

## **City Council Minutes – July 23, 2018**

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At 6:00 p.m. Mayor Laurie Gere called to order the regular Anacortes City Council meeting of July 23, 2018. 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**

Mayor Gere reported on greeting a group of over 56 exchange students and their chaperones from Kaifeng, China. The mayor mentioned the school district's plans for more exchanges with China and Taiwan.

Mayor Gere reported that on Wednesday she and other Skagit County mayors would attend the Skagit County Commissioners meeting to support the commissioners voting to approve moving EMS to a fire-based model throughout the county.

Mayor Gere reported on a successful and very well attended Shipwreck Days event the prior Saturday.

Mayor Gere invited the public to her monthly coffee at the Anacortes Senior Activity Center on July 25, 2018 from 1:30 to 3 p.m.

Mayor Gere invited the public to attend the ribbon cutting for the first neighborhood greenway on Saturday, July 28 at 22<sup>nd</sup> Street and J Avenue.

Mayor Gere invited the public to attend the Anacortes Arts Festival Arts at the Port fine art show opening Saturday, July 28, from 6 to 9 p.m. at the Port of Anacortes Transit Shed.

**Planning Committee:** Mayor Gere announced that the committee meeting scheduled for earlier in the evening had been cancelled.

**Public Safety Committee:** Ms. Lovelett reported from the committee meeting earlier in the day at which the members discussed the upcoming EMS levy and the Berk Consulting fire impact fee study. Ms. Lovelett indicated that fire impact fees would be coming before full Council for consideration in the near future. She encouraged voters to cast their primary ballots which include the EMS levy.

**PSE Power Outage Update:** Lynn Murphy and Kit Maret, Local Government Affairs for Puget Sound Energy, provided an update on power services provided by PSE and a report on the Fidalgo Island power outage that occurred on February 4, 2018. Their slide presentation was added to the packet materials for the meeting. Ms. Murphy described PSE's services, power sources, regulatory oversight, and PSE's commitment to reducing its carbon footprint and options for customers to invest in renewable energy sources. Ms. Maret then reported on the February power outage. She first provided an overview of power delivery from generation through transmission lines to substations to distribution lines to end users. Ms. Maret described the redundancies built into the transmission system but explained that over the winter power lines had to be moved for roundabout construction at Sharpes Corner so one of the redundant lines was out of service for three weeks. During that time, wind caused a failure of the remaining transmission line, causing a widespread outage. Ms. Maret explained the sequence of repairs that was required and the extremely unusual set of concurrent factors that caused a delay to full restoration of power to some 2000 customers. She assured Council that future improvements would create a more robust configuration at that juncture and said operational procedures were also being reviewed to reduce vulnerability. Ms. Murphy and Ms. Maret responded to councilmember questions regarding designation of critical facilities such as the hospital and the new fiber optic hub at the library, prioritizing restoration of power to those facilities, and cost/benefit analyses to determine which power lines

made sense to underground. They noted that underground lines are less subject to storm damage but are much more expensive to install and to diagnose and repair. Referring to Ms. Murphy's presentation regarding green power production, Mr. McDougall inquired if a community or county with generating capacity could submit an RFP. Ms. Murphy said yes.

### **Public Comment**

John Morgan addressed Council on several items related to parks and recreation. He asked if the Storvik Park Spray Pad could remain open until 7 p.m. given the warm days and long daylight hours in the summer. He reported that portable restrooms at Sunset Beach were in need of servicing the prior weekend and suggested solar cell operated light and fan options for those facilities. Mr. Morgan also asked if there was a lost and found location for the belongings left behind at the Spray Pad. Mr. Morgan asked the city to consider sponsoring a class for the public on first aid, AED use and CPR and asked if the city also held fairs or events to promote emergency preparedness. Mayor Gere invited Mr. Morgan to contact her office for answers to those questions. Mr. Walters added that National Night Out would be held at Storvik Park the first Tuesday in August.

Patrick Gallagher, 1406 Portalis Court, referred to a recent letter to the *Anacortes American* complaining of the poor condition of the SR20 spur shoulder following WSDOT paving of that stretch. The letter writer had said the shoulder made bicycle travel difficult. Mr. Gallaher said that he was not a cyclist himself but that after inspecting the shoulder he agreed with the letter writer and wondered if WSDOT could be called back to complete cleaning up the shoulder. Mayor Gere advised that WSDOT had already been alerted to that condition and that she would check the following day to find out the status. Ms. Lovelett added that a cyclist constituent had contacted her with a similar observation of uneven asphalt hazards on the shoulder. On a separate topic, Mr. Gallagher also praised PSE for its text updates on the power outages and added an observation, based on his long career at Seattle City Light, that underground power lines also suffer constant line loss of power.

Richard Giles, an Anacortes native who has lived in King County for over 45 many years and is now considering moving back to Anacortes, referenced a recent *Seattle Times* article reporting over 600 crab pots loose under water around Anacortes and over 1000 pots throughout Puget Sound. Mr. Giles urged turning that negative situation positive by making something of the crab pots. He suggested a sculpture or tower built of crab pots, possibly off of R Avenue, to provide a focal point and a magnet for downtown. Mayor Gere agreed there are many creative artists in Anacortes. The mayor also observed that more development was likely along R Avenue when the new development regulations were completed later in the year.

### **Consent Agenda**

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

- a. Minutes of July 16, 2018
- b. Approval of Claims in the amount of: \$718,117.98
- c. Contract Award: DC Plant & Batteries Installation 18-114-FAC-001

The following vouchers/checks were approved for payment:  
EFT numbers: 89971 through 90018, total \$489,051.70  
Check numbers: 90019 through 90070, total \$227,887.32  
Wire transfer numbers: 234939 through 235579, total \$3,570.20

### **OTHER BUSINESS**

#### **Anacortes Family Center Update**

Anacortes Family Center Executive Director Dustin Johnson recognized AFC board members present including president Bonnie Bowers, immediate past president Vicki Stasch, and ex officio member Susan Guterbock. Mr.

Johnson provided an update on the AFC's activities, statistics and emerging trends. Mr. Johnson's slide presentation was added to the packet materials for the meeting.

Mr. Johnson summarized the number of clients served, the number of applications for service, success measures and the demographics of the AFC's clients. He discussed the vulnerability index, which measures a client's likelihood to remain homeless based on objective measures of a list of factors, and said the index is used by social service providers across the county. He then shared that AFC's vulnerability score was 12.8 out of 25 compared to 11-14 out of 25 for neighboring shelters and concluded that AFC clients are similarly vulnerable to those in surrounding shelters. Mr. Johnson discussed the impact of AFC programs to increase employment and treat complicated cases. He reported that the Center was breaking ground on its \$2M 20-unit affordable apartment building to serve families with less than 50% of area median income and listed the expected advantages of the project. Mr. Johnson then addressed upcoming initiatives. He said the AFC was working on adding a community case manager to help those in need who are not necessarily AFC clients. He listed longer term goals including addressing needs for child care, transportation and additional affordable housing. Mr. Johnson concluded by alerting Council to the Center's September 15, 2018 Shred-a-Thon and the February 7, 2019 Dine Out to End Homelessness fundraisers.

Mr. Young praised the AFC's success in providing service to those desperately in need in the community and asked Mr. Johnson to address collaboration with other non-profits addressing similar needs. Mr. Johnson explained that those in need can apply at either AFC or Community Action to be added to a single coordinated list of those seeking service. Mr. Young suggested a coordinated list of volunteers who might be available to serve around the county. Mr. Johnson envisioned that the community case manager position would be tasked with that project. Mr. Lovelett advised that the Housing Affordability and Community Services Committee would be considering funding for the community case manager position at its August meeting and thanked Mr. Johnson for sharing statistics proving that homelessness can be successfully addressed. Councilmember Johnson observed that the Anacortes Community Health Council includes members from across the county who effectively coordinate resources and share information to help bring marginalized citizens into the mainstream.

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

#### **Resolution 2017: Transportation Benefit District 0.2% Sales Tax (for public vote in November)**

City Attorney Darcy Swetnam presented Resolution 2017 revised per Council direction at the July 16, 2018 regular meeting. The ballot language had been reworked to reflect Council's intent to replace the TBD vehicle license fee with the 0.2% sales and use tax if the tax were approved by the voters.

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

Ms. Lovelett moved, seconded by Mr. Johnson, to adopt Resolution 2017, a resolution of the Anacortes Transportation Benefit District providing for a ballot proposition to be submitted to the voters in the November 2018 general election to authorize a sales and use tax in the TBD in the amount of 0.2% for financing transportation improvements within the district. Vote: Ayes – Young, Walters, Adams, Lovelett, McDougall, Miller and Johnson. Motion carried.

#### **2019/2020 Biennial Budget: Budget Categories**

Finance Director Steve Hogle reported from the quarterly Skagit County Jail Finance Committee meeting the prior week. Mr. Hogle said the Sheriff's Department had advised it would be asking for 8 new employees in addition to the 58 now working at the Skagit County Justice Center. He said the County would be hiring a consultant to evaluate how to best spread that increase but added that the Anacortes share of that \$700K impact was expected to be about \$63K annually. Mr. Adams asked if the increase would come out of the .3% public

safety sales tax. Mr. Hoglund explained that by agreement the Anacortes public safety sales tax all passes through to Skagit County and then a portion is returned to the general fund. He recommended a new line item in the police department 2019/2020 budget for the likely increase.

Mr. Hoglund then reviewed a series of charts to inform the upcoming budget discussions. His slide presentation was added to the packet materials for the meeting and was distributed to councilmembers at the dais. Mr. Hoglund first reviewed the budget calendar with adoption projected for November 19, 2018. He then displayed a pie chart displaying the city's \$59M of invested cash and the restricted (83.2%) vs. spendable (16.8%) share of that cash. Councilmembers requested that a similar chart be added to Mr. Hoglund's quarterly finance updates, along with more detail on the amount of REET, rainy day fund and water utility capital reserves included in the total. Mayor Gere summarized that the sum of unrestricted and emergency funds in the general fund was now \$14.2M compared to approximately \$9M in 2014 and commended the city for setting money aside while still rebuilding necessary infrastructure.

Mr. Hoglund then shared charts depicting the growth in general and restricted revenues since 2013. He noted that general revenue includes property tax, utility tax, sales tax and other general revenue and observed that property tax and utility tax are stable and predictable whereas sales tax revenue is more variable and responsive to larger economic trends. Mr. Hoglund reviewed the 7 budget goals reconfirmed by City Council in 2018 and listed which BARS accounts serve each goal. He then summarized the status towards those goals. He advised that some of the line items would be addressed in the 2019/2020 CFP and budget. Mayor Gere asked councilmembers to alert she and Mr. Hoglund very soon if they wished staff to consider any additional topics while preparing the proposed budget. Ms. Lovelett urged addressing the boat ramp and campground water and electrical upgrades at Washington Park. Mr. Johnson urged a strategic plan for human services and described the Human Services Commission and strategic plan in place in the City of Redmond, which Anacortes might consider as a model.

Mr. Hoglund next displayed charts showing the portion of the total and the general fund budgets devoted to each of the 7 budget goals, noting that spending on public safety formed 43% of the general fund budget. He concluded with a line chart showing spending by budget goal in 2015, 2016 and 2017, noting several special project outliers but overall fairly stable spending by goal.

Ms. Lovelett suggested and Mayor Gere endorsed councilmembers identifying and clarifying budget goals with staff at the committee level over the following month. Mr. Walters asked that staff also explicitly address any rate increases that might be required to fund new spending requests, including additional staff.

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

Ward MacKenzie, 1302 7<sup>th</sup> Street, requested a 1000-foot view of the budget, including the operating vs. capital budgets, operating to include debt service and capital as a group of prioritized projects including status, current year spending and total budget to date. Mr. MacKenzie suggested that would allow the public to know which projects were underway and in the wings, managed by which department, funded by which sources, and how those projects fit into comprehensive and strategic plans. He encouraged considering the budget by cost center and monitoring to ensure spending was occurring at the expected rate to determine if anything had gone awry.

John Morgan reported that the traffic light at the intersection of 12<sup>th</sup> Street and M Avenue did not change when a car was stopped there. Mayor Gere indicated that WSDOT had reported addressing that problem and said she would follow up with WSDOT.

There being no further business, at approximately 7:45 p.m. the Anacortes City Council meeting of July 23, 2018 was adjourned.