

## **City Council Minutes – January 22, 2018**

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Mayor Pro Tem Matt Miller called to order the regular Anacortes City Council meeting of January 16, 2018 at 6:00 p.m. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Liz Lovelett, Bruce McDougall and Matt Miller were present.

The assembly joined in the Pledge of Allegiance.

### **Announcements and Committee Reports**

Mr. Miller suggested re-ordering agenda items 7a and 7b. Councilmembers concurred.

Oath of Office for Police Captain, Police Sergeant, Police Corporal and Police Officer: Police Chief John Small introduced new Police Officer Jacob Leland and announced the promotions of Police Detective Jesse Buffum to Police Corporal, Police Detective Terrence Clifford to Police Sergeant and Police Sergeant Dave Floyd to Police Captain. Mayor Pro Tem Miller administered the oath of office to each of the four members of the police force in their new positions.

Appointment of Mark Nihart to Anacortes Historic Preservation Board: Mr. Miller read a statement from Mayor Gere seeking Council confirmation of her appointment of Mark Nihart to fill a vacancy on the Historic Preservation Board for a term ending December 31, 2020. Ms. Lovelett moved, seconded by Mr. Johnson, to approve the appointment. The motion carried unanimously by voice vote.

### **Public Comment**

No one present wished to address the Council on any topic not already on the agenda.

### **Consent Agenda**

Mr. Johnson moved, seconded by Mr. McDougall, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of January 16, 2018
- b. Approval of Claims in the amount of: \$840,516.34

The following vouchers/checks were approved for payment:  
EFT numbers: 87812 through 87855, total \$626,473.34  
Check numbers: 87811 and 87856 through 87893, total \$266,953.36  
Wire transfer numbers: 226202 through 227132, total \$8,381.60

## **OTHER BUSINESS**

### **Technology Solution Contract with Compulink Management Center, Inc. (Laserfiche)**

City Attorney Darcy Swetnam requested Council approval of a contract with Compulink Management Center, Inc. for the purchase and technical support for implementation of the Laserfiche enterprise content management solution. Ms. Swetnam presented the implementation plan for project, referring to her slide presentation which was added to the packet materials for the meeting. She summarized the city's responsibilities under the Public Records Act, then shared statistics regarding the staff time required to respond to public records requests for the prior four years and the very minimal cost recovery possible for those efforts. Ms. Swetnam emphasized the value of making record searches more efficient. She described records management processes within the city, which are overseen by each department and governed by Resolution 1920 with the assistance of a Records Management Committee. Ms. Swetnam

outlined the challenges of records management in the face of a rapidly expanding body of public records that are increasingly in electronic format. She then presented the features of the Laserfiche software and enumerated how those features would provide better and more efficient tools for managing the city's public records as well as its business processes. Ms. Swetnam outlined the phased implementation strategy. She reminded Council that the purchase of the software and addition of a part-time legal assistant position to provide staff support were approved in the 2018 budget. Ms. Swetnam summarized the terms and scope of work for the contract which was procured under the State Master Contract.

Ms. Swetnam responded to councilmember questions regarding paper and electronic records, public records requests, and data security. Finance Director Steve Hogle advised that the local Laserfiche servers would be included in the citywide cloud backup strategy. Mr. Walters endorsed the project which had been a longstanding goal; he noted that Laserfiche would dramatically increase transparency and achieve efficiency over storing paper records. Mr. Young, Mr. Adams and Mr. Miller also spoke in favor of the project.

Mr. Adams moved, seconded by Ms. Lovelett, to approve the Technology Solution Contract between the City of Anacortes and Compulink Management Center, Inc. for Laserfiche implementation. Vote: Ayes – Young, Walters, Miller, Adams, Lovelett, McDougall, and Johnson. Motion carried.

Mr. Miller invited members of the public to comment on the agenda item.

Johnny Chase, 4211 Glasgow Way, called Laserfiche a fantastic idea that needs to be done but cautioned that the implementation plan was very sparse and said the city would need to budget a whole lot more, at least \$400K, to do it right. Referencing his own experience with electronic records conversions, Mr. Chase said change management citywide would be a huge challenge and that adequate, dedicated staffing and leadership from the top would be crucial. He said he would like to see a real plan.

Ward McKenzie, 1302 7<sup>th</sup> Street, said he had observed similar projects in the past and that without a good change management system and a strongly driven project and set of expectations for mid and upper level managers, you end up with a minimal implementation. He warned that consultants will often come back seeking significant additional implementation funds.

Patrick Gallagher, 1406 Portalis Court, said he had been involved in large software implementation projects in Seattle and that the evening's presentation set off alarm bells for him based on staff's apparent experience with large projects. He said the implementation will take a long time and he'd like to hear more about the strength of the city staff, the training they would need, and the ongoing budget impacts.

Mr. Walters thanked the speakers for their comments. He noted that presentations to City Council are generally less detailed than staff's working plans, endorsed the phased implementation approach, and expressed confidence staff's ability. Ms. Swetnam added that during extensive investigations with other jurisdictions over the prior two years staff had certainly heard similar warnings from agencies who had experienced challenges in implementation which was why the Anacortes team had been carefully selected to address those challenges. She advised that staff would provide periodic updates to Council and the public. Mr. Miller acknowledged that the subject contract was a long awaited first step toward a shared objective that would likely have future budget ramifications. Mr. Young suggested that the comments offered indicated a local talent pool that staff might be able to draw upon.

### **Municipal Broadband Fiber Update**

Public Works Director Fred Buckenmeyer and Administrative Services Director Emily Schuh updated Council on the municipal broadband system project, referring to their slide presentation that was added to the packet materials for the meeting. Ms. Schuh encouraged public input during the presentation.

Mr. Buckenmeyer displayed a map of the fiber installed to date within the city and currently being extended to the water treatment plant in Mount Vernon using the “pipe in pipe” model. He summarized the water and sewer funding budgeted for 2017 and 2018 and the actual contract amounts spent in 2017 for the telemetry portion of the system. Ms. Schuh then reported on the ongoing public survey to identify interest in fiber to homes and business and the work of fiber champions in the community. Mr. Buckenmeyer shared network design diagrams illustrating the difference between smaller business and residential users and high volume institutional users. He then focused on the development of and evaluation of four internet provider models: City serving as the Internet Service Provider [ISP], City managing multiple ISP’s, City partnering with a single ISP, and a separate open access network for enterprise customers. He summarized the strengths and concerns with each model and concluded with a list of factors leading staff to recommend the Single ISP model. Mr. Buckenmeyer and Ms. Schuh responded to councilmember questions about the size of the potential ISP pool, whether additional city staffing would be required, and economic viability of the models. Mr. Buckenmeyer advised that staff had sent out a draft RFQ to a number of industry players, including BroadbandUSA, and had incorporated their useful feedback into the revised draft RFQ that had been distributed to councilmembers prior to the meeting and added to the packet materials. Councilmembers offered questions and suggestions for refining the RFQ.

Ms. Schuh presented the proposal to install fiber broadband in two pilot areas: Pilot Area 1 covering 22<sup>nd</sup> to 32<sup>nd</sup> Streets from M Avenue to I-J Avenue, which includes businesses, schools, and single and multi-family residences, and Pilot Area 2 covering 11<sup>th</sup> Street between M and E Avenues, both of which are very close to fiber already installed for the telemetry network. She then presented staff’s study of broadband system fees charged by other networks in Washington, noting the range of fee structures. Mr. McDougall recalled the fee structure used by Sandy, Oregon, for additional comparison. Ms. Schuh noted the lack of symmetrical service (equal upload and download speed/capacity) for local customers. Mr. Buckenmeyer and Ms. Schuh then shared a spreadsheet tool that could be used to project the return on investment for the system based on various construction/hook up costs, pricing models and subscriber percentages. Councilmembers discussed models for recovering hook up costs at some length, noting that actual cost would be greater in some terrain than others and that the one-time cost of connecting a building to the fiber network added to the value of the structure.

Mr. Buckenmeyer asked councilmembers for a head nod to begin the RFQ process. He noted that mayor and Council would have multiple decision points throughout the process. He added that after discussions with the Finance Director, staff suggested that the costs for building out the two pilot areas would be funded with approximately \$300K from the General Fund to be repaid by subscriber fees. Mr. Buckenmeyer said that further build out would depend on the results from the pilot areas. He added that there may also be interest in the marketplace in leasing some of the dark fiber across the valley.

Councilmembers suggested additional topics to be addressed in the RFQ, asked to have at least one councilmember on the selection committee, and stressed that Council would like to see any provider contract during development before it was presented for adoption. Several councilmembers asked for very clear separate accounting of the costs of the telemetry network and the broadband network. Ms. Schuh and Mr. Buckenmeyer highlighted portions of the preceding presentation that addressed that request. Mr. Johnson noted unsuccessful fiber projects in Ashland, Oregon, Tacoma, Washington and Provo, Utah and asked staff how Anacortes would avoid the pitfalls those communities experienced. Ms. Schuh indicated that staff and the consultants had carefully studied successes and failures elsewhere which had led to the recommendation for the single ISP model, which reflected the appropriate amount of risk for a city the size of Anacortes.

Mr. Miller invited the public to comment on this agenda item.

Johnny Chase, 4211 Glasgow Way, thanked Mr. Johnson for bringing up the cities which had not been successful with municipal broadband. Mr. Chase expressed dissatisfaction with the cost increases on the city's NoaNet contracts. He called the broadband network a terrible idea and said it had been presented to the public disingenuously. Mr. Chase questioned spending \$300K for a pilot program that would not have enough subscribers; he said Anacortes already had broadband service available and that a municipal broadband network was a solution in search of a problem. He said fiber optic is not the future and asked where the single ISP model had ever worked. He questioned the pipe-in-pipe technology. Mr. Chase urged Council to slow down a little bit, said he was very scared about the snowballing costs, and said Anacortes should get another source of information besides NoaNet.

Mr. Walters suggested that the RFQ ask if respondents would be willing to be one of multiple ISPs and to explore another option, such as copper, for delivery to the home. Councilmembers reiterated that they did not want to see an ISP contract for the first time when it was presented to them for approval. Mr. Adams and Mr. Johnson asked Mr. Buckenmeyer for assurances about the pipe-in-pipe technology, which Mr. Buckenmeyer said he had witnessed in installations in Europe and was already in place in part of the Anacortes system. Councilmembers asked when the \$3M telemetry network would be functional and for a demonstration of that system when available. Mr. Walters asked that the costs for the telemetry and broadband networks be presented on the city website with links to the associated contracts and a summary of funding authorized and spent to date.

Mr. Miller summarized that he sensed a head nod from Council on proceeding with development of the RFQ but that dialog would continue at each step.

There being no further business, at approximately 8:50 p.m. the Anacortes City Council meeting of January 22, 2018 was adjourned.