

Anacortes City Council Minutes - November 10, 2025

Call to Order

Mayor Pro Tempore Carolyn Moulton called to order the November 10, 2025, Anacortes City Council meeting at 6:00 p.m. Councilmembers TJ Fantini, Ryan Walters, Anthony Young, Christine Cleland-McGrath, Bruce McDougall and Amanda Hubik were present.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Mayor Pro Tempore Moulton announced that tomorrow, city facilities would be closed in observance of Veterans Day, and that on Wednesday, November 12th, there would be a Skagit Valley Tourism Workshop at Buxton's from 9am-4pm.

Port / City Liaison Committee

Ms. Cleland-McGrath reported from the Port / City Liaison Committee meeting held November 4th. The topics discussed included a desire for a small boat center near Rotary Park, the event facility action item, which was considered by the Port Commission on November 6th and passed with support. Mr. Walters added that the committee also discussed the expectation that fireworks will cost more than in years past and the need for community donations to support the celebration, and the Port's upcoming centennial celebration.

Housing Affordability and Community Services Committee

Ms. Cleland-McGrath reported from the Housing Affordability and Community Services Committee meeting held November 5th. The topics discussed included a discussion with Chuck Messinger of Veterans of America about the "point-in-time count" that will occur on January 29, 2026, which will determine the allocation for 2026-27, and the Pocket Community Project with the United Way in Mount Vernon. The committee also received an update from the Community Paramedic Steve Monrad and Anacortes Family Center (AFC) Community Resource Manager Peter Strong on what is working regarding community services in the city, including AFC's shower program and their relationship with McKinney Vento and 56 unhoused kids. Other AFC services include job search assistance, vital document procurement, and enrollment in the Early Learning Center if the parent(s) gain employment. Police Chief Dave Floyd attended the meeting and added that there had been a reduction in police referrals for services, but that Mr. Monrad is available to provide services and coordination for other city departments. The committee also received an update on services provided by Community Action of Skagit County, including the Women, Infants and Children (WIC) office in Anacortes, energy assistance to seniors on fixed incomes, and screening for housing needs all in an effort to coordinate local services and minimize duplication in a time of constrained budgets and resources.

Planning Committee

Mr. Walters reported from the Planning Committee meeting held earlier in the evening. The topics discussed included the challenges associated with permit review in light of recent staff reductions and budget constraints, issues associated with the Comprehensive Plan and Development Regulations updates, the need for intensive planning for low-income housing in light of recent Growth Management Hearings Board decisions, and a stepback issue related to the MJB development.

Public Safety Committee

Ms. Cleland-McGrath reported from the Public Safety Committee meeting held November 4th. Police topics discussed included changes to the Criminal Justice Training Commission program that will require all city police officers to use the training facility in Arlington, which would delay the training start date for a new hire, and an increase to the price for training increasing to \$18k per trainee. The committee also received a police training update, was informed that there would likely be additional requests for funding in the coming year, and

that the boat program would be revisited at a future council meeting in December.

Fire topics discussed included answers to questions about the duties and responsibilities of the Administrative Assistant position and the effects of the loss on the level of service to the public.

Mr. Young spoke about the organizational challenges associated with having Fire Chiefs being required to reassign or perform the Administrative Assistant's duties.

Other Announcements

Mr. Fantini reported attending a meeting about Skagit County Domestic Violence and Sexual Assault Services held on November 8th, where he learned about the important support that is being provided to those in need of those services. The contact number for those services is 888-336-9591.

Mr. Walters announced that the North Star Housing Forum at 6pm on November 18th at the Mount Vernon Public Library Commons with registration encouraged at northstarskagit.org

Public Comment

Mayor Pro Tempore Moulton invited the public to comment on any item not on the agenda.

Public comment was given as follows:

Susan Hill of Anacortes spoke about the North Star project and the city's allocation and accounting of opioid settlement funds in the operating budget.

Consent Agenda

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

a. Minutes of November 3, 2025

b. Approval of claims in the amount of \$1,187,058.65

The following vouchers/checks were approved for payment:

EFT numbers: 113969 through 114020, total \$1,040,960.61

Check numbers: 114021 through 114049, total \$134,288.61

Wire transfer numbers: 378789 through 379299, total \$11,809.43

c. Contract Award: 10th Street Drainage System Improvement Project - Design #26-010-STM-001

Other Business

Skagit County/North Star Request for Opioid Settlement Funds

Mr. Walters introduced Commissioner Skagit County Commissioner Lisa Janicki and Skagit County Public Health Community Services Manager George Kosovich, who presented a briefing on the North Star Request for Opioid Settlement Funds, referring to a slide presentation that was added to the packet materials for the meeting. Mayor Pro Tempore Moulton acknowledged that Commissioner Ron Wesen was also in attendance.

Discussion topics included:

- Open House on December 16th at the STAR Center.
- \$500k request for startup costs for the STAR Center.

Options for Regional Projects

- More of these services would have assisted with handling T Avenue.
- The problems associated with T Avenue still exist in the community.
- Local resources for treatment and services is critical.
- Present costs associated with treatment services
 - Emergency medical services, law enforcement, follow-up community services.
 - Necessary services no matter what the fiscal conditions.
 - Overcome the presumption that it is not needed in the city.
- Settlement funds are of limited duration.
- Funding strategies for future program sustainability.
- Individuals being dropped from Medicaid is a present risk.
- Heavy lift is on the front end.
- Strategic spending is more important in fiscally constrained times.
- Managing and reporting is included in the contract with Pioneer Services.
- The recent meeting format is productive and effective for team and community building efforts.
- The Two-Step Process Example (slide 10)
- Regional economies of scale in working together to tackle the crisis.
- The work of treatment and recovery is community-based, continuous, and requires follow-up.

Contract Award: WWTP Administration Building Addition #24-139-SEW-002

Interim Public Works Director Logan Lee and Wastewater Treatment Plant (WWTP) Manager Brian Walker introduced proposed contract #24-139-SEW-002 with Summit Construction Group, Inc to construct the WWTP administration building addition, referring to a slide presentation that was added to the packet materials for the meeting.

Discussion topics included:

- Budget constraints and staff reductions pose challenges.
- Project would alleviate issues with the Teamsters Union.
- Scaled back from the initial plan brought forward to the council 11 years ago.
- Utility funds can only be used for projects related to the plant.
- On the 2024 and 2025 Capital Facilities Plan
- The project was delayed due to overlap with the outfall replacement project.
- 25–30% additional laboratory space will become available with the project.
- In-house lab testing is key to saving funding that would go towards contracted services.
- Expected housing and population growth make
- Admin boiler controls will be involved in the 2026 budget.
- All funds for the project are wastewater utility funds.

TJ Fantini moved, seconded by Bruce McDougall, to authorize the mayor to sign contract #24-139-SEW-002 with Summit Construction Group, Inc for the Wastewater Treatment Plant Administration Building Addition. Vote: Ayes - Carolyn Moulton, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Bruce McDougall, Amanda Hubik, TJ Fantini. Nays - None. Abstentions - None. Result: Passed

Interlocal Agreement #25-256-IDS-001 with San Juan County for Mutual Assistance

Operations Manager WiL Ludemann introduced proposed interlocal agreement #25-256-IDS-001 with San Juan County for Mutual Assistance. He mentioned that San Juan County had approached the city due to challenges

associated with maintaining their stormwater catch basins and that this agreement is similar in scope to one that the council approved earlier in 2025 with the City of Mount Vernon.

Anthony Young moved, seconded by Amanda Hubik, to authorize the mayor to execute interlocal #25-256-IDS-001 with San Juan County for mutual assistance.

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

Ordinance 5005: Setting the 2026 Property Tax Levy

Finance Director Steve Hoglund re-introduced Ordinance 5005 that would set the 2026 property tax levy, referring to a slide presentation that was included in the packet materials for the meeting.

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

Discussion topics included:

- Line-by-line review of the budget is difficult for the council to accomplish.
- Staff have completed a line-by-line review of the budget.
- Cut staff and line items in every department.
- Cuts may limit the capabilities of the city to provide services to the community.
- The city loses purchasing power due to inflation each year.
 - The property tax increase covers only one-third of the cost of inflation.
 - Services may need to be reduced.

Carolyn Moulton moved, seconded by Anthony Young, to adopt Ordinance 5005 authorizing a 1 percent property tax increase for 2026 of \$85,646.

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

Ordinance 5011: Increasing the City Utility Tax by 2%

Mr. Hoglund introduced Ordinance 5011 that would increase the city utility tax by 2% from 7% to 9%.

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

Discussion topics included:

- The tax rates apply to all customers that currently pay utility taxes.
- Raising tax on the other water purveyors and not residents. How much revenue would that generate?
 - Need to add language to Anacortes Municipal Code
 - A 1% increase would net \$30k per purveyor.
- Would take effect in January, but it would come out in February bills.
- Ratepayers could be notified on the utility bills or on the website.
- Reminding eligible individuals of available relief through the utility discount programs.
- Different rates by customer type are possible (industrial, purveyors, individuals).
 - Tiered tax schedule.
- The additional utility tax is general fund income.
- Water purveyors are not taxed.
- A 2% increase is assumed in the 2026 budget.

- Utility tax and sales tax revenues increase as prices increase.
- Shift the balance of general revenues to those that are indexed to the economy.
- Bring back to the council for consideration on 11/17 with a summary table of rates comparing industrial and residential at 2%, industrial and residential at 2.5%, and residential at 2% and industrial at 2.5%.

Ordinance 5012: Freeze the Emergency Reserve Fund

Mr. Hoglund introduced Ordinance 5012 that would freeze the Emergency Reserve Fund, referring to a slide presentation that was included in the packet materials for the meeting.

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

Discussion topics included:

- 17% is the recommended reserve level by the Government Finance Officers Association.
- A review of the policy that is included in the ordinance.
- Add a one-year limit to the provision to freeze until such time as the Finance Director deems that cash flows are sufficient to return to a 17% cash reserve.

Resolution 3189: Procedures for City Council Consideration of SEPA Threshold Determinations for Non-Project Appeals

City Attorney Darcy Swetnam introduced Resolution 3189 that provides procedures for City Council consideration of State Environmental Policy Act (SEPA) threshold determinations for non-project appeals, referring to a slide presentation that was added to the packet materials for the meeting.

Amanda Hubik moved, seconded by Bruce McDougall, to Adopt resolution 3189 adopting appeal procedures for SEPA threshold determination appeals of nonproject actions pursuant to AMC 18.04.250.

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

Ordinance 5013: 2025 Comprehensive Plan Update

Planning, Community, and Economic Development Director John Coleman and Planning Manager Libby Grage introduced Ordinance 5013 that would enact the 2025 Comprehensive Plan Update, referring to a slide presentation that was added to the packet materials for the meeting. Consultants Chris Comeau, Markus Johnson, and Katy Saunders attended virtually and answered questions from the council.

Discussion topics included:

Planning Commission Recommendation #1

- Adding language to support critical areas.

Planning Commission Recommendation #2

- Recognition that the city will have to accomplish a major in-fill development.
 - The city recoups money through latecomer agreements or other mechanisms.
 - Is this the only place it occurs in the Comprehensive Plan update?

Planning Commission Recommendation #5

- Improving the city's efforts to protect critical areas outside the Anacortes Community Forest Lands.

Planning Commission Recommendation #6

- The word 'appropriate' might not be necessary.
 - Ensuring fiscally responsible and purposeful land acquisition.

Planning Commission Recommendation #7

- Verify that glossary terms are not defined more narrowly than they are used in other parts of the plan.
 - Could qualify the applicability of the glossary terms to a certain portion of the plan.

Planning Commission Recommendation #8

- Staff were working on producing a species list and tree canopy map.

Other Comprehensive Plan Discussion Items

- Transportation Policy 1.9, Subsection D — opening of emergency routes from west to east
 - Avoid the creation of an alternative commute route to / from the ferry.
 - Maybe delete W 2nd Street.
 - Recognize that the neighborhood does not want an alternative commute route.
 - Unintended consequences of adding the language would open W 2nd Street.
 - Language about being careful about creating a separate ferry commute route would require a new policy.
 - Striking is the easiest and least confusing way to accomplish the change.
- Goal U-9. Toward Zero Waste. Increase recycling and composting to 65% of the municipal solid waste stream
 - Policy U-9.1 (p. 108 of Volume 1)
 - Feedback from solid waste / public works on if this is doable.
 - Cost of implementation
 - Policy U-9.3
 - Might not be necessary since this is now covered by state legislation.
 - Education is key. Refinement to make it feasible over the next several years.
 - Financial incentives to facilitate implementation.
 - Keep policy language general.
 - Standardized packaging that is actually recyclable and reducing single-use plastics to minimize what is going to the landfill.
 - Make recycling and waste processing standardized and more easily understandable.

- One more coincidental comment period on the Comprehensive Plan and Development Regulations

Ordinance 5014: 2025 Development Regulation Amendments

Mr. Coleman and Ms. Grage introduced Ordinance 5014 that would enact the 2025 Development Regulation Amendments, referring to a slide presentation that was added to the packet materials for the meeting. Mr. Johnson answered questions from the council.

Discussion topics included:

- 19.42.120.C.7 Building height calculations, exceptions, and modifications — CBD and MMU Zone Setback Requirements and Figure 19.42.120(C)(7) Illustration of required building setbacks for tall buildings.
 - Concern about loss of square footage
 - It could be a balcony or outdoor space.
 - Concern about cost of construction, clarity and equity.
 - Setback or stepback. Should be 'stepback' in the code
 - Clarify that it can be done on any one level between the first floor above ground level and the top floor.
 - The stepback portion is 75% of one floor along the street-facing facade.
 - Drawn bracket should go to the top floor.

Adjournment

There being no further business, at approximately 9:12 pm, the Anacortes City Council meeting of November 10, 2025 was adjourned.