

**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 Althaus, Joan Cathey, Leatta Dahlhoff, Angela Jefferson, Eileen Swarthout, and Kelly Von Holtz.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Finance Department Director Troy Niemeyer, Police Chief Jon Weiks, Fire Chief Brian Hurley, Community Development Department Director Michael Matlock, Transportation & Engineering Department Director Brandon Hicks, Water Resources & Sustainability Department Director Dan Smith, Parks and Recreation Department Director Chuck Denney, IT Department Director Lance Inman, Deputy Community Development Department Director Brad Medrud, Communications Manager Jason Wettstein, Sustainability Manager Alyssa Jones Wood, City Clerk Melody Valiant, and Deputy City Clerk Tracie Core.

CHANGES TO THE AGENDA: There were no changes to the agenda.

PUBLIC COMMENT: There were no public comments.

CONSENT CALENDAR:

- a. Approval of Minutes: City Council, November 19, 2024
- b. Approval of Minutes: City Council, December 3, 2024
- c. Payment of Vouchers
- d. Contract between the City of Tumwater and the Washington State Department of Fish and Wildlife for the Phase 4 Bush Prairie Habitat Conservation Plan (HCP) Grant
- e. Service Provider Agreement with HDR Engineering for On-Call Engineering Services Amendment No. 1
- f. Service Provider Agreement with PBS Engineering for the Percival Creek Fish Passage Barrier Removal Project Amendment 4
- g. Acceptance of Work with Reed Trucking and Excavating, Inc. for the Israel Road and Linderson Way Watermain Project
- h. Acceptance of Work with Specialized Pavement Marking, LLC. for the 2024 Citywide Striping project
- i. Exception to the Residency Requirement for David Shipley's Appointment on the Historic Preservation Commission

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

Mayor Sullivan reviewed the items approved on the Consent Calendar.

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**COUNCIL
CONSIDERATIONS:**

**SERVICE
PROVIDER
AGREEMENT WITH
THE THURSTON
REGIONAL
PLANNING
COUNCIL FOR HCP
LAND CAPACITY
ANALYSIS UPDATE:**

Deputy Director Medrud reported the proposed agreement is a service provider agreement with Thurston Regional Planning Council (TRPC) to complete a land capacity analysis in support of the City's Habitat Conservation Plan (HCP).

Five years ago, a land capacity analysis was completed of the City to determine land available for growth in the City over the next 30 years and to identify land that would be potentially developed to meet the requirements of the HCP. Staff continues to update the HCP with a goal to produce a draft by early spring. As part of the update process, the agreement would enable an update of the capacity analysis pertaining to the HCP. The request is for approval of the Mayor's signature to enable staff to move forward.

MOTION:

Councilmember Althausser moved, seconded by Councilmember Jefferson, to authorize the Mayor to sign a Service Provider Agreement with the Thurston Regional Planning Council for the HCP Land Capacity Analysis Update. A voice vote approved the motion unanimously.

**SERVICE
PROVIDER
AGREEMENT WITH
THE THURSTON
REGIONAL
PLANNING
COUNCIL FOR
LAND USE
ALTERNATIVES
REVIEW:**

Deputy Director Medrud said the agreement with TRPC will assist staff with the Comprehensive Plan Periodic Update for the Land Use Element. TRPC is requested to run some models based on development potential driven by different residential densities in the City to inform the City's land use designations and zoning in the future.

Staff requests the Council authorize the Mayor to sign the Service Provider Agreement with the Thurston Regional Planning Council for Land Use Alternatives Review.

MOTION:

Councilmember Von Holtz moved, seconded by Councilmember Jefferson, to authorize the Mayor to sign the Service Provider Agreement with the Thurston Regional Planning Council for Land Use Alternatives Review. A voice vote approved the motion unanimously.

**INTERLOCAL
AGREEMENT WITH
THE CITIES OF
LACEY, OLYMPIA,
AND TENINO, AND
THURSTON
COUNTY TO
SUPPORT
IMPLEMENTATION**

Manager Jones Wood said the briefing is for two proposals requiring separate actions.

Energize Thurston goals include:

1. Education campaign to raise awareness of the climate, health, and economic benefits of building electrification
2. Prioritize program benefits to low- to moderate-income households
3. Install home electrification and efficiency improvements in resident's homes

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**OF THE 2025
"ENERGIZE
THURSTON" HEAT
PUMP GROUP
PURCHASE
CAMPAIGN:**

4. Maintain program flexibility considering regional, state, and national clean energy programs and investments.

Energize Thurston is a multi-layered campaign designed to improve the life of the region's residents. Residents are able to participate through low- to moderate-income (LMI) pathways or a self-funded pathway for households above 120% of the area median income (AMI). All pathways benefit from educational workshops (required for participation), guidance on additional incentives, and benefit from streamlined installation and customer support. For low- to moderate-income pathways, installations are either fully or partially subsidized. South Puget Sound Habitat for Humanity will work with the installer to complete the improvements. Residents participating in the self-funded pathway receive a negotiated discount for equipment/installation, participate in workshops, and receive customer support.

Fully subsidized pathway homes must make 79% of the AMI or below with full cost coverage of the equipment. A minimum of 60% of the grant funds are funding low-income households. The remaining grant funds require moderate-income households to provide a minimum household contribution of up to \$2500 or 20% of the project cost.

Each jurisdiction will contract separately with Habitat for Humanity, which is leading the program for partially and fully subsidized clients. Self-funded participants will work directly with the installers and the jurisdictions to receive negotiated discounts.

Energize Thurston covers two different types of equipment of heat pumps for space heating and cooling and heat pump hot water heaters. Grant funding parameters require the use of cold climate heat pumps and all equipment must meet efficiency standards. Any electrical panel upgrades to accommodate the improvements are included.

Services provided by the City of Tumwater within the program include utilization of Department of Commerce funding towards subsidized installations of heat pumps and/or heat pump hot water heaters for income-qualified participants. The City will execute a contract with the LMI pathway administrator (South Puget Sound Habitat for Humanity), and will have case management responsibility.

Manager Jones Wood reviewed the applicant process to participate in the program for subsidized and self-funded participants.

The program in Tumwater is funded by a grant from the Department of Commerce through the Climate Commitment Act of \$477,540 with the ability for the City to spend up to 15% of that amount on administrative costs leaving \$408,485 for direct installations in homes. Staff anticipates the

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program will benefit between 20 and 40 homes.

For fully subsidized pathway participants (79% of AMI or below), they will receive full-cost coverage for equipment and services. At least 60% of the available campaign funding is reserved for low-income applicants on a first come, first served basis.

For partially subsidized pathway participants (80-119% AMI), equipment is partially subsidized with an expected maximum household contribution of \$2,500 with remaining project costs covered by the City.

The City has been contacted by four households, six housing trust units, and a representative of a manufactured home park expressing interest in the program. The City will reach out to the 191 Lifeline customers who are income-qualified to provide information about the program. The City will also communicate the program to the entire community.

Staff requests the Council authorize the Mayor to sign the Interlocal Agreement with Thurston County, City of Lacey, City of Olympia, and City of Tenino to support implementation of the 2025 “Energize Thurston” Heat Pump Group Purchase Campaign.

Councilmember Althausen asked for confirmation as to whether most of the funds were from the state through the Climate Commitment Act. Manager Jones Wood affirmed that 100% of the funding for Tumwater’s program is from the state. Other jurisdictions have received some federal funds as well. However, the small population size of the City prevented the City from receiving any federal funds.

Councilmember Althausen inquired about any potential impacts to the overall program should the program lose or receive less in federal funds. Manager Jones Wood advised that each jurisdiction is contracting separately with South Puget Sound Habitat for Humanity and is capable of managing its funds independently. For those jurisdictions receiving federal funds, those funds will only cover heat pump hot water heaters. Larger jurisdictions could possibly receive less in funding for hot water heaters should the federal government decrease or eliminate funding. Tumwater’s program would be unaffected by any changes to federal funding for Energize Thurston.

Manager Jones Wood responded to questions about the approximate number of installations anticipated under the program. Staff has approached assistance to households by ensuring eligible households are afforded the full package of improvements rather than assisting more households with only partial assistance. For example, the approach is to provide households a hot water heater and a new heat pump. If the Council desires to pursue a different direction of helping more households with some equipment, staff

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can advise South Puget Sound Habitat for Humanity to pursue a different approach to broaden the base of participants. The grant funds are available until June 30, 2025. The Department of Commerce has not shared information on whether the funding will be available for multiple years. However, establishment of the program ensures the possibility of the region taking advantage of any future funding opportunities.

MOTION: **Councilmember Althausser moved, seconded by Councilmember Dahlhoff, to approve and authorize the Mayor to sign the Interlocal Agreement with Thurston County, City of Lacey, City of Olympia, and City of Tenino to support implementation of the 2025 “Energize Thurston” Heat Pump Group Purchase Campaign. A voice vote approved the motion unanimously.**

SERVICE PROVIDER AGREEMENT WITH SOUTH PUGET SOUND HABITAT FOR HUMANITY FOR THE ENERGIZE THURSTON 2025 PROGRAM ADMINISTRATION: Manager Jones Wood reviewed the proposed service provider agreement with South Puget Sound Habitat for Humanity. The organization will serve as the program administrator for low- to moderate-income participants. Habitat for Humanity will administer the campaign, complete income verification, provide customer support, oversee equipment installation and quality assurance, complete progress reports, and conduct community outreach and education. Staff, installers, and South Puget Sound Habitat for Humanity will participate in all workshops. The workshops are available on-demand online or in-person. One of the workshops will be recorded in Spanish with other in-person workshops offering translation as requested.

Staff requests the Council approve and authorize the Mayor to sign the Service Provider Agreement with South Puget Sound Habitat for Humanity for the Energize Thurston 2025 Program Administration.

MOTION: **Councilmember Swarthout moved, seconded by Councilmember Von Holtz, to approve and authorize the Mayor to sign the Service Provider Agreement with South Puget Sound Habitat for Humanity for the Energize Thurston 2025 Program Administration. A voice vote approved the motion unanimously.**

TRANSPORTATION BENEFIT DISTRICT (TBD) BRIEFING: Director Hicks reported the informational briefing on the Tumwater Transportation Benefit District (TBD) is in anticipation of the 2025 renewal if approved by the Council and voters.

The TBD is a quasi-municipal taxing jurisdiction, authorized by state law to fund transportation improvements within the district. The TBD is governed by RCW 36.73 and Tumwater Municipal Code 12.42. Tumwater voters approved the sales tax option to fund the TBD through a sales tax increase of 0.2% (two-tenths of one percent) for a period of ten years to fund street maintenance projects within City limits. Renewal of the tax requires approval by the voters. The sales tax increase was effective in Tumwater in 2015 and will expire in 2025.

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The proposal is not a sales tax increase but rather a renewal of an existing 0.2% of sales tax used to fund transportation projects. Additionally, the 0.2% portion of the current sales tax used to fund the TBD ensures all people who use the City's road system to shop in Tumwater pay a fair portion of the road system.

TBDs are commonly used and are a popular funding mechanism for roadway maintenance throughout the state. Approximately 116 cities in the state have formed TBDs with the majority funded using the sales tax option. Five counties in the state formed TBDs with only one county funded. Since 2011, over 90% of TBD ballot measures for cities using the sales tax option have been approved by voters.

The City of Tumwater established the TBD to fund aging infrastructure and maintenance of the transportation system in the City. Transportation infrastructure is one of the City's most valuable investments. Deferred maintenance creates higher repair costs. State and federal funding for maintenance and preservation of City streets has continued to reduce over time.

The Tumwater TBD was established in 2014 and funded in 2015. The TBD has received a substantial amount of funding for street maintenance and generated more than \$19.2 million in revenue with a forecast exceeding \$20 million at the end of the 10-year period in 2025. The funds leveraged more than \$6 million in additional grant funds.

Director Hicks described the importance of maintaining pavement preservation. Spending funds on maintenance of streets essentially saves six to fourteen times the amount if the street were to degrade. Approximately 11% of the City's roads are in poor or unacceptable condition. While many roads have maintained a good or very good condition because they are new, other roads in good condition continue to deteriorate in grade. Despite TBD funding, the overall road system is slowly degrading with the gap covered through capital construction projects and single large projects.

Director Hicks reviewed accomplishments achieved by the TBD over the last ten years:

- Road maintenance completed on more than 100 lane miles (40% of the entire road system)
- Used 50,000 tons of asphalt
- Replacement of more than 100 curb ramps to improve accessibility for all users
- Completion of over 38,000 feet of pavement markings
- Major projects funded by the TBD include:

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- Israel Road Improvements project
- Linwood Avenue Sidewalk project
- Second Avenue Pedestrian and Bicycle Improvements projects to include a roundabout at Second Avenue and Linwood Avenue with repaving from Linwood Avenue to the Old Town Center
- Design efforts for 2025 pavement maintenance project of approximately \$3 to \$4 million.

Next steps include a briefing to the Council at its next work session on the requirements to renew the TBD to include a ballot measure in April. The deadline for submittal of a resolution to Thurston County to initiate the ballot measure to renew the TBD is February 21, 2025. The City will communicate facts about the TBD to the community.

Discussion ensued on next steps if the TBD is renewed by voters. Staff plans to review the map of proposed projects promised to voters in 2015 to demonstrate to voters promises completed during the ten years, as well as anticipated projects if the TBD is renewed for another ten years.

**COMMITTEE
REPORTS:**

**PUBLIC HEALTH &
SAFETY:**
Peter Agabi

The next meeting is scheduled on January 14, 2025. The agenda includes briefings and consideration of a Software License and Service Agreement with 365Labs on behalf of the Thurston County Law Enforcement Records Management System Consortium (“LERMS”), an Interlocal Agreement with the City of Olympia for Fire Vehicle Maintenance, and an Interlocal Agreement for Thurston County Emergency Management Council.

**GENERAL
GOVERNMENT:**
Michael Althausser

The committee’s next meeting on January 8, 2025 includes discussion on the 2025 Comprehensive Plan Climate Element and code amendments for the General Commercial Mixed Use zoning district to incentivize density.

PUBLIC WORKS:
Eileen Swarthout

The next meeting is scheduled on Thursday, January 9, 2025. Agenda items include consideration of Interlocal Agreement (ILA) with the Cities of Olympia and Lacey, and Thurston County Implementing a Regional Environmental Education Program (REEP), a Right of Entry Agreement with Dana Day for the Barnes Lake Management District, and a Memorandum of Understanding (MOU) Between the City of Tumwater (CITY) and LOTT Clean Water Alliance (LOTT) Regarding a Purchase and Sale Agreement for Properties in the Deschutes Valley Amendment 2.

**BUDGET AND
FINANCE:**
Debbie Sullivan

The committee is scheduled to meet monthly in 2025 with the schedule of meetings under development.

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

City Administrator Parks reported the City is offering free holiday tree recycling service with pick-up service offered by the City from January 6, 2025 through January 20, 2025 by placing undecorated Christmas trees behind the curb closet the neighborhood's main intersection. Artificial trees will not be accepted.

This year, the City is embarking on the Community Center design project. On January 13, 2025 from 6 p.m. to 8 p.m. at Tumwater Middle School, a second workshop is scheduled to review public feedback from the first workshop and a recent community survey for the project. The consultant team will review preliminary building programming and the project budget, as well as preferred community center sites that have been evaluated. More information can be obtained by contacting the Parks and Recreation Department or visiting the City's website.

Earlier in the day, the City welcomed 10 newly hired Firefighter Paramedics to support the new Medic One #8 unit scheduled for operation by January 1, 2026. The next step for the new employees is attending the Advanced Life Support Academy sponsored by Medic One. Several of the employees are also required to attend the Fire Academy as an entry-level employee. Medic One is recognized as the first countywide publicly funded tiered EMS response system in the nation celebrating 50 years of existence in 2024.

Staff has been engaged in workforce planning since early 2024. The process resulted in several budget requests. Workforce planning is ongoing to ensure the provision of good services across the departments as well as consistency in naming conventions, City positions, and personnel policies. One of the first actions was enacting a consistent naming convention for City positions. The first step included updating department organizational charts. Several departments identify Assistant Director positions. The City converted the name of the positions from Assistant Director to Deputy Director to include four existing positions and two new positions authorized in the budget for the Community Development Department Deputy Director and Water Resources and Sustainability Department Deputy Director positions. Planning Manager Brad Medrud assumed the position of Community Development Department Deputy Director effective January 1, 2025. The Water Resources and Sustainability Department Deputy Director position is currently vacant. The actions do not change the job descriptions or the salary range. The new salary range was included in the recently adopted budget.

Mayor Sullivan reported she is participating at the Thurston County Chamber meeting to provide a Mayor's report. Later in the month, she will provide a report to the Tumwater Area Chamber of Commerce in addition to several staff members.

COUNCILMEMBER

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REPORTS:

Joan Cathey: There were no meetings and no report.

Leatta Dahlhoff: There were no meetings and no report.

Kelly Von Holtz: Councilmember Von Holtz acknowledged and welcomed the attendance of several high school students. The first baby of the year in Thurston County was born to a Tumwater family. A 2019 Black Hills high school graduate was named on Forbes Magazine *30 Under 30* 2024 list as the founder of a company.

Angela Jefferson: Councilmember Jefferson acknowledged students from local high school Leadership Clubs. She encouraged students to stand to receive deserved acknowledgment of their current and future participation in support of the community.

Councilmember Jefferson attended the December 19, 2024 Emergency Medical Services (EMS) Council meeting. Members reviewed non-compliance of patient care reporting policy for motor vehicle accidents. The state requires reporting of non-injury patients involved in motor vehicle accidents. The current reporting database does not recognize non-injury accidents. Consequently, EMS is seeking an exception of the policy during the first six months of 2025 until the issue is resolved. Members discussed a potential partnership for opioid use disorder treatment between Medic One and Catholic Community Service and local clinics to provide a recovery path for opioid use disorder. Members discussed different treatments for opioid use disorder and potential risks of new synthetic opioids.

At the Tumwater HOPES meeting, members discussed upcoming events. On January 10, 2025, Tumwater HOPES and the Tumwater Youth Program will participate in the youth program at Bush Middle School from 6 p.m. to 9:30 p.m. On January 17, 2025, Tumwater HOPES will participate in another Tumwater Youth Program event at the Tumwater Middle School from 6 p.m. to 9:30 p.m.

Peter Agabi: There were no meetings and no report.

Michael Althaus: There were no meetings and no report.

Eileen Swarthout: Councilmember Swarthout acknowledged Public Works staff for their assistance to remove a tree and branches that fell near her home during a recent storm.

**RECESS TO
EXECUTIVE
SESSION:**

Mayor Sullivan recessed the meeting at 8:04 p.m. to discuss Potential Litigation pursuant to RCW 42.30.110(1)(i) and Real Estate Acquisition pursuant to RCW 42.30.110(1)(b) for approximately 15 minutes. No

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action is scheduled to follow the executive session.

ADJOURNMENT: Mayor Sullivan reconvened and adjourned the meeting at 8:20 p.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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