

City Council Minutes – December 17, 2018

At 6:00 p.m. Mayor Laurie Gere called to order the regular Anacortes City Council meeting of December 17, 2018. Councilmembers Eric Johnson, Ryan Walters, Brad Adams and Liz Lovelett were present. Councilmembers Anthony Young and Matt Miller were absent. Councilmember Bruce McDougall participated in the meeting via telephone. The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Reappointments to Boards and Commissions:

Mayor Gere requested Council's confirmation of the following reappointments:

- Gunnar Christensen to the Historic Preservation Board for a three-year term that expires December 31, 2021
- Marty Laumbattus to the Anacortes Forest Advisory Board for a five-year term ending in November of 2023
- Libby Walgamott and Lewis Jones to the Museum Advisory Board for four-year terms that expire December 31, 2022

Mayor Gere requested Council's confirmation of the following appointment:

- Deane Brazas to the Museum Advisory Board, to replace retiring James Taylor, completing the last year of the term to expire December 31, 2019

Mr. Johnson moved, seconded by Ms. Lovelett, to approve the slate of appointments as presented. The motion carried unanimously by voice vote. Ms. Lovelett and Mayor Gere thanked all the volunteers for serving.

Mayor Gere announced the following reappointments:

- Laura Hamilton and Karla Locke to the Anacortes Arts Commission for terms that expire on December 31, 2021
- Tanna Baker to serve another 5-year term on the Anacortes Housing Authority Board that will end December 2023

City Attorney Darcy Swetnam reported from the December 10, 2018 meeting of the [Joint Legislative Task Force on Water Supply](#). Ms. Swetnam reminded that the group had been tasked with gathering information to assist the legislature in developing solutions to water challenges in the Skagit River Basin. She said the group focused outside Skagit County in 2019, will focus on Whatcom County in 2019 and Skagit County in 2020. She reported on Skagit County Commissioner Lisa Janicki's report to the task force on the county's plan to mitigate for permit exempt wells. Ms. Swetnam said Commissioner Janicki encouraged the task force to ensure that the agriculture community has the resources it needs to continue. Ms. Swetnam also reported on the DOE's report to the Task Force on current research projects.

Mayor Gere observed the passing of Terry Christiansen who died November 27, 2018. The Mayor shared a synopsis of Mr. Christiansen's many years of public service including 12 years of service on the Anacortes City Council. Mr. Walters thanked Mr. Christiansen for his extensive efforts on the city's municipal code.

Public Comment

No one present wished to address the Council on any topic not already on the agenda.

Consent Agenda

Mr. Johnson removed Item 5b, Approval of Claims, from the Consent Agenda. Mr. Adams moved, seconded by Mr. Johnson, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of December 10, 2018
- c. Contract Modification: On-Call SCADA & PLC Services at the WWTP 15-009-SEW-001
- d. Amendment #1 to Interlocal 259 with Skagit Conservation District
- e. Contract Award: Prosecution Services 2019
- f. Amendment #1 to Interlocal with Skagit County for Senior Activity Center

The following vouchers/checks were approved for payment:

EFT numbers: 91554 through 91598 and 91656 through 91668, total \$103,104.19

Check numbers: 91599 through 91658 and 91663 through 91672, total \$477,319.59

Wire transfer numbers: 242056 through 242221, total \$1,263.16

b. Approval of Claims

Mr. Johnson noted two invoices for holiday street lights totaling nearly \$8,900. Mr. Johnson observed that this expense, which was formerly absorbed by the Anacortes Chamber of Commerce, would cover 180 days of motel vouchers for the homeless. He suggested that in 2019 the city consider using LTAC funding to support the street lights that attract visitors to Anacortes and spending the city funds to provide for homeless children and families. Mr. Johnson moved, seconded by Ms. Lovelett, to approve Consent Agenda Item 5b. The motion carried unanimously by voice vote.

PUBLIC HEARINGS

Public Hearing: Ordinance 3033: Adopting the 2019-2024 Capital Facilities Plan

Finance Director Steve Hoglund recalled that the public hearing on this item was opened on November 5, 2018 and that the CFP had been discussed at several subsequent City Council meetings. He presented the final draft CFP which balanced to the approved biennial budget. Mr. Hoglund recommended approval of the CPF as presented. Mr. Johnson observed that the same chart of expenditures by department appeared on both pages 19 and 20; he asked that the second copy instead reflect revenue by source as had been requested the prior week. Mr. Hoglund agreed to make that correction in the final published CFP.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council. At approximately 6:15 p.m. the mayor closed the public hearing.

Mr. Johnson moved, seconded by Ms. Lovelett, to adopt Ordinance 3033 adopting the 2019-2024 Capital Facilities Plan with the one correction of the graph on Page 20 as noted. Vote: Ayes – Walters, Adams, Lovelett, McDougall and Johnson. Motion carried.

OTHER BUSINESS

EDASC 2019 Work Plan Presentation

Economic Development Alliance of Skagit County Chief Executive Officer John Sternlicht provided an update on the Alliance's work in the county and for Anacortes. Mr. Sternlicht's slide presentation was added to the packet materials for the meeting. He introduced EDASC staff Kathryn Bennett, Cindy Brooks, and Sean Connell. Mr. Sternlicht summarized EDASC's work plan for 2019 including business retention and expansion, business attraction and capacity building. He elaborated on the types of businesses currently being courted, citing LAVLE and Breedt Precision Tooling as recent wins. Mr. Sternlicht then summarized the types of services provided by EDASC to help retain and expand existing local businesses and listed several examples. He responded to councilmember questions about opportunity zones. Mr. Walters noted the valuable service EDASC had provided to support Anacortes's application for such a zone. Mr. Sternlicht alerted Council on upcoming

events at EDASC including NextExec, Economic Forecast Night, Spotlight on Skagit, and the EDASC golf tournament.

Mr. Johnson thanked EDASC for hosting a recent forum on childcare, noting that a scarcity of child and infant care is discouraging families from moving to Anacortes. He asked how else EDASC might be able to further that effort. Mr. Sternlicht described the need for both increasing availability of childcare and training childcare workers and said EDASC has been connecting parties such as United Way, Skagit Valley College, and regional employers to address the need. Ms. Lovelett thanked Mr. Sternlicht for his service on the Population Health Trust and for serving as a conduit between the business community and the public health organization. Mr. Adams asked Mr. Sternlicht how the dues paid by Anacortes in 2018 had directly benefited Anacortes. Mr. Walters asked why Skagit County was no longer reimbursing cities for their EDASC dues. Mr. Sternlicht explained the origin of the Skagit County dues reimbursement program following the 2008 recession and said EDASC calculates rates for each city using the same formula established by the Skagit Council of Governments (SCOG). Mr. Walters agreed with Mr. Sternlicht that each city benefits from economic development anywhere in the county. He supported continuing Anacortes's support of EDASC and also advocated urging Skagit County to direct .09 funds to EDASC. Mayor Gere suggested that EDASC present its work to Council on a regular basis, to remind the community of EDASC's work for the community between high profile success stories such as LAVLE. Mr. Sternlicht agreed.

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

Mr. McDougall's telephone connection with the meeting was lost at this point.

Contract Award: Sanitary Sewer Storage Study – Phase 1 Planning - 10% Design 18-179-SEW-001

Public Works Director Fred Buckenmeyer presented this contract for approval, following the detailed presentation the prior week. He noted that the agenda bill and contract had been revised per councilmember requests from the December 10, 2018 meeting. Mr. Buckenmeyer recommended approval of the contract. Mr. Adams acknowledged that the project was necessary but asked Mr. Buckenmeyer to explain the benefits of this very expensive project. Mr. Buckenmeyer explained that in the past the city had experienced CSO events within the allowed limits but that staff was concerned that such events were becoming more frequent and that current I&I reduction efforts were not addressing the problem quickly enough so, like many other stormwater utilities, Anacortes needed to provide additional storage for combined sewage during storm events. Ms. Lovelett and Mr. Walters supported directing budgeted I&I funding towards this more comprehensive and effective project. Councilmembers questioned Mr. Buckenmeyer on the expected total cost to design and construct. Mr. Buckenmeyer explained that due to the huge number of variables, cost estimates were not possible until alternatives were proposed and evaluated and a preferred alternative established. Ms. Lovelett noted that there would be opportunities for public participation as the alternatives were developed and selected.

Mr. Walters moved, seconded by Mr. Johnson, to approve the contract as presented. Vote: Ayes – Adams, Lovelett, Johnson and Walters. Motion carried.

Guemes Channel Trail: Process Update

City Attorney Darcy Swetnam updated Council on recent Guemes Channel Trail discussions and a process for moving forward, referring to her slide presentation included in the packet materials for the meeting. Ms. Swetnam reported on staff meetings with Sierra Club representatives on October 31, 2018 and with Evergreen Islands, the Mount Baker branch of Sierra Club, and Skagit Audubon Society on November 14. She said that at the November 14 meeting staff had presented a proposed public participation plan but that Evergreen Islands had rejected that plan and demanded that the City proceed with full Environmental Analysis and an Environmental Impact Statement for the entire trail.

Ms. Swetnam then presented a public information plan to provide an overall Guemes Channel Trail page on the City website to allow the public to easily find information on the various phases, previous processes, and upcoming opportunities to participate. She said staff recommended turning that page live early in 2019, before any additional trail processes continue. Ms. Swetnam then shared slides outlining features of the previously proposed public participation plan. Next she described the Environmental Assessment (EA) and EIS requested by Evergreen Islands, estimating the cost for such work to range from \$100K to \$500K over more than a year. Ms. Swetnam concluded with staff's recommendations to proceed with the website development first, then come back to Council to consider appropriate next steps. She shared contact information for herself, Bob Vaux and Jonn Lunsford for members of the public who had questions or suggestions.

Mr. Walters reiterated his previous suggestion that the city develop a formal public participation process for the project including defining its goals, establishing community consensus, and achieving Council endorsement of a written plan. He urged environmental review of the entire project but said such a review was not yet appropriate since only routes under consideration needed to be reviewed and no potential routes had yet been selected. Mr. Adams noted the significant cost of SEPA and asked how that would be funded. Ms. Swetnam said the city's current grant funding would not cover SEPA review but allowed that other grant funding sources may exist.

Mayor Gere invited members of the audience to comment on this agenda item, beginning with those who had signed up prior to the meeting.

Tom Glade, 210 Mansfield Court, representing Evergreen Islands, said EI's position had been misunderstood. Mr. Glade said EI was only concerned currently with the trail's impacts on Ship Harbor as EI's core values include protection of the Ship Harbor preserve. Mr. Glade read from his prepared remarks which were added to the packet materials for the meeting. He clarified that EI had not asked for an EIS for the entire trail at this point but agreed with Mr. Walters that cumulative impacts of the various trail phases needed to be addressed. He asked the city to issue a Determination of Significance which requires an EIS. Ms. Lovelett clarified with Mr. Glade that EI would not require an EIS for trail segments located outside the wetland buffer.

Marlene Finley, 1410 Kellogg Place, speaking as an Evergreen Islands Board Member, urged Council to move forward with the public participation process and to direct staff to complete an environmental assessment on a range of alternatives for Phase II of the Guemes Channel Trail. She also urged Council to protect the SHIP preserve from development. Ms. Finley described the many important ecological and wildlife habitat functions performed by wetlands and specifically by the SHIP wetland. Ms. Finley cautioned against path alignments that would encroach on the borders of the preserve. She noted that the Anacortes community is well educated and passionate about the environment and that citizen want to see the analysis and the science informing decisions being made in the public interest, including relating to siting and routing the GCT.

At approximately 7:25 p.m. Mr. McDougall arrived in Council Chambers and joined the meeting in person for its duration.

Arlene French, 1411 8th Street, said that there is already a perfectly usable bike trail path connecting the Washington State ferry terminal to Washington Park or to downtown along Oakes Avenue, as safe as any route on any street in town. Ms. French asked Council to do the right and reasonable thing and put the proposed bike trail through the SHIP upper wetlands on the back burner. She said that until the current trail segments connect east to downtown it is a trail to nowhere so there's no purpose for cyclists to be on the Ship Harbor wetland section. Ms. French said state transportation grant funds should be used to create a state of the art bicycle/pedestrian path along Oakes Venue, not for a path that goes nowhere.

Brian Wetcher, 814 26th Street, remembered Terry Christiansen as the type of engaged, informed citizen always working to make the community a better place. Mr. Wetcher then addressed Council as Vice President of Evergreen Islands. He recalled 35 years of discussing the preservation of Ship Harbor and Evergreen Islands

spearheading the efforts to create the preserve in the early 1980s. Mr. Wetcher said the eventual settlement agreement was *the* controlling document for the preserve. He described the subsequent SHIP advisory committee and EI's participation in the location and implementation of the current interpretive trail. Mr. Wetcher concluded that EI is a valid stakeholder in this process and that it looked forward to engaging with the city as a major stakeholder going forward. He emphasized that EI was particularly concerned with the stipulations in the settlement agreement prohibiting trails in the wetland buffer and that any portions of the GCT would need to stay outside the buffer, which in some cases extends into private property.

Katherine O'Hara, 4407 Anaco Beach Place, addressed Council as a board member of Skagit Audubon Society and as a local citizen and frequent user of the trail. Ms. O'Hara read from prepared remarks, saying Skagit Audubon remains concerned with the speed with which the city wants to push forward the destructive paving project in the SHIP preserve. She said spending on a website to push information one way while skimping on environmental analysis that would support fact based decision making is wrong. Ms. O'Hara said the city still lacks the open and publicly announced process for the trail that Mr. Walters had suggested some time ago. She said the city seemed to be doing anything to show progress on the SHIP section of the trail without having all its ducks lined up. She said that until access constraints on connecting the trail east into downtown are resolved, the trail is still a dead end from a bicyclist standpoint. She asked why the city was in such a hurry to ruin the small but treasured wetland gem essential to wildlife when doing so would provide no benefit to constituents.

Wim Houppermans, 3412 K Avenue, speaking as a member of Evergreen Islands, said he appreciated the website idea presented by Ms. Swetnam. He suggested that to be transparent and accurate, it should list all the stakeholders in the process including the Washington State Ferries, WWU, businesses, private property owners, EI, and so forth. He also asked for an accurate account of where things stand on that website. Mr. Houppermans suggested that the website also address the current state of the mitigation process, the results of planting monitoring, etc.

Kathleen Lorence-Flanagan, 2005 10th Street, presented questions of trust. She observed that Ms. Swetnam said EI had insisted on an EIS for the entire trail but that EI had only requested an EIS for SHIP. She said inaccurate information does not build trust. She described differing accounts of an October 31 site visit to SHIP and differing interpretations of a subsequent letter from the Sierra Club. Ms. Lorence-Flanagan suggested that the website present source documents so the public can interpret for itself. She also asked if the website would include costs of each phase of the trail, the source of the funds, the costs of purchasing property, delineation of adjoining property boundaries, and applications to WSDOT for future phases *before* they are submitted. Ms. Lorence-Flanagan said Phases I and VII remain problematic in regards to mitigation and other factors and asked if the website would address those topics as well. She asked if the city could be trusted to present all sides of the GCT. She said she hoped for more transparency than in the past.

Catherine Houck, 2318 20th Street, thanked the EI members who began the preservation efforts at SHIP 35 years ago. Ms. Houck described herself as both an ecologist and a bicyclist and said she was concerned about how much longer it might take to establish a non-motorized route from Anacortes to the ferry. She noted that after 30 years and millions of dollars spent the last 1.4 mile segment of the Burke-Gilman Trail in Seattle remains unfinished. She urged working together, rather than misquoting one another in public. Ms. Houck said an upper route for the trail around SHIP in what is now private property could completely protect the wetland buffer and allow the community to move forward together. She also observed that the current trail, along the shoreline, is in the very most environmentally sensitive area and suggested that perhaps future discussions would consider removing some of that trail. She said that looking at the environmental impact of the trail project as a whole might be more productive and allow the community to come together to achieve a separated non-motorized public pathway that protects the environment.

Warren Tessler, 1613 6th Street, president of the Anacortes Parks Foundation, thanked Ms. Swetnam for her update. He heartily endorsed moving ahead with gathering facts, establishing public process, then moving

forward to address people's concerns and get a survey done of alternative routes so that the range of options is known. He said that was possible to build a trail that is not just environmentally sensitive but could possibly enhance the buffer by addressing past logging on the site, invasive species, ad hoc trails, and other such issues. Mr. Tessler suggested moving forward to see what can be accomplished in compliance with regulations because the trail could be a terrific resource for the community as well as enhancing both the environment and quality of life.

Laurie Sherman, 4596 Ginnett Road, said she was feeling positive and grateful for the work being done here. She said the trail could be made better. Ms. Sherman agreed that wetlands are critical and supported EI's request for environmental assessment to find out what is actually possible. She said questioned investing millions of dollars along the shoreline in the face of rising sea levels. Ms. Sherman endorsed looking ahead and working together.

Skip Hawk, 4618 Edwards Way, spoke about how important an amenity the current trail is for its neighbors including his in San Juan Passage, noting that several hundred people recreate there regularly and many are frustrated that the trail hasn't moved forward more quickly. Mr. Hawk said he was horrified by the idea of putting the trail along Oakes Avenue, saying it is primarily a walking trail but that all users including some bicycles share it now. Mr. Hawk said he understood concern about the wetland buffer but said current residents are responsible for ensuring public access for the future. He suggested that children need to see a wetland and a buffer so they know what it is they need to protect. Mr. Hawk said he did not support planning the entire trail before making any more progress, acknowledging that some segments may take a long time to accomplish but that each added section adds to the recreational opportunities for the public.

Mr. Johnson asked if the proposed website would be interactive, to allow public comment and input. Ms. Swetnam thanked him for that suggestion, thanked the other speakers who had recommended specific types of information to post, and invited the public to contact the city staff members listed on her final slide with more suggestions and ideas. Mr. Walters agreed, and suggested a project manager for the effort to ensure responsibility for timelines, performance and transparency. He reiterated his support for planning and performing environmental review on the entire trail, including a timeline. Mr. McDougall agreed that an environmental assessment is absolutely required to extend the trail through the SHIP segment but asked if work on the website could begin before that. Ms. Swetnam said staff recommended beginning with the website to get more information out to the public, then determining what environmental process needs to happen. Mr. Adams supported the public participation plan that was described and said that could run concurrently with other processes to get the trail completed. He thanked everyone for their comments and said Council was motivated to make the right kind of progress, noting that the link east from the ferry terminal is vital. Ms. Lovelett suggested that the website offer the public the opportunity to subscribe to updates and possibly to volunteer. Ms. Swetnam apologized for misunderstanding EI's position and said that pointed out the need for more discussion and making sure everyone has access to the same information. Mr. Walters cautioned that documents posted to the website need to include context so that drafts are not mistaken for final documents and so on. Mayor Gere thanked everyone present for participating in the conversation and said the city was excited to get to work on the website and move forward with the next steps.

At 8:11 p.m. Mayor Gere called a 5 minute break. At 8:18 p.m. the mayor called the meeting back to order.

Year End Finance Update

Finance Director Steve Hogle presented a series of charts summarizing the city's financial picture at the end of November, 92% through the year. He reviewed tax revenue by type, property tax receipts (at 104% of budget due to additions to the tax rolls), sales tax by month (18% over prior year, 8% over budget), REET (10% over prior year), impact fees (126% over prior year, reflecting the new fees effective in 2018), and lodging tax (6.8% over prior year). Mr. Hogle then reviewed revenues and expenditures by fund compared to budget and reported no troubling discrepancies, noting funds for which year end fund transfers were pending and funds

which reflected higher property tax revenue than budgeted. He concluded that the city's overall financial position was healthy.

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

Ordinance 3034: 4th Quarter Amendment of the 2017/2018 Biennial Budget

Mr. Hoglund presented Ordinance 3034 amending the 2018 budget. Mr. Hoglund explained each line item of the amendment, referring to his memo which was included in the packet materials for the meeting. He indicated that 2018 reflected the city's first experience with biennial budgeting and that it would inform the method of projecting expenditures for the 2019/2020 mid-biennium review. Mr. Hoglund, Fire Chief David Oliveri and Public Works Director Fred Buckenmeyer responded to councilmember questions regarding individual budget overruns. Mr. Walters asked that department heads submit written explanations to substantiate requests for budget amendments. Councilmembers discussed with Mr. Buckenmeyer the need to project and possibly establish replacement reserves for replacement and repair of facilities and major equipment. Mr. Buckenmeyer explained the project currently under way to add all such assets to the Cartegraph asset management system, which would eventually allow such projections and inclusion of facilities needs in the CFP. Mr. Buckenmeyer explained how sidewalk retrofits, paid out of Fund 105, impact street overlay spending, paid out of Fund 104. Ms. Lovelett suggested revisiting the pavement management resolution to consider allowing TBD funding to contribute to sidewalk work required to complete an overlay; Mr. Johnson concurred. Ms. Lovelett observed that expenditures for the firefighter volunteer program totaled approximately \$100K, nearly the cost of one full time professional firefighter. She requested a cost analysis and report on the efficacy of that program.

Mr. Walters moved, seconded by Mr. Adams, to approve Ordinance 3034 amending the 2017/2019 biennial budget. Vote: Ayes – Lovelett, McDougall, Johnson, Walters and Adams. Motion carried.

Mayor Gere reminded that the December 24, 2018 regular City Council meeting had been cancelled and that the next meeting would be on January 7, 2019.

There being no further business, at approximately 9:20 p.m. the Anacortes City Council meeting of December 17, 2018 was adjourned.