintenance and repair of vehicles
- Improve utilization of the operations of the vehicle/equipment fleet
- Keep up with changing technologies and alternative fuels
- Research, review and implement electric vehicles into the fleet when practical

Equipment Rental Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
501-0000-308.00-00	Estimated Beginning Cash	-	1,252,398	1,499,364
501-0000-348.10-07	M&O-Police	345,877	339,234	413,610
501-0000-348.10-08	M&O-Planning & Comm. Dev.	19,230	16,823	20,438
501-0000-348.10-09	M&O-Public Works	56,128	71,638	64,644
501-0000-348.10-10	M&O-Parks & Recreation	10,146	8,625	10,148
501-0000-348.10-11	M&O-Facilities Maint.	3,923	3,848	8,852
501-0000-348.10-12	M&O-Parks Maintenance	193,141	142,868	132,575
501-0000-348.10-13	M&O-Water	198,682	189,576	164,845
501-0000-348.10-14	M&O-Wastewater	179,750	193,749	190,367
501-0000-348.10-15	M&O-Stormwater	145,533	122,878	129,590
501-0000-348.10-16	M&O-Streets	134,517	129,684	118,876
501-0000-348.10-17	M&O-Animal Services	20,163	19,571	23,300
501-0000-348.10-20	M&O-City Hall Common	7,944	7,766	5,619
501-0000-348.10-22	M&O-Fire District #3	69,691	82,381	81,165
501-0000-348.10-23	M&O-Water Resources	8,022	8,199	7,037
501-0000-348.10-24	M&O-RAC	25,516	27,926	24,362
501-0000-348.10-25	Veteran Services	3,059	3,587	2,815
501-0000-348.20-07	Replacement-Police	526,046	626,208	943,321
501-0000-348.20-08	Replacement-Planning & CD	29,433	33,743	30,214
501-0000-348.20-09	Replacement-Public Works	97,427	110,492	83,139
501-0000-348.20-10	Replacement-Parks & Rec.	15,140	15,140	22,102
501-0000-348.20-11	Replacement-Facility Main	11,719	13,611	22,167
501-0000-348.20-12	Replacement-Parks Maint.	245,729	264,642	293,593
501-0000-348.20-13	Replacement-Water	290,266	316,222	360,152
501-0000-348.20-14	Replacement-Wastewater	449,880	475,015	664,625
501-0000-348.20-15	Replacement-Stormwater	233,138	269,510	313,424
501-0000-348.20-16	Replacement-Streets	231,154	302,543	333,607
501-0000-348.20-20	Replacement-City Hall	17,934	16,448	15,148
501-0000-348.20-23	Replacement-Water Resources	2,399	8,838	11,788
501-0000-348.20-24	Replacement-RAC	59,519	58,003	61,974
501-0000-361.10-00	Investment Interest	514,319	358,464	281,315
501-0000-361.10-40	LGIP Earnings	162,707	130,983	140,385
501-0000-361.32-00	Unrealized Gain(Loss)	(146,418)	-	-
501-0000-361.32-02	Reverse Prev Year Adj	216,580	-	-
501-0000-369.10-00	Sale of Scrap & Surplus	4,861	-	-
501-0000-369.13-00	Proceeds of Capital Asset	65,255	-	-
501-0000-369.90-00	Other Misc Revenue	100	-	-
501-0000-369.91-01	Procurement Card Rebate	20	-	-
501-0000-372.00-00	Insurance Recoveries	195,690	85,995	-
501-0000-374.90-00	From Fed/State/Local	177,822	-	-
501-0000-383.11-00	From Governmental Funds	471,327	-	-
501-0000-387.00-00	Residual Equity Trans In	916,317	-	-
<b>Total Equipment Rental Fund Revenues</b>		<b>6,209,685</b>	<b>5,706,608</b>	<b>6,474,561</b>

Equipment Rental Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>General Services</b>				
501-4801-548.10-01	Salaries-Regular	164,787	166,840	175,508
501-4801-548.10-05	Salaries-Overtime	-	200	200
501-4801-548.20-01	Employer Paid Benefits	64,091	70,193	78,878
501-4801-548.20-42	GASB68 Pension Expense	(43,079)	-	-
501-4801-548.31-01	Office & Operating Supply	1,675	750	1,500
501-4801-548.31-17	Supplies-Uniform Purchase	3,288	2,933	2,933
501-4801-548.41-01	Prof. Svc-Other	-	1,000	-
501-4801-548.41-26	Prof. Svc-Administration	-	250	250
501-4801-548.42-01	Telecommunications	2,163	2,250	3,000
501-4801-548.43-01	Transportation/Per Diem	-	450	100
501-4801-548.43-02	Dues, Subscriptions, Publ	150	7,641	150
501-4801-548.43-03	Registrations	4,200	2,250	4,250
501-4801-548.45-02	IMS Rental	32,427	26,965	32,771
501-4801-548.46-02	Insurance-Fire/Property	1,508	1,614	1,625
501-4801-548.46-04	Insurance-Vehicle	97,421	121,995	147,734
501-4801-548.46-06	AWC-L & I Pool	894	1,263	750
501-4801-548.47-01	Utility-Electrical	4,760	5,001	5,001
501-4801-548.47-02	Utility-City of Lacey	7,138	5,000	7,200
501-4801-548.47-03	Utility-Gas	3,262	6,000	6,000
501-4801-548.48-01	Rep & Maint-Equipment	-	650	250
501-4801-548.48-03	Rep & Maint-Facilities	-	2,896	500
501-4801-548.49-06	Maintenance Contracts	415	-	450
501-4801-548.49-10	Uniform Contract/Cleaning	1,167	1,000	1,200
501-4801-548.49-25	Assessments/Taxes	278	150	350
501-4801-548.49-35	CDL-Physicals/Licenses	952	350	350
501-4801-548.60-01	Capital Outlays-Equipment	10,831	-	-
501-4801-548.60-02	Capital Outlays-Replace	1,150,910	2,475,961	2,974,939
501-4801-548.60-99	Capitalized Fixed Asset	(1,163,966)	-	-
501-4801-548.65-02	Depreciation-Vehicles	1,351,911	1,425,539	1,600,461
<b>Total General Services</b>		<b>1,697,182</b>	<b>4,329,141</b>	<b>5,046,350</b>
<b>Preventative Maintenance</b>				
501-4802-548.10-01	Salaries-Regular	231,542	252,407	258,590
501-4802-548.10-05	Salaries-Overtime	-	200	-
501-4802-548.10-06	Salaries-Part-Time	8,082	10,460	10,460
501-4802-548.20-01	Employer Paid Benefits	110,347	118,131	136,406
501-4802-548.31-01	Office & Operating Supply	156,520	150,000	150,000
501-4802-548.31-02	Small Tools & Equipment	10,951	10,400	10,400
501-4802-548.31-27	Software Upgrade	3,060	3,500	4,000
501-4802-548.41-01	Prof. Svc-Other	-	1,000	-
501-4802-548.48-01	Rep & Maint-Equipment	138,909	75,000	95,000
501-4802-548.49-30	Software Maintenance	1,795	1,595	2,000
<b>Total Preventative Maintenance</b>		<b>661,206</b>	<b>622,693</b>	<b>666,856</b>

Equipment Rental Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Fuel, Oil and Tires</b>				
501-4803-548.10-01	Salaries-Regular	43,852	45,826	46,955
501-4803-548.20-01	Employer Paid Benefits	19,520	21,159	24,314
501-4803-548.31-01	Office & Operating Supply	1,643	1,387	1,500
501-4803-548.34-01	Fuel	405,972	440,000	445,000
501-4803-548.34-02	Diesel	167,130	206,381	206,381
501-4803-548.34-03	Tires	28,139	35,205	35,205
501-4803-548.41-01	Prof. Svc-Other	866	2,000	1,000
501-4803-548.48-01	Rep & Maint-Equipment	769	2,816	1,000
501-4803-548.49-25	Assessments/Taxes	314	-	-
Fuel, Oil and Tires		668,205	754,774	761,355
Total Equipment Rental Fund Expenditures		3,026,593	5,706,608	6,474,561

## **INFORMATION MANAGEMENT SERVICES FUND**

Information Management Services (IMS) provides technical support and management of all computer software, hardware and communication links for all City departments. IMS responsibilities include establishing standards and direction citywide, ensuring smooth operation of City services and ensuring a total integrated solution. These services are accomplished through researching and evaluating new computer systems and technologies; correcting and revising programs to meet changing needs; and managing the City's networks and iSeries operating systems to achieve maximum performance with minimum "downtime." IMS staff also conducts word processing, desktop publishing, iSeries, GIS, PC and telephone training for all City employees. Ten full-time employees provide support to this division.

### **Budget Summary**

The Information Management Fund is organized into three programs:

1. Central System Support
2. Personal Computer and Network Support
3. Help Desk

The 2026 budget for Information Management Services is \$4,044,370, including annual replacement expenses. Staff is comprised of an Information Services Manager, an Enterprise Resource Plan Administrator, a Network Administrator, a Systems Application Specialist who provides network infrastructure and enterprise system support, three Computer Technicians responsible for desktop hardware and software support, a GIS Analyst responsible for facilitating the development and improvement of the City's geographic related information, a SCADA/IT Technician and an IT Programmer Analyst. Information Management Services is totally funded by direct charges/user fees assessed back to all operating budgets.

### **2026 Programs, Goals and Priorities**

- Continue to evaluate and enhance data and system security
- Setup and install replacement and new workstations
- Implement network improvements and develop procedures and standards to meet payment card (PCI) requirements
- Continue focusing on implementing solutions for disaster recovery and server consolidation
- Continue to improve remote/telework technologies
- Implement AI technologies and governance
- Expand and upgrade backup technologies to meet growing city needs
- Modernize city security camera infrastructure

Information Management Services Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
502-0000-308.00-00	Estimated Beginning Cash	-	400,821	96,230
502-0000-348.10-01	M&O-City Manager	34,517	43,868	36,968
502-0000-348.10-02	M&O-Finance	46,604	52,547	57,705
502-0000-348.10-03	M&O-City Council	20,390	25,470	20,866
502-0000-348.10-05	M&O-Public Affairs/HR	79,371	79,475	79,416
502-0000-348.10-06	M&O-Community Bldgs	10,310	8,510	8,224
502-0000-348.10-07	M&O-Police	568,251	587,557	622,736
502-0000-348.10-08	M&O-Planning & Comm. Dev.	161,545	170,659	163,053
502-0000-348.10-09	M&O-Public Works	182,261	170,328	177,493
502-0000-348.10-10	M&O-Parks & Recreation	92,565	89,985	87,447
502-0000-348.10-11	M&O-Facilities Maint.	15,232	18,619	20,356
502-0000-348.10-12	M&O-Parks Maintenance	57,804	76,765	80,771
502-0000-348.10-13	M&O-Water	296,281	311,261	404,802
502-0000-348.10-14	M&O-Wastewater	185,223	197,636	229,522
502-0000-348.10-15	M&O-Stormwater	47,429	57,988	79,591
502-0000-348.10-16	M&O-Streets	78,786	79,482	79,334
502-0000-348.10-17	M&O-Animal Services	85,549	91,002	85,641
502-0000-348.10-20	M&O-City Hall Common	582,771	573,984	884,817
502-0000-348.10-21	M&O-Equipment Rental	26,076	21,376	25,873
502-0000-348.10-23	M&O-Water Resources	50,427	58,045	62,915
502-0000-348.10-24	M&O-RAC	25,390	23,416	25,105
502-0000-348.10-25	Veteran Services	40,802	42,063	41,000
502-0000-348.20-01	Replacement-City Manager	11,126	12,360	11,771
502-0000-348.20-02	Replacement-Finance	11,429	11,553	11,624
502-0000-348.20-03	Replacement-City Council	3,556	4,320	5,953
502-0000-348.20-05	Replacement-PA/HR	26,276	19,330	22,602
502-0000-348.20-06	Replacement-Comm Bldgs	3,007	3,210	2,711
502-0000-348.20-07	Replacement-Police	218,805	198,704	185,696
502-0000-348.20-08	Replacement-Planning & CD	33,713	28,769	31,988
502-0000-348.20-09	Replacement-Public Works	55,975	49,329	47,366
502-0000-348.20-10	Replacement-Parks & Rec.	33,414	32,036	29,543
502-0000-348.20-11	Replacement-Facility Main	4,142	4,896	4,643
502-0000-348.20-12	Replacement-Parks Maint.	5,518	8,474	9,757
502-0000-348.20-13	Replacement-Water	42,709	39,655	43,991
502-0000-348.20-14	Replacement-Wastewater	24,150	24,127	26,365
502-0000-348.20-15	Replacement-Stormwater	5,016	5,989	6,836
502-0000-348.20-16	Replacement-Streets	12,232	11,985	13,705
502-0000-348.20-20	Replacement-City Hall	47,226	64,854	88,278
502-0000-348.20-21	Replacement-Equip Rent	6,351	5,589	6,898
502-0000-348.20-23	Replacement-Water Resourc	15,799	15,691	17,114
502-0000-348.20-24	Replacement-RAC	8,968	8,505	8,180
502-0000-348.20-25	Veteran Services	12,137	11,346	9,685
502-0000-361.10-00	Investment Interest	116,339	82,997	59,905
502-0000-361.10-40	LGIP Earnings	36,870	30,327	29,894
502-0000-361.32-00	Unrealized Gain(Loss)	(31,981)	-	-

Information Management Services Fund - Revenues				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
502-0000-361.32-02	Reverse Prev Year Adj	47,137	-	-
502-0000-369.10-00	Sale of Scrap & Surplus	7,284	-	-
502-0000-369.13-00	Proceeds of Capital Asset	66	-	-
502-0000-369.91-01	Procurement Card Rebate	1	-	-
502-0000-383.11-00	From Governmental Funds	7,831	-	-
<b>Total Information Management Svcs Fund Revenues</b>		<b>3,452,681</b>	<b>3,854,903</b>	<b>4,044,370</b>
<b>Total City Revenues</b>		<b>221,242,271</b>	<b>316,769,565</b>	<b>224,954,147</b>

Information Management Services Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Central System Support</b>				
502-1801-518.10-01	Salaries-Regular	350,199	476,195	389,958
502-1801-518.10-05	Salaries-Overtime	2,143	3,000	2,200
502-1801-518.20-01	Employer Paid Benefits	134,900	204,351	169,775
502-1801-518.20-42	GASB68 Pension Expense	(101,462)	-	-
502-1801-518.31-01	Office & Operating Supply	7,739	14,000	9,000
502-1801-518.31-27	Software Upgrade	971	8,000	8,000
502-1801-518.41-25	Prof. Svc-Computer	-	10,000	6,500
502-1801-518.42-01	Telecommunications	51,077	27,000	51,250
502-1801-518.42-05	Communications-Webhosting	9,162	10,000	10,000
502-1801-518.43-01	Transportation/Per Diem	4,130	8,000	6,500
502-1801-518.43-02	Dues, Subscriptions, Publ	368	2,000	750
502-1801-518.43-03	Registrations	1,415	8,000	1,500
502-1801-518.46-06	AWC-L & I Pool	212	300	250
502-1801-518.48-01	Rep & Maint-Equipment	-	4,291	250
502-1801-518.49-02	Printing & Binding	-	500	-
502-1801-518.49-05	Professional Development	22,119	10,650	12,000
502-1801-518.49-06	Maintenance Contracts	291	4,500	500
502-1801-518.49-25	Assessments/Taxes	306	-	250
502-1801-518.49-30	Software Maintenance	581,134	703,088	744,383
502-1801-518.49-31	Hardware Maintenance	101,455	98,865	87,881
502-1801-518.49-67	Web Services	875	3,000	3,000
502-1801-518.60-99	Capitalized Assets	(44,680)	-	-
502-1801-518.65-05	SBITA Amortization Expense	57,829	-	-
<b>Total Central System Support</b>		<b>1,180,185</b>	<b>1,595,740</b>	<b>1,503,947</b>
<b>PC &amp; Network Support</b>				
502-1802-518.10-01	Salaries-Regular	563,859	592,185	706,021
502-1802-518.10-05	Salaries-Overtime	2,941	3,000	3,000
502-1802-518.20-01	Employer Paid Benefits	233,175	264,229	310,773
502-1802-518.31-01	Office & Operating Supply	11,334	10,000	12,000
502-1802-518.41-25	Prof. Svc-Computer	14,833	7,500	7,500
502-1802-518.43-01	Transportation/Per Diem	1,189	6,000	3,500
502-1802-518.43-03	Registrations	350	5,000	2,750
502-1802-518.49-05	Professional Development	205	10,000	1,500
502-1802-518.60-01	Capital Outlays-Equipment	82,702	-	437,000
502-1802-518.60-02	Replacement	319,733	698,960	215,990
502-1802-518.60-09	Software Assurance	194,733	175,000	191,928
502-1802-518.60-99	Capitalize Assets	(107,236)	-	-
502-1802-518.65-04	Depreciation-IMS Equip	186,087	309,354	470,447
<b>Total PC &amp; Network Support</b>		<b>1,503,903</b>	<b>2,081,228</b>	<b>2,362,409</b>

Information Management Services Fund - Expenditures				
Account Number	Description	2024 Actual Revenue/Expense	2025 Amended Budget	2026 Adopted Budget
<b>Help Desk</b>				
502-1803-518.10-01	Salaries-Regular	109,156	114,753	122,611
502-1803-518.10-05	Salaries-Overtime	15	1,500	100
502-1803-518.20-01	Employer Paid Benefits	42,485	48,782	51,803
502-1803-518.31-01	Office & Operating Supply	687	7,000	3,500
502-1803-518.42-01	Telecommunications	-	500	-
502-1803-518.43-01	Transportation/Per Diem	-	1,600	-
502-1803-518.43-02	Dues, Subscriptions, Publ	-	1,000	-
502-1803-518.43-03	Registrations	-	800	-
502-1803-518.49-05	Professional Development	-	2,000	-
<b>Total Help Desk</b>		<b>152,344</b>	<b>177,935</b>	<b>178,014</b>
<b>Total Information Management Svcs Fund Expenditures</b>		<b>2,836,431</b>	<b>3,854,903</b>	<b>4,044,370</b>
<b>Total City Expenditures</b>		<b>189,001,596</b>	<b>316,769,565</b>	<b>224,954,147</b>

