

Anacortes City Council Minutes - December 12, 2022

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of December 12, 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.

Announcements and Committee Reports

Mayor Miller announced an opening on the Civil Service Commission for an Alternate Commissioner, which is a mayor-appointed position that serves for three years. Applications can be submitted online via [Talent Bank Application](#) on the City of Anacortes website. Additionally, on December 14th from 4-6pm the Senior Center has free visits and pictures with Santa, the Anacortes Chamber of Commerce sponsored [Celtic Christmas Celebration](#) from 6:30-9:00pm at the Transit Shed, horse-drawn trolley rides on December 17th from 12-3pm, and the Depot Fine Arts Show open daily from 12-6pm until December 18th. He concluded with an update on the Tommy Thompson Trestle repair project, reporting that \$165,000 has been raised to date and, pending contractor availability, demolition work will start in early 2023 with enhanced security measures.

Housing Affordability and Community Services Committee

Ms. Moulton reported from the Housing Affordability and Community Services Committee meeting held the previous Thursday. The topics discussed included a discussion with Community Action about the contract scope of work to complement the services provided by the Family Center, the Anacortes Fire Department grant through the Association of Washington Cities expanding the Community Paramedic program for a six-month pilot program to employ a Community Navigator and Substance Use Disorder staff member to assist clients in crisis, the proposed oversized parking and sidewalk ordinances, a Poverty Simulation led by Community Action on February 7, 2023 for up to 125 participants to increase understanding and empathy for those facing poverty, a cold-weather shelter program including motel vouchers totaling \$35,000 from a Community Development Block Grant, and Christ Episcopal Church possibly creating four tiny homes on church property.

Planning Committee

Mr. Walters reported from the Planning Committee meeting held earlier in the evening. The topics discussed included holiday lighting in the central business district, a staff produced flow chart for the MJB property development that will outline all associated permitting and administrative processes, permanent regulations for parklet and sidewalk use permitting, and the Port's concept plan for the North Basin.

Public Safety Committee

Ms. Cleland-McGrath reported from the Public Safety Committee meeting held December 6th. The police topics discussed included part-time parking enforcement position duties refinement, recruitment strategies, hosting a public safety test on December 29th, the levy lid lift, and call volume from 2018-2022. On fire matters, the committee discussed the Alternate Response Team grant that provides for a mental health professional for 7.5 hours and a social worker for 20 hours per week for six months in coordination with the Anacortes Family Center, and a recruitment academy for volunteer firefighters run by Assistant Chief Joseph Burbank with sign-ups available until January 31st. The academy will be on Tuesday and Thursday evenings and some Saturdays.

Port / City Liaison Committee

Ms. Hubik reported from the Port / City Liaison Committee meeting held on December 6th. The topics discussed included the Shoreline Master Program that is in its third revision and will come back before the Council in the next month, and the north and west basin development projects.

Personnel Committee

Ms. Cleland-McGrath reported from the Personnel Committee meeting held earlier in the afternoon. The topics discussed included labor relations with the Teamsters, staffing updates, Fiber Technician recruiting, position descriptions for new positions, changes in job titles, anti-harassment training, performance reviews, and an upcoming personnel policy update.

Mr. Young expressed his thanks for all the support from the community for the sympathy and outreach he received during his family's time of bereavement.

Public Comment

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

Mary Jo McArdle of Anacortes commented on the updated agenda, asking that the updated information be highlighted in the NotifyMe message so that the changed information is readily recognizable.

Consent Agenda

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

a. Minutes of December 5, 2022

b. Approval of claims in the amount of \$791,129.91

The following vouchers/checks were approved for payment:

EFT numbers: 104939 through 104892 and 105000, total \$457,592.56

Check numbers: 105001 through 105021, total \$313,960.83

Wire transfer numbers: 314305 through 314725, total \$19,576.52

c. Contract Award: Bulk Fuel #23-003-IDS-001

d. Contract Award: Purchase Police Vehicles #23-023-ERR-001

e. Contract Award: 2023 Janitorial Services #23-025-FAC-001

f. Contract Award: WWTP Annual Incinerator Emissions Testing #23-028-SEW-001

Other Business

Skagit Habitat for Humanity Proposed Project West 5th Street

Planning Community and Economic Development Director, Don Measamer, introduced the Skagit Habitat for Humanity Proposed project to construct cottages on West Fifth Street and a park on West Sixth Street, referring to a slide presentation that was included in the packet materials for the meeting. Tina Tate, Executive Director of Skagit Habitat for Humanity, presented the proposed project, referring to a slide presentation that was added to the packet materials for the meeting.

Ms. Moulton asked about the income level and funding sources. Ms. Tate responded that most funding is from government community development block grants, donations, and thrift store sales. Ms. Moulton asked how often homes turn over ownership. Ms. Tate related there has only been one instance of a change in ownership and one payment default of the 40 homes constructed by Skagit Habitat for Humanity. Mr. Young commented that this is the first organization that provides services to homeless individuals he has encountered that has a plan for sustained viability through equity accumulation, and challenged the City to consider that funds being set aside for affordable housing be put toward land acquisition. Mr. McDougall wondered if the organization could handle the nine active or planned development projects simultaneously. Ms. Tate responded affirmatively, adding that she hoped to increase the number of projects to twelve over the next 2.5 years. Ms. Hubik wondered if Skagit Habitat for Humanity partners with local banks and if the organization had built other structures than single-family homes. Ms. Tate mentioned that Habitat for Humanity works with several banks to provide favorable financing to residents, adding that they do not do rentals, but plan on focusing on multi-

family units in the future. Ms. Cleland-McGrath wondered about the homeowner's option after 20 years. Ms. Tate responded that after 20 years the property can go on the market at a market rate. Ms. Cleland-McGrath followed up by asking about a 99-year land lease to extend affordability. Ms. Tate confirmed this initiative. Ms. Cleland-McGrath expressed optimism about the proposed project, remarking that, if successful, it could serve as an example to follow in other locations in Anacortes. She then asked if there was a cost concern related to a planned two-story construction. Ms. Tate responded there is no concern. Mr. Carter wondered what the current assessed value of the property on West Fifth Street was. Mr. Walters responded that the assessed value of the parcel was \$300,000. Mr. Walters expressed appreciation for the proposal regarding the favorable conditions for those who are Anacortes residents or who work in Anacortes and want to live in Anacortes. He also pointed out that the corner lot location would be a better place for a park and expressed a desire to move the initiative forward with a lease agreement.

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

Mary Jo McArdle of Anacortes shared that she was a volunteer for Habitat for Humanity and said that this is the only equity-based affordable housing concept that has been a proven success, and would be a significant benefit to the community, adding that such a program is needed more than rental affordable housing. She further mentioned that the organization partners with Home Depot for donated floor model appliances, excess plumbing and electrical materials, and receives donated time from local contractors. She suggested that the City hold on to Tract A as a potential future equity project.

Amending the Qualifications for the Utility Discount Program and Adding to the Unified Fee Schedule

Finance Director, Steve Hoglund, re-introduced the Utility Discount Program that was previously discussed on [November 21, 2022](#). He mentioned that the item is not ready for action, as there is language in the code that will need to be addressed by ordinance. He referred to a proposed discount schedule that was included in the packet materials for the meeting.

Ms. Hubik wondered if there was a set minimum qualifying income level or if there could be a sliding scale. Mr. Hoglund responded that a sliding scale could be implemented. Mr. Walters commented that the initiative would be worth a deep dive at the committee level. Mr. Hoglund added that there are 43 accounts participating in the utility discount program, of which 6 are fiber only and living in public housing, 27 are single individuals living on social security subsidies, and 10 are low-income families. Mr. Young remarked that bringing the proposal forward to the Council prior to committee work is important for the other Councilmembers not on the committee to formulate their own questions and consider the proposal, expressing a desire that this practice be implemented in other departments. Mayor Miller reminded the Council that the current program parameters are 150% of the poverty rate and a 20% discount.

Access Anacortes Fiber Internet- Quarterly Update

Administrative Services Director, Emily Schuh, provided the Access Anacortes Fiber Internet quarterly update for the fourth quarter of 2022, referring to a slide presentation that was added to the packet materials for the meeting.

Mr. Walters reminded the Council that we are exceeding the forecast model of a 35% take rate. Mr. Young emphasized the importance of the Federal Communications Commission map in increasing the quality of broadband service to premises in Anacortes regardless of carrier.

Mayor Miller invited the public to comment on the agenda. No one present wished to address the Council on the agenda item.

Resolution 3105: City of Anacortes 2023 Legislative Priorities

Administrative Services Director, Emily Schuh, introduced Resolution 3105: City of Anacortes 2023 Legislative Priorities referring to a slide presentation that was included in the packet materials for the meeting.

Respond to the Blake Decision

Mr. Walters advocated that the drug possession statute be modified to delete the requirement for law enforcement to twice refer to treatment individuals who are arrested for drug possession, as the statute fails to fulfill the intended function of getting them into treatment. He further recommended that the City support the continued characterization of drug possession as a misdemeanor or gross misdemeanor rather than decriminalizing drug possession entirely. He then suggested that staff separate policy and budget items in the final document. Ms. Hubik mentioned that legislative staff have a strict prohibition on lobbying. She added that having both policy and budgetary priorities plainly stated is helpful for legislative staff.

Address Vehicle Pursuits for Public Safety

Mr. Walters suggested revising the statute to eliminate the restriction on vehicular pursuits by police officers and perhaps increasing the penalty for evading a police vehicle from a class C felony to something more severe in the instance of a high-speed pursuit and that the inputs be very specific. Mr. McDougall expressed agreement with Mr. Walters comments.

Ensure Basic Infrastructure Funding

Mr. Walters expressed support for streamlining public works contracting and prioritizing the re-instatement of the Anacortes to Sidney ferry route. He added that the City should advocate against specific budget provisos preventing the City from applying for grants from the Washington State Broadband Office because there is an incumbent provider.

Housing Availability and Affordability

Mr. Walters mentioned that the hotel industry opposes flexibility in lodging tax expenditures and that the Association of Washington Cities Housing Solutions Working Group platform calls for a new classification of real estate excise tax (REET) to be spent only on affordable housing, which amounts to approximately \$750,000 annually in Anacortes. Mr. McDougall wondered if opening up an additional classification of REET would be better than just diversifying the uses for the two existing classifications. Mr. Walters responded affirmatively because it would take away from the City's maintenance budget. Mayor Miller wondered if staff had reached out to the Lodging Tax Advisory Committee (LTAC) collectors for their opinion. Mr. Young expressed that it would be important for the City to have flexibility to use funds to purchase land that comes available and was supportive of a third REET category to be used for affordable housing, but felt that the lodging tax funds should remain allocated for their current purpose of attracting businesses and visitors to Anacortes. Ms. Cleland-McGrath expressed agreement with Mr. Young regarding LTAC funds and mentioned a property tax exemption for affordability based on area median income and wondered if there was a way to waive sales tax during the construction of permanently affordable housing. Mr. Walters mentioned that he has pitched Ms. Cleland-McGrath's proposal to local representatives and that it could be applied by making a few changes to an existing statute that provides a sales tax exemption for qualifying commercial office space projects to make it applicable for multi-family and low-income housing developments. Ms. Hubik mentioned that the tax structure work group is meeting December 13th and will discuss the property tax limit factor to change to 103 or 105%. The meeting agenda can be found on taxworkgroup.org and will be televised on TV W. Mr. Walters remarked that the multi-family tax exemption program that Representative Ramel proposed was not supported by builders or lenders because of its complexity, and instead supported a sales tax exemption. He asked that it be added to the legislative priorities. Ms. Cleland-McGrath mentioned that the property tax exemption must be monitored for 20-30 years, whereas the sales tax exemption is accomplished up front and asked that the latter be incorporated into the City's legislative priorities, as it would benefit the local affordable housing builders. Mr. McDougall expressed agreement with Ms. Cleland-McGrath and support for REET 3. Ms. Moulton expressed support for

including the sales tax exemption and additional REET tier.

Behavioral Health Resources

Mr. Walters pointed out that we need to use 'substantial' and 'revolutionary' when it comes to this area, as the current system is broken, and should provide substantial improvements in behavioral health service capacity, including voluntary and involuntary treatment provisions for drug addiction and mental health. He then mentioned that there should be federal action to remove the 16-bed limit for Medicaid funded behavioral health treatment centers, adding that perhaps this area should be the City's top priority. Mr. Young remarked that mental health is a priority, but there should be a broad-brush approach to maintain the quality of life while providing services that can begin to address community needs and identify the corresponding funding sources. Ms. Cleland-McGrath mentioned that funding for inpatient treatment following the initial intervention must come from the State and should be included in this area. Ms. Moulton mentioned that there should be a provision for improving the labor pipeline for behavioral health and law enforcement professionals. Ms. Hubik pointed out that the City should consider joining with the County on some of these proposals.

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

Ward MacKenzie of Anacortes recounted the situation related to the wholesale dissolution of state-funded behavioral health services during the 1980s, asserting that there was an empty promise that services would be available. He continued, remarking that in his experience, behavioral health services were generally funded for no more than 60% of the actual need and to keep this in mind when considering funding priorities so that resources are put where they are needed. He also expressed support for tax exemptions and reductions in support of low income housing, though if there is a tax increase associated with the third category of REET, to spend the money on capital expenditures rather than operations to realize tangible long-term results.

Resolution 3100: Establishing Real Property Purchase Checklist

City Attorney, Darcy Swetnam, re-introduced Resolution 3100: Establishing Real Property Purchase Checklist, which was introduced October 17th and reconsidered November 21st, referring to a revised version with track changes that was included in the packet materials for the meeting. Ms. Moulton asked about section 2.b.i. of Exhibit A regarding the feasibility period, if it was a 'may' versus a 'must do' for consistency. Ms. Swetnam responded that the language in paragraph 4 requires the report back to the Council prior to the end of the feasibility period. Ms. Moulton requested to change the language in section 2.b.i. for consistency. She then asked if there is any point at which the City engages a licensed professional realtor. Ms. Swetnam responded that this is not included in the checklist, and offered to add such a provision under section 3 of Exhibit A 'Due Diligence'. Ms. Cleland-McGrath commented that an established formal relationship with a commercial broker should be part of the process requirements in case the mayor wants to engage in a confidential conversation regarding a potential transaction. Mr. Walters commented that the elements mentioned by Ms. Moulton and Ms. Cleland-McGrath are good suggestions, but are not necessary for this document, pointing out two technical edits to 2.b.i and 2.b.ii. Mr. Young supported Ms. Cleland-McGrath's comment, though he was ambivalent about including it in the text of the resolution exhibit. Mayor Miller commented that staff would make the recommended changes and bring the resolution back at a later date.

Contract Award: Municipal Fiber Network Coordinated Services #23-021-FBR-001

Administrative Services Director, Emily Schuh, introduced Contract Award: Municipal Fiber Network Coordinated Services with NoaNet (23-021-FBR-001). It is a one-year agreement with the option for two one-year extensions. She asked that any reference to "broadband connectivity" be removed. Mr. McDougall agreed with the idea of removing broadband connectivity. He then mentioned the upstream connections and asked if NoaNet had a separate connection down to other points upstream. Ms. Schuh responded that this is the case.

RYAN WALTERS moved, seconded by ANTHONY YOUNG, to authorize the Mayor to sign contract 23-021-FBR-001 with NoaNet deleting item 5.0 of Exhibit A. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG,

RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Result: Passed

Contract Award: 2023 Prosecution Contract #23-029-LEG-001

City Attorney, Darcy Swetnam, introduced Contract Award: 2023 Prosecution Contract #23-029-LEG-001 with Summit Law. She then introduced Mr. Craig Cammock, the contract prosecutor for Anacortes, who detailed a changing landscape for law enforcement and prosecution over the last couple of years. He added that the court has started a community court to enact restorative justice in a new process that is developing referral, performance, enforcement, and revocation criteria to ensure the court is performing its intended function.

Mayor Miller mentioned the possibility of hiring a staff prosecutor for 2024. Mr. Walters recused himself from the vote, as one of the contract parties, Ms. Julie Walters is a relative.

ANTHONY YOUNG moved, seconded by BRUCE MCDOUGALL, to authorize the Mayor to sign contract 23-029-LEG-001 2023 Prosecution Services. Vote: Ayes - JEREMY CARTER, ANTHONY YOUNG, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Abstentions - RYAN WALTERS. Result: Passed

Adjournment

There being no further business, at approximately 8:17 p.m. the Anacortes City Council meeting of December 12, 2022 was adjourned.