

Anacortes City Council Minutes - November 25, 2024

Call to Order

Mayor Matt Miller called to order the Anacortes City Council meeting of November 25, 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 recapped the quarterly meeting with the Samish Indian Nation held the previous week. The topics discussed included the Samish Early Learning Center on 16th Street and D Avenue that is expected to open in March 2025, the attainment of 100% design for road improvements around the Early Learning Center, the Samish hiring of a conservation law enforcement officer and an emergency manager, and continuing cooperative efforts to rebuild the Tommy Thompson trail trestle. He then reminded the public that city offices would be closed on Thursday and Friday in observance of the Thanksgiving holiday. He then announced that the city had received an AA bond rating from Standard and Poor's credit rating agency, that the city qualified for the Association of Washington Cities Well City award for the 21st consecutive year, granting the city 2% savings on health insurance premiums, and that there would be a container at the library to prepare for the remodel of the teen area.

Planning Committee

Ms. Moulton reported from the Planning Committee meeting held earlier in the evening. The topics discussed included the vendor selection process for the development review process evaluation contract on the consent agenda, the importance of pedestrian access between neighborhoods, and permit streamlining legislation that will go to the Planning Commission for review and then come before the Council for final approval.

Parks and Recreation Committee

Ms. Hubik reported from the Parks and Recreation Committee meeting held November 21st. The topics discussed included community pickleball noise mitigation measures, funding for the planned West End park, the Storvik Park sand volleyball courts project, updating the Forest Plan that will go before the Forest Advisory Board in January 2025, and a Senior Center update that included the Care for the Caregiver program. Mr. Young added that the Senior Center will be selling pies for the holiday season.

Museum Committee

Mr. Fantini reported from the Museum Committee meeting held earlier in the afternoon. The topics discussed included the return of the holiday exhibit, expanded offerings on the [self-guided story map tours](#), a public art map, inclusion of the museum on a regional map, an update on the Q'elech'ilhch Park interpretive plan, supporting the celebration of the Anacortes High School Seahawk, planning for the storage and workshop space, a music exhibit that will open in the fall of 2025, and a 2025 calendar featuring Anacortes historic fishing boats that is available at the Maritime Heritage Center.

Ms. Moulton mentioned a successful Elves Night Out event sponsored by the Downtown Anacortes Alliance over the weekend.

Planning Commission Re-appointments

Mayor Miller introduced the re-appointment of Linda Martin and Frank Jeretzky to the Planning Commission for six-year terms through December 31, 2030.

Ms. Moulton moved, seconded by Ms. Hubik, to approve the re-appointment of Linda Martin and Frank

Jeretzky to the Planning Commission for six-year terms through December 31, 2030. The motion carried unanimously by voice vote.

Anacortes Arts Commission Re-appointment

Mayor Miller introduced the re-appointment of Todd Young to the Anacortes Arts Commission for a three-year term effective through December 31, 2027.

Ms. Hubik moved, seconded by Mr. Young, to approve the re-appointment of Todd Young to the Anacortes Arts Commission for a three-year term effective through December 31, 2027. The motion carried unanimously by voice vote.

Parks and Recreation Advisory Commission Re-appointment

Mayor Miller introduced the re-appointment of Sarah Nichols to the Parks and Recreation Advisory Commission for a five-year term effective through December 31, 2029.

Mr. McDougall moved, seconded by Mr. Fantini, to approve the re-appointment of Sarah Nichols to the Parks and Recreation Advisory Commission for a five-year term effective through December 31, 2029. The motion carried unanimously by voice vote.

Forest Advisory Board Re-appointment

Mayor Miller introduced the re-appointment of Brian Wetcher to the Forest Advisory Board for a five-year term effective through December 31, 2029.

Ms. Moulton moved, seconded by Ms. Hubik, to approve the re-appointment of Brian Wetcher to the Forest Advisory Board for a five-year term effective through December 31, 2029. The motion carried unanimously by voice vote.

Public Comment

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

Public comment was delivered as follows:

Sally Turner of Anacortes commented on the dog park at Ace of Hearts Rotary Park, recalling public efforts to establish the park and the extensive use of the park over the past 20+ years. She mentioned that the dog park's boundaries are drawn to maintain the park outside a riparian buffer zone for Ace of Hearts Creek that serves as drainage for Heart Lake and a critical area under the Critical Areas Ordinance. She further remarked that the creek is tested regularly for bacteria and consistently passes those tests, and that there is a community of dog owners who donate their time and money to maintain the park for everyone. She then asked why the adjacent area around the creek was stripped of trees with heavy equipment without public notice or the opportunity for public comment on the action. She advocated for an independent inquiry of how this happened and that the city must take its environmental stewardship seriously.

Linda Martin of Anacortes thanked the Council for listening to the citizens of the West End area and getting the process going for the West 6th Street park, and the dedication of the Council and Mayor to the community.

John Wilkinson of Anacortes pointed out that the Capital Facilities Plan has no money appropriated for the outfall project and U Avenue restoration for 2025, which is in conflict with the project website that stipulates that the most challenging portions of the outfall project lie ahead in 2025.

William (Bill) Turner of Anacortes asked that the city provide the proof and permit application that was needed to remove the trees from the area around the Ace of Hearts Creek and dog park area. He mentioned that he had contacted the Department of Fish and Wildlife, who had no record of a permit application for the actions that

were taken by the city. He acknowledged that removing vegetation from the area was legal, but that removing the stumps of trees would alter the area significantly and would require public input. He expressed frustration that he had not been informed of the plan for the area after repeated inquiries, and that he had contacted the Department of Ecology and the Department of Fish and Wildlife to come to evaluate the site. He asked that the city provide a plan and apply for the required permit before commencing additional work on the area.

Consent Agenda

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

a. Minutes of November 18, 2024

b. Approval of claims in the amount of \$784,804.46

The following vouchers/checks were approved for payment:

EFT numbers: 111019 through 111057, total \$639,521.71

Check numbers: 111058 through 111078, total \$96,825.44

Wire transfer numbers: 358145 through 358707, total \$48,457.31

c. Contract Award: Development Review Process Evaluation #24-220-ENG-001

Public Hearings

Continued Public Hearing on the 2025 Operating Budget

Finance Director Steve Hoglund re-introduced the continued advertised public hearing on the 2025 Operating Budget.

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

Public comment was given as follows:

Linnea McCord of Anacortes commented on spending, recalling her previous comments from an earlier meeting in March that 2024 would not be a business as usual year, asserting that what had been considered reasonable spending in the past would become totally unreasonable and inadvisable under current economic conditions. She pointed out that the federal deficit had increased by \$2 trillion over the past eight months, consumers are facing skyrocketing rent, food, and gas prices, and that there is considerable credit, mortgage, and student debt along with ongoing crises in the banking and commercial real estate sectors. She asserted that increased government spending under these conditions is ill-advised, pointing out that policymakers in Washington state are blindly following other states like California, whose budget surplus has been transformed into a deficit. She cited a [November 15th article](#) in *The Columbian* where Governor Inslee called on state agencies to make spending cuts in anticipation of a \$10 billion budget shortfall, adding that Washington and 26 other states are going broke. She then pointed out that the recent election had changed the direction of the federal government, where it is anticipated that there will be \$2 trillion in spending cuts. She advised the Council to be very careful about spending money, pointing out that the city has \$7000 planned for diversity, equity and inclusion, and enforcing the statute on hate speech, both of which, she asserted, are unconstitutional.

Judy Billings of Anacortes commented on the 2025 city budget compared to other municipalities in the county, pointing out that Anacortes spends nearly two times as much as any other municipality in the county per citizen, with a \$114 million proposed budget that amounts to \$6,247 per person. She listed the overall budget amounts and costs per citizen of Mount Vernon (\$104 million, \$3000 per person), Sedro Woolley (\$31 million, \$2400 per person), Burlington (\$30 million, \$2700 per person), and Skagit County (\$339 million, \$2600 per person). She termed the Anacortes budget as outrageous for the size of town and suggested that perhaps the city would require a department of government efficiency similar to a coming federal initiative. She then mentioned the public comment of Nina Le Baron from the previously regular meeting, calling the \$92,000 permit for sewer hookup fees Ms. Le Baron mentioned as insane and ridiculous. Ms. Billings also expressed concern that the

Council had deprived certain city residents of needed income by restricting short-term rentals. She then pointed out that the Council attempted to donate city property to Habitat for Humanity, an organization that is associated with the World Economic Forum, and one that she suggested is not what they seem or used to be. Ms. Billings then expressed disappointment in the Council's unwillingness to adjust the Anacortes Cinema lease to enable the current owner to sell the building, and the city's subsequent aborted attempt to purchase the building that left the owner hanging. She said that she had learned by watching the Council over the past year that she would not do business, donate land, or count on the City Council's integrity. She expressed satisfaction that the Council would have a work session on how to close the approximately \$2.5 million funding gap and suggested that cutting spending, not increasing taxes, was the proper way to approach the problem.

Suzanne Rohner of Anacortes mentioned the \$2.3 million budget shortfall facing the city, pointing out that the Council had been forewarned of the anticipated shortfall and that there was no discussion on how to solve the problem, especially at the time of budget deliberation due to the thousand line items to consider. She then pointed out that the Council agreed to hold a study session regarding how to close the funding gap. She cited two ways of addressing a budget shortfall, either to increase revenue or cut spending. She mentioned that most often citizens are faced with the former. She then alluded to a Councilmember's previous discussion of the Association of Washington Cities' unsuccessful lobbying effort to increase the annual property tax increase from 1 to 3 percent, adding that the legislation would be reintroduced in the 2025 legislative session. Ms. Rohner asserted that the effort was opposed by the people of Washington state and that they would push back even harder should the legislation be reintroduced. She encouraged the City Council to cut spending instead of increasing taxes, and to more closely scrutinize individual line items of the 2025 budget.

At 6:42 pm, Mayor Miller closed the public hearing on the 2025 Operating Budget.

Closed Record Decision Hearing

Closed-Record Decision Hearing on the Port of Anacortes' T-Dock Shoreline Substantial Development Permit (SDP-2024-0005)

Senior Planner Grace Pollard introduced the Port of Anacortes Shoreline Substantial Development permit (SDP-2024-0005) application, referring to a slide presentation that was included in the packet materials for the meeting. Brenda Treadwell, Director of Planning, Properties and Environmental and Jenkins Dossen, Project Manager, of the Port of Anacortes pointed out that T-Dock is important for local commerce and that the Port worked closely with the Washington Department of Fish and Wildlife for mitigation, that the project is supported by state and federal grants, and responded to questions from the Council.

Discussion topics included:

- Environmental, structural, and functional improvements.
- Extension of the Tommy Thompson trail through the area. What safety measures are being implemented?
 - The area will be marked off during construction
 - Hashed access that will inform trail users that they are entering the T-dock area.
- Increased capacity of T-dock
- Appreciation for inter-agency consultation in project planning.
- 5-year monitoring requirement for large woody debris mitigation.
- Appreciation of vision of port projects to improve facilities and enhance the quality of life.

Ryan Walters moved, seconded by Anthony Young, to approve the shoreline substantial development permit SDP-2024-0005 for the Port of Anacortes T-Dock reconfiguration as presented.

Vote: Ayes - Carolyn Moulton, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Bruce McDougall, Amanda Hubik, TJ Fantini. Nays - None. Abstentions - None. Result: Passed

Other Business

Ordinance 4090: 2025 Operating Budget

Finance Director Steve Hoglund introduced Ordinance 4090 that would adopt the 2025 Operating Budget, referring to an electronic copy of the draft ordinance that was included in the packet materials for the meeting. He mentioned that he had received feedback from some members of the Council regarding the equipment rental and replacement (ERR) fund. He addressed those questions, referring to a slide presentation that was added to the packet materials for the meeting.

Discussion topics included:

- ERR fund
 - Falling behind each year, but still able to purchase needed vehicles.
 - How can we reduce the amount being spent on replacement vehicles?
 - Multifactor analysis of why the ERR budget has increased is needed.
 - Inflation, ladder truck purchase not previously included in the ERR fund, and the purchase of additional police vehicles
 - Summary information of the causes of the increase.
 - What is the accumulated deficit to funding ERR through 2024?
 - One-time payment to the ERR fund circa 2016 to get to 80% - how did we get to 100% funding?
 - Year-to-year 100% after being "trued up" to 80%.
 - Not funding ERR completely makes strategic sense as fiber is built out.
 - ERR for utilities is being funded at 100%.
 - Deep dive needed at the committee level.
- Economic Development funding
 - Reallocate funding to Community Action or Downtown Anacortes Alliance (DAA).
 - Are we preventing retail leakage?
 - 2025 work is unpacking what has been done in 2024.
 - Retain \$10k-\$15k for 2025 for the Economic Development strategic plan.
 - Funding is important for job creation, housing, and attracting businesses and economic activity that is in the city's interest.
 - Prevent retail leakage to online platforms.
 - \$45k in professional service line for economic development and downtown beautification - \$80k - DAA requested \$85k. DAA will receive more money from new tax status.
 - Pushing staff hard to balance spending while updating the Comprehensive Plan.
 - Using resources to benefit the city and bring in living wage jobs.
 - Deliverables for economic development strategic plan.
 - Larger conversation about economic development. Need to generate additional sales tax.
- Hiring freeze for certain positions
 - Will those positions continue to be frozen in 2025?
 - Funding is included in the 2025 budget.
 - Reality on the ground versus what is in the budget book.
 - Revenue indicators or benchmarks that would allow for hiring open positions.
 - Police officer hiring – funding for lateral hires.
 - Contract public defender to cover possible additional case load.
 - Funded for a full-time hire starting in July 2025.

- Revenues
 - What is the difference between sales tax and upcoming expectations?
 - Flat revenue projections for 2025
 - Will meet forecast revenue for 2024
 - 10% average annual growth
 - Summary of how much fund balance each department is contributing to their operating costs for 2025? How long can that be done before fund balances are exhausted?
 - Real estate excise tax breakdown – how much spending in 2025, where it is being spent, and how much remains.

Ordinance 4088: 2024-2029 Capital Facilities Plan Amendment

Finance Director Steve Hoglund introduced Ordinance 4088 that would amend the 2024-2029 Capital Facilities Plan, referring to an electronic copy of the draft ordinance 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:

- Downtown Streetscape funds should be allocated to a single project and the \$900,000 for construction should be removed due to uncertainty regarding the project.
- South Commercial funding moved from 2024 to 2025?
 - 2024 CFP is still included in the CFP document.
- Outfall project not being included in the CFP.
 - Number is not known, so leave it as is with a first quarter budget amendment in 2025 once the project cost is more clearly defined.
- The seagull mitigation plan for a holistic downtown solution should be reflected in the CFP as an option.
 - Unsure about how to reconcile appropriation of \$30k for seagull mitigation when struggling to keep that much appropriated to economic development
- How are we honoring the \$1.8 million commitment for pavement management in 2025?
 - What are the funding sources?
- Creosote pile removal and replacement and breakwater repair
 - Are the unspent funds from 2024 moving to 2025?
 - Re-budgeted at a higher amount.
 - The current amount is approximately \$200k shy.
 - Ownership issues to consider.
 - \$200k more is needed for the project. - \$515k for the creosote pile replacement. \$280k for the breakwater.
 - January 2026 deadline for removal of the piles. There is no deadline for breakwater, but it is not in good condition.
 - Move the breakwater project to 2026 until a better understanding of the project cost.
 - Spend some funding for pile removal in 2025.
 - Funding for planning in 2025 to fund and execute projects in 2026.
 - Spend 2026 money for the breakwater on removing piles in 2025.
 - 2024 funds not spent.
 - Gray area regarding responsibility for the project.

- Goal for adoption at the December 2nd regular meeting.

Contract Award: Purchase of Two North Star 167-1 Ambulances #24-286-ERR-001

Public Works Director Andrew Rheaume introduced Operations Manager Wil Ludemann, who introduced proposed contract #24-286-ERR-001 for the purchase of two North Star 167-1 ambulances from Braun NW Inc.

Discussion topics included:

- One ambulance is fully funded by replacement funds and the second paid for by EMS levy funds.
- The new ambulances will both be included in the ERR fund.
- The two ambulances that are being replaced will be surplus.
- One will be delivered in early 2025, the second in 2026.

Ryan Walters moved, seconded by Christine Cleland-McGrath, to authorize the mayor to approve contract #24-286-ERR-001 for the purchase of two North Star 167-1 ambulances from Braun Inc.

Vote: Ayes - Carolyn Moulton, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Bruce McDougall, Amanda Hubik, TJ Fantini. Nays - None. Abstentions - None. Result: Passed

Adjournment

There being no further business, at approximately 9:05 pm the Anacortes City Council meeting of November 25, 2024 was adjourned.