

Anacortes City Council Minutes – October 19, 2020

Mayor Laurie Gere called to order the Anacortes City Council meeting of October 19, 2020 at 6:00 p.m. Councilmembers Jeremy Carter, Anthony Young, Ryan Walters, Carolyn Moulton, Christine Cleland-McGrath, Bruce McDougall and Matt Miller all participated in the meeting in absentia via video conference.

Announcements and Committee Reports

COVID-19 Update: Mayor Gere shared current case statistics for Anacortes, Skagit County, Washington State, and the nation. The mayor compared Skagit County case counts to the metrics required to move to Phase 3 of the Safe Start Washington Plan.

Finance Committee: Mr. Walters reported from the committee meeting the prior Wednesday. He indicated that the budget had been discussed extensively and that the group also discussed updating parks impact fees.

Public Comment

No members of the public wished to address the Council on any topic not on the agenda.

Mr. Carter reported that in response to constituent comments, he had attended the regular Sunday gathering at the intersection of 12th Street and Commercial Avenue. He commended citizens for spreading the word about their causes but reminded that no one there should feel intimidated or threatened. He emphasized that everyone's voice must be allowed to be heard, as affirmed by inclusion Resolution 2060 adopted on October 28, 2019.

Consent Agenda

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

- a. Minutes of October 12, 2020
- b. Approval of Claims in the amount of: \$758,421.72
- c. Contract Modification: Municipal Broadband Network - Library To MSTs Aerial Areas #19-175-FBR-003
- d. Resolution 3005: Updating a Work Plan for Height Bonus in R4 Zone

The following vouchers/checks were approved for payment:
EFT numbers: 98400 through 98440, total \$633,862.21
Check numbers: 98441 through 98451, total \$114,144.37
Wire transfer numbers: 274842 through 275095, total \$10,303.36

PUBLIC HEARINGS

Public Hearing on Budgeted Revenue Sources, including 1% Property Tax Increase

Finance Director Steve Hogle introduced the discussion by reviewing the city's revenue streams, focusing on property tax. He explained that a resolution of substantial need would be required to take a 1% property tax increase for 2021 because the implicit price deflator in September 2020 was below 1%. Mr. Hogle's slide presentation was added to the packet materials for the meeting.

At approximately 6:22 p.m. Mayor Gere opened the advertised public hearing.

Dennis Clark, 3805 M Avenue, said he supported the 1% property tax increase. Mr. Clark observed that even the 1% increase the past few years had been below the rate of inflation.

No one else wished to address the Council. Mayor Gere left the public hearing open until November 2, 2020.

OTHER BUSINESS

Review of 2021 Budget

Mr. Hoglund discussed the negative impact of COVID-19 on sales tax and utility tax revenues as well as other, lesser revenue streams. He reminded Council that payroll costs are 41% of the budget and 49% of the operating budget, and are constrained by bargaining unit agreements. Mr. Hoglund noted that the proposed budget depended upon deferring planned equipment replacement fund contributions and asphalt overlay expenditures. Councilmembers requested additional information linking the projected revenue reductions to the proposed expenditure reductions, and the value of the 13.7 FTE that staff proposed to budget for but not to fill until cash flow improved.

Mr. Hoglund then reviewed with Council the line item proposed budget that was included in the packet materials for the meeting, limiting his presentation to non-public works departments. He advised that the public works portion of the budget would be reviewed at the regular City Council meeting on October 26, 2020. Mr. Hoglund and department heads responded to councilmember questions about specific line items.

Access Anacortes Fiber Internet Update

Administrative Services Director Emily Schuh provided the regular monthly update on Access Anacortes Fiber Internet. Ms. Schuh's slides were added to the packet materials for the meeting. She reported on customers in service, pending orders and revenue received. She noted the take rate by district, which was exceeding the 35% target rate in all three of the pilot zones. Ms. Schuh also reported on the status of construction by zone, special projects with the Samish Indian Nation, Island Hospital, and Chandler's Square, financial projections for 2021, and upcoming projects.

Resolution 3006: Updating the Unified Fee Schedule for Access Anacortes Fiber Internet Customer Caused Service Call Fee

Ms. Schuh and Mr. Hoglund presented Resolution 3006 to update the Unified Fee Schedule to establish a fee for additional service above included installation, maintenance, and customer support, such as assisting customers in configuring their equipment and repairing customer caused damage to CoA fiber. Mr. Walters observed that "customer-caused" should be hyphenated. Ms. Schuh commented that the fee also applied to configuration of customer-owned equipment. Mr. Walters said that should be specified in the Unified Fee Schedule, not just in the body of the resolution. Mayor Gere suggested that staff revise the resolution accordingly and bring it back to Council the following week on the Consent Agenda. Councilmembers agreed.

There being no further business, at approximately 8:30 p.m. the Anacortes City Council meeting of October 19, 2020 was adjourned.