



CITY OF
TUMWATER

**BUDGET & FINANCE COMMITTEE
MEETING AGENDA**

**Online via Zoom and In Person at
Tumwater City Hall, Council Conference
Room, 555 Israel Rd. SW, Tumwater, WA
98501**

**Friday, March 27, 2026
12:00 PM**

1. Call to Order
2. Roll Call
3. Approval of Minutes: Budget and Finance Committee, February 27, 2026
4. Employee Benefits Policy Update (Administrative Services Department)
5. Monthly Financial Update (Finance Department)
6. Additional and Future Items
7. Adjourn

Meeting Information

All committee members will be attending remotely. The public are welcome to attend in person, by telephone or online via Zoom.

Watch Online

<https://us02web.zoom.us/j/83679875047?pwd=KCfQXKzO1uTQ4NkspRlrEI2TaOr3kh.1>

Listen by Telephone

Call (253) 215-8782, listen for the prompts and enter the Webinar ID 836 7987 5047 and Passcode 633274.

Public Comment

The public may submit comments by sending an email to council@ci.tumwater.wa.us, no later than 5:00 p.m. the day before the meeting. Comments are submitted directly to the Committee members and will not be read individually into the record of the meeting.

Post Meeting

Video of this meeting will be recorded and posted on our City Meeting page: <https://tumwater-wa.municodemeetings.com>.

Accommodations

The City of Tumwater takes pride in ensuring that people with disabilities are able to take part in, and benefit from, the range of public programs, services, and activities offered by the City. To request an accommodation or alternate format of communication, please contact the City's ADA Coordinator

directly, call (360) 754-4129 or email ADACoordinator@ci.tumwater.wa.us. For vision or hearing impaired services, please contact the Washington State Relay Services at 7-1-1 or 1-(800)-833-6384.

MEETING MINUTES

TUMWATER BUDGET & FINANCE COMMITTEE
February 27, 2026



CONVENE: 12:00 p.m.

PRESENT: Mayor/Chair Leatta Dahlhoff, and Councilmembers Angela Jefferson, Eileen Swarthout and Kelly Von Holtz.

Staff: City Administrator Paul Simmons, Assistant City Administrator Kelly Adams, Finance Director Troy Niemeyer, Senior Accountant Nissa Musselman, City Attorney Karen Kirkpatrick, and Paralegal Sharleen Johansen.

APPROVAL OF MINUTES: **Councilmember Swarthout moved, seconded by Councilmember Von Holtz, to approve the minutes of October 24, 2025 as presented. A voice vote approved the motion.**

MONTHLY FINANCIAL UPDATE: Director Niemeyer welcomed the new members to the Committee and gave a budget update from the last quarter of 2025. The updates included:

- Sales Tax
- Public Safety Sales Tax
- B&O Tax
- Lodging Tax - Tourism
- General fund revenues & expenditures – Year to Date
- Water, sewer and stormwater revenues & expenditures
- Golf revenues & expenditures

Director Niemeyer shared the net savings for the 2025 General Fund Budget was over \$4.7 million. Additionally, Director Niemeyer discussed the current upsides and risks of the economy.

**COMMITTEE MEETING
SCHEDULE:**

The Committee confirmed they will continue to meet at noon on the last Friday of every month.

ADJOURNMENT:

With there being no further business, Chair Dahlhoff adjourned the meeting at 12:40 p.m.

Prepared by Brittany McClanahan, Executive Assistant

TO: Budget & Finance Committee
FROM: Michelle Sutherland, Administrative Services Director
DATE: March 27, 2026
SUBJECT: Employee Benefits Policy Update

1) Recommended Action:

Place the Employee Benefit Policy Update on the April 21, 2026, City Council consent calendar with a recommendation to approve and adopt the policy updates.

2) Background:

Washington cities are increasingly competing for talent and retaining quality employees. Industry and comparator data suggest three primary benefit areas affect recruitment and retention: vacation accrual schedules, the number of fixed holidays, and the number of floating holidays offered as benefits. Tumwater currently provides 11 paid holidays, 1 floating holiday, and vacation accrual beginning at 8 hours per month, which places the City closer to the lower baseline rather than more competitive peer offerings. If Council wishes to strengthen Tumwater’s position in the recruitment and retention of employees, the comparator data supports adding an additional fixed holiday, increasing vacation schedule accruals, and providing additional floating holidays. Moving toward 14–15 total holiday-type days and a stronger vacation accrual schedule would align Tumwater more closely with the more competitive half of the comparator group and improve employee recruitment and retention.

3) Policy Support:

The following recommendations support the council value of “People”, “We recognize the vital contributions of our staff and foster a supportive environment that promotes growth, celebrates achievements, and retains talent to serve our community with excellence”; as well as the council priority of “Tumwater Excellence” to refine and sustain a great organization, specifically to “Attract, retain, and promote a talented and diverse workforce”.

4) Alternatives:

- Investigate other higher cost retention and recruitment options.
-

5) Fiscal Notes:

Increasing employee vacation accruals and adding an additional holiday would have only indirect budget implications because this proposal does not request new appropriations or an immediate increase to the City’s adopted budget. Rather, the impact is primarily operational, as additional leave may modestly affect scheduling, service coverage, and the City’s accrued leave liability over time. In that context, the proposal is best understood as a compensation and workforce retention adjustment within existing resources, rather than a direct request for additional funding.

6) Attachments:

A. Employee Benefits Policy Update Recommendations

Employee Benefit Policy Update Recommendations



Summary

Publicly available comparator data indicates that Washington cities are increasingly using three core benefit levers to compete for talent: stronger vacation accrual schedules, broader paid fixed holiday schedules, and two or more floating holidays. Among the comparators reviewed, the market pattern is offering 11-12 fixed holidays plus 2-3 floating holidays, with several cities effectively reaching 13-15 total fixed and floating holiday days. The stronger vacation accrual models in this group begin around 12 hours per month rather than 8-10 hours per month.

Tumwater's current policy reflects 11 listed paid holidays, 1 floating holiday per year, and a vacation schedule beginning at 8 hours per month and rising to 15 hours 20 minutes per month at 20+ years. This places Tumwater closer to the lower baseline than to the more competitive comparator packages used by several peer jurisdictions.

If the Council wishes to strengthen Tumwater's recruitment and retention position as an employer of choice, the comparator set supports these especially defensible policy moves: providing an additional fixed holiday, increasing the vacation accrual schedule, and adding additional floating holidays. A target of 14-15 total holiday-type days and a stronger vacation accrual would place Tumwater closer to the more competitive half of this comparator group.

Comparable Jurisdictions

The organizations reviewed were selected based on data derived from the Association of Washington Cities reporting dashboard. This is a benchmarking aid that helps a city identify other Washington cities that look most like it across a set of core characteristics. AWC describes it as a City Comparison Tool that helps us find cities most like Tumwater on a number of core variables, and pairs it with a City of Tumwater snapshot showing economic, demographic, housing, and related community data.

AWC's Salary and Benefits Survey and data directly from comparator jurisdictions is then used alongside that comparison work to provide benefit data for planning and compensation decisions.

DEPARTMENT NAME

This tool gives us a more structured way to identify peers based on underlying city characteristics which creates a more defensible comparator group for compensation, benefits, staffing, and organizational analysis. Comparable jurisdictions identified by this tool were: Battle Ground, Arlington, Bonney Lake, Bremerton, Covington, Longview, Maple Valley, Monroe, Mount Vernon, Oak Harbor, Port Angeles, and Port Orchard. The jurisdictions of Olympia and Lacey are also reviewed as both compete directly with Tumwater for talent.

Conclusion

The comparator review indicates that Tumwater's current benefit structure remains serviceable but is increasingly modest relative to several comparable Washington municipal employers. The strongest market-supported adjustments would be to improve vacation leave accruals, expand floating holiday benefits, and increase the number of fixed holidays. In addition, adding a day of community service leave would provide meaningful value to both employees and the broader community. These recommendations are supportable as a competitive recruitment and retention-oriented policy response.

The following recommendations support the council value of "People", "We recognize the vital contributions of our staff and foster a supportive environment that promotes growth, celebrates achievements, and retains talent to serve our community with excellence"; as well as the council priority of "Tumwater Excellence" to refine and sustain a great organization, specifically to "Attract, retain, and promote a talented and diverse workforce".

Recommendations for Council Consideration

Recommendation 1 - Increase vacation accrual schedule

If the Council's primary goal is to support recruitment and retention, a market-supported option would be to strengthen Tumwater's vacation accrual schedule. A schedule increase would align Tumwater more closely with stronger comparators, as well as the City of Lacey.

Recommendation 2 - Increase floating holiday schedule

Adding a second floating holiday would be an enhancement for employees while remaining administratively manageable. Structuring the benefit as a calendar-year, use-it-or-lose-it leave bank would preserve flexibility while avoiding long-term accrual liabilities.

Recommendation 3 – Implement a 12 fixed holiday schedule

Adding one additional fixed holiday of Christmas Eve would move Tumwater into the more competitive half of the comparator group. This would also reduce the gap between Tumwater and other comparators that already offer a broader fixed holiday schedule.

Recommendation 4 – Provide one day of Community Service leave

Adding one day of Community Service Leave to the City’s employee benefits package would provide meaningful value to both employees and the broader community. This benefit encourages staff to engage directly with local non-profits and schools. It reflects the City’s commitment to civic responsibility, public service, and community partnership, while also supporting employee morale, pride, and engagement by giving staff a structured opportunity to contribute in a personal and impactful way. Community service leave can also enhance the City’s reputation as an employer of choice by demonstrating values that align with service, collaboration, and investment in community well-being. This benefit offers a practical and visible way to support both workforce engagement and strong community relationships.

Proposed Vacation Accrual Schedule

During Year of Employment	Vacation Time Accrued Per Month
1	12
2-4	14
5-9	16
10-14	18
15-19	20
20-24	22
25+	24

Current Vacation Accrual Schedule

TIME EMPLOYED	VACATION TIME
1 - 12 months (1 st yr.)	8 hours per month
13 - 24 months (2 nd yr.)	8 hours 40 minutes per month
25 - 48 months (3 rd & 4 th yrs.)	9 hours 20 minutes per month
49 - 60 months (5 th yr.)	10 hours per month
61 - 84 months (6 th & 7 th yrs.)	10 hours 40 minutes per month
85 - 108 months(8 th & 9 th yrs.)	11 hours 20 minutes per month
109 - 120 months(10 th yr.)	12 hours per month
121- 144 months(11 th & 12 th yrs.)	12 hours 40 minutes per month
145- 168 months(13 th & 14 th yrs.)	13 hours and 20 minutes per
169- 204 months(15 th , 16 th & 17 th yrs.)	14 hours per month
205- 228 months(18 th & 19 th yrs.)	14 hours and 40 minutes per
229 months and after (20 th yr. and	15 hours and 20 minutes per

Current Fixed Holiday Schedule (11 days)

New Years Day
Martin Luther King Birthday
Presidents Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
Day After Thanksgiving
Christmas Day

Proposed Addition to Current Fixed Holiday Schedule (12 days)

Christmas Eve Day

Current Floating Holiday Schedule

1 eight-hour Floating Holiday per year

Proposed Addition to Current Floating Holiday Schedule

2 eight-hour Floating Holidays per year

Proposed Addition of Community Service Leave

Add 1 eight-hour Community Service Leave

TO: Budget and Finance Committee
FROM: Troy Niemeyer, Finance Director
DATE: March 27, 2026
SUBJECT: Monthly Financial Update

1) Recommended Action:

This item is informational only.

2) Background:

Staff will provide regular budget-to-actual reports.

3) Policy Support:

2026-2032 Strategic Priorities & Goals: Tumwater Excellence: refine and sustain a great organization. Be good stewards of public funds by following sustainable financial strategies.

4) Alternatives:

n/a

5) Fiscal Notes:

n/a

6) Attachments:

A. none