Anacortes City Council Minutes - October 24, 2022

Call to Order
Mayor Matt Miller called to order the Anacortes City Council meeting of October 24, 2022 at 6:00 p.m. Councilmembers Jeremy Carter, Ryan Walters, Anthony Young, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall and Amanda Hubik were present.

Pledge of Allegiance
The assembly joined in the Pledge of Allegiance.

Executive Session

Potential litigation per RCW 42.30.110(1)(i) (20 minutes)
Mayor Miller announced that City Council and the City Attorney would convene in Executive Session per RCW 42.30.110 (1)(i) for approximately 20 minutes to discuss potential litigation. The mayor advised that the regular meeting would then adjourn with no final action having been taken. Councilmembers Jeremy Carter, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall and Amanda Hubik attended the executive session.

The Council re-convened after the executive session. Mr. McDougall moved, seconded by Mr. Young to amend the agenda to add item 8.c. under Other Business, Termination of Contract 20-032-SEW-008 with Pacific Pile and Marine, LP for the Wastewater Treatment Plan Outfall Relocation - Marine Phase. The motion carried unanimously by voice vote.

Announcements and Committee Reports
Mayor Miller provided an update on the Tommy Thompson Trestle Trail reporting that the permitting process is in the final stages and structural drawings should be complete by the end of the week, allowing for the production of a final cost estimate. He also announced that next Monday is the fifth Monday of October, so there will not be a City Council meeting, and that evening there will be Downtown Trick-or-Treating from 3:30-5:30pm.

Housing Affordability and Community Services Committee
Ms. Cleland-McGrath reported from the Housing Affordability and Community Services Committee meeting held on October 20th . The topics discussed included the Police Department and Public Works Department working with a property owner near Sharpe's Corner to clear an encampment which contained nearly 20 yards of garbage, ongoing work with property owners to address derelict properties, possible dedicated crisis response services through Compass Health for Fidalgo Island, an upcoming presentation from Habitat for Humanity to the Council on developing a parcel to include affordable housing, and the Housing Action Plan.

Planning Committee
Ms. Moulton reported from the Planning Committee meeting held earlier in the evening. The topics discussed included a briefing from Meredith McIlmoyle on an upcoming presentation to the Council on the 'Creative District' program being improved by the Arts Commission, with goals to bolster the creative economy for tourism and local businesses associated with the arts, the proposed Community Art and Cultural Center where the movie theater is currently located, the R4 Bonus Height work plan going before the Planning Commission on Wednesday night, and finally a reminder that there will be a Housing Forum on Tuesday night in Council Chambers at 6 pm.

Skagit County Law and Justice Council
Mr. Carter reported from the Skagit County Law and Justice Council meeting held two weeks previous. The topics discussed included a letter from Skagit County mayors to local legislators addressing laws related to

vehicle pursuits and House Bill 1140 involving the questioning of minors by law enforcement, urging the legislators to consider changing those laws in the upcoming legislative session to allow law enforcement to more effectively deal with issues like illegal narcotics and homelessness. Additionally, the Law and Justice Council discussed how to work together with experts to develop a plan of action to improve services for behavioral health, substance abuse and homelessness.

Mayor Award of Merit Presentations

Don Measamer, Planning, Community and Economic Development Director, introduced Deputy Building Official, Rob Frisinger, and Permit Coordinator, Dave Oicles, as recipients of the Mayor's Award of Merit.

Public Comment

Mayor Miller invited the public to comment on any item not on the agenda.

Mary Jo McArdle declined to comment.

Bruce Baglien of Old Town in Anacortes commented on a homeless individual who is camped out at the end of K Avenue. He proposed evicting the individuals camping there and developing a waterfront park.

Consent Agenda

Ms. Moulton moved, seconded by Ms. Cleland-McGrath, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.
a. Minutes of October 17, 2022
b. Approval of claims in the amount of $559,603.91
The following vouchers/checks were approved for payment:
EFT numbers: 104584 through 104627, total $328,353.07
Check numbers: 104628 through 104644, total $211,740.26
Wire transfer numbers: 311961 through 312268, total $19,510.58
c. Contract Award: 33rd Street Pavement Project 2022 #22-258-TRN-001
d. Contract Award: Learn to Sail Program #22-263-PRK-001
e. Street Fair Application - Downtown Halloween Trick or Treat

Public Hearings

Resolution 3099 updating the work plan adopted in Resolution 3082 regarding bonus height provisions in the R4 Use Zone west of the Commercial Use Zone related to Ordinance 4031.

Planning Community and Economic Development Director, Don Measamer, opened a public hearing introducing Resolution 3099 updating the work plan adopted in Resolution 3082 regarding bonus height provisions in the R4 Use Zone west of the Commercial Use Zone related to Ordinance 4031.

Mayor Miller invited the public to comment on the agenda item.

No one present wished to address the Council on the agenda item.

Mr. Young recounted that it has been a struggle to achieve more housing through increased density, asserting that he hopes the plan can accommodate everyone and will serve everybody in the community and the City well.

Mr. Walters suggested that a housing options ordinance, a regulatory document, be brought forth to prescribe options for 'missing middle' housing, pointing out that the Housing Action Plan is a strategic document. He mentioned that the work plan in the current resolution does not integrate middle housing options into the bonus height discussion. He lamented that when the Housing Action Plan draft and Existing Conditions Report were presented to the Planning Commission this week, that options related to 'missing middle' housing could not be an integral part of the discussion, as other options could be used to fulfill the needs for other forms of housing other than five-story buildings. He proposed that the Council should not bind themselves too closely to the work plan, and potentially revisit it as the public process unfolds. He emphasized that the discussion around housing should be a holistic one, and that new development must integrate and not dominate the areas where it would be undertaken. He expressed conditional support for the resolution as drafted.

ANTHONY YOUNG moved, seconded by JEREMY CARTER, to Approve Resolution 3099 adopting a work plan related to Ordinance 4031.
Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Other Business

Ordinance 4024 Day Care Use Category and Principal Uses Permitted in Residential Zones Amendments to facilitate the development of Day Care II Facilities in the R4 Zone.

Senior Planner, Grace Pollard, introduced Ordinance 4024 Day Care Use Category and Principal Uses Permitted in Residential Zones Amendments to facilitate the development of Day Care II Facilities in the R4 Zone. She referred to a presentation that will be included in the final packet materials for the meeting.

Mayor Miller invited the public to comment on the agenda item.

Zeph Arvanitis of Anacortes asked what is the rated capacity of the Samish early learning center. Ms. Pollard responded that the requested information is not known at this time.

Mr. Young expressed appreciation for the clear presentation of what is available and where there are holes in daycare capacity. He voiced support for the ordinance, pointing out that daycare is a necessary component for the City to be competitive in attracting businesses and the workers who staff them.

Mr. McDougall also expressed support for the ordinance and asked why the maximum building size of 4,000 square feet? Ms. Pollard responded that there was no specific reason, though she cited past concern regarding a large national corporation coming in to develop a very large center. She mentioned that the two most recent daycare facilities permitted were in excess of 4,000 square feet, and that they had worked individually with the Planning Commission to remove that requirement.

Mr. Walters agreed that AMC 19.44.010 B.3.d. should be stricken from the draft ordinance. He added that it is important to have more child care facilities to allow people to get back to work and lower the cost of child care, pointing out that in the R4 zone it is permitted to build an assisted living facility with no size limits. He then recommended adding adult daycare facilities under subsection B.3.c. to read "the facility must meet any applicable Washington State Department of Children, Youth, and Families licensing requirements." He then referred to the first line in section 3 and recommended striking the provision, "as designated in Table 19.41.040". He termed the ordinance as very straightforward, and pointed out that there are other opportunities in the code to achieve similar simplification to provide relief to permit applicants from the extensive Conditional Use Permit process where it does not add any value. Mr. Walters moved, seconded by Ms. Moulton to approve Ordinance 4024 as presented with the aforementioned modifications. The motion carried 6-1 by voice vote, with Mr. Young's vote against. Mr. Young voted no because there should be a standard and that the 4,000 square foot limit is appropriate for the city's size.

Ms. Cleland-McGrath asked if the square footage in the childcare facility in the Anacortes Family Center included the apartments above? Ms. Pollard responded that there was language in the initial proposal that dealt with this question, and that the Planning Commission decided to strike that language from the proposal. Mayor

Miller reminded the Council that the ordinance would be brought back before the Council for a formal vote. Mr. Walters asserted that the provision related to building size would not leave the City or an applicant any way to pursue a conditional route to exceed 4,000 square feet of building space. Mr. Young mentioned that he was focused on the idea that the size limit applied exclusively to the childcare portion of a facility and asked that staff clarify this part of the ordinance when it was brought back before the Council.

2023 Operating Budget, Governmental Funds

Finance Director, Steve Hoglund, introduced the review of the 2023 Operating Budget, Governmental Funds. He called out the significant increase in liability insurance premiums and the 7.6% increase in salaries and benefits largely due to newly concluded collective bargaining agreements. Mayor Miller clarified that the information presented was taken directly from OpenGov.

Administrative Services

Administrative Services Director, Emily Schuh, presented the department's budget. She mentioned attending the Washington Cities Insurance Authority annual board meeting last week, and a topic of discussion was that the cost of claims is going up in a hardening insurance market. She attributed those factors to inflationary pressures throughout the state and associated supply chain issues across the pool of member cities. She added that inflation will not keep up with City revenue streams, and that the City is working to keep wages competitive and within the realm of a presentable budget. She then mentioned settled 2023 collective bargaining agreements with the police and fire bargaining units with a bifurcated rate increase of 2% in January and 2% in July with an overall 3% cost to the City. She then detailed healthcare rate increases of 4.5 % for Regence and 7.6% for Kaiser Permanente. Ms. Schuh continued by mentioning that in 2021 there was a salary study that was incorporated into the 2022 budget and those salary schedules are available on the website. She briefed the budget according to slides that were included in the packet materials for the meeting.

Municipal Court Public and Defender

Mr. Walters asked if the header could read 'Public Defender's Office' instead of 'Adult Misdemeanor'. Ms. Schuh responded that it is directly from the Budgeting, Accounting and Reporting System (BARS) Manual and is probably not changeable. Mr. Walters followed up by asking if a member of the public was browsing the budget on OpenGov, would they be able to determine where Public Defender expenses are located. Ms. Schuh responded probably not without digging and added that the Public Defender's office does not handle juvenile misdemeanors, so it is somewhat accurate.

Information Systems

Mr. McDougall asked if the category of 'Professional Services' was appropriate for software licenses. Ms. Schuh pointed out that the BARS manual published by the State Auditor’s Office drives the BARS numbers used, and that 'Professional Services' essentially covers any purchased services. Mr. Walters asked if there are any audits to verify the number of licenses we have across all software applications. Ms. Schuh responded that the City recently completed an audit with Microsoft to evaluate the number of current licenses, there is an ongoing audit of Laserfiche licenses with the planned expansion in 2023, and a recently completed audit of cell phones to determine the appropriate number and distribution. Mr. Walters then asked if a replacement for the Eden accounting software was listed in the Capital Facilities Plan and the associated schedule. Ms. Schuh responded that as of March 1, 2027, Eden would no longer be supported and that it is included in the Capital Facilities Plan. She continued by mentioning the ongoing effort to move on to another product is a significant undertaking, as replacing an integrated system that handles accounting, human resources and permitting will be time intensive and expensive. Mr. Walters expressed concern about the transition, noting that many departments have started moving away from Eden. Ms. Schuh responded that the City would be receiving a demonstration from Microsoft on a possible solution in the coming weeks, which is currently used by the Port of Anacortes. Mr. Walters wondered if it would be worthwhile to contract with a consultant to construct a Request for Proposal to find a replacement for the Eden software application, as it is very complex, noting that recent software purchases such as OpenGov and SmartGov were not subject to this process. Ms. Schuh responded that this is a good idea and is something that the City is exploring. Mr. McDougall noted that outside of the big three applications of Eden, Laserfiche and Microsoft, the majority of the spending is on cyber security products, which are critical to safeguarding the complex technology infrastructure. Ms. Schuh mentioned that there is a cyber security rider that is offered through the Washington Cities Insurance Authority (WCIA), but the rate continues to increase with a corresponding coverage decrease due to uneven levels of technological infrastructure across member cities. She concluded that she is proud of the level of protection these products provide for the City's technology infrastructure and that WCIA would start to fund the Critical Insight application for member cities in 2023. Mayor Miller expressed his appreciation for Mr. McDougall's question, pointing out that all layers of cyber security are critical.

Human Resources
Mr. Young pointed out that diversity and inclusion and anti-harassment training are grouped with other items such as AWC membership, background investigation, pre-employment screening, Material Safety Data Sheet online database, safety supplies, recruitment, and alcohol and drug testing, asking why they were grouped together and if there was any merit to separating some of these items out into individual lines. He asserted that having them grouped together devalues the importance of each individual item. Ms. Schuh replied that 'Professional Services' is the appropriate category for anything accomplished on a contractual basis and that to list all of them would make the document less presentable. Mr. Young replied that his concern would be that funds allocated on one line for these items could mean that funds appropriated for one item could be allocated towards another and that there should be separate line items for these items, as they are very different in nature. Ms. Schuh thanked Mr. Young for the feedback. Mr. Walters pointed out that the budget ordinance does not specify which funds are allocated to specific purposes unless there were to be a proviso added that specifically states a certain amount of funding be appropriated to a particular line item. Ms. Schuh responded that the amounts for any expenditure are tracked carefully at the individual BARS level throughout the year.

Fiber
Mr. Walters asked if this document reflects the revenue needed for the capital projects in support of Fiber. Ms. Schuh responded that it does not. Mr. Walters asked that the budget ordinance reflect that this needs to be determined. Ms. Schuh responded that when approving the budget, it also includes the Capital Facilities Plan and associated revenue sources including what is not covered. Mr. Walters then asked what was meant by the South Fidalgo fiber expansion project. Ms. Schuh responded that this includes areas within city limits along State Route 20 east of Sharpe's Corner. Mayor Miller pointed out that Mr. Walters presented a valid point and said that staff will make it clear in the final budget document that there are significant costs associated with Fiber expansion projects.

Ms. Moulton asked if gaps in the budget for certain line items would be clarified in the final budget document. Mr. Hoglund responded that the final budget document will consist of all 2023 capital requirements with the corresponding revenue sources, and that when the Council reconvenes in two weeks the document will include combined operating and capital expenditures with the balancing resources.

Planning, Community, and Economic Development
Director, Don Measamer, presented the departmental budget referring to slides included in packet materials for the meeting. Mr. Walters asked if there would be access to Eden information for the transition to SmartGov. Mr. Measamer responded that SmartGov is very confident that the data will transfer well from Eden, adding that a great deal of permitting data has been added to the City's Geographic Information Systems, which is conveniently available for the public to access by individual address.

Legal
City Attorney, Darcy Swetnam, presented the departmental budget referring to slides included in packet materials for the meeting.

Police
Police Chief, Dave Floyd, provided an update on department actions in light of the recent comments regarding homelessness. He mentioned that crimes associated with the homeless community are drug activity, littering, public urination and defecation, leaking wastewater tanks and non-mobile vehicles, which are being addressed by issuing 72-hour parking infractions and urging the owners to keep their vehicles in working condition, as well as issuing numerous criminal citations for littering and leaking wastewater tanks, and pursuing misdemeanor crimes through Municipal Court for drug infractions after first issuing two referrals for treatment. In addition, the police are working with property owners to trespass individuals who are unlawfully occupying private land. He then continued presenting the departmental budget, referring to slides included in the packet materials for the meeting.

Mr. Walters asked about the interfund service increase of $120,000. Chief Floyd responded that the increase ties into the Equipment Replacement and Rental fund for vehicles and other items on a replacement schedule, which was funded at a 50% rate last year. Ms. Schuh added that new nodes for Information Systems in the Police Department are included. Mayor Miller promised clarification on that line item.

Mr. Walters expressed support for more assistance with parking enforcement, but wondered how a half-time employee would work. Chief Floyd responded that he would hire someone half-time specifically for parking enforcement. Mr. Walters asked if it would be an attractive job. Chief Floyd responded that it could be attractive to someone with school-aged children who could do the job Monday through Friday. Mr. Walters pointed out that in Mount Vernon the parking enforcement officer covers their salary on enforcement alone, but doubted that the salary would be covered by performing enforcement on recreational vehicles belonging to homeless individuals. He asked if there was any estimate on how much revenue additional parking enforcement would generate. Chief Floyd replied that he did not have one and remarked that while the recreational vehicle situation was the most visible concern, there were other issues as well that an additional employee would enable the existing enforcement officer to address. He added that studying the revenue numbers of the current enforcement officer would not be a good predictor of future revenue. Mr. Young wondered if this employee would be solely for parking enforcement or other elements of the code. Chief Floyd responded that the Planning Department has personnel responsible for enforcing building codes, and that this proposed position would be responsible for responding to abandoned or junk vehicle complaints. Mayor Miller added that this is why this position is necessary, as the code enforcement officers in the Planning Department do not have access to the police databases necessary for vehicle enforcement.

Mr. Walters asked if there was a vehicle for every officer. Chief Floyd responded affirmatively. Mr. Walters asked if any consideration had been given to a model where vehicles are pooled among officers. Chief Floyd responded that assigned vehicles in neighborhoods serve as a crime deterrent and last longer than fleet vehicles due to increased care of the individual driver and a tendency of individual officers to want to drive the newer pool vehicles. Mr. Walters asked how many vehicles there would be if there were not one vehicle for each officer. Chief Floyd responded that he could reduce the number by 10 vehicles from the current inventory of 28.

Fire
Fire Chief, Bill Harris, presented the departmental budget referring to slides included in packet materials for the meeting. Mr. Walters asked about the overtime increase of $100,000 and descriptions of benefits adjustments on various line items. Mr. Hoglund responded that the initial benefits are calculated based on regular pay rates and then benefit rates for overtime are calculated based upon the overtime pay rate. Chief Harris responded that the overtime increase was $76,000 for 2023, citing a budget amendment in August 2022 asking for $150,000 in

additional overtime, thus attempting to split the actual 2022 cost and projected 2023 cost with the addition of 6 hours of monthly off-duty training time. He added that 80% of the increase is in the Emergency Medical Services fund and 20% is in the General fund. Mr. Walters noted that it reflects $100,000 in the proposed budget and then a $20,000 reduction from the prior year. Chief Harris responded that this was done to reallocate funding to avoid any discrepancies in how salaries and overtime are allocated and how the City charges the state for Ground Emergency Medical Transportation services. Mr. Walters asked if the 2022 budget line reflected the original or amended budget. Mr. Hoglund responded that it was the original budget amount. Mayor Miller pointed out that this is used in an effort to provide an effective comparison. Mr. Walters responded that he would prefer the amended budget amounts. Mayor Miller said that was debatable.

Museum

Museum Director, Bret Lunsford, presented the departmental budget referring to slides included in packet materials for the meeting. Mr. Walters asked if there are sufficient maintenance supplies in this budget. Mr. Lunsford responded that there were sufficient supplies and felt confident that they could meet their goals and serve the public with what is requested. Mr. Walters asked if the painting contract had increased in price. Mr. Lunsford responded that it came in higher and may need to be rolled into next year depending on the weather. Mr. Walters followed up asking if the painting of the W.T. Preston stern wheel had shrunk in scope in conjunction with the cost decrease, and would there be a possibility that it could come in at a higher cost. Mr. Lunsford responded that it could come in at a higher cost and that the budgeted amount included paint on vertical surfaces, as most of the horizontal surfaces were painted in 2022. He also remarked that the painting contract for this year had come in higher than expected and that he expected a similar situation in 2023, but that they would do their best with the allocated resources to re-paint the W.T. Preston. Mr. Walters asked what the amount of the Museum reserve fund is now. Mr. Hoglund responded that the reserve fund is in a restricted cash line within the General fund that is currently $35,000 and that the additional balance of the 2022 painting contract would be paid from those monies.

Parks and Recreation

Parks and Recreation Director, Jonn Lunsford, presented the departmental budget referring to slides included in packet materials for the meeting. Mr. McDougall asked about the 'Professional Services' line in the Anacortes Community Forest Lands. Mr. Lunsford responded that this line is a contract with the Friends of the Forest, who do all the educational programs in the forestland and small contracts for services such as herbicide application on Heart Lake.

Mr. Young asked if this budget could accommodate increased hours at the Anacortes Senior Activity Center. Mr. Lunsford said that could be done with staff or contractors in conjunction with the Anacortes Senior Center Foundation using the quarterly budget amendment process to increase the budget as necessary.

Mr. Walters asked how a fully staffed department could be manifested or if there was a spreadsheet that describes the level of service we are trying to achieve in terms of how often each service is performed and how many staff are required to provide those services. Mr. Lunsford responded that he does not have it broken down exactly that way and related how staffing had to be creatively managed to provide a minimum level of service during the COVID shut down. He then cited the hiring of a full-time manager at the Anacortes Senior Activity Center who is supported by the Recreation Director in bringing the department's programs to the senior community. He offered to provide additional information as desired. Mr. Walters responded that he was trying to determine how to know what the appropriate staffing level is for all departments to address public concerns regarding the level of service. Mr. Lunsford responded that the seasonal labor is very important from April through September for the Parks department.

Library
Library Director, Jeff Vogel, presented the departmental budget referring to slides included in packet materials for the meeting. Mr. Walters asked about the eBook service and whether there is a higher level of service that would make more books available. Mr. Vogel responded that there is a higher level of service that is accomplished by purchasing titles specifically for Anacortes through the regular library budget, which is supplemented by Library Foundation funds. Mr. Vogel added that Library Friends supplemented the physical books budget by $25,000 last year. Mr. Walters followed up asking if there was a higher level subscription service that would include more available eBooks. Mr. Vogel responded that there is not, but there are additional services funded by the Library Foundation including Hoopla, which costs $25,000 annually. Mr. Young commended the library for their eBook, downloadable media, and DVD services. Mayor Miller expressed appreciation for all the foundations that bridge City funding gaps.

Legislative, Mayor and Finance
Finance Director, Steve Hoglund, presented the departmental budget referring to slides included in packet materials for the meeting. Mr. Walters suggested an increase for travel and training in the legislative budget to accommodate new Councilmembers who might want to attend in-person training sessions. Mayor Miller responded that should be achievable.

Termination of Contract 20-032-SEW-008 with Pacific Pile and Marine, LP for the Wastewater Treatment Plan Outfall Relocation - Marine Phase.

City Attorney, Darcy Swetnam, introduced the staff recommendation to terminate contract 20-032-SEW-008 with Pacific Pile and Marine, LP due to indeterminate delays in permitting. She outlined that the next step would be to let another contract to complete the work once the permits have been issued.

ANTHONY YOUNG moved, seconded by JEREMY CARTER, to authorize termination of Contract 20-032-SEW-008 with Pacific Pile and Marine, LP.
Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Adjournment

There being no further business, at approximately 9:00 p.m. the Anacortes City Council meeting of October 24, 2022 was adjourned.