

Anacortes City Council Minutes - January 23, 2023

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of January 23, 2023 at 6:00 p.m. Councilmembers Jeremy Carter, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton, and Bruce McDougall were present. Councilmembers Anthony Young and Amanda Hubik were absent.

Mr. Carter moved, seconded by Ms. Cleland-McGrath, to excuse the absence of Mr. Young and Ms. Hubik. The motion carried unanimously by voice vote.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Mayor Miller shared an update on the Tommy Thompson Trail Trestle repair project, declaring demolition work was complete and that staging for the repair work is tentatively scheduled for late this week, which will require closing the causeway from the RV park leading up to the west side of the trestle.

Historic Preservation Board Appointment

Mayor Miller presented the proposed appointment of Ralph Walter to the Historic Preservation Board for a new 3-year term effective through December 31, 2025.

Ms. Cleland-McGrath moved, seconded by Mr. McDougall, to approve the appointment of Ralph Walter to the Historic Preservation Board for a new 3-year term effective through December 31, 2025. The motion carried unanimously by voice vote.

Housing Affordability and Community Services Committee

Ms. Cleland-McGrath reported from the Housing Affordability and Community Services Committee meeting held the previous week. The topics discussed included services being provided to the un-housed community on T Avenue, including a partnership with Helping Hands to provide solid waste services for the area and an outreach team consisting of the Fire Department, the Police Department, the Anacortes Family Center, Helping Hands, and Community Action. She concluded the update by mentioning a discussion of the utility discount program with the goal of giving a more significant discount and ensuring those who do qualify are participating in the program.

Public Comment

Mayor Miller invited the public to comment on any item not on the agenda. No one present wished to address the Council on any topic not already on the agenda.

Consent Agenda

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

a. Minutes of January 17, 2023

b. Approval of claims in the amount of \$722,195.03

The following vouchers/checks were approved for payment:

EFT numbers: 105322 through 105361, total \$474,011.55

Check numbers: 105362 through 105375, total \$231,635.86

Wire transfer numbers: 316870 through 317374, total \$16,547.62

c. Interlocal Agreement #22-238-PRK-006 with Skagit County for Partial Funding of the Tommy Thompson Trail Trestle Restoration Project

Closed Record Decision Hearing

Conditional Use Permit for Morrison Court Bed & Breakfast

Senior Planner, Grace Pollard, introduced the proposed conditional use permit for Morrison Court Bed and Breakfast referring to a slide presentation that was included in the packet materials for the meeting. She reported that staff recommended approval with the following conditions: The applicant must:

- 1.) adhere to the site plan dated January 4, 2023.
- 2.) obtain a City of Anacortes business license prior to operating the bed and breakfast.

Ms. Moulton thanked the applicant for going through the efforts required for completing the permitting process and wondered if there was any way to incentivize other city residents who host bed and breakfasts to participate in the permitting process.

BRUCE MCDOUGALL moved, seconded by RYAN WALTERS, to approve the conditional use permit with noted conditions. Vote: Ayes - JEREMY CARTER, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL. Nays - None. Result: Passed

Other Business

Interlocal Agreement #22-213-TRN-001 for the Funding of Public Street Improvements for the Early Learning Center

Engineering Technician, Steve Lange, introduced Interlocal Agreement #22-213-TRN-001 with the Samish Indian Nation for the Funding of Public Street Improvements for the Early Learning Center. He detailed the collaborative process to add the adjacent road system for the Early Learning Center to the federal highways list of eligible projects that would gain the required funding for the project. He then detailed the project specifics, including planned road and sidewalk improvements, timeline, and the construction management plan, referring to a slide that was included in the agenda packet for the meeting. He introduced John Barrett, Samish Indian Nation Planning Director, who related his understanding of the conditional use permit process and the funding that is available through the Bureau of Indian Affairs for the road improvements. Mayor Miller expressed his appreciation for the mutual cooperation opportunity related to the Early Learning Center project.

Mr. Walters declared that as a community-based tribe, there is significant potential for collaboration on this and other projects. He mentioned that the project had grown in scope and that the traffic circles are critical components of the project. Mr. Lange responded that including them is a policy decision. Mr. Walters asked if there had been any outreach to local residents. He expressed support for the proposed addition of a segment of 16th Street, for traffic circles as a calming measure, designating the area as a school zone and improving the connectivity of the city's road grid system. Mr. Lange mentioned that the Samish Nation had already held a neighborhood meeting and that the city intends to send a letter to local residents outlining the project subsequent to the Council approving the interlocal agreement. He then asserted that the curb extensions, rapid flashing beacons, and bike lanes would be effective traffic calming measures. Mr. Walters emphasized early and continued collaboration with the local residents. Mayor Miller added that the interlocal agreement will facilitate the joint community outreach necessary for a successful project.

Ms. Cleland-McGrath asked about the availability of the funding and the gap in the sidewalk on 17th Street between C Avenue and D Avenue. Mr. Lange responded that funding is available at \$2.5 million from the Samish Indian Nation and that sidewalk is already present in that area. Ms. Cleland-McGrath asked what the total cost of the project was. Mr. Lange estimated that it would be \$1.65 million and that the city was ready to move ahead with the project. Mr. Walters asked if B Avenue was considered for the punch through to between 15th and 17th Street. Mr. Lange responded that B Avenue had been recently repaved and with the long house on 15th Street, C Street made the most sense. Mr. Walters encouraged flexibility in the scope with respect to neighborhood concerns. Mr. Walters abstained from the vote because he initiated the project when he was

Planning Director for the Samish Indian Nation. Mr. Barrett clarified that the Bureau of Indian Affairs transportation funding is only available for those streets that are included in the inventory, and would need to verify that B Avenue was included on that list.

BRUCE MCDOUGALL moved, seconded by CAROLYN MOULTON, to authorize the Mayor to execute Interlocal Agreement 22-213-TRN-001 with the Samish Indian Nation. Vote: Ayes - JEREMY CARTER, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL. Nays - None. Abstentions - RYAN WALTERS. Result: Passed

Washington State Working Families Tax Credit

Ms. Moulton introduced Ms. Perla Gamboa of Working Families Credit, who detailed the Washington State Working Families Tax Credit by referring to a presentation that was included in the packet materials for the meeting. Ms. Moulton thanked Ms. Gamboa for the outreach and suggested using the organization's materials on the city website to raise awareness of the program for eligible families.

Comment on Seattle City Light Federal Energy Regulatory Commission (FERC) Relicensing

City Attorney, Darcy Swetnam, introduced the Seattle City Light Federal Energy Regulatory Commission Relicensing, Jenna Friebe, Executive Director at Skagit County Drainage and Irrigation Districts Consortium, Daryl Hamburg, Executive Director of Dike District 17 and Chairman of the Board for the Dike District Partnership, and Will Honea Chief Civil Attorney for Skagit County. Mr. Hamburg presented the Skagit River flood plain critical infrastructure, Skagit River water management system, and the FERC re-licensing process, referring to a slide presentation that was included in the packet materials for the meeting. Ms. Moulton asked about a "GI study". Mr. Hamburg responded that it stands for a General Investigation study, which was conducted by the County and the results were shelved for use in other projects on the Skagit River. Ms. Friebe detailed the FERC Relicensing Flood Risk Reduction Request, including an increase in flood storage capacity to 200,000 ac-ft and an earlier drawdown date of November 1st. Mr. Honea detailed the next steps to the FERC Relicensing Flood Risk Reduction Request, asking the Council and the City of Anacortes to join the County in supporting the request to FERC. Mayor Miller commented that there are also individuals in Island County who depend on the Skagit River watershed.

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

Mr. McDougall expressed his appreciation for the presentation and support for the effort. Mr. Walters asked about slide #3, asking what the impact of Ross Lake Dam had on mitigating the 2021 flood. Mr. Hamburg responded that the storm impacted the Baker Dam less severely and recommended approaching the manager of the Baker Dam to discuss the difference, mentioning that each system is managed differently based on the relative size difference and associated requirements for power generation. He estimated that 90% of the excess 8 feet of flood water in the 2021 flood was stored in the Skagit River system. Mr. Walters asked what the effective minimum requirement for the Ross Dam with the fish agreement was. Mr. Honea responded that the fish agreement has to do with stream flow augmentation that varies from year to year depending on inflows. Mr. Walters asked if the 2021 flood was a 25-year flood that, without dam mitigation, would have been higher than a 100-year flood in Mount Vernon. Mr. Hamburg said that the Army Corps of Engineers calculated those figures. Mr. Walters asked if the 2021 flood was a 25-year event in light of changing metrics as a result of climate change. Ms. Friebe responded that it was a 25-year event and that the severity will depend on which watershed is most affected by future storm events. Mr. Walters posited that the Skagit River and the City of Anacortes are inextricably linked to flood control and fish, mentioning the KING-5 series on the water control system and advocated signing the letter in light of the 45-day period required to repair the water treatment plant subsequent to a major flood. He then asked if other regional cities were signing on to the letter. Mr. Honea responded that Sedro-Woolley and Mount Vernon had signed on. Mr. Hamburg added that the County and Dike Districts have contracted with Anchor QEA to analyze the models provided by Seattle City Light and were

working with the tribes to add the fish passage caveat to jointly address the issues of fish habitat sustainability and flood control.

RYAN WALTERS moved, seconded by CHRISTINE CLELAND-MCGRATH, to approve the signing of the letter to the FERC Secretary regarding Seattle City Light's FERC relicensing. Vote: Ayes - JEREMY CARTER, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL. Nays - None. Result: Passed

Resolution 3106: Intent to award Banking Services Contract

Finance Director, Steve Hoglund, introduced Resolution 3106 - Intent to award Banking Services to authorize the transfer of banking services from Banner Bank to SaviBank. He detailed the request for proposal, to which two banks responded and SaviBank came out on top of the finance department's score sheets and reported that staff recommended approval.

CAROLYN MOULTON moved, seconded by JEREMY CARTER, to approve resolution 3106 authorizing the mayor to enter into an agreement with SaviBank.

Vote: Ayes - JEREMY CARTER, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL. Nays - None. Result: Passed

2022 Year End Finance Update

Finance Director, Steve Hoglund, introduced the 2022 Year-End Finance update, referring to a slide presentation that was included in the packet materials for the meeting. Mr. Walters asked if the number of building permits includes individual permits and not dwelling units. Mr. Hoglund responded affirmatively. Mr. Walters suggested that with the increase in multi-family units, the number of dwelling units should be added as a metric to inform discussions regarding impact fees and meeting housing goals. Mr. Hoglund responded that the Finance Department would explore ways of presenting such data and on multi-use building permits as well.

Mr. Walters asked if the recent decrease in home sales and corresponding decrease in real estate excise tax (REET) revenues corresponded with increased interest rates. Mr. Hoglund responded affirmatively. Mr. Walters followed up by wondering if the REET per sale is directly correlated with the average home price. Mr. Hoglund responded affirmatively. Mr. Walters pointed out that the numbers reflect a snapshot of the increasing price of individual homes.

Ms. Moulton asked why the Parks and Recreation budgeted numbers were so different than the actual amounts. Mr. Hoglund responded that the skate park project was deferred to a later year.

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

Mr. Walters asked about the budgeting process for the Firemen's Pension Fund. Mr. Hoglund responded that the Budgeting, Accounting and Reporting System (BARS) manual does not require that trust funds be budgeted and that the primary revenue stream for that fund is fire insurance premium tax from the State, which amounts to \$1,000 per active firefighter. Mr. Walters asked if the budget amendment were not approved then there would be an audit finding and that each of the funds had a balance. Mr. Hoglund responded affirmatively. Mr. Walters asked to see a fund balance in the quarterly updates to the Council. Mr. Hoglund agreed that this could be added to future updates.

Ordinance 4040: 2022 Year End Budget Amendment

Anacortes City Council Minutes - January 23, 2023

Finance Director, Steve Hoglund, introduced Ordinance 4040 - 2022 Year-End Budget Amendment, referring to the draft ordinance that was included in the packet materials for the meeting.

Mayor Miller invited the public to comment on the agenda item. No one present wished to address the Council on any topic not already on the agenda.

Ms. Moulton asked to have the name of the fund with the BARS number in future budget amendments. Mr. Hoglund responded affirmatively.

RYAN WALTERS moved, seconded by BRUCE MCDUGALL, to approve Ordinance 4040 as presented. Vote: Ayes - JEREMY CARTER, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL. Nays - None. Result: Passed

Ordinance 4035: Amending Chapter 10.12

City Attorney, Darcy Swetnam, re-introduced Ordinance 4035 - Amending Chapter 10.12 that would amend the code to reduce the penalty for exceeding the 72-hour parking limit from a misdemeanor to a class 2 civil infraction.

Mr. Walters agreed that the change needed to be made sooner than the re-write of the entire ordinance. He proposed that section 2 of the ordinance be amended so that it would take effect immediately, consistent with RCW 35A.12.130 that states "having received the votes of a majority plus one of the whole membership of the council, and having been designated as a public emergency ordinance necessary for the protection of public health, public safety, public property or the public peace, this ordinance is made effective immediately upon adoption." He then asked if we have been using the misdemeanor for criminal prosecution referrals. Chief Floyd responded that the Police Department has issued nine criminal referrals in the past week and nineteen since the beginning of the year that needed to be corrected by the courts, and had asked Ms. Swetnam to place this issue on tonight's agenda. Mr. Walters proposed adding section 3 to the ordinance that says, "Adoption of this ordinance is intended to preclude currently pending prosecutions of violations of the prior ordinance that are repealed by this ordinance and to waive any fee or penalty due and unpaid under such ordinance." Chief Floyd responded that he had consulted with the Court Administrator and the prosecutor to amend those cases in court so that they are charged appropriately. Mr. Walters pointed out that he would find it questionable to have them re-filed as civil infractions if the present ordinance being considered did not exist at the time of the infraction. Mayor Miller pointed out that proposed section 3 effectively wipes away citations, and expressed concern that the work of the Police Department would effectively be nullified. Mr. Walters repeated his assertion that there is a problem with citing people for a civil infraction when the law making the behavior a civil infraction did not exist at the time the citation was issued and expressed a desire to repeal those misdemeanor citations with the proposed section 3 of the amended ordinance.

RYAN WALTERS moved, seconded by JEREMY CARTER, to approve Ordinance 4035 with amended section 2 and new section 3. Vote: Ayes - JEREMY CARTER, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDUGALL. Nays - None. Result: Passed

Adjournment

There being no further business, at approximately 8:05 p.m. the Anacortes City Council meeting of January 23, 2023 was adjourned.