

## **City Council Minutes – October 1, 2018**

---

---

At 6:00 p.m. Mayor Laurie Gere called to order the regular Anacortes City Council meeting of October 1, 2018. Councilmembers Eric Johnson, Ryan Walters, Brad Adams, Liz Lovelett, Bruce McDougall and Matt Miller were present. Councilmember Anthony Young was absent. The assembly joined in the Pledge of Allegiance.

Mr. Johnson moved, seconded by Mr. Adams, to excuse the absence of Mr. Young who was detained at a medical appointment. The motion carried unanimously by voice vote.

### **Announcements and Committee Reports**

**Public Works Committee:** Ms. Lovelett reported from the committee meeting earlier in the evening. She indicated that the members continued discussion of the potential south Fidalgo water system acquisition and the combined sewer overflow I&I reduction project, noting more information would follow on both topics.

### **Public Comment**

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

### **Consent Agenda**

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

- a. Minutes of September 24, 2018 and September 25, 2018
- b. Approval of Claims in the amount of: \$152,832.68
- c. Contract Award: WWTP Chemicals 18-143-IDS
- d. Contract Modification: WWTP Incinerator Repair Project 18-065-SEW-001
- e. Contract Modification: 2018 Sanitary Sewer Line Rehabilitation 18-021-SEW-002

The following vouchers/checks were approved for payment:  
EFT numbers: 90739 through 90775, total \$72,062.04  
Check numbers: 90659 and 90776 through 90819, total \$80,777.16  
Wire transfer numbers: 238391 through 238568, total \$1,474.90

## **OTHER BUSINESS**

### **Skagit County EMS Services System Delivery Agreement**

City Attorney Darcy Swetnam presented a draft agreement for Council consideration and action, following in depth discussion at previous City Council meetings on September 10, September 17 and September 24. Ms. Swetnam's slides were added to the packet materials for the meeting. She reviewed the primary features of the agreement and introduced the substantive changes since the September 24 meeting to Exhibit C regarding insurance provisions. Ms. Swetnam recommended approval of the agreement. She reported that Burlington, Mount Vernon, and Sedro-Woolley had approved agreement the prior week and said the Skagit County Commissioners would vote to ratify the agreement on October 8 following ratification by all other parties.

Mr. Johnson moved, seconded by Mr. Miller, to authorize the mayor to execute the Skagit County Emergency Medical Services System Delivery Agreement as presented.

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

Councilmembers stressed the importance of proceeding as quickly as possible to implement criteria based and closest unit dispatch to assure the most efficient deployment of resources countywide. Skagit County Emergency Medical Services Director Jeff Sargent responded to councilmember questions about that implementation, outlining the respective roles of Skagit 911 and the EMS Department and the Medical Program Director, the technology and policy components of the transition, and the funding sources that would be contributed. Mr. Sargent also recognized the current role of the fire districts in Skagit County as BLS transport providers and indicated that their participation was likely to increase in the future.

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

### **2019-2024 Capital Facilities Plan**

Finance Director Steve Hogleund introduced the draft 2019-2024 CFP. He reviewed the required elements of the plan. Mr. Hogleund confirmed that the draft 2019/2020 budget included funding and expenditures for all CFP projects slated for implementation during the biennium but noted that as the biennial budget was developed in the upcoming weeks, the CFP and budget would need to be revised in tandem so that all applicable projects were adequately funded. He reminded that inclusion in the CFP was required for projects to qualify for REET and impact fee funding as well as for some types of grant funding.

Mr. Johnson inquired why a level of service had been defined for police and fire protection but not for EMS response. Ms. Lovelett inquired why the police protection level of service was expressed in terms of number of officers per 1,000 residents but the fire protection level of service was not. Mr. Hogleund indicated he would report back to Council on those topics.

Mr. Hogleund reviewed the General Government projects included in the draft CFP. Mr. McDougall asked when additional information about the planned Community Youth Recreation Center would be available on the City website. Mayor Gere indicated that staff would be meeting with the school district soon on next steps and that additional information would be forthcoming. Mr. Hogleund advised that staff was preparing a separate budget document for the municipal fiber initiative which could be incorporated into the biennial budget or adopted later as a budget amendment to provide Council maximum flexibility in determining the best course of action.

Interim Fire Chief Jack Kennedy reviewed the Fire Department projects included in the draft CFP. Councilmembers observed that several of the projects had not been included in the packet materials; those projects were subsequently added to the packet materials for the meeting. Mr. Hogleund explained that staff had very recently received new information regarding which projects might be eligible for impact fee funding and was updating the draft CFP document to reflect the additional projects and the alternative funding source. Mr. Adams inquired if fire districts that share in the use and operational funding of the west side fire training facility might help with funding for the ladder truck training tower. In response to a question from Mr. McDougall, Chief Kennedy advised that ladder training facilities affected insurance rates for the entire city, not just for tall buildings. In response to a question from Mr. Walters, Chief Kennedy listed potential expansion locations for Fire Station 1 to provide additional space for apparatus and offices. Regarding the March Point fire station, councilmembers acknowledged that the current leased station would need be remodeled during 2018 to allow 24/7 staffing pursuant to the Emergency Medical Services System Delivery Agreement that would go into effect January 1. Mr. Hogleund indicated those renovations would be covered out of 2018 funding sources and did not need to be included in the CFP. Mr. Miller supported the possibility of co-locating with Fire District 13 at Station 3. Councilmembers inquired about the total fire impact fees available for capital projects. Chief Kennedy clarified that the CFP anticipated Council adoption of a new fire impact fee schedule. He advised that the Planning Commission would review those fees the following week and that the Council Public Safety Committee would review the proposed fee schedule after that. Ms. Lovelett observed that Fire Department vehicles were the only vehicles included in the CFP; she asked that if any funding for those vehicles would be contributed by the Equipment Rental and Replacement (ERR) fund, that be indicated in the CFP funding sources. She urged that replacement funding be accrued annually for the new ladder truck after its purchase,

anticipated in 2022. Mr. Hoglund clarified that the ladder truck had been purchased primarily with refinery grant funds and was the only vehicle that had not accrued replacement. Ms. Lovelett asked to review the replacement reserve schedule and balances. Mr. Walters noted the CFP requirement for an inventory of existing infrastructure and emphasized that any vehicle that was not captured in the ERR replacement reserve needed to be included in the CFP infrastructure inventory with an anticipated replacement date.

Public Works Director Fred Buckenmeyer reviewed the fifteen Water Department projects included in the draft CFP. Mr. Walters objected to the Regional Property Acquisition project, citing lack of justification for the substantial cost and taking agricultural land out of production. Mr. Buckenmeyer said it was not an imminent threat and clarified that the amount of sediment from the settling ponds was directly tied to the amount of water produced by the plan. He confirmed that projects out in 2024 are not included in the regional water rate calculations, which are calculated every three years.

Mr. Buckenmeyer then reviewed the thirteen Wastewater Department projects included in the draft CFP. Mr. McDougall inquired if the CFP included a scoring or ranking mechanism to distinguish critical, important and less important projects. Mr. Hoglund explained that the projects budgeted for the upcoming biennium were those deemed most critical and that staff resource leveled the project list over the six-year CFP horizon with more critical projects scheduled earlier. Mr. Buckenmeyer added that the utility system plans are based on a 20-year planning horizon and do prioritize projects. Mr. Walters asked how the CFP identified which projects were required to achieve the LOS standards. Mr. Buckenmeyer replied that public works projects were only included in the CFP if they were required to meet the LOS. Mr. Hoglund acknowledged that other projects were included in the CFP to be eligible for grant funding but were not required to meet LOS standards such as creosote piling removal, fiber and the community center. Mr. Walters observed that the definition of capital facilities project on page 9 of the draft CFP required projects to have a specified LOS in the Comprehensive Plan and noted that not all the projects met that test. Ms. Lovelett asked how the city planned and saved for replacement of items with lifespans longer than the CFP planning horizon. She asked that each department look at that question, consider building reserve funds for eventual long term replacement, and make that information readily and conveniently available. Mr. Walters agreed that all infrastructure needed to be clearly identified with expected lifespan and replacement cost so that deferred maintenance was visible and quantifiable. Mr. Buckenmeyer alerted Council that a discussion of necessary adjustments to wastewater utility rates was scheduled for November. Ms. Lovelett recalled the discussion of the combined sewer overflow (CSO) project at the Public Works Committee meeting earlier in the evening and asked if the CFP would need to be amended for that project. Mr. Buckenmeyer suggested that the funds budgeted for annual collection system maintenance and I&I reduction would be sufficient. Ms. Lovelett suggested adding a placeholder for that project. Mr. Walters requested additional information about what was included in the telemetry upgrade projects identified in both the water and wastewater utilities. Mr. Walters asked Mr. Buckenmeyer to follow up with additional information on the disposal of the dewatered septage sludge from the wastewater treatment plant.

Mr. Buckenmeyer then reviewed the Stormwater project included in the draft CFP. He noted that until sufficient capital funding had accumulated under the current rate structure, only minimal system restoration of \$300,000 annually was planned. Councilmembers revisited the stormwater rate revisions and emphasized the value of public outreach before rate increases go into effect.

Mr. Hoglund advised that the only capital facility project identified for the solid waste utility was annual replacement of worn out containers. He confirmed that replacement of the solid waste trucks was handled through the ERR Fund rather than the CFP.

Parks and Recreation Director Gary Robinson next reviewed the thirteen Parks and Recreation projects included in the draft CFP. Ms. Lovelett expressed concern over the extent to which general fund taxes were subsidizing the cemetery and suggested review of the fees, possibly by the Parks and Recreation Committee. In response to a question from Mr. Walters, Mr. Robinson clarified that roads within the parks such as the Washington Park

Loop Road and the Mount Erie Road are included as Parks Department projects rather than as part of the city's street overlay program. Ms. Lovelett posed what she termed a philosophical question of whether money should be set aside annually towards the next alum treatment needed at Heart Lake. Mr. Adams asked that the plan to build a pedestrian path along Heart Lake Road from 41st Street to the ACFL be reintroduced in the CFP. Ms. Lovelett requested more information about the Ship Wetland Interpretive Trail and teaching station in order to respond to queries from the public about that sensitive area. Mr. Robinson provided historical background on the longtime plan for those amenities; he noted that current signage at SHIP identifies and depicts the longtime vision of the interpretive structure. Mr. Walters asked that if the projected ongoing vegetation management costs for Heart Lake exceeded the \$20K annual threshold, those be added to the CFP. Ms. Lovelett reiterated her longtime support for achieving the Washington Park campground improvements. Mr. Walters urged staff to invest in some review to determine the extent of the work needed and prepare preliminary cost estimates. Ms. Lovelett asked if the projected grant funding for the Washington Park day use and boat lot improvements would require a match. Mr. Robinson said that a 50% match was likely and that he would revise the CFP to reflect that. Mr. Walters noted that projects slated for the upcoming biennium would be included in the biennial budget and that projects budgeted with grant funding should have reasonable certainty of obtaining the grant. Mr. Robinson said he would review that project and ensure that the projected funding was correct.

Mr. Buckenmeyer then reviewed the thirteen Transportation Facilities projects included in the draft CFP. He noted that staff had reallocated REET funding among projects in the draft budget and that the CFP would be updated to conform. Mr. Walters asked that the Sidewalk and Trip Hazard Repair project description reflect that the expectation that the entire system would be addressed according to a 10-year plan, and that similar long-term projects in the CFP reflect their overall timelines. Councilmembers inquired why Anacortes rather than WSDOT was funding curb, gutter and sidewalk on SR20 spur from G Avenue to the ferry terminal. Mr. Buckenmeyer explained that the city was responsible for CGS along state highways. Mr. Walters urged public outreach before rerouting 32nd Street traffic to 30<sup>th</sup> Street at Q Avenue. He also urged adding a CFP project to address the intersection of 14th Street and Q Avenue, which does not align with Seafarers Way. He suggested that new development in the area should contribute to the project due to increased traffic. Ms. Lovelett asked how the 22<sup>nd</sup> Street and J Avenue intersection improvements would be funded if the SRTS grant was not awarded. Mr. Buckenmeyer said design work would not start until the grant was in hand and that staff would know by the end of 2018 if the grant would be awarded. Ms. Lovelett suggested that new construction in the area contribute to the intersection costs. Mr. Johnson asked that the Ship Harbor Roundabout Construction project be corrected to reflect the correct street name, which is not Ship Harbor Boulevard. Mr. Walters urged a comprehensive, public process to map the existing streets and sidewalks throughout the city, determine which streets would be prioritized for sidewalks since the city could not afford to build all of them, and require new development in those corridors to contribute. Mr. Adams requested a list of the remaining gravel streets in the city and a schedule for when those would be paved. Mr. Johnson noted that gravel streets remained because prior residents had declined to participate in Local Improvement Districts. Councilmembers discussed various approaches to addressing gravel streets. Mr. McDougall requested an approximate cost per foot to pave them. Mr. Buckenmeyer listed variables affecting that cost but said he would work up a number.

Mr. Hoglund thanked councilmembers for their feedback. He advised that the CFP would be discussed again as part of the upcoming budget development.

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

**Resolution 2023: A Resolution of the City Council supporting City of Anacortes Proposition No. 1: Anacortes Transportation Benefit District, Sales & Use Tax for Transportation Improvements**

Ms. Swetnam advised that Ms. Lovelett and Mr. Young had requested that this item be placed on the agenda. She said staff was making no recommendation on the proposed resolution. Ms. Swetnam reviewed the measures by which City Council was allowed to support or oppose ballot measures. Her slides were added to the packet

materials for the meeting. She displayed a fact sheet outlining the financial implications of the ballot measure that provided neutral and objective analysis of the various outcomes following “normal and regular” conduct of the City, noting that the fact sheet had been included in the recent edition of the city’s regular *A-Town Is Our Town* publication. Ms. Swetnam advised that Council could adopt a resolution in support of or opposing a ballot measure as long as it provided notice identifying the ballot measure to be discussed and providing equal time for all sides to present their views.

Ms. Lovelett observed that the ballots for the November 6, 2018 general election would be in mailboxes within weeks and said the City had not yet taken an official stance on the merits of the initiative. She said this was an opportunity to get more information out to the public. She reviewed the relative tax burdens under the sales tax vs. the vehicle license fee. Ms. Lovelett and Mr. Miller both observed that the sales tax would spread the cost of street maintenance to all street users, including visitors, not just city residents. Mr. Miller asked if there was an opposition fact sheet that could be provided. Ms. Swetnam advised that staff had prepared the explanatory statement for the voters pamphlet but that they had been unable to locate parties interested in drafting statements for or against the proposition for the voters pamphlet.

Mayor Gere invited members of the audience to comment on this agenda item, specifically offering equal time to anyone wishing to speak against the resolution.

Ward MacKenzie, 1302 7<sup>th</sup> Street, said he was not normally in favor of tax increases but that earlier cost benefit analysis had shown a cost savings for the taxpayers if the proposition were adopted.

Mr. Miller offered an opposing view in the absence of audience members wishing to do so. He noted that the sales tax could potentially reduce retail sales in Anacortes if neighboring jurisdictions had a lower tax rate, particularly for large ticket items such as boats and cars. Mayor Gere and Mr. Walters observed that if the ballot measure were adopted, the total Anacortes sales tax rate would be the same as Mount Vernon, lower than Seattle and higher than Burlington.

Ms. Lovelett moved, seconded by Mr. McDougall, to adopt Resolution 2023 supporting Proposition 1 on the November 6, 2018 Skagit County General Election Ballot. Vote: Ayes – Adams, Lovelett, McDougall, Miller, Johnson and Walters. Motion carried.

There being no further business, at approximately 8:40 p.m. the Anacortes City Council meeting of October 1, 2018 was adjourned.