

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
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CONVENE: 7:00 p.m.

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

Staff: City Administrator John Doan, Community Development Director Michael Matlock, Finance Director Troy Niemeyer, Assistant Finance Director Shelly, and City Clerk Melody Valiant.

SPECIAL ITEMS:

**PROCLAMATION:
WALK TO SCHOOL
MONTH, OCTOBER
2022:** Councilmember Agabi read a proclamation declaring the month of October as *Walk to School Month* in the City of Tumwater. The proclamation urges the community to promote the safety and health of children this month, and throughout the year, by supporting pedestrian, bicycle, and active transportation improvements, modeling safe pedestrian and bicycle behaviors, and practicing an active lifestyle. Parents, school employees, and community leaders were invited to make a lasting impression on the community's youth by joining Tumwater students in walking to school.

Kerri Wilson, Youth Education Specialist, Intercity Transit, reported Intercity Transit's Walk N Roll Program encourages youth to walk, bike, skate, and use public transit. The program assists schools in organizing Walk N Roll to school events and encourages families to consider walking and biking to and from school instead of driving. The events improve safety by reducing traffic congestion and improving air quality around schools while affording students the opportunity to practice safe walking. Intercity Transit collaborates with Tumwater schools by supporting the schools' PE Bicycle Safety Education classes. She thanked the City and the Council for continuing efforts to make Tumwater a more bicycle and pedestrian friendly city and for recognizing October 2022 as *Walk to School Month*.

Mayor Sullivan presented the proclamation to Ms. Wilson.

PUBLIC COMMENT: There were no public comments.

**CONSENT
CALENDAR:**

- a. Approval of Minutes: City Council, October 4, 2022
- b. Payment of Vouchers
- c. Reappointment of Marnie Slakey and Renee Radcliff Sinclair to the Historic Preservation Commission and Kelly Von Holtz and Brian Schumacher to the Planning Commission
- d. Lodging Tax Advisory Committee 2023 Funding Recommendations
- e. Stormwater Management Action Planning Service Provider Agreement
- f. Third Amendment to Service Provider Agreement for Right of Way Legal Services

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g. Percival Creek Fish Passage Barrier Replacement Scope Amendment #1

MOTION: Councilmember Dahlhoff moved, seconded by Councilmember Swarthout, to approve the consent calendar as presented. A voice vote approved the motion unanimously.

PUBLIC HEARINGS:

**ORDINANCE NO.
O2022-022, AD
VALOREM FOR
REGULAR
PROPERTY TAXES
FOR THE FISCAL
YEAR 2023:**

Assistant Finance Director Carter reported each year, the Thurston County Assessor's Office provides the City with updated assessed values of all existing properties located within the City, as well as new construction and properties annexed from the prior year. The City is required to respond to that information by November 30, 2022 with an approved ordinance to certify and establish the City's property tax levy for the next fiscal year. The City's property tax levy is an important revenue source for supporting City's general government programs and public services. The proposed ordinance establishes the City of Tumwater's property tax levy for fiscal year 2023 with an increase of 1% from the 2022 levy. With a one percent increase in 2023, the levy is estimated to total \$10.59 million with an increase in taxes by \$104,861 from the prior year. The most recent preliminary report for new construction values are estimated at \$200.85 million with the City receiving an additional \$453,684 in property tax from new construction. The City completed annexations adding additional value of \$56.67 million producing estimated additional property tax revenue of \$100,655 in 2023. The combined 2023 property tax levy including the 1% increase and additional taxes from new construction and the annexation sets the City's indirect tax rate per \$1,000 of assessed value at \$1.78. The ordinance is necessary to establish and certify the City's request for the 2023 property tax levy and indirect property tax. The Council is requested to consider public testimony and move the proposed ordinance as a consent calendar item for adoption at the November 15, 2022 Council meeting.

Councilmember Althaus asked whether the information is reflective of a fifty percent increase in property values in the City. Assistant Director Carter affirmed that property values have increased by 36%. The values are preliminary with staff continuing to receive estimates from the Assessor's Office. The values could change; however, the ordinance is for a one percent increase, which would not change.

Mayor Sullivan opened and closed the public hearing at 7:11 p.m. with there being no public testimony.

MOTION: Councilmember Dahlhoff moved, seconded by Councilmember Swarthout, to move Ordinance No. O2022-022, an ordinance relating to tax revenue of the General Fund fixing the Ad Valorem for the regular property tax levy essential to pay expenditures of the City of

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Tumwater, Washington for the fiscal year ending December 31, 2022, to the November 15, 2022 consent agenda for adoption.

**FRIENDLY
AMENDMENT:**

Councilmembers Dahlhoff and Swarthout offered a friendly amendment to reflect that the fiscal date ending December 31, 2022 should be corrected to “December 31, 2023.”

MOTION:

A voice vote approved the motion unanimously.

**2023-2024 BUDGET
PUBLIC HEARING
#1:**

City Administrator Doan reported the briefing follows the prior four Council worksessions on the 2023-2024 City of Tumwater Budget.

The budget process is initiated during the Council's retreat and concludes with two public hearings in October and November followed by adoption on December 6, 2022.

The COVID pandemic totally derailed the City's work and created a different operating environment within the City. Despite the pandemic, the City was able to accomplish many tasks. Development of the budget is framed from the City's Vision, Mission, and Beliefs. During the Council's retreat in February 2022, the Council developed a series of draft goals to achieve in the next biennial budget. The proposed budget accommodates all Council goals. The economic forecast considers future conditions over the next 30 months. Staff anticipates the Consumer Price Index (CPI) remaining high and anticipates the possibility of a minor recession. The City continues to experience significant residential construction with some commercial, as well as a significant amount of industrial development over the next several years.

The City's General Fund represents one-third of the entire budget and funds the City's core services of police, fire, parks, streets, recreation, and other services. The General Fund is funded from taxes, service contracts, fees, and Medic One for provisions of basic and advanced life support services. The remaining two-thirds of the budget are proprietary funds for utilities, golf fund, capital projects, and debt service.

Expenditures from the General Fund support public safety services provided by police, fire, and courts that consume nearly half of the General Fund expenditures followed by other services provided by the City.

The General Fund Budget includes a significant fund balance. The City's required ending fund balance has increased over the years to assist in stabilizing revenues. As the City depends more on sales tax, the City is vulnerable to fluctuations while property tax serves as a steady source of revenue. As the percentage of the budget funded from property tax becomes smaller, the City will become more vulnerable, which speaks to the importance of having an ending fund balance to adjust to fluctuations in

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expenditures and revenue. The City's five-year financial projection depicts the minimum required ending fund balance to decrease. To address the deficit, The City should continue efforts for establishing a regional fire authority (RFA) or some other way to address the cost of fire service. Resources necessary to expand fire services are not included in the proposed budget.

The dramatic increase in property valuation in the City combined with the RFA would likely result in a future levy lift lid at some time because the remaining property tax rate of the City will continue to decline each year. The budget process identified some issues surrounding staffing with additional conversations necessary with the Council to determine the appropriate number of police officers. Police officers are the most expensive City employees to recruit, hire, retain, and equip.

The City's Transportation Benefit District expires in 2024 requiring a conversation on projects to fund and renewal of the district for another 10 years. The City is pursuing economic development activities and engages with other organizations and jurisdictions to work with the Legislature to modify the 1% property tax cap. The City will need to monitor all revenue assumptions and continue to invest smartly.

City Administrator Doan reviewed highlights of the next biennium budget derived both from the Council's goals and department recommendations:

- Tree Planning Initiative
- Sustainability and Energy Conservation Efforts
- Potential RFA transition
- Emergency Management Partnership
- Arts Program
- New Community Center Planning
- Comprehensive Plan Update
- Planning for Police Staffing and Funding
- New Parks and Parks Maintenance
- New Operations and Maintenance Facility
- New Water Resources and Reservoir

City Administrator Doan reviewed several new non-seasonal staffing additions.

The proposed two-year budget totals \$300,464,931. Next steps include a final budget worksession on November 7, 2022 and a public hearing followed by adoption of the budget on December 6, 2022.

City Administrator Doan invited questions.

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Councilmember Schneider referred to references by the City Administrator that housing is not considered economic development; however, as more people move to the City who shop and purchase goods, that purchasing increases sales tax directly linking those activities to economic development within the City. City Administrator Doan responded that today, the community as a whole does not experience a revenue increase when new residents move to the City because of other taxing districts and the cost of services necessary to serve those new residents. In effect, new community needs are mostly subsidized by other land uses, such as commercial and industrial.

Councilmember Jefferson asked about the timing of the conversation on economic development. City Administrator Doan said the City's existing Economic Development Plan was adopted over a decade ago with some amendments. The plan serves as the framework to begin conversations on economic development in the City. The City is also scheduled for a major comprehensive plan update over the next several years and that process would likely include conversations on economic development.

Mayor Sullivan opened the public hearing at 7:39 p.m.

**PUBLIC
TESTIMONY:**

Tom Crawford, 10016 Lookout Drive, Olympia, said he has been a resident of Thurston County for over 30 years with his children attending Tumwater schools. As a founder and Board President of Thurston Climate Action Team, he is appreciative of the working partnership with the City on climate action beginning with Tumwater's early investment in attracting federal dollars for home energy efficiency improvements through the Thurston Energy Program in partnership with Thurston Economic Development Council. Efforts continue through collaboration with the City's new Sustainability Coordinator, Alyssa Jones Wood. In the same spirit of collaboration, he asked the Council to consider increasing the City's investment in clean energy and other climate actions over the next two years. Three specific requests provide important support for climate action in the Tumwater community. The first is adding \$60,000 for grant writing. Billions of dollars will be spent nationally through the Inflation Reduction Act and other programs that could fund grant-writing activities. The second is adding \$50,000 for sustainability initiatives to enable the City to hire project-specific consultants, contractors, and interns where additional community support is needed. Finally, he asked for the addition of \$150,000 for the construction of public EV charging stations at City parks. Public investment in clean energy solutions has helped him purchase an electric vehicle and has helped several of his friends improve energy efficiency by installing solar panels in their homes. Those activities have saved money and improved health through living space and travel improvements. Achieving the energy efficiency goals outlined in the Thurston Climate Mitigation Plan will save Tumwater residents tens of millions of dollars in utility costs annually by 2030. Climate breakdown is

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the most serious crisis humans have faced. With the right policy commitments and significant financial investment, it is possible to meet the challenge while creating a better world for our children and grandchildren. Money, technology, and other resources are available within the communities based on experiences during the pandemic. The climate crisis needs at least the same level of response. He asked for the City to build on its declaration of a climate emergency and its commitment to achieve deep community-wide cuts in greenhouse gas emissions and take the next step and commitment to climate action by investing and attracting more dollars, expanding sustainability initiatives, and installing EV charging stations.

With there being no further public testimony, Mayor Sullivan closed the public hearing at 7:43 p.m.

**COUNCIL
CONSIDERATIONS:**

**ORDINANCE NO.
O2022-023,
SUSPENDING
ANNUAL
COMPREHENSIVE
PLAN
AMENDMENTS:**

Director Matlock said the City is scheduled to engage in a significant Tumwater Comprehensive Plan update based on requirements in state law once every ten years. The update is scheduled for submittal on June 30, 2025. The work has been initiated preliminarily at the staff level. State law also enables the Council to adjust the plan once annually. The proposed ordinance would suspend the annual amendment process to enable efforts to focus on the required 10-year update. Staff and the General Government Committee recommended the Council adopt Ordinance No. O2022-023 suspending the annual comprehensive plan amendment process.

MOTION:

Councilmember Althaus moved, seconded by Councilmember Dahlhoff, to approve Ordinance No. O2022-023, suspending annual comprehensive plan amendments through June 30, 2025. A voice vote approved the motion unanimously.

**CAPITOL LAKE -
DESCHUTES
ESTUARY
MEMORANDUM OF
UNDERSTANDING
FOR GOVERNANCE
AND FUNDING OF A
RESTORED
ESTUARY:**

City Administrator Doan reported in 2018, following many efforts to determine the future of Capitol Lake, another effort was initiated through the leadership of the Department of Enterprise Services (DES) and local jurisdictions, Thurston County, Squaxin Island Tribe, Port of Olympia, and the LOTT Clean Water Alliance. The parties pursued a new process to determine the future management of Capitol Lake. The process established an Executive Work Group comprised of elected officials representing the partners. As one of the conditions to fund development and completion of an Environmental Impact Statement (EIS) for future management options, the Legislature included a condition requiring financial support by each affected agency and jurisdiction.

The Draft EIS was released in June 2021. The next step in the process was development of a memorandum of understanding (MOU) for governance and funding of the preferred alternative, a restored estuary. The MOU

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commits the local agencies, Squaxin Island Tribe, and the state through DES and Department of Natural Resources (owner of the lake) through 2050 to participate financially at a cost to the City of approximately \$2.8 million in today's dollars to be used to support ongoing dredging operations of Budd Bay. The Port of Olympia would be responsible for the initial dredging and removal of contaminants currently existing in the bay. The state would be responsible for removal of dredging materials.

A proposal presented to the Council in September included small incremental increases to the Stormwater Utility rate between zero and 1% each year to fund the \$2.8 million commitment. The proposal leverages an additional \$200 million in state funds to complete the construction and return the lake to a managed estuary. The MOU commits the City financially and would be included in the Final EIS released later in the month as a demonstration to the Legislature that the funding requirement by the partners has been achieved through the financial participation by local government. Staff recommends the Council approved the MOU as presented. An interlocal agreement would be prepared and presented based on the adoption of the MOU.

MOTION:

Councilmember Althaus moved, seconded by Councilmember Schneider, to approve and authorize the Mayor to sign the proposed Memorandum of Understanding with the State of Washington, Squaxin Island Tribe, Thurston County, City of Olympia, LOTT Clean Water Alliance, and Port of Olympia for governance and funding of a restored estuary establishing the mutual commitments to the project, including funding through 2050. A voice vote approved the motion unanimously.

**COMMITTEE
REPORTS:**

**PUBLIC HEALTH &
SAFETY:**

Leatta Dahlhoff

At the next meeting on November 8, 2022 at 8 a.m., members will continue the review of the updated 2023-2025 School Resource Officers contract. Members will discuss the District Court services contract and Ordinance No. O2022-024, Tumwater Municipal Code 6.04 on dogs, cats, and other pets.

**GENERAL
GOVERNMENT:**
Michael Althaus

The committee met on October 12, 2022 and forwarded recommendations on the suspension of the comprehensive plan amendment process and the final docket for Comprehensive Plan Amendments. Members reviewed and discussed two ordinances on unfair housing practices, which are scheduled for the Council's worksession in November. The committee also discussed the City's logo.

PUBLIC WORKS:
Eileen Swarthout

The next meeting is scheduled on Thursday, October 20, 2022. The agenda includes a review of Department of Ecology Grant Agreement OTGP - 2022-Tumwat-00102 for the Deschutes River Flood Reduction Study.

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**BUDGET AND
FINANCE:**
Debbie Sullivan

The next meeting is scheduled on October 19, 2022 at 1:30 p.m. via zoom to consider Community and Human Resource Program funding applications.

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

City Administrator Doan announced the annual ShakeOut Day on October 20, 2022 at 10:20 a.m. where people worldwide participate in [earthquake](#) drills at work, school, or home.

Mayor Sullivan reported the October 5, 2022 Intercity Transit Authority meeting included a celebration of 2022 Excellence in Transit Winners participating in the State of Washington Public Transportation Rodeo and Grand Champions event. Intercity Transit received the Grand Champion award for the sixth year. Transit agencies throughout the state compete in the rodeo. The maintenance team received the first place award, as well as the operator category, body and chassis, and first place for the 35-foot coach and the 40-foot coach. The new class of bus operators began on October 10, 2022.

The Thurston County Food Bank recently announced the hiring of its new Executive Director, Jay Kang.

Mayor Sullivan reported she testified in conjunction with Councilmember Schneider and City Administrator Doan during the public hearing at Thurston County on the Hopkins Ditch District issue.

**COUNCILMEMBER
REPORTS:**

Angela Jefferson:

During the recent meeting of Experience Olympia and Beyond, members discussed zoom meetings versus in-person meetings. Members agreed to discontinue meeting via zoom with future meetings scheduled at the City of Lacey Council Chambers effective January 2023. The Executive Director discussed the statement on the proposed airport and determined that because of a lack of information, no position will be submitted on the proposal. The Board's retreat is scheduled from 10 a.m. to 5 p.m. on November 15, 2022. The retreat includes tours of St. Martin's University, South Puget Sound Community College, and The Evergreen State College.

Peter Agabi:

At the last Transportation Policy Board meeting, staff presented an update on the Martin Way Corridor Study, a joint planning project between Thurston Regional Planning Council, Thurston County, City of Olympia, City of Lacey, and Intercity Transit. The study has examined options for redevelopment, land use standards, and transportation facilities along the corridor. Members discussed 2022 Call for Projects Tie Breaking Process Options. Boardmember Pete Kmet reminded members of the Board's prior ranking process. No resolution was achieved on how to break ties on

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project rankings. Staff presented the completed school walk route-mapping project. North Thurston Public Schools, Olympia, and Tumwater school districts updated or created new maps for schools within their districts.

The Thurston Economic Development Council scheduled a retreat at the Indian Summer Golf Club.

Leatta Dahlhoff:

The LOTT Clean Water Alliance Board approved 2023-2024 wastewater rates reflecting an annual 3% inflationary adjustment. The action includes a two-year .5% adjustment to account for costs associated with a pilot for the affordable housing support program.

The next meeting of the Regional Fire Authority Planning Committee is on Tuesday, October 25, 2022 during a joint meeting with Olympia and Tumwater City Councils at the Olympia Council Chambers at Olympia City Hall to review the proposed draft plan for a regional fire authority.

Michael Althausen:

In addition to attending the joint RFA meeting with the Councils, Councilmember Althausen attended the Regional Housing Council meeting with Councilmember Cathey. The Council meets twice a month. Members reviewed a staff proposal for jurisdictions to consider for adopting a uniform set of practices for providing services and intervention to people who live outside. Direction to staff indicated interest in the proposal with additional discussions recommended. Members discussed governance options for the RHC. Any changes require the approval of all partner jurisdictions.

The Capitol Lake-Deschutes Estuary Funding and Governance Work Group is scheduled to meet on Monday, October 31, 2022.

Eileen Swarthout:

At the Friday, October 7, 2022 Thurston Regional Planning Council meeting, members reviewed the LOTT Reclaimed Water Study, 2023 Legislative Priorities, received a presentation on the school walking route-mapping project, and discussed commute trip reduction at Joint Base Lewis-McChord. Executive Director Daily provided an update on the proposal by the Commercial Aviation Coordinating Commission. The Legislature will render the final decision on the location of a new airport. The region is not supportive of the proposal.

Mayor Sullivan noted that she signed a joint letter with Thurston County and other local mayors in opposition to the proposal. The letter will be forwarded to the Legislature.

Joan Cathey:

At the last meeting of the Solid Waste Advisory Committee meeting, members continued work on a plan for locating a transfer station in south Thurston County. In August, the committee completed a waste characterization study, a periodic study completed every three to four

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months of different places in different cities. The process is an examination of both residential and commercial garbage to identify items people are discarding to help inform future programs or changes in existing programs. The greatest contamination is from plastic bags and plastic film in the waste stream. Consumers are encouraged to return plastic bags to local grocery stores rather than discarding them in the garbage or recycling bins. Wastefulness of food continues to be problematic in the waste stream.

Charlie Schneider:

Councilmember Schneider reported on his attendance and testimony during the public hearing held by the Thurston County Commission.

The next meeting of the Tumwater Chamber of Commerce is scheduled on Wednesday, October 19, 2022 at South Puget Sound Community College. The guest speaker is Thurston County Auditor Mary Hall. Councilmember Schneider also plans to attend the Chamber's upcoming retreat.

Councilmember Schneider attended the fundraiser for Senior Services for South Sound in addition to over 200 participants. The event raised over \$100,000. He also attended a conference at Great Wolf Lodge on adoptions, foster care, and training parents and caretakers on the needs of children and available resources.

ADJOURNMENT:

With there being no further business, Mayor Sullivan adjourned the meeting at 8:20 p.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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