Anacortes City Council Minutes - August 12, 2024

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of August 12, 2024 at 6:00 p.m. Councilmembers TJ Fantini, 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 thanked Anacortes Police Department for putting on National Night Out, announced that he had attended the groundbreaking for the Skagit Stabilization Treatment and Recovery Center, and the upcoming Ready to Learn Fair on Saturday, August 17th from 9-12pm.

Finance Committee

Mr. McDougall reported from the Finance Committee meeting held August 8th. The topics discussed included revenues, expenditures and cash flows, particularly sales and utility taxes, the upcoming fiber bond to be completed by the end of the year, the Anacortes Cinema, and water consumption rates.

Planning Committee

Mr. Walters reported from the Planning Committee meeting held earlier in the evening. The topics discussed included a draft ordinance for reorganizing the development code, the recommended measures from the Housing Action Plan, and an interim ordinance that would revise procedures for permit applications.

Port / City Liaison Committee

Mr. Walters reported from the Port / City Liaison Committee meeting held August 6th. The topics discussed included the planned event facility, specifically funding, projected revenue and operating costs, and the interlocal agreements that would formalize those elements of the project.

Mr. Young asked if the Port and City were discussing a possible public-private partnership. Mr. Walters responded that Mayor Miller is seeking private donations, but that having a private company run the event center is not being pursued.

Public Safety Committee

Ms. Cleland-McGrath reported from the Public Safety Committee meeting held August 6th. Police topics discussed included the Crime in Washington report for 2023 and a hiring and training update.

The Fire / EMS topics discussed included call volume, the fourth unit deployment update, and the ladder truck deployment process.

Economic Development Committee

Mr. Young reported from the Economic Development Committee meeting held August 9th. The topics discussed included a discussion with invited stakeholders, including the Downtown Anacortes Alliance, the Samish Indian Nation, the Anacortes School District, and Marathon Petroleum. The primary goal of the discussion was to understand individual and collective challenges, the focus of efforts, and survey development. Mr. McDougall reported on the competitive advantage gained by having a municipal fiber optic network.

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. Hubik removed Item 5.c. from the Consent Agenda and moved, seconded by Mr. Young, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.
a. Minutes of August 5, 2024
b. Approval of claims in the amount of $1,200,205.71
The following vouchers/checks were approved for payment:
EFT numbers: 110094 through 110147, total $983,460.73
Check numbers: 110148 through 110175, total $209,009.19
Wire transfer numbers: 352146 through 352490, total $7,735.79

Contract Award: Senior Center A/C Furnace System #24-218-FAC-001

Mr. Fantini announced that, as a member of the Senior Center Foundation, he would recuse himself from the vote. Mr. Walters announced that as a member of the Senior Center Foundation, which is an organization that funds the Senior Center, he would not receive any benefit from the contract award and thus would not recuse himself from the vote.

CAROLYN MOULTON moved, seconded by AMANDA HUBIK, to authorize the mayor to sign contract #24-218-FAC-001with Blythe Mechanical, Inc. Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK. Nays - None. Abstentions: TJ FANTINI. Result: Passed

Other Business

Pavement Management Presentation

City Engineer Logan Lee introduced Joel Conder of Capitol Asset & Pavement Services, who presented a pavement management update for city roadways, referring to a slide presentation that was included in the packet materials for the meeting.

Mayor Miller invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Discussion topics included:

- New streets that do not receive a perfect score.
- Gravel does not equal impassable.
- The condition of Commercial Avenue going through downtown.
- Use of pavement management funds to focus on resurfacing Commercial Avenue.
- Increasing the budget amount to $2.5 million.
- K Avenue resurfacing - project level assessment is required.
- The Pavement Condition Index score comparison is improving over time and will peak at 75 to 77 under the current funding model.
- A map showing poor and very poor roadways.
- Balance maintaining major thoroughfares with less well traveled streets in great need of repair.
- Operations staff do an excellent job of maintaining streets in-house.
- Current funding levels will be inadequate over future years.
- Accounting for inflation in funding levels.
- Using funds to resurface Commercial Avenue is not detrimental to maintaining the overall pavement condition index.
- Updated section selection for treatment for the next 10 years.

- Have previous recommendations been followed?

Resolution 3162: Waiving Competitive Bidding Requirements for WWTP NOV/Moyno Positive Displacement Pumps, Parts, and Components

Wastewater Treatment Plant Manager Brian Walker presented proposed resolution 3162 that would waive the competitive bidding requirements for the purchase of Wastewater Treatment Plant NOV/Moyno positive displacement pumps, parts and components.

CAROLYN MOULTON moved, seconded by ANTHONY YOUNG, to approve Resolution 3162 as presented. Vote: Ayes - ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK, TJ FANTINI. Nays - None. Result: Passed

Movie Theater Purchase and Sale Agreement

City Attorney Darcy Swetnam introduced the proposed purchase and sale agreement for the Anacortes Cinemas building, detailing that the purchase price is $500,000 with a 30-day feasibility period during which time the City will evaluate the continued lease between the subtenant and the City as to the operation of the movie theater, referring to a slide presentation that was added to the packet materials for the meeting.

Mayor Miller invited members of the audience to comment on this agenda item.

Linda Martin of Anacortes commented on past actions and discussions of the council on the issue and fiscal considerations of the agreement, asking what is the purpose of the city and is it appropriate for the city to manage or procure the building without having a budgeted outlay. She asked for clarification regarding the Council's purpose and funding strategy, urging the Council not to move forward with the purchase and sale agreement.

Suzanne Rohner of Anacortes echoed Ms. Martin's sentiments, pointing out that the City Council had passed up a previous opportunity to amend the lease. She asked what the Council's long-term purpose and motivation was for this agreement.

Discussion topics included:

- What are the parameters for the success or failure of the feasibility study?
- Continue to operate a movie theater and clean up the messy arrangement that exists today.
- Get a longer-term lease accomplished with the current tenant without exposing taxpayers to additional costs.
- 30-day versus 60-day feasibility period. Is it possible to extend the feasibility period to 60 days or go back to October 4th?
- Possible use as an arts center or for housing.
- A 5-year lease extension is a must.
- Public conversation about what to do with the property after the 5-year extension.
- Not the role of city government to determine the success or failure of a business.
- Potential future uses of the property.
- How to differentiate this transaction from others?
- Funding is available via commercial loan or possible bonding.
- A 20-year consumer loan with annual debt service of approximately $41,000. Total of $320,000 in interest over the life of the loan.
- A means for the city to buy back control of land which it owns.
- A unique scenario that will not be replicated.

- Providing confidence to the operator that it will continue to be a movie theater.
- The council is able to review the funding sources and financing arrangements.
- What happens if the subtenant tries to use the building for a different purpose?
- No guarantee that the operator would be successful and provide payments to cover debt service.
- Worst-case scenario if the council does nothing.

RYAN WALTERS moved, seconded by AMANDA HUBIK, to authorize the mayor to execute the purchase and sale agreement.
Vote: Ayes - RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, AMANDA HUBIK, TJ FANTINI. Nays - ANTHONY YOUNG. Result: Passed

Adjournment

There being no further business, at approximately 7:43 p.m. the Anacortes City Council meeting of August 12, 2024 was adjourned.