

Anacortes City Council Minutes - September 22, 2025

Call to Order

Mayor Matt Miller called to order the September 22, 2025, Anacortes City Council meeting at 6:00 p.m. Councilmembers TJ Fantini, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall and Amanda Hubik were present. Councilmember Anthony Young (left the meeting at approximately 8:00 pm) participated in the meeting remotely via Zoom.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Mayor Miller announced that the Anacortes Public Library will open at 1pm on Thursday, September 25th due to staff training, that Oyster Run will take place on Sunday, September 28th, that R Avenue is being used by the Port of Anacortes for the transport of large pipes and the trucks use the southbound lanes to transport material heading north, that the Anacortes Fire Department is holding an [open house on October 12th from 12pm–3pm](#), and with October as emergency preparedness month that the city will participate in the Great Shake Out on October 16th with free [Community Emergency Response Training](#) on October 13th. He then announced that Washington State Ferries are holding [online community meetings](#) on October 2nd to discuss peak season scheduling and electrification, and that Skagit County is forming a [Temporary Technical Advisory Group](#) to consider replacement options for the Guemes Island Ferry.

Planning Committee

Mr. Walters reported from the Planning Committee meeting held earlier in the evening. The topics discussed included the Comprehensive Plan update, with the Planning Commission projected to finish its consideration of the update at the end of October, and in light of the end-of-year deadline for adoption, Mr. Walters encouraged Councilmembers to read the [draft update and development regulations](#) prior to the matter coming before the full Council. The committee also discussed the Matrix report on Development Services Improvement, which the committee delved into in some detail, disagreeing on some recommendations of the report and addressing some of the department's work that was not addressed in the report.

Fiber Committee

Mr. Walters reported from the Fiber Committee meeting held September 19th. The topics discussed included Fiber's next report to the Council and potential policy changes in the Anacortes Municipal Code related to dark fiber leases.

Mr. Fantini announced that on October 20th at the Yacht Club in Oak Harbor there will be a District 14 meeting of the Association of Washington Cities.

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 Ms. Hubik, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

a. Minutes of September 15, 2025

b. Approval of claims in the amount of \$1,431,959.88

The following vouchers/checks were approved for payment:

EFT numbers: 113583 through 113625, total \$1,071,216.80

Check numbers: 113626 through 113644 total \$332,109.96

Wire transfer numbers: 372963 through 376212 total \$28,633.12

Other Business

Development Services Improvement Study Presentation — Matrix Consulting Group

Planning, Community, and Economic Development Director John Coleman introduced Allyson Brekke from Matrix Consulting Group, who presented study findings on Development Services Improvement, referring to a slide presentation that was included in the packet materials for the meeting. Mr. Coleman and Public Works Director Andrew Rheaume outlined their plan for implementation of the study's recommendations, 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. No one present wished to address the Council.

Discussion topics included:

- Send the [prioritized list of implementation goals](#) to the council. Will be included in the final agenda packet.
- Local project review guidance from the Department of Commerce.
- Consistent development review across departments.
- Consolidated pre-application notes.
- Clear focus on making it easier for applicants.
- Keep pre-application neighborhood meetings.
- Notifications?
- Full-time employees are needed in Public Works and Planning to support the development review process.
- Reporting data to refine expected timelines.
 - Reduce timelines for wireless service facility and apartments of 5 or more units.
- Staff enthusiasm for the effort.
- Progress reporting to the council and the public.
 - The goal is to have it available to the council and public via SmartGov.
 - Quarterly or semi-annual report to the council.
 - Benchmarks to indicate progress or lack thereof.
- Formalization of the process for all involved.
- Fair and timely processing of permit applications.
- Roundtable discussion in six months in front of a hybrid committee of the whole.

Capital Facilities Plan (2026-2031) - Public Works

Public Works Director Andrew Rheaume, Finance Director Steve Hoglund, and Finance Manager Rhonda Peck introduced the Capital Facilities Plan for Public Works, 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:

Real Estate Excise Tax (REET) Analysis

- The year-end balance will be closer to \$3.8 million.

- The 2026 projected balance for REET should be \$2.1 million.
- Numbers could slide into later years because projects could be continued.

Sewer and Storm

- Is a rate increase a staff recommendation?
 - 6% increase would bring in an additional \$500k in annual revenue.
 - Revenues that come in are restricted to the use of that utility.
- Rates are already being adjusted for inflation.
- Capital projects are an estimate.

Capital Facilities Plan Presentation

Water Utility System (Water System Manager Terry Nemeth)

- Oak Harbor Pass Lake Waterline Replacement
 - Will Oak Harbor help fund the replacement of the Pass Lake 10-inch waterline?
 - Splitting the cost.
 - \$3 million was collected from Oak Harbor, which is allocated toward the \$6.2 million project total.
 - Public Works projects are funded by rate payers.
 - Narrative description of use of funds.
 - Never use REET for public works utility projects.
- Water Pipeline Replacement
 - The number of pipes being replaced is increasing.
- 29th Street Reservoir
 - Drinking water revolving fund loans for large projects in the retail system?
 - Getting additional funding could lead to savings on projects.
- Pump #1 Inverter
 - Good example of justification language.
- W March Point
 - Good example of justification language.
 - Funded by the refinery operators.
 - The increase in project cost stopped at 60% design.
 - The bike lane, previously estimated at \$250k, is now up to \$2 million — asked the state grant funding source for additional funds.
- Campbell Lake Road Fish Passage
 - Not holding up the Campbell Lake Road — State Route 20 roundabout project.

Operations and Facilities (Operations Manager WiL Ludemann)

- How to prioritize the REET funded projects.
 - Facilities will do the prioritization and provide a list to the council for feedback.
 - Finance will show quarterly how REET has been allocated, and allow for reallocation.
 - Priorities can change due to unforeseen circumstances.
 - The facilities condition assessment was delivered late, but next year's CFP will have each year's projects filled out.
 - The fire station elevator must be there because it is a public facility.

Storm (Stormwater Manager Aaron Esterholt)

- R Avenue F4 Basin project is to assess the problem.
- If rates are not raised, stormwater does not have enough funds to operate.
- Are grants available for rain garden enhancement on R Avenue?
- Cranberry Creek project description details needed.

Wastewater (Wastewater Treatment Plant Manager Brian Walker)

- Shell and Refractory Rebuild — 32 years old as of today.
- Brown and Caldwell's letter release is imminent.
- Numbers could change based on the alternatives analysis for solids handling.
 - Good topic for work session.

Transportation (Public Works Director Anrew Rheaume and City Engineer Logan Lee)

- South Commercial Transportation Benefit District (TBD) funding
- If grant funding falls through, then projects will not be pursued.
- Transportation Benefit District fund balance \$600k
- Annual TBD income is ~\$1.1 million.
- Show TBD as a separate revenue line.
- 12th and Commercial Avenue signal poles are on order and will be delivered within 1–6 months.
- Kansas Avenue project design is scheduled for 2028.
 - Order of magnitude of grant funding.
 - Dependent on designation of street as a collector.
 - Intersection improvement as intermediate step(s).
- Commercial Avenue landscaping
 - Still part of the future plan.
- REET will need to be prioritized

Executive Session

Potential Real Estate Transaction per RCW 42.30.110(b) (30 minutes)

At 8:40 pm, Mayor Miller announced that City Council and the City Attorney would convene in Executive Session per RCW 42.30.110(b) for approximately 15 minutes to discuss a potential real estate transaction. The mayor advised that the regular meeting would then adjourn with no final action having been taken. Councilmembers TJ Fantini, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall and Amanda Hubik attended the executive session.

Adjournment

There being no further business, at approximately 08:55 pm, the Anacortes City Council meeting of September 22, 2025, was adjourned.