

City Council Minutes – April 23, 2018

At 6:00 p.m. Mayor Laurie Gere announced that prior to the regular meeting, City Council would convene in closed session for no more than 30 minutes to discuss collective bargaining strategy. She clarified that per RCW 42.30.140, such discussions are not subject to the requirements of the Open Public Meetings Act.

At 6:30 p.m. Mayor Laurie Gere called to order the regular Anacortes City Council meeting of April 23, 2018. Councilmembers Eric Johnson, Ryan Walters, Brad Adams, Liz Lovelett, Bruce McDougall and Matt Miller were present. Councilmember Anthony Young was absent.

Ms. Lovelett moved, seconded by Mr. Walters, to excuse the absence of Councilmember Anthony Young from the April 16, 2018 and April 23, 2018 meetings. The motion carried unanimously by voice vote.

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Public Safety Committee: Mr. Miller reported from the committee meeting earlier in the evening. He described the police active shooter training in cooperation with the school district, the renewal of the School Resource Officer MOU with the school district, police budget items for the upcoming biennium, and ongoing mediation with the police guild. Mr. Miller reported that the committee also discussed the upcoming delivery of the remounted ambulance, ongoing investigation of impact fees or other funding mechanisms for the ladder truck and pumper truck, facilities needs at Fire Station 1, and the potential new fire station at March Point.

Mr. Adams noted that the Dakota Creek waiver did not pass in the U.S. Senate the prior week and asked if his colleagues were interested in adopting a resolution supporting DCI and its role in the local economy. Mayor Gere noted that Council had signed a letter to the state's congressional delegation in support of DCI. Mr. Walters encouraged consulting DCI on expression of support would be most useful to them. Mayor Gere advised she would contact DCI in this regard. The mayor added that during Governor Inslee's visit to Anacortes the prior week staff was able to convey to the governor how the issue was crippling the largest shipbuilder in Anacortes and impacting the community with 200 jobs already lost.

Public Comment

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

Consent Agenda

Ms. Lovelett removed Item 5b from the Consent Agenda. Ms. Lovelett moved, seconded by Mr. Miller, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of April 16, 2018
- c. Contract Modification: Ambulance Remount 17-122-FIR-001
- d. Contract Award: Library 2nd Floor Carpet Installation 18-067-FAC-001

The following vouchers/checks were approved for payment:
EFT numbers: 88902 through 88943, total \$371,170.22
Check numbers: 88944 through 88981, total \$246,785.85
Wire transfer numbers: 230606 through 231594, total \$4,624.49

b. Approval of Claims in the amount of: \$631,905.59

Ms. Lovelett questioned the \$12,767.43 expenditure to Graybar Electric for a compressor for the Sharpes Corner project. Mr. Johnson reported that he had posed the same question to Public Works Director Fred Buckenmeyer and had been informed that the city had purchased the equipment directly rather than paying a much higher cost to have WSDOT procure it. Ms. Lovelett indicated that she would contact Mr. Buckenmeyer for additional information. Ms. Lovelett moved, seconded by Mr. Miller, to approve Consent Agenda Item 5b. The motion carried unanimously by voice vote.

PUBLIC HEARINGS

CDBG - 2018-2022 Consolidated Plan & Action Plan

Planning Director Don Measamer introduced the final of two required public hearings to consider the proposed projects and the development of the Strategic Plan. He said no comments on the plan had been submitted to date. Mr. Measamer advised that HUD had not issued the actual allocation but the amount was expected to be similar to the \$95K awarded the prior year. He described the four funding applications received and the proposed awards as summarized in the staff memo in the packet materials for the meeting. Mr. Measamer indicated that Council could approve the draft Action Plan based on the estimated funding with the contingency that the dollar amounts would be adjusted when the final allocation was disbursed.

Mr. Measamer reminded that Council had previously expressed interest in possibly allocating to other projects the 20% of the award allowed and traditionally allocated to administrative salary cost, covering the salary expense out of the general fund instead. Councilmembers discussed various options for that funding and the larger question of funding for social services in the city budget. Mr. Measamer reminded that only 15% of the CDBG award could be directed to public services but said the 20% allowed for administrative expense could be redirected to capital projects. He encouraged Council to take action on the plan at the present meeting to avoid additional costs for publication of amended notices and time for further public review.

Mayor Gere invited members of the audience to comment on this agenda item.

Rachel Kingsley, Weatherization Program Manager for Housing Authority of Skagit County, explained her agency's application and how award of Anacortes CDBG funding for repairs to three low income homes in Anacortes would leverage County and utility funding available for weatherization of those homes.

No one else wishing to address the Council, Mayor Gere closed the public hearing.

Mr. Johnson moved, seconded by Ms. Lovelett, to accept the proposed projects and draft Strategic Plan and Action Plan for submittal to HUD when the final allocations were made. Vote: Ayes – Walters, Adams, Lovelett, McDougall, Miller and Johnson. Motion carried.

Mr. Walters urged that the Housing Affordability & Community Services Committee be tasked with formulating a plan to address public services funding in the general fund budget for the upcoming biennium. Ms. Lovelett indicated that the committee was already engaged in that effort.

OTHER BUSINESS

Presentation from HAM Radio and CERT Organizations

Fire Chief Richard Curtis introduced Rick Wallace of the West Skagit Community Emergency Response Team (CERT) and Richard Rodriguez of the Skagit Amateur Radio Emergency Communications Club (SARCC), aka HAM radio operators, to report on their work in the community in support of emergency preparedness and disaster response and recovery. Chief Curtis said the city relies strongly on these wonderful volunteer organizations.

Rick Wallace, 1219 37th Street, said he was proud of the city's efforts for disaster preparedness since the November training drill. Mr. Wallace shared a slide presentation which was added to the packet materials for the meeting. He described the Team's mission of training citizens to keep themselves safe while filling the gaps that will occur in professional emergency response when disaster strikes. Mr. Wallace shared photos demonstrating the group's current training events and listed additional advanced CERT training topics the group would like to pursue. He said there are more than 150 trained CERT members in the West Skagit area. Mr. Wallace thanked Mayor Gere, Councilmember Miller, Chief Curtis, former Councilmember Erica Pickett, and city department heads for supporting preparedness training and thanked other area first responders for supporting CERT's efforts. Mayor Gere thanked the Team for its efforts on behalf of the community. Mr. Johnson and Ms. Lovelett inquired about the possibility of a modified or tailored CERT training for city councilmembers. Mr. Wallace was open to the suggestion and added that the next regular CERT training in October would be held Tuesday and Thursday evenings so would not conflict with regular City Council meetings.

Richard Rodriguez, 1515 16th Street, urged the city to invest \$6,750 to expand its emergency communications infrastructure. Mr. Rodriguez shared a slide presentation which was added to the packet materials for the meeting. He summarized the structure and infrastructure of the Skagit Amateur Radio Emergency Communications Club, founded in 2014 and currently at 118 members. Mr. Rodriguez described club activities including public presentations, analysis of effectiveness of digital communications on the island, field days, and middle school STEM camp. He said the operators meet monthly with Chief Curtis and check in weekly with five different counties in the region from a range of sites in Anacortes and on Fidalgo Island to ensure viability of those sites. Mr. Rodriguez suggested new equipment which would upgrade communication ability at the Emergency Operations Center at the Municipal Court building and at Fire Station 1 and add new sites at City Hall and the Operations Shop. Mr. Rodriguez responded to councilmember questions about power and cooling needs for the communications equipment. Mr. Miller emphasized that radio communication is invaluable in emergencies when cell phone service is typically overwhelmed or unavailable. Councilmembers suggested that the Public Safety Committee and Chief Curtis provide more information on the suggested equipment purchases.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council. Mayor Gere thanked the presenters and their many volunteer colleagues in the audience for their service to the community.

Resolution 2011: Declaring Waiver of Competitive Bidding Requirements for WWTP Incinerator Repairs

Assistant Public Works Director Matt Reynolds presented Resolution 2011 to waive the competitive bidding requirement for the Wastewater Treatment Plant incinerator repair project. His slide presentation was added to the packet materials for the meeting. Mr. Reynolds described needed repair/replacement of components of the incinerator system that has been in operation since the early 1990s. He shared photos of the equipment and systems in question showing the worn components. Mr. Reynolds then reported that \$300K was budgeted for the work for 2017 prior to discovering the tube sheet element of the project. He described staff's efforts to locate contractors able and willing to perform the needed work. He reported that CH Murphy Clark-Ullman Inc. was the only contractor tooled up for that work, that they work on four of the five sludge incinerators in Washington State, and that they have worked for City of Anacortes before with excellent results. Mr. Reynolds summarized RCW 70.95A.090 which allows exemption from competitive bidding for pollution control facilities and shared the certification from DOE designating the WWTP as such a facility. Mr. Reynolds explained the value of waiving competitive bidding and noted that bidding the project would likely increase rather than decrease the price particularly given the current volatility of steel prices. He recommended adopting Resolution 2011.

Mr. Reynolds and Wastewater Treatment Plant Manager Becky Fox responded to councilmember questions about the reliability of the cost estimate and the likelihood of change orders, the comparative cost of replacing the incinerator or continuing to repair it, and alternative processes to incineration. Mr. Adams requested a

schedule of values for sole source contracts to provide councilmembers with a baseline measure of the value of the projects. Mr. Reynolds explained that lump sum bids are typically followed by a schedule of values for calculating progress payments and contract modifications.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Mr. Johnson moved, seconded by Mr. Miller, to adopt Resolution 2011 waiving the competitive bidding requirement for the Wastewater Treatment Plant incinerator repair project. Vote: Ayes – Adams, Lovelett, McDougall, Miller, Johnson and Walters. Motion carried.

Contract Award: WWTP Incinerator Repairs 18-065-SEW-001

Mr. Reynolds requested consent to award a contract in the amount of \$367,706.50 to C H Murphy || Clark-Ullman, Inc. to perform the WWTP Incinerator Repair Project 18-065-SEW-001 providing for the replacement of the crossover duct, tube sheet and a portion of the tubes, and the expansion joints of the incinerator system at the Wastewater Treatment Plant. He referred to the immediately preceding agenda item for explanation.

Ms. Lovelett moved, seconded by Mr. Miller, to authorize the Mayor to sign contract 18-065-SEW-001 with C H Murphy || Clark-Ullman, Inc. in the amount of \$367,706.50 to perform the WWTP Incinerator Repair Project. Vote: Ayes – Lovelett, McDougall, Miller, Johnson, Walters and Adams. Motion carried.

Resolution 2013: Municipal Broadband Network

Administrative Services Director Emily Schuh recalled the prior week presentations from three Internet Service Providers (ISPs) who had responded to the City's Request for Qualifications. Ms. Schuh said that following up on that meeting, the fiber committee felt a resolution clarifying Council's objectives would be useful. She presented a draft resolution for discussion and review, noting that it had been added to the packet materials for the meeting earlier in the day.

Ms. Schuh first reviewed the five recitals. Ms. Lovelett requested adding language reflecting the city's desire to offer fiber through a publicly owned utility, for the benefit of the public and affordable to the public. Mr. Walters suggested addressing that topic in the Findings section of the resolution. Mr. Walters requested an additional recital stating that the city had accepted a grant in support of a countywide fiber optic network and that the grant agreement had begun to define the city's service area (east of the Swinomish Channel). Mr. Johnson noted that the three presenting ISPs proposed different means of delivering service to end users; he urged Council to define the services and time period it wanted to see in order to evaluate the proposals. Mr. Walters and Mr. McDougall agreed, clarifying that they did not support LTE or DSL or cable networks, only fiber optic, because that is a service not currently available affordably in Anacortes and because the city was the only entity able to leverage its investment in fiber telemetry to provide such service. Mr. McDougall added that the network would need to build out within five years to be worth the investment and that it should strategically futureproof the infrastructure to support evolving technology.

Ms. Schuh next reviewed the Findings section of the resolution. Mr. Walters suggested adding a finding to the effect that the Council finds value in public ownership of critical infrastructure and utility services such as fiber optics. Mr. Adams noted that the Findings focus on fiber infrastructure but that the ISP presentations included many retail services; he asked if offering such services were part of the Council's goal. Mr. Miller urged stating the answer to that question clearly so the public could agree or disagree. He endorsed Finding 6 but added that there is also real financial and quality of life value in having fiber all the way to residences. Mr. Walters said retail ISP services are not precluded by the resolution but that he did not consider those the goal of the initiative. Mr. McDougall observed that to serve the larger strategic goals the local fiber optic network has to be reliably connected to the global internet and that partnerships, possibly with companies that offer additional retail services, may be necessary and desirable to achieve that. Ms. Lovelett observed that offering bundled retail

services did offer convenience to customers but that the more important goal is to get fiber itself connected to residences and businesses. Regarding Finding 5, Mr. Johnson said that cable and DSL are also considered “broadband high speed internet” and so suggested rephrasing as “World-class technology infrastructure, such as fiber optic networks, ~~and municipal broadband high speed internet~~,” in Finding 5 and elsewhere in the document.

Ms. Schuh next reviewed the Objectives section of the resolution. She said this section would direct the committee what to negotiate with ISPs to provide. Mr. Walters argued for three additional objectives:

1. Consider leasing the dark fiber to other entities and businesses that need additional capacity or resiliency
2. Operate the fiber optic utility in a self-sustaining way without subsidy from general revenues
3. Prioritize the build out of the network in the city limits and the urban growth area but include a long term vision of serving all of Fidalgo Island

Mayor Gere agreed that the third suggestion would support the countywide fiber initiative as required by the grant from the county. Ms. Lovelett asked if her colleagues wanted to state objectives for the ROI for the network. She strongly urged allowing the public several weeks to review and respond to the draft resolution. Mr. Miller supported all three of Mr. Walters’ proposed additional objectives but said he felt the third objective needed more study. Ms. Lovelett observed that Guemes Island would be an obvious extension of the Anacortes service area. Mr. Johnson asked if Mr. Walters’ second proposed objective would preclude the LID/LUD financing model. Mr. Walters said it would not but noted that LID/LUD tends to involve high overhead costs. He added that after adopting a resolution establishing objectives Council would need to begin the discussion of how to finance the project.

Mayor Gere invited members of the audience to comment on this agenda item.

Ward MacKenzie, 1302 7th Street, identified himself as supporting a fiber optic system in the area. He said that the resolution appeared to establish a policy but that he was concerned about the amorphous business plan. He said given the risks inherent in undertaking a project of this scope, it was incumbent on the city to have a pretty good business case for proceeding. He suggested having a clear idea of the success criteria for the project, to measure whether it has been accomplished. He suggested identifying the network’s customers and stakeholders and what they want to see. Mr. MacKenzie said that would inform a different way of brainstorming solutions to solve identified goals. Mr. Johnson observed that the business plan would be the next work item for City Council.

Patrick Gallagher, 1406 Portalis Court, said that the resolution had engendered a very surface level conversation. Mr. Gallagher strongly suggested that after Council had drafted its policy, it gather volunteers from the public and invite them to question it in detail to determine what still needed to be answered.

Brock Ward, 3119 V Avenue, observed that “futureproof” is a wonderful but amorphous concept and he questioned using the term. Mr. Ward said he definitely wanted high speed internet to his house and was willing to pay for it but said there had to be sufficient added value to commit to that price—that the differential in service had to be worth the cost. Mr. Ward urged establishing the value of the municipal service compared to what was already available in the marketplace in order to achieve public adoption and subscription.

Ms. Lovelett suggested that internet subscribers who could not afford the full cost might qualify for reduced fees using the same established metrics as those used to qualify for utility bill discounts or property tax reduction.

Ruth Barefoot, 4808 Glasgow Way, speaking individually, emphasized how hard it had been to find an affordable high speed internet service provider when she had first moved to Anacortes. Speaking as the library director, Ms. Barefoot described the crucial need for high speed internet access in order to participate

meaningfully in the society and the economy. She said the library helps bridge the gap for those who cannot afford needed service at home and urged supporting affordable access.

No other members of the audience wished to address Council on this issue.

Mr. Walters thanked the public for its comments. He said the Objectives section of the resolution should state that Council authorizes development of a business plan, not building out the network. He suggested that financing construction of fiber connections to structures and pricing services needed to be determined as part of that plan before a service provider could be selected. Mr. Miller agreed. He urged that a revised draft of the resolution be presented for public feedback. Mr. Johnson urged amending Objective 2 to read, “Build a gigabit *dedicated internet access* fiber optic based network throughout the City,” recognizing that service promising gigabit service needed to deliver that speed at all times. Ms. Lovelett agreed and said not getting the service speed they pay for was the biggest complaint she heard from the public.

Ms. Schuh said that staff had developed a worksheet to calculate costing for different fiberhoods and was prepared to take the next logical step in developing the business plan. Mayor Gere summarized that the next steps are to complete the policy, develop a business plan and engage the public. She thanked the community members present for their thoughtful participation in the conversation.

There being no further business, at approximately 8:40 p.m. the Anacortes City Council meeting of April 23, 2018 was adjourned.