

**TUMWATER CITY COUNCIL WORK SESSION
MINUTES OF VIRTUAL MEETING
JULY 23, 2024 Page 1**

CONVENE: 6:00 p.m.

PRESENT: Mayor Debbie Sullivan and Councilmembers Peter Agabi, Michael Althausen, Joan Cathey, Leatta Dahlhoff, Angela Jefferson, and Eileen Swarthout.

Excused: Councilmembers Michael Althausen and Kelly Von Holtz.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Finance Director Troy Niemeyer, Community Development Department Director Michael Matlock, Police Chief Jon Weiks, Transportation & Engineering Assistant Director Mary Heather Ames, IT Manager Lance Inman, Planning Manager Brad Medrud, and Housing and Land Use Planner Erika Smith-Erickson.

**10-YEAR
DESTINATION
MASTER PLAN, A
COMMUNITY-
DRIVEN
SUSTAINABLE
TOURISM PLAN:**

Annette Pitts, Chief Executive Officer, Experience Olympia & Beyond Visitor and Convention Bureau (VCB), briefed the Council on the 10-Year Destination Master Plan, a community-driven sustainable tourism plan.

The plan was completed in response to industry evaluations identifying that the region was weak as a destination, needed community alignment and partnership, and the VCB was operating with an outdated organizational model and struggling to rebound from lost hospitality jobs due to the COVID pandemic. In addition to promoting tourism in the region, the plan focuses on hospitality and creating an environment for teamwork where all peers from all jurisdictions understand their role and move in the same direction to achieve a common goal.

During the development process, 29 issues and opportunities were identified. Findings in the plan are recommendations or opportunities. Over 1,000 individuals participated in the planning process. The team process included multi-jurisdictional support with each funding municipality supporting efforts in addition to the Thurston Economic Development Council, Thurston Chamber of Commerce, and other civic organizations. A committee guided the process with members representing many interests. The project was launched in June 2023 and concluded in June 2024.

Initial work began with the consultant visiting different locations throughout Thurston County over a three-day period to learn about different destinations and attractions and meeting with stakeholders at each location. A comprehensive review was completed of over 100 economic development plans from the region to avoid conflicts and not counter efforts and values deemed important by the community, as well as assessing the number of opportunities that would be available for collaboration that were not occurring because of independent efforts in the region.

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The steering committee completed an analysis of strengths, weaknesses, opportunities, threats, industry trends, COVID impacts, and consumer trends. Gap and market analyses were also reviewed. A comprehensive surveying process was completed of stakeholders in the industry, residents, perspective visitors, and people who have visited the region. Other outreach included one-on-one meetings with stakeholders, industry focus groups, a public forum for the community to learn about the process and provide feedback, and a visioning workshop series with stakeholders to review information collected to date to initiate a prioritizing process.

The outcome of the various outreach processes resulted in the identification of 29 repeating priorities. The steering committee reviewed the priorities countywide and categorized them in three tiers of actions. The steering committee recommended prioritizing the following items on a countywide level:

- Agritourism and the Thurston Bountiful Byway
- Arts, Entertainment, Live Music, and Nightlife
- Conference and Meeting Space
- Destination Stewardship (Sustainability)
- Advance, Festivals, and Seasonality
- Expanded/Diversified Lodging
- Family Attractions
- Quiemuth Resort Complex
- Retail and Commercial District Development
- Sporting Events & Facilities
- Waterfront Activation

Phase 2 top priorities included:

- Aviation Planning
- Culinary destinations
- Downtown Olympia Development
- Mental Health and Related Issues
- Outdoor Recreation
- Tourism Funding
- Trails and Networks

The steering committee considered each of the opportunities in terms of the amount of resources required to implement, authority limits, and the ability to affect change.

The third tier or the monitoring phase priorities included:

- Craft Beverage Marketing & Promotion
- Doing Business in New Investments
- Equestrian Tourism
- Innovation & Technology

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- Public Gathering Spaces
- Workforce Housing

Each opportunity is supported by findings within the Destination Master Plan detailing the opportunity and the type of action to pursue.

The steering committee recognized that only some of the opportunities could be steered by the VCB. Members developed another list reviewed by the Board during its retreat. The Board identified the following initial priorities:

- Connectivity (Wayfinding & Marketing Dispersion)
- Outdoor Recreation (Signage & Small Business Infrastructure)
- Sporting Events & Facilities
- Tourism Funding
- Tribal Relationships & Tourism

Other Board key takeaways and actions included:

- Research tourism funding options
- Explore creating a 501(c)3 organization to focus on education, arts, and public safety
- Advocate for statewide tourism funding
- Seek guidance and assistance from AIANTA (American Indian and Alaska Native Tourism Alliance)
- Build and strengthen alliance with current partnerships
- Reach out, listen, and learn with and from partners
- Develop and inventory of known assets that support each initiative
- Communicate, build support, explain the “why”, and articulate the benefits
- Strived to be more competitive for scarce resources
- Speak and advocate collectively with one voice

Next steps are integrating initial efforts within the VCB’s 2025 budget, reconvening the Destination Master Plan Steering Committee, transitioning the committee to a Destination Master Plan Task Force to include other interested parties, and reviewing case studies of other communities that implemented destination master plan priorities.

Ms. Pitts encouraged the Council to take advantage of becoming involved in the planning of destination development within the community.

**DIVERSITY, EQUITY,
INCLUSION, AND
BELONGING –
BUDGET PLANNING:**

Manager Medrud reported Dr. Linda Paralez with Demarche Consulting Group, will present a summary of work to date on implementing the City’s culture of Diversity, Equity, Inclusion, and Belonging (DEIB) beliefs. The management team is reviewing the information to determine the next steps for incorporating DEIB into the City’s biannual budget process. The

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project has morphed since the start and is responding to new questions that were not foreseen when the process was initiated.

Dr. Paralez reported the Demarche Consulting Group has been in existence for approximately 35 years and experienced in working with city and town governments, as well as understanding the challenges of city management, city department management, and asset management. It has been a pleasure working with the City's leadership team.

The focus of the work over the last six months was an agenda of learning. The objectives with the leadership team focused on providing individuals with awareness of self and the principles of Diversity, Equity, Inclusion, and Belonging to build a foundation of shared language, better capacity, and to model empathy and behavior with staff and the community, and learning to be more curious, accountable, and comfortable with courageous conversations.

Participants received a workbook for self-driven learning in DEI. The workbook includes exercises and topics ranging of biases, privilege, stereotypes, and differences between systemic and structural racism and discrimination.

Participants started with defining terms and building a shared language. The acronym DEIB was the starting point beginning with the definition of Diversity. Diversity is simply an outcome of practices, policies, systems, and service levels, etc. Diversity appears in housing codes, ordinances, hiring practices, community policing, human and legal services, customer service, and community outreach. Essentially, diversity is the community's reputation as a welcoming and affordable place to live.

Equity is the desired outcome by pursuing a continual audit of policy, practices, service levels, and selection of projects to ensure the equitable distribution of resources and services, accommodation for underserved populations and individuals, e.g., handicapped access, cooling centers, wellness checks, affordable housing, public defenders, human services, etc., and reasonable accommodation within the workplace.

Inclusion is defined as behavior reflective of both a community's and an organization's culture and a shared belief about working together for a 'greater good.' Inclusion requires transparency, outreach, extensive planning and, measured inclusiveness.

Belonging is how one feels. Belonging is the sense of psychological safety in the workplace and in the institutions of the community (schools, centers, parks, shopping areas, etc.). Belonging is often measured by the participation of citizens and staff in surveys about how they feel about their community, its amenities, and their access to them.

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Participants spent time on gaining a shared language about what DEIB is or is not. Participants discussed the difference between explicit and implicit types of biases. Different types of biases included:

- Confirmation Bias: Only seeking data, analysis, and hires that confirm pre-existing views.
- Affinity Bias: Tending to listen to/favor those individuals most similar to us in style, education, background, interests, culture, etc.
- Attribution Error or Bias: Not considering situational factors when assessing others' behaviors or performance.
- Performance Bias: Letting recent events skew perspective on long-term trends.
- Groupthink Bias: Lack of dissenting perspectives or diverse debate when making major decisions.
- Survivorship Bias: Only examining what succeeded rather than lessons from failures.
- Beauty Bias: The assumption that attractive people will perform and be treated better. The belief that certain positions require attractive people.
- Just World Bias: The belief that "You get what you deserve."
- Retribution Bias: The assumption that inflicting punishment is more important than preserving the relationship.
- Racial, Cultural, Language, or Name Bias: Showing a preference for one race over another. Judging or treating people differently based on their names. Having difficulty accommodating language or cultural norms.
- Age Bias: Denying opportunities or treating someone differently because of their age.
- Gender Bias: Passing judgment based on traditional traits defining masculinity or femininity.

Participants reviewed the list of biases and learned how they are applied in the workplace and how they are applied as leaders. Gender, beauty, just world, retribution, racial, cultural, language, or name bias, and age bias are examples of explicit bias that are part of a person's habitual thinking.

Participants developed an equity maturity model. Four areas of focus were identified within the organization. The areas include communication, standards, performance, and improvement. Within the four areas, four categories were developed of emerging, basic and compliant, progressing and tactical, and integrated and strategic. Everyone agreed the process was at the emerging levels, and in some areas, achieving basic and compliant. Participants then built a DEIB strategic plan for the next several years outlining tangible steps the City could pursue to create a

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more equitable environment and embedding equity tools into decision-making and a commitment to develop an inclusive community.

The three areas of emphasis are organizational culture, communications and engagement, and plans, policies, and budgets. The information will be carried forward to the Council's budget work in terms of areas of emphasis and areas of integration into budget work and integration into departmental priorities that align with a DEIB value set.

The budget work with the DEIB Strategic Plan specifies that once there is agreement on the first biennium priorities, priorities will be developed by leads.

Dr. Paralez reported she met with directors to learn about resource constraints and organizational needs to assist them in closing resources gaps to incorporate DEIB values in all programs and projects and service levels to ensure the City continually invests in both the organization and the community.

Councilmember Dahlhoff asked how the City's boards and commissions are factored within the spectrum of work. Dr. Paralez explained that shared language would serve as the foundation for all boards and commissions.

Mayor Sullivan noted that a substantial amount of work has been ongoing for some time. It is important to establish the foundation first to move forward with the entire process. The first step is focused on executive staff, directors, and managers to ensure everyone is focused on a mutual outcome of the same language and understanding for communicating.

Councilmember Cathey inquired about the reason and timing to add "belonging." Dr. Paralez said conversations occurred as part of the initial discussions as the process moved toward developing a shared language. She shared with the leadership team case studies from the City of Seattle and King County and the use of language and racial equity toolkits and a different emphasis on race as a foundation for their metrics and outreach. Those communities are quite different, as well as larger and have different demographics than the City of Tumwater. The City of Tumwater does not have similar racial diversity that would lend itself to adding racially diverse groups or racial issues. The conversations centered on the direction of helping staff and leadership understand racial issues, racial consequences, and problems. Participants also discussed whether it would be important to understand diversity in the larger context of inclusion, equity, and belonging, which appeared to be a better emphasis to share with staff. The proposal does not eliminate the issue of race as a part of DEIB. Rather, it would not be the primary emphasis for the City of Tumwater.

Councilmember Cathey replied that as a City, it is important for everyone to believe they belong. It is important for women to believe they belong within the structures of the City. Her question pertains to where

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“belonging” fits and whether it applies to decisions or specific categories such as racism or misogyny. Dr. Paralez responded that belonging is typically measured in terms of psychological safety, which is typically translated as to how safe a person believes they can contribute their honest thoughts, feelings, and opinions, or whether they are required to “tow the line” and speak the unwritten rules. Another measure is how long a person’s mistake is remembered within the organization and whether the mistake is ever forgotten.

City Administrator Parks added that she joined the City after the project was initiated. She understood that the focus of the work by Dr. Paralez was on the City as an organization and how to improve its systems, policies, and processes by incorporating diversity, equity, inclusion and belonging values and beliefs within the organization. The first step was identifying shared language by the leadership team in terms of how they lead teams of employees by example and modeling DBEI values in all City operations. It was important for the leadership team to develop shared language to ensure expectations, processes, and permissions, and to encourage staff to incorporate and embrace shared language around DEIB beliefs. The work completed to date is internally focused on the City as an organization.

Councilmember Cathey said she is hopeful moving forward, that the City does not downplay racism or that Tumwater does not have the issue of racism. City Administrator Parks acknowledged the importance and shared the management team’s two-hour conversation addressing racism as part of developing shared language with no intent to downplay racial equity or racism. Those are issues in Tumwater that should be addressed. It was also recognized that Tumwater has other equity and diversity issues that must be addressed.

Councilmember Jefferson commented that it appears DEI is now considered and used often in a negative connotation. She asked whether staff members have been receptive or whether there has been pushback. Dr. Paralez said she has not had an opportunity to work individually with staff members at this point in the process. However, she has received feedback from managers that they have received some negative reactions from staff. She is not surprised based on her work with other cities and counties where she encountered similar pushback from employees questioning the process and the time consumed on the process. Politically, it is correct that there are factions of people who see DEI as a negative connotation where standards are lowered to hire people who are not qualified for the position, which is not the intent of DEI. DEI desired by organizations augment the organization by affording greater cultural competency and diversity.

Councilmember Dahlhoff asked whether the City is a member of the Government Alliance on Race and Equity (GARE). Her state agency

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practices the language of pro-equity and anti-racists. She asked how GARE and the Office of Equity are factored within the project.

Manager Medrud affirmed the City is a member of GARE and continues to monitor GARE communications to incorporate and align within the current framework of the project. GARE is a detailed process and is important to incorporate and translate to benefit the City as a resource rather than as a guiding document.

Discussion ensued on the negativism associated with DEI both politically and by some factions of society. Dr. Paralez pointed out that the effort is about the organizational culture and that the work becomes part of the cultural and values. The program is not intended to consider whether employees are racists or bad people. The program is about the culture of inclusion, belonging, equity, and self-awareness by the organization and staff.

City Administrator Parks added that the intentional strategy was to ensure the management team was comfortable with the language because there was a lack of understanding. To expect staff to become more comfortable with the concepts and values of diversity, equity, and inclusiveness as an organization, it was important to ensure the management team supported the concepts and shared values because they are inherent in the City's operations and delivery of services.

Councilmember Agabi said he is appreciative of the conversation. He was born in Nigeria. He referred to the U.S. Census Bureau Education Institute Study that reflects that Nigerians are the most educated immigrant group in the United States versus natural born Americans. Equity, inclusion, and belonging are all important but those who have the least to contribute to any meaningful discussion are often overcome by fear. Ignorance can be bliss as well as a disease. He acknowledged that the City has racial issues and if the City has diversity, equity, and inclusion and belonging as either a policy or a philosophy it benefits and helps everyone as it speaks to a welcoming City to everyone. He is appreciative of the discussion by the Council and thanked Dr. Paralez for the presentation.

Mayor Sullivan thanked Dr. Paralez for providing the update and for assisting the City in building a foundation of DEIB within the City.

City Administrator Parks added that Tumwater has experienced racial issues and racial tension surrounding incidents. During meetings with staff and with the Mayor, efforts over the next several months will explore the idea of creating an Equity Commission for the City of Tumwater. The first steps are understanding the issues and learning about different experiences members in the community have experienced. Over the next several months, staff will engage in some listening sessions and research. Staff is reaching out to leaders in BIPOC communities to learn about issues and experiences to help define the issues an Equity Commission could address or tasks and purposes to assign. Meetings will be scheduled to

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learn about individual experiences specifically around racism and equity. Concurrently, staff will review similar efforts by other cities. Staff proposes including funds in the budget for early 2025 to hire a consultant to assist in establishing an Equity Commission, appointing members, and developing bylaws and procedures. The budget will need to account for resources necessary to support the new entity. Some initial conversations have been held with several Councilmembers regarding the concept.

City Administrator Parks responded to questions about potential impacts to the budget and to other projects. Initial efforts will be completed within current organizational capacity. Based on her knowledge no other projects would be delayed or impacted.

Councilmember Cathey suggested that issues experienced by the LGBTQIA+ community should also be included within the discussions through the City's work on DEIB or the Equity Commission. City Administrator Parks affirmed LGBTQIA+ would be included in the efforts to establish an Equity Commission.

**MUNIFIN 201 -
BUDGET**

Director Niemeyer reported the City budget is a legal document establishing the City's spending authority (allocations) and spending plan. The challenge of a biennial budget is forecasting expenditures and revenues over a two-year period. The budget aligns with Council goals and priorities.

The City is required to submit the City's approved budget to the State Auditor's Office and MRSC. Approval of the budget includes two public hearings and passage of the budget ordinance by the City Council. The budget can only be amended by ordinance.

The budget planning process was initiated during the Council's retreat in early 2024. The Council reviewed recent accomplishments and updated the Council's goals and priorities. During the interim, workforce planning has been in progress to determine department needs, resources, and any constraints. Staff continues work on a salary survey to update the non-represented compensation plan.

Next steps are development of the general fund revenue forecast, strategic planning, and ongoing DEIB work. Additionally, Director Smith is working with a consultant on a rate study for all utilities for a 10+-year forecast.

Estimation for the needs of the City considers income, people, and projects requiring difficult decisions. Other budget considerations are the state of the economy today and the future, inflation, staff salaries and benefits, all programs, new legal requirements, and any unfunded mandates by the state.

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Key considerations for the budget include staffing resources of City departments, facility and maintenance needs, and space needs to accommodate employees.

The staff budget process begins with review and completion of budget schedules by directors for new budget requests for employees, capital projects, training, and professional services. Each director meets with the City Administrator and Finance Director to review the schedules. The Mayor and the City Administrator meet and develop the Mayor's proposed budget. This year's process was changed to incorporate a team approach by adding a step to the budget process with all directors meeting together to share information on each department's ideas and needs for the budget with explanations for budget requests and question and answer opportunities.

The Mayor's budget will be released shortly. The last budget was 379 pages. The budget includes the Mayor's Message, Council Goals and Priorities, Financial Summary, and all department schedules.

Following the release of the Mayor's proposed budget, three Council budget workshops are scheduled to review the budget. Two public hearings are required to comply with state law. The City is required to approve two property tax levies for the City and the Metropolitan Park District, as well as adoption of City's fee schedule for 2025. Adoption of the budget is scheduled at the Council's first meeting in December 2024.

Director Niemeyer described different funds/accounts in the budget.

Within the current biennium budget, nearly 70% of the budget is for salaries and benefits. Inflation continues to decrease with a local inflation rate of 3.8% and 3.0% nationally. Despite the decrease in inflation, prices for many commodities and products have not reduced. If revenues increase in the general fund by 5% with inflation at 3.8% and high prices continuing, any remaining revenue would be limited requiring many difficult budget decisions.

**COUNCIL
CONSIDERATIONS:**

**INTERLOCAL
AGREEMENT AND
MEMORANDUM OF
UNDERSTANDING
BETWEEN THE CITY
OF TUMWATER AND
THURSTON COUNTY
REGARDING THE**

City Administrator Parks reported the proposal pertains to the Thurston County CDBG Entitlement Program with the Department of Housing and Urban Development (HUD). The program includes an entitlement component of an allocation based on population and income levels and a competitive component for CDBG funds administered through a variety of sources. The proposal is specific to urban and county entitlement funds effective in 2013.

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**COMMUNITY
DEVELOPMENT
BLOCK GRANT
ENTITLEMENT
PROGRAM:**

The original interlocal agreement and memorandum of understanding was executed between Thurston County, City of Tumwater, and the City of Lacey. The agreement covers a three-year term of how funds will be used and allocated. The agreement includes an automatic renewal for an additional three-year term, as well as a requirement for Thurston County to provide notice at the end of each three-year term enabling parties to withdraw. The current allocation to Thurston County would be allocated on a three-year cycle each year to Thurston County, City of Tumwater, and City of Lacey with 20% retained by Thurston County for administrative costs of the program.

During this cycle, the City of Lacey elected not to participate in the program because the city is eligible to participate separately as an entitlement community. The proposal reflects the removal of the City of Lacey and establishes a two-party interlocal agreement and memorandum of understanding between the City of Tumwater and Thurston County. The provisions have not changed and reflect a three-year term and an automatic renewal and notice to withdraw process. The total amount of CDBG funds will be allocated to the two parties with 20% retained by Thurston County to administer the program. Although Tumwater will receive less money (reduced by City of Lacey's withdrawal), the City's will receive CDBG funds every two years rather than every three years.

Thurston County is required to meet HUD deadlines for submittal of the agreements by August 15, 2024.

MOTION:

Councilmember Cathey moved, seconded by Councilmember Jefferson, to authorize the Mayor to sign the Interlocal Agreement and Memorandum of Understanding between the City of Tumwater and Thurston County for joint participation and governance in the Community Development Block Grant Entitlement Program administered by the U.S. Department of Housing and Urban Development. A voice vote approved the motion unanimously.

**MAYOR/CITY
ADMINISTRATOR'S
REPORT:**

The Capitol Boulevard/Trosper Road Roundabout project ribbon cutting ceremony is scheduled on Wednesday, July 24, 2024 at the corner of Capitol Boulevard and Trosper Road at 1 p.m.

City Administrator Parks reviewed the schedule of Screen on the Green movies over the summer.

The recommendations offered by the Council for the Davis Meeker Garry oak tree were implemented by staff with the City receiving responses to the Request for Qualifications (RFQ). The RFQs were forwarded to the Chairs of the Tree Board and Historic Preservation Commission for review and feedback. Based on feedback, staff selected three candidates to interview. The interviews were conducted earlier in the day. The Mayor

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will render a final decision. Staff will evaluate permitting requirements with the Department of Archeology and Historic Preservation and the requirements of the Migratory Bird Treaty Act.

Mayor Sullivan reported the Brewfest is scheduled on August 17, 2024 at the golf course. Volunteer opportunities are available

ADJOURNMENT: **With there being no further business, Mayor Sullivan adjourned the meeting at 8:15 p.m.**

Prepared by Valerie L. Gow, Recording Secretary/President
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