Special Meeting

Mayor Laurie Gere called to order the advertised Anacortes City Council special meeting of December 16, 2019 at 5:15 p.m. Councilmembers Eric Johnson, Ryan Walters, Brad Adams, Carolyn Moulton, Bruce McDougall and Matt Miller were present. Councilmember Anthony Young was absent.

Mayor Gere announced that City Council and the City Attorney would convene in Executive Session for approximately 40 minutes to discuss potential litigation or litigation per RCW 42.30.110(i) and to discuss a personnel matter and that following the executive session the special meeting would adjourn with no action having been taken. Councilmembers Eric Johnson, Ryan Walters, Brad Adams, Carolyn Moulton, Bruce McDougall and Matt Miller attended the executive session.

At approximately 5:55 p.m. the special meeting was adjourned.

Regular Meeting

Mayor Laurie Gere called to order the Anacortes City Council meeting of December 16, 2019 at 6:00 p.m. Councilmembers Eric Johnson, Anthony Young, Ryan Walters, Brad Adams, Carolyn Moulton, Bruce McDougall and Matt Miller were present.

NEW BUSINESS

CR2A Settlement Agreement in the matter of Young and Mulcahy v. City of Anacortes, et al.

City Attorney Darcy Swetnam announced that this item had been removed from the agenda because the settlement agreement had been withdrawn by the plaintiffs earlier in the day.

Consent Decree in the matter of Puget Soundkeeper Alliance v. City of Anacortes

Ms. Swetnam briefly summarized the terms of the settlement agreement which had been provided to councilmembers earlier in the day and discussed in Executive Session at an advertise special meeting immediately preceding the regular City Council meeting. She advised that the agreement would be added to the permanent record for the meeting. Mr. Adams moved, seconded by Ms. Moulton, to approve the settlement agreement with Puget Soundkeeper Alliance. Vote: Ayes – Young, Walters, Adams, Moulton, McDougall, Miller and Johnson. Motion carried.

Announcements and Committee Reports

Finance Committee: Mr. Johnson reported from the committee meeting the prior week, noting that the topics discussed at that meeting would be addressed as agenda items later in the evening.

Public Comment

Rene Janzen, 713 34th Street, said that regarding the SEPA for Fidalgo Flats, the developer's contention that there would be no impact on the solar energy potential of Mr. Janzen's adjacent property was incorrect according to two private contractors Mr. Janzen had contacted. Mr. Janzen also asked what his recourse would be after the boatyard across the street from his property at 34th Street and R Avenue put up bright lighting that shines into his windows. Mr. Janzen distributed a photo of the lights to councilmembers. He also observed that chemicals were routinely sprayed to control vegetation at the boatyards and challenged the city to talk with boatyard owners to find out what impact that was having on groundwater and marine waters.

Sharron Stringer agreed with Mr. Janzen that preventing someone from installing solar panels was an environmental impact. Ms. Stringer then referred to discussion of the R4 bonus height provision moratorium at the December 2, 2019 regular City Council meeting and questioned the apparent rush to get through the work plan. She urged taking time and working together to come up with an agreeable, workable solution on the feasibility of future 5-story buildings. Ms. Stringer listed a number of issues related to the Madrona project and said those provided ample reason to stop the current plan and seek reasonable solutions or to stop it altogether.

Mike Pearl read from prepared comments opposing the proposed 65-foot apartment building at 18th Street and O Avenue. Mr. Pearl suggested nine alternative courses of action to achieve a beautifying housing project that would provide a winning solution for everyone. Mr. Pearl's comments were added to the packet materials for the meeting.

Consent Agenda

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

a. Minutes of December 9, 2019
b. Approval of Claims in the amount of: $933,047.48
c. Resolution 2062: Updating Unified Fee Schedule for Updated Sewer Rates and Ordinance 3059: Updating AMC Title 13, Public Services
d. Contract Award: Prosecution Services 2020

The following vouchers/checks were approved for payment:
EFT numbers: 95569 through 95626, total $588,701.51
Check numbers: 95627 through 95666, total $332,131.54
Wire transfer numbers: 260288 through 260383, total $1,715.28

OTHER BUSINESS

Skagit County Countywide Planning Policies Update

Libby Grage introduced Kevin Murphy, Executive Director of Skagit Council of Governments (SCOG), to provide an update and solicit public feedback on the Skagit County Countywide Planning Policies Cleanup Project being performed by SCOG under the direction of the Growth Management Act Steering Committee. Ms. Grage briefly described the purpose of the CPP and the process of adopting the policies per the 2002 Framework Agreement. Mr. Murphy then reported on the task of preparing the CPP Cleanup, referring to his slide presentation which was added to the packet materials for the meeting. He emphasized that the update involved no policy direction or other substantial changes to the CPP. Councilmembers commented on the degree of specificity of the policies, questioned the process of initiating substantive changes, and thanked Mr. Murphy for his presentation.

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

Rene Janzen asked when the public would have an opportunity to offer input in 2020. Mr. Murphy explained that any changes to the CPP must go before the Board of County Commissioners including a public hearing, and that every member of the 2002 Framework Agreement would have to hold its own public hearing as well. Mr. Janzen observed that Fidalgo Island was an island with limited resources but was being mandated to move in the same direction as large mainland municipalities. He asked if there was a way to preserve the lifestyle that had drawn residents to the island.

No one else present wished to comment on the Countywide Planning Policies.

Parks and Recreation Comprehensive Plan

Parks and Recreation Director Jonn Lunsford summarized updates to and comments received about the plan since it was last considered at the November 4, 2019 City Council meeting. Mr. Lunsford's slide presentation and comment matrix were added to the packet materials for the meeting. Councilmembers thanked Mr. Lunsford for the comment matrix but asked to have a more complete synopsis of each comment made available to Council and to the public and that the source documents be included as well. Councilmembers also requested a track changes version of the draft plan.

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

Wim Houppermans, 3412 K Avenue, said he was happy to hear Smiley's Bottom had been recognized as a wetland in the plan but asked about public input on that site. Mr. Lunsford explained the community entities represented on the committee formed in 2018 and said the next meeting of the committee was expected to be held in January.

Mr. McDougall noted that several large projects would be ongoing in 2020 including the Parks and ACFL comprehensive plans, the Critical Areas Ordinance update, the shoreline Master Program update and others. He requested a summary of the various projects and their milestone dates for 2020 and 2021. Mayor Gere endorsed that idea.

Brian Wetcher, 814 26th Street, asked about critical areas managed by Parks and Recreation, such as Ship Harbor. He said use and buffer zones would be set by the CAO and asked if the Parks comprehensive plan would be adopted in conjunction with the updated CAO or would be approved first and then later have to be changed to conform to the CAO update. Mr. Lunsford said that all Parks projects were subject to the permitting requirements of whatever CAO was in effect at the time of each project.

Contract Award: Base Fiber Project #19-169-ENG-001

Public Works Director Fred Buckenmeyer requested City Council consent to award a contract in the amount of $217,791.32 to C. Johnson Construction, Inc. to perform the Base Fiber Project consisting of Fiber Optic Conduit Installation for the utility telemetry system within the right-of-way of Skyline neighborhood streets Highland Drive, Anaco Beach Road, Queen Ann Way and Tyler Way. Mr. Buckenmeyer recommended awarding the contract. Mr. Adams moved, seconded by Mr. Miller, to approve the contract with C. Johnson Construction. Vote: Ayes – Walters, Adams, Moulton, McDougall, Miller, Johnson and Young. Motion carried.

Year End Finance Update

Finance Director Steve Hoglund provided an updated on the city's financial picture through November 2019, referring to the graphs included in the packet materials for the meeting. He reported on tax revenue from various sources and developing revenue trends, then displayed and explained budget vs. actual revenue and expenditures in each fund.

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

Mr. Walters suggested considering the next three financial agenda items together.

Ordinance 3060: Amending the 2019/2020 Budget
Resolution 2069: Authorizing the Use of Emergency Reserve Funds for the Storm Sewer Utility Fund
Ordinance 3061: Authorizing an Interfund Loan Between the Water Fund and the Storm Sewer Fund

Mr. Hoglund summarized the cash flow position of the storm sewer reserve fund and the deficit due to legal expenses. He recommended using the $118,282 of cash reserves in the fund and issuing an interfund loan of

$200K from the water fund. He pointed out that the Fund Balance Policy adopted by Ordinance 2995 would require an increase in storm water rates for three years to pay back the loan.

Mr. Hoglund then presented Ordinance 3060 to amend the 2020 budget. He elaborated on the reason for each proposed line item in the amendment and responded to councilmember questions.

<u>Ordinance 3060: Amending the 2019/2020 Budget:</u> Mr. Walters moved, seconded by Mr. Young, to approve Ordinance 3060 as presented.

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

Brian Wetcher, 814 26th Street, said he did not recall the reason for the extra $53K of expenditures in the ACFL fund. Mr. Hoglund responded that was the sum of various operating costs in the fund, largely expenditures for the Heart Lake algae management program that was eligible for grant reimbursement.

Vote: Ayes – Adams, Moulton, McDougall, Miller, Johnson, Young and Walters. Motion carried.

<u>Resolution 2069: Authorizing the Use of Emergency Reserve Funds for the Storm Sewer Utility Fund</u>: Mr. Miller moved, seconded by Mr. Johnson, to adopt Resolution 2069 authorizing use of emergency reserve cash. Vote: Ayes – Moulton, McDougall, Miller, Johnson, Young, Walters and Adams. Motion carried.

<u>Ordinance 3061: Authorizing an Interfund Loan Between the Water Fund and the Storm Sewer Fund</u>: Mr. Adams argued against increasing stormwater rates and suggested making up the fund deficit from the general fund. Mr. Miller agreed. Mr. Miller also reminded that Mr. Hoglund had advised that the amount of the loan would only need to be $200K rather than the $300K listed in the draft ordinance in the packet materials.

Mr. Walters moved, seconded by Mr. Johnson, to approve Ordinance 3061 with a change in Section 1 to change the maximum loan amount from $300K to $200K. Vote: Ayes – McDougall, Johnson, Young, Walters and Moulton. Nays – Miller and Adams. Motion carried.

There being no further business, at approximately 8:05 p.m. the Anacortes City Council meeting of December 16, 2019 was adjourned.