

City Council Minutes – May 29, 2018

From 6:00 to 6:15 p.m. Mayor Gere, City Council and Administrative Services Director Emily Schuh convened in closed session per RCW 42.30.140(4) to discuss collective bargaining strategy.

At 6:15 p.m. Mayor Laurie Gere called to order the regular Anacortes City Council meeting of May 29, 2018. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Liz Lovelett and Matt Miller were present. Councilmember Bruce McDougall was absent.

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Proclamation: National Gun Violence Awareness Day: Mayor Gere read a statement proclaiming the first Friday in June, 2018 to be National Gun Violence Awareness Day in Anacortes and encouraging all citizens to support their local communities' efforts to prevent the tragic effects of gun violence and to honor and value human lives. Mayor Gere presented the signed proclamation to the large group of supporting audience members. Ms. Lovelett congratulated the young people present for standing up for what they believe in. Mr. Young thanked the audience for bringing gun violence to the forefront of public awareness.

Mr. Johnson reported on the Anacortes Regeneration Project to turn guns into art in order to encourage the public to think about guns and about art in a different and profound way. He invited the public to bring unused guns to Seafarers Memorial Park on September 15, 2018 where a forge would be available to melt firing mechanisms and make the disabled guns available for artwork. Mr. Johnson said more information was available at <http://www.anacortesregenerationproject.com>.

Planning Committee: Mr. Walters reported that the committee meeting regularly scheduled for earlier in the evening had been cancelled

Mr. Walters reported that he had met with PSE to express concern about recent power outages. He said that PSE was scheduling a future date to present to City Council on PSE's efforts to improve its infrastructure, prevent outages and reduce the impact of outages on critical City infrastructure. He said he would advise when the date was set so councilmembers could prepare questions in advance.

Public Comment

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

Consent Agenda

Mr. Adams moved, seconded by Ms. Lovelett, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of May 21, 2018
- b. Approval of Claims in the amount of: \$452,586.76
- c. Street Fair Application: Fueling Education Fun Run

The following vouchers/checks were approved for payment:
EFT numbers: 89297 through 89331, total \$122,863.05
Check numbers: 89332 through 89371, total \$326,461.51
Wire transfer numbers: 232295 through 233200, total \$24,412.47

OTHER BUSINESS

Pavement Management Program Update

City Engineer Eric Shjarback presented an update on the Pavement Management Program established by Council in 2014 by Resolution 1895. His slides were added to the packet materials for the meeting. Mr. Shjarback reminded that in 2014 Council had requested revisiting the PMP after several years of investing the targeted \$1.1M/year in pavement maintenance to re-evaluate the spending level and its impact on overall pavement condition in the city. Mr. Shjarback introduced Paul Wigowsky from Capitol Asset and Pavement Services to report on the current pavement condition and present scenarios for continuing the program at various funding levels.

Mr. Wigowsky said the Pavement Condition Index (PCI) had been re-evaluated twice since the original inventory, inspection and rating performed in 2013. He described the tools used to perform the inspections and analysis. Mr. Wigowsky summarized the philosophy of Pavement Management, which is to maintain good roads in good condition rather than waiting to repair seriously failed roadways, resulting in lower overall costs system wide. He elaborated on how the relatively inexpensive slurry seal process extends the pavement life of arterial and collector streets and is three times more cost effective than asphalt overlay. He responded to councilmember questions about the condition of streets suitable for slurry seal or crack seal plus slurry seal, and explained the difference between slurry seal and the chip seal process used elsewhere in Skagit County for more rural roadways.

Mr. Wigowsky then shared a chart showing the current PCI of 66 overall for the 73.5 miles of paved streets in Anacortes, broken down by condition. Ms. Lovelett requested a comparison chart showing the values of the same categories in 2013. Mr. Wigowsky then presented a series of graphs projecting the overall PCI and the total value of deferred street maintenance over the next 10 years at different potential funding levels. Councilmembers observed that Scenario 1 with the highest up front cost was considerably less expensive than the same scenario as presented in 2013. Mr. Wigowsky advised that the cost estimates had been refined since that time and that additional data points from subsequent condition ratings allowed for better modeling. He confirmed that all the scenarios included a 3% annual inflation rate, and that SR20 and SR20 spur (maintained by WSDOT) were not included in any of the ratings or scenarios.

Councilmembers expressed considerable interest in the amount of deferred maintenance resulting in each scenario and in the extent to which each scenario addressed the smaller streets deemed in very poor condition.

Public Works Director Fred Buckenmeyer then presented staff recommendations for adjustments to the PMP. Observing that at the current spending level the PCI was projected to drop back to 2013 levels by 2027, Mr. Buckenmeyer advised that additional investment in pavement maintenance would be prudent. He suggested generating additional funding through either an additional 0.2% TBD sales tax, raising the TBD car tab fee from \$20 to \$40, or some combination thereof. He presented a summary of the effect of each of those options on the total cash available for pavement maintenance, then reviewed the pros and cons of each option. Mr. Buckenmeyer noted that Mount Vernon had recently implemented the additional 0.2% sales tax option. He recommended eliminating the existing \$20 TBD car tab fee, implementing a 0.2% TBD sales tax, and budgeting \$1.7M/year for pavement maintenance using REET, solid waste tax, and TBD sales tax. Mr. Buckenmeyer noted that the 0.2% sales tax would cost residents only \$100/year on \$50,000 of taxable purchases and would also be paid by non-residents shopping in Anacortes. He outlined the timeline and steps necessary to hold a required public hearing, adopt a resolution defining the sales tax procedures and uses, and submit the resolution to Skagit County by August 7 to get the measure on the November 6 general election ballot. He added that if Council declined to present the TBD sales tax to the voters, or if the tax were rejected by the voters in November, staff would recommend raising the TBD car tab fee from \$20 to \$40 instead. He emphasized that this level of funding would support Mr. Wigowsky's Scenario 5 with a projected PCI of 71 city-wide by 2027 and a deferred maintenance total of just \$15M.

Councilmembers discussed the funding mix presented by staff, noting that the amount of REET would be double that anticipated by Resolution 1895 and that prilled sulfur payments from the Port of Anacortes and property tax were no longer included as funding sources. Finance Director Steve Hoglund confirmed that understanding. Councilmembers discussed the fact that REET and solid waste utility tax could both be spent on other city needs, and noted that all tax revenue projections were subject to change based on the strength of the economy. Ms. Lovelett suggested dedicating a percentage of REET rather than a fixed amount to pavement management. Mr. Walters favored the fixed \$500K of REET each year. Mayor Gere noted that if economic conditions significantly changed the revenue picture, the plan could be revised. Councilmembers and Mr. Buckenmeyer agreed on the need for an effective public outreach effort to support the staff recommendation, including setting realistic expectations for the number of very poor low volume streets that would be addressed. Ms. Lovelett asked about the option of spending \$20M up front to upgrade street conditions to a level that could be affordably maintained. Mr. Buckenmeyer noted the challenges of administering \$20M of contracts in a single construction season and recommended adopting the \$1.7M annual spending target, then evaluating its impact after five years. Councilmembers were generally supportive of sharing the tax burden to with non-residents who use city streets and of giving the voters a direct voice to choose the funding mechanism. Mr. Miller cautioned that the plan needed to ensure removal of the TBD car tab fee if the sales tax were adopted instead. Mr. Walters suggested that staff and the Public Works Committee begin drafting the resolution and developing a one-page summary addressing what the \$1.1M/year investment has achieved, specifically how \$1.7M/year would be spent, and that new tax revenue would increase total street funding, not supplant current funding sources. Mr. Johnson added that the public needed to know what \$1.7M/year would achieve in terms of miles of good vs. poor vs. very poor roads and total deferred maintenance. He asked staff to also report on what Mount Vernon had collected from its TBD sales tax and whether that tax had deflected shopping to neighboring towns. Mr. Young urged keeping the TBD sales tax in context of net cash impact on each household. Ms. Lovelett asked staff to confirm that \$1.7M/year of street contracts could be administered with current public works staff.

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

Mr. Buckenmeyer indicated that staff would bring the proposal back before Council the following week with the additional requested information. Mr. Walters emphasized his request for a one-page summary of the funding plan to communicate with the voters and urged not scheduling a public hearing until a public outreach plan was in place.

Resolution 2015: Collective Bargaining Agreement by and between the City of Anacortes and the Anacortes Commissioned Police Officers 6/1/2018-12/31/2021

Administrative Services Director Emily Schuh presented a collective bargaining agreement with the commissioned Police Services Guild. She said the agreement was the product of negotiations and mediation that had begun in the summer of 2017 and replaced an agreement that had expired December 31, 2017. Ms. Lovelett inquired about Article 22.6 which extended the time from twelve to 48 hours for an employee to make a written or recorded statement following uses of force. Ms. Schuh explained that 48 hours was the current standard in the industry, intended to provide employees an opportunity to regain composure before making any statements that may be used in an investigation.

Mr. Johnson moved, seconded by Mr. Miller, to approve Resolution 2015 and the collective bargaining agreement between the City of Anacortes and Anacortes Police Services Guild Commissioned Employees effective 6/1/18-12/31/2021. Vote: Ayes – Young, Walters, Adams, Lovelett, Miller and Johnson. Motion carried.

Resolution 2013: Municipal Broadband Network

Ms. Schuh reported that following consideration of draft Resolution 2013 at the April 23, 2018 regular City Council meeting, the community and the City Council fiber subcommittee had been invited to revise the resolution to reflect Council's feedback. She summarized the three sections of the resolution as presented in the packet materials for the meeting. Mr. Walters emphasized that the Directives were strictly to prepare a business plan, not to build or operate the network, because Council wanted to evaluate the business case for the concept before moving forward. Mr. Johnson asked about Directive 5 regarding a balance sheet for the project. Ms. Schuh said staff anticipated that the balance sheet would begin when the city began providing end user internet service, beyond the utility telemetry system. Mayor Gere read a statement from Mr. McDougall, who was out of the country, expressing his enthusiastic support of passage of Resolution 2013.

Ms. Lovelett moved, seconded by Mr. Walters, to approve Resolution 2013.

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

Vote: Ayes – Walters, Adams, Lovelett, Miller, Johnson and Young. Motion carried.

IL263: Cooperative Purchasing Agreement with NoaNet

City Attorney Darcy Swetnam presented an interlocal cooperative purchasing agreement with Northwest Open Access Network (NoaNet) to allow Anacortes to piggy-back onto a contract between NoaNet and Robinson Brothers Construction (RBC) for the construction portion of Phase 3 of the fiber build project. She advised that separate agreements to modify the current interlocal agreement with NoaNet for services and to contract directly with RBC for construction would come before Council the following week. Ms. Swetnam explained that piggy-backing on NoaNet's prior bid and rate agreement with RBC would allow Anacortes to avoid the time and expense of conducting its own bid and to use the advantageous rates and terms already included in NoaNet's agreement with RBC. In response to an earlier question from Mr. Johnson, Ms. Swetnam said that Council had typically entered into cooperative purchasing agreements for purchase of goods but that piggy-backing was now allowed for public works contracts. Councilmembers expressed some reluctance to adopt the cooperative purchasing agreement without first reviewing the related agreements, seeking a better understanding of the roles of each party. Mr. Adams suggested postponing action on the interlocal agreement until the follow on contracts were available for consideration at the same time. Ms. Swetnam agreed.

Executive Session (30 Minutes) per RCW 42.30.110 (i)

At approximately 7:55 p.m. Mayor Gere announced that City Council and the City Attorney would convene in Executive Session for approximately 30 minutes to discuss potential litigation and that following the executive session the meeting would adjourn with no action being taken.

There being no further business, at approximately 8:25 p.m. the Anacortes City Council meeting of May 29, 2018 was adjourned.