

City Council Minutes – February 1, 2016

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of February 1, 2016 at 6:00 p.m. Councilmembers Eric Johnson, Ryan Walters, Erica Pickett, Brad Adams, Liz Lovelett, John Archibald and Matt Miller were present. The assembly joined in the Pledge of Allegiance.

Mayor Gere re-ordered the agenda items to consider New Business before Old Business.

Citizen Hearings

Deanna Usman, Harbor House, 719 Q Avenue, #208, observed her one year anniversary of attending City Council meetings and thanked the mayor, Council and staff for their hospitality and kindness.

Mayor/Council Communication and Committee Reports

Skagit Valley Tulip Festival Presentation: Cindy Verge, Executive Director of Skagit Valley Tulip Festival, introduced Festival Board member Edward Chu of Azusa Nursery. Ms. Verge thanked the elected officials for their support of the festival through the Tourism Promotion Fund. Mr. Chu distributed the 2016 Festival brochure to councilmembers and staff. Ms. Verge explained WSDOT projects on I-5 scheduled for weekends in March and April and encouraged Council to advise WSDOT of the potential impact of that work on festival attendance. She presented the mayor with a framed copy of the 2016 Festival poster painted by artist Sandy Haight.

Mr. Miller reported from the Personnel Committee which met earlier in the evening regarding hiring an unbudgeted planner early in 2016 to assist with the large increase in permits and land use applications. Mr. Miller spoke in favor of that position, noting that permit fees pay for part of the staff cost. The committee also discussed hiring two additional unbudgeted street/sewer inspection staff which would be addressed later in the evening during the discussion of the 2015 Wastewater Comprehensive Plan. Mr. Miller said the committee was generally supportive of adding the positions in order to act proactively to prevent expensive repairs in the future.

Mr. Johnson reported from the Public Works Committee which met earlier in the day and discussed the recent sidewalk inventory, the ADA sidewalk ramp inventory, the 3MG tank rehabilitation project, the south Commercial Avenue design open house, solar projects under consideration, the sewer comprehensive plan update, and the proposed fiber optic network. He advised that the committee would have a special meeting on water two weeks hence.

Mr. Johnson updated his colleagues regarding the Anacortes Senior College course on government which was scheduled for three weeks only, April 14, 21 and 28. Councilmembers and Mayor Gere briefly discussed topics they wished to cover.

Ms. Lovelett reported from the recent well attended WSDOT workshop regarding improvements at Sharpe's Corner. She encouraged citizens to write in to WSDOT with questions or concerns.

Mayor Gere reported that Police Chief Bonnie Bowers and Administrative Services Director Emily Schuh had accompanied her to AWC Day in Olympia the prior Wednesday. She said the Anacortes delegation met with Representatives Kris Lytton and Jeff Morris and also attended very useful sessions regarding public records and homelessness.

Mr. Johnson reported that Mr. Walters was now the Assistant Director of the Skagit County Planning Department. Mayor Gere congratulated him on his new position.

Consent Agenda

Ms. Lovelett removed Item G from the Consent Agenda. Mr. Adams removed Item F from the Consent Agenda.

Mr. Johnson moved, seconded by Ms. Pickett, to approve the following Consent Agenda items. Vote: Ayes – Walters, Pickett, Adams, Lovelett, Archibald, Miller and Johnson. Motion carried.

- a. Minutes of January 19, 2016 and January 25, 2016
- b. Approval of Claims in the amount of: \$711,190.25
- c. **Resolution 1942:** Establishing a Public Hearing Date of March 7, 2016 regarding Martin Vacation
- d. Interlocal Reciprocal Borrowing Agreement with Central Skagit Rural Partial County Library District
- e. Contract Award: 3-Year Annual Maintenance for HVAC Mechanical Equipment (Blythe)

The following vouchers/checks were approved for payment:

Voucher (check) numbers: 79208 through 79357, total \$703,009.28

- f. Contract Award: Radio Telemetry at Water Treatment Plant (QCC)

Mr. Adams requested more detail regarding this sizable contract. Public Works Director Fred Buckenmeyer explained the nature of the work on the communication technology between the pump stations and the plant. Mr. Adams recalled that Council had previously declared QCC to be a sole source vendor for this work. Mr. Adams moved, seconded by Mr. Johnson, to approve the contract award to QCC in the amount of \$294,485.66. Vote: Ayes – Pickett, Adams, Lovelett, Archibald, Miller, Johnson and Walters. Motion carried.

- g. Contract Award: Low Impact Development (LID) Ordinance Update (Kulshan Services)

Ms. Lovelett asked what part of LID compliance the contract would accomplish and why it was more than budgeted. Mr. Buckenmeyer explained the work that Kulshan would be doing to bring Anacortes into compliance with its NPDES permit requirement to adopt a Low Impact Development (LID) ordinance. He advised that staff would draft the ordinance in house with final tuning by the consultant. He added that Storm Drainage Fund 445 had sufficient funds to cover the complete contract cost. Ms. Lovelett moved, seconded by Mr. Adams, to award the contract to Kulshan Services. Vote: Ayes – Lovelett, Archibald, Miller, Johnson, Walters, Pickett and Adams. Motion carried.

NEW BUSINESS

Contract Award: Skyline Area Road Improvements - 2016 Slurry Seal Street Repair

Public Works Director Fred Buckenmeyer provided an overview of the status of the pavement management program and the 2016 slurry seal project. He advised that the 2013 pavement rating report would be updated during 2016 to help establish the rate of street deterioration and update the funding requirement model. Councilmembers questioned the need for another \$30K rating study so soon. Mr. Buckenmeyer explained the need for verifying ratings at regular 3-4 year intervals in order to map trends and identify the most effective use of street maintenance funds. He explained the benefits of slurry seal treatment for surfaces that are still in reasonably good shape and said that would be a lower cost solution in the long term. Mr. Buckenmeyer said the action item for the evening was a contract to repair minor cracks, potholes and roadway imperfections in preparation for the slurry seal contract that would bid later in the month. He advised that slurry seal was appropriate for low traffic residential streets, not arterials, and described the extensive public outreach that would occur to advise neighborhoods of traffic constraints during the slurry seal application. Mr. Buckenmeyer displayed a map showing the streets in Skyline proposed for the 2016 slurry seal project and responded to councilmember questions about the effect of the slurry seal treatment on pavement longevity. He recommended awarding a contract to Asphalt Quality Sealers in the amount of \$30,850.24 for crack sealing and patching. Mr. Johnson moved, seconded by Ms. Lovelett, to approve a contract award to Asphalt Quality Sealers for the 2016 slurry seal

repair/preparation project in the amount of \$30,850.24. Vote: Ayes – Archibald, Miller, Johnson, Walters, Pickett, Adams and Lovelett. Motion carried.

UNFINISHED BUSINESS

Medical Marijuana Work Plan

City Attorney Darcy Swetnam presented a proposed plan to work through the updates to the City's medical marijuana code required by recent state legislation. She summarized the current status of recreational and medical marijuana facilities in Anacortes under existing state law. Ms. Swetnam reminded that Ordinance 2964 adopted on December 7, 2015 had eliminated collective gardens in Anacortes and established a moratorium on medical marijuana cooperatives until June 2016. Ms. Swetnam reminded that the enabling legislation for the moratorium required a public hearing to establish a work plan which was the purpose of the evening's meeting. She summarized the status of Skagit County and state regulations regarding medical marijuana. She then summarized the proposed work plan which would require an extension of the moratorium through the fall of 2016. Ms. Swetnam recommended adopting Resolution 1944 confirming the moratorium and adopting the work plan.

Mr. Archibald clarified with Ms. Swetnam that neither collective gardens nor cooperatives changed the right of medical marijuana patients to grow limited numbers of plants in their own homes. Councilmembers discussed whether or not they might want to reopen discussion on zoning for recreational marijuana operations in light of the changes in state law regarding required buffers.

At 7:05 p.m. Mayor Gere opened the public hearing.

James Stevens, 4028 Sharpe Road, spoke in support of the proposed work plan. He emphasized that the important thing is not to do what's easy but to do what best serves Anacortes patients. Mr. Stevens elaborated on the importance of providing and maintaining access for patients. Mr. Walters asked Mr. Stevens for his opinion on medical marijuana cooperatives. Mr. Stevens said cooperatives are a very important part of a patient's personalized medication. He reminded that some patients are too sick or do not have facilities to grow their own marijuana.

Merilee Huffman, 806 Commercial Avenue, disagreed with Mr. Stevens and said not everyone grows or uses marijuana but said many do use it medicinally. She thought some patients on very high dosages of pain killers could replace those with marijuana.

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

Mr. Johnson moved, seconded by Mr. Archibald, to adopt **Resolution 1944** reaffirming Ordinance 2964 and confirming the 6 month duration of the moratorium contained therein concerning medical marijuana cooperatives and adopting a work plan. Vote: Ayes – Miller, Johnson, Walters, Pickett, Adams, Lovelett and Archibald. Motion carried.

Ordinance 2968 Adopting the City of Anacortes 2015 Wastewater Comprehensive Plan

Mr. Buckenmeyer began the discussion by responding to public comments received via email after the public hearing was closed at the January 19, 2016 City Council meeting. He stressed that Anacortes has sufficient Wastewater Treatment (WWTP) Plant capacity. He said the 2015 Wastewater Comprehensive Plan used population projections provided by the State Office of Financial Management because the 2016 Comprehensive Plan update projections were not yet available at the time. Mr. Buckenmeyer advised that the difference between the two population figures represented less than 1% of the WWTP's capacity. He summarized the ongoing monthly capacity monitoring overseen by the Department of Ecology which requires early planning to address capacity challenges should those ever arise.

Assistant Public Works Director Matt Reynolds then addressed the Capital Improvement Program included in the plan, illustrating his comments with slides from his presentation to Council on January 19, 2016. Mr. Reynolds focused on the Inflow and Infiltration (I&I) Reduction component of the CIP and increasing the inspection and maintenance of the collection system. He said that expenditures on pump

station upgrades were expected to diminish, allowing funds to be redirected to I&I reduction, but that a rate increase would likely be necessary in 2019 to fund the CIP as proposed.

Mr. Walters questioned staff about the plan's population projections. Planning Director Don Measamer explained the city's population allocation and the potential impact on projected population depending on which land use alternatives were adopted in the final 2016 Comprehensive Plan. He reiterated Mr. Buckenmeyer's observation that the difference between the highest and lowest population projections represent less than 1% of the WWTP plant capacity. Mr. Walters observed that the next comprehensive plan would provide another opportunity to evaluate plant capacity long before 2036. Mr. Johnson and Mr. Miller questioned Mr. Reynolds on the impact of continued I&I reduction on the plant capacity.

Mr. Reynolds advised that draft Ordinance 2968 had been revised since its inclusion in the evening's packet materials and said hard copy had been distributed to councilmembers prior to the meeting. He recommended approving the ordinance. Mr. Walters moved, seconded by Mr. Miller, to adopt the latest revision of **Ordinance 2968** adopting the City's wastewater comprehensive plan. Mr. Johnson asked staff to verify that the population figures are consistent between the 2015 Wastewater Comprehensive Plan and the 2016 Comprehensive Plan. Mr. Measamer agreed. Vote: Ayes – Johnson, Walters, Pickett, Adams, Lovelett, Archibald and Miller. Motion carried.

At approximately 7:35 p.m. Mayor Gere called a 5-minute break. At approximately 7:40 p.m. the mayor called the meeting back to order.

KT Analysis Update and Discussion

Mr. Measamer introduced an update on the status of the KT Analysis being performed by the Council Planning Committee. Mr. Measamer thanked Kirk Kennedy for his assistance with the effort. He invited Mr. Kennedy to respond to three questions raised by councilmembers during the prior presentation at the December 14, 2015 City Council meeting.

Mr. Kennedy first addressed the question of whether neighboring communities with large general merchandise retailers were capturing taxable retail sales within their communities, demonstrating that Oak Harbor was. Mr. Kennedy noted that in categories other than general merchandise, notably auto and boat sales, Anacortes was capturing far more than the state average. Mr. Kennedy next addressed the impact of internet sales on Anacortes, noting that internet sales are a greater portion of total retail sales in Anacortes than the state average (if auto and boat sales are excluded). Finally, Mr. Kennedy discussed how much space might be needed for supportable retail development in Anacortes, citing previous studies, and tied projected population growth to potential retail space needs.

Mr. Measamer and Mr. Kennedy then updated Council on the progress of the KT Analysis and asked councilmembers to revisit the previously agreed upon objectives and provide additional rating information. Mr. Measamer reported that the Planning Committee felt that the second of the four objectives, "Provide competitive environment for market driven pricing and service levels," was not something Council could or should control and suggested removing that objective. After some discussion, Mr. Measamer asked if there was councilmember consensus on withdrawing that objective. No one objected.

Mr. Kennedy then displayed and discussed councilmembers' prioritization of the remaining three objectives and asked councilmembers to elaborate on their thinking since the responses were not clustered in clear patterns. Councilmembers shared in turn the rationale behind their prioritization of each objective. Mr. Measamer said that staff would ask councilmembers to rank the three remaining objectives again. He asked for the rankings by February 6 so the Planning Committee could analyze them at its meeting on February 8, then finish up the analysis by the end of the month including the mitigation strategies and adversity matrix. He advised that the results would help Council and staff to develop a strategic plan and incentives to achieve the retail goals identified.

At approximately 8:34 p.m. Mayor Gere invited members of the audience to comment on the analysis.

Merilee Huffman, 806 Commercial Avenue, expressed concern that a big box store would take away from existing downtown stores. She said Walmart drives small stores out but she acknowledged that some people in town would like a Fred Meyer store for better prices.

Vernon Lauridsen, 2219 32nd Street, said he would like to see a wrench thrown in the whole KT Analysis process because it was being conducted by the Planning Committee rather than by the public through open deliberation of all the issues. He observed that each councilmember had a position about big box retail and alternatives to it and that the KT Analysis scoring was artificial. He urged Council to argue their positions directly.

Mr. Walters supported thinking about retail in a structured way, suggested the outcome would very likely be consistent with Mr. Lauridsen's aims, and reminded that Planning Committee meetings are open to the public. Mr. Adams added that the Planning Committee is advisory to the Committee of the Whole and makes no independent decisions.

There being no further business, at approximately 8:40 p.m. the Anacortes City Council meeting of February 1, 2016 was adjourned.