

**** Per Governor's emergency [Proclamation 20-28](#) et seq., agencies are required to meet completely remotely without providing for a physical location.**

**** Per Section 3 of Anacortes [Resolution 2082](#) Ratifying Proclamation of Emergency and Providing Temporary Procedures to Respond to the COVID-19 Epidemic, adopted by the Anacortes City Council on March 16, 2020, and [Resolution 3010](#), adopted December 28, 2020, extending the duration of Resolution 2082 through March 31, 2021, all in-person Committee meetings of the City Council are cancelled. Council and committee meetings may be held telephonically regardless of whether the City has the capability of video recording meetings.**

- Meetings may be viewed on the [City of Anacortes website](#), on the City of Anacortes [YouTube](#) Channel, or on TV [Channel 10](#).
- The public may also watch, listen to, or participate in the meeting live by visiting <https://us02web.zoom.us/j/89255646791> or by telephoning 1-253-215-8782 and entering Meeting ID 892 5564 6791.
- The public is encouraged to comment via email to cityclerk@cityofanacortes.org or via written comment addressed to City Clerk, P.O. Box 547, Anacortes, WA 98221. Public comments received prior to 3:00 p.m. the day of the meeting will become part of the record for the meeting, just as if presented in person.
- Complete guidelines for public participation in virtual Anacortes City Council meetings are available [here](#). View the quick video example for connecting to the meeting [here](#).



Anacortes City Council

Municipal Building Council Chambers

**** This meeting will be held electronically only ****

**January 19, 2021
6:00 PM**

PRELIMINARY AGENDA

[Packet Materials](#) / [Watch Meeting](#)

- 1. Call to Order**
- 2. Announcements and Committee Reports**
 - a. COVID-19 Update (Discussion)
 - b. Skagit County Law and Justice Council (Discussion)
 - c. Finance Committee (Discussion)
 - d. Fiber Committee (Discussion)
 - e. Public Works Committee (Discussion)
 - f. Civil Service Commission Appointments (Discussion)
- 3. Public Comment**
- 4. Consent Agenda**
 - a. Minutes of January 11, 2021 (Action)
 - b. Approval of claims in the amount of \$1,174,245.95 (Action)
- 5. Other Business**
 - a. * Ordinance 3082: Establishing a \$4,500,000 line of credit with SaviBank to provide resources for the continued build out of the City Access Fiber network. (Discussion/Possible Action)
 - b. * Access Anacortes Fiber Internet Update (Discussion)

Per Resolution 2044, citizens wishing to comment on items not on the agenda may do so under the Public Comment portion of the agenda. Citizens wishing to comment on agenda items indicated with an asterisk (*) may do so as those items are considered by Council during the course of the meeting.

The City of Anacortes is committed to making public meetings available and accessible to all members of the community. For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.

- c. * Resolution 3013: Providing for Employee Leave Benefits in Response to the Covid-19 Epidemic (Discussion/Possible Action)
- 6. **Executive Session**
 - a. Potential Litigation or Litigation per RCW 42.30.110 (i) (45 minutes) (Discussion)
- 7. **Adjournment**

Per Resolution 2044, citizens wishing to comment on items not on the agenda may do so under the Public Comment portion of the agenda. Citizens wishing to comment on agenda items indicated with an asterisk () may do so as those items are considered by Council during the course of the meeting.*

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For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.



Laurie Gere, Mayor

CITY OF ANACORTES

904 6th Street Anacortes, WA 98221

Office: 360-299-1950

laurieg@cityofanacortes.org

www.anacorteswa.gov

City Council Memo

TO: Anacortes City Council
FROM: Laurie Gere, Mayor
DATE: January 12, 2021
RE: Reappointment to Civil Service Commission

Summary Statement:

The following appointments and reappointments to City Boards and Commissions are being presented at the regular City Council meeting on January 19, 2021. I appreciate the contributions of these volunteers and their willingness to serve our community. If you have any questions or feedback you wish to provide, please contact me prior to the meeting.

Reappointed by the Mayor

Anacortes Civil Service Commission

- William Kalin (January 1, 2021 until December 31, 2021)
- Jon Stables (January 1, 2021 until December 31, 2021)
- Vicki Stasch, as Chairperson (January 1, 2021 until December 31, 2021)

Recommended Motion: No action necessary.



Laurie Gere, Mayor

CITY OF ANACORTES

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laurieg@cityofanacortes.org

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January 11, 2021



Dear Vicki:

I am pleased to appoint you to as the Civil Service Commission Chairperson on the Anacortes Civil Service Commission for a term effective January 1, 2021 until December 31, 2021.

The Civil Service Commission meets the first Monday of each month at 11:00 am virtually by Microsoft Teams. Please contact Lynn Barber at barberl@cityofanacortes.org or 360-299-1970 if you have any questions.

The Open Government Trainings Act requires training for some local government officials in the fundamentals of the Open Public Meetings Act, the Public Records Act, and records retention requirements. If you have not already completed this training, it is available online at <http://www.atg.wa.gov/open-government-training>. As a City of Anacortes Board member, you must complete this training within ninety days of your date of appointment. Please contact Alexandra Holden at alexandrah@cityofanacortes.org to confirm that you have completed this training.

Thank you for your willingness to serve the people of the City of Anacortes. The continued success of our City depends on dedicated citizens like you who are willing to volunteer their time and expertise.

Again, congratulations on your reappointment!

My Best,

Laurie Gere, Mayor



Laurie Gere, Mayor

CITY OF ANACORTES

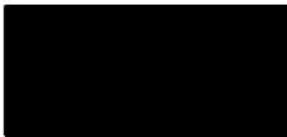
904 6th Street Anacortes, WA 98221

Office: 360-299-1950

laurieg@cityofanacortes.org

www.anacorteswa.gov

January 11, 2021



Dear Bill:

I am pleased to reappoint you as a Civil Service Commissioner on the Anacortes Civil Service Commission for a term effective January 1, 2021 until December 31, 2021.

The Civil Service Commission meets the first Monday of each month at 11:00 am virtually by Microsoft Teams. Please contact Lynn Barber at barberl@cityofanacortes.org or 360-299-1970 if you have any questions.

The Open Government Trainings Act requires training for some local government officials in the fundamentals of the Open Public Meetings Act, the Public Records Act, and records retention requirements. If you have not already completed this training, it is available online at <http://www.atg.wa.gov/open-government-training>. As a City of Anacortes Board member, you must complete this training within ninety days of your date of appointment. Please contact Alexandra Holden at alexandrah@cityofanacortes.org to confirm that you have completed this training.

Thank you for your willingness to serve the people of the City of Anacortes. The continued success of our City depends on dedicated citizens like you who are willing to volunteer their time and expertise.

Again, congratulations on your reappointment!

My Best,

Laurie Gere, Mayor



Laurie Gere, Mayor

CITY OF ANACORTES

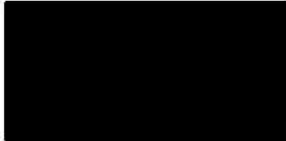
904 6th Street Anacortes, WA 98221

Office: 360-299-1950

laurieg@cityofanacortes.org

www.anacorteswa.gov

January 11, 2021



Dear Jon:

I am pleased to reappoint you as a Civil Service Commissioner on the Anacortes Civil Service Commission for a term effective January 1, 2021 until December 31, 2021.

The Civil Service Commission meets the first Monday of each month at 11:00 am virtually by Microsoft Teams. Please contact Lynn Barber at barberl@cityofanacortes.org or 360-299-1970 if you have any questions.

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Thank you for your willingness to serve the people of the City of Anacortes. The continued success of our City depends on dedicated citizens like you who are willing to volunteer their time and expertise.

Again, congratulations on your reappointment!

My Best,

Laurie Gere, Mayor

Anacortes City Council Minutes - January 11, 2021

Call to Order

Mayor Laurie Gere called to order the Anacortes City Council meeting of January 11, 2021 at 6:00 p.m. Councilmembers Jeremy Carter, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton, Bruce McDougall and Matt Miller all participated in the meeting in absentia via video conference.

Announcements and Committee Reports

COVID-19 Update: Mayor Gere shared current case statistics for Anacortes, Skagit County, Washington State, and the nation. The mayor noted the significant increase in cases in Skagit County over the prior month. The mayor reported on vaccination progress in Skagit County and referred the public to the Skagit County Health Department for questions about vaccination.

The mayor summarized the 2021 legislative priorities proposed by the Association of Washington Cities. She encouraged councilmembers to send her any input on local legislative priorities before those were presented to full Council for consideration and action.

Port/City Liaison Committee: Ms. Cleland-McGrath reported from the committee meeting held the previous week. The attendees discussed 2020 successes and 2021 projects for each body.

Personnel Committee: Ms. Cleland-McGrath reported from the committee meeting held the previous week. The discussion centered on topics that would be addressed later on the evening's agenda.

Housing Affordability and Community Services Committee: Ms. Moulton reported from the committee meeting held earlier in the evening. Topics discussed included the 2021 cold weather shelter program, transition services for homeless campers at Washington Park, and updating the social services work plan and inventory of existing services.

Planning Committee: Ms. Moulton reported from the committee meeting held earlier in the evening. The topics discussed included updating Parks Impact Fees and the 2018 International Building Code that would be considered later on the agenda.

Public Safety Committee: Mr. Miller reported from the committee meeting held the previous Friday. The attendees discussed the COVID leave policy which would be considered later on the evening's agenda.

Public Comment

Rochelle Kealoha praised the plan for transitioning homeless citizens in Anacortes. Ms. Kealoha then addressed the question of masking in public. She said the City should already have implemented enforcement of COVID-19 masking requirements and cited situations in which masks were not being worn in public, thus endangering public and individual health. Ms. Kealoha argued forcefully for universal masking in public spaces. She asked Council to enforce the requirement.

Consent Agenda

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

- a. Minutes of January 4, 2021
- b. Approval of claims in the amount of \$920,874.11
 - The following vouchers/checks were approved for payment:
 - EFT numbers: 99037 through 99081, total \$341,631.18
 - Check numbers: 99082 through 99096, total \$576,032.43
 - Wire transfer numbers: 277976 through 278488, total \$7,079.98
- c. Contract Modification: Municipal Broadband Network – Library to MSTs Aerial Areas #19-175-FBR-003
- d. Contract Award: Intake Pump Station Redundancy and Resiliency Study #21-013-WTR-001
- e. Contract Award: 2021 Janitorial Services #21-014-FAC-001

Other Business

Ordinance 3081: Adopting the 2018 International Building Codes

Planning Director Don Measamer presented Ordinance 3081 which would amend AMC Chapter 19.14 to adopt the current International 2018 Codes consistent with the Washington State Building Code Council February 1 implementation. Mr. Measamer advised that the previous Friday the state had further delayed implementation of the 2018 IBC until July 1, 2021 due to COVID-19 complications. He called Council's attention to the change in the International Fire Code to lower the threshold for size of structure requiring an automatic sprinkler system to 3,600 SF. Mr. Measamer invited additional Council discussion of whether to postpone action on Ordinance 3081 until May or June as other regional jurisdictions were doing, and also of the proposed changes in the sprinkler requirements. He invited Interim Fire Chief Jack Kennedy to explain the rationale for the proposed sprinkler requirement. Chief Kennedy reported on available staffing in the fire department and the staffing required to conduct an imminent rescue.

Councilmembers discussed the sprinkler requirement and fire department staffing at some length with Chief Kennedy. They requested additional information about the cost impacts of the proposed sprinkler requirement, both for installation and for maintenance, in both residential and commercial spaces. Councilmembers also requested additional information about the size and age of structures involved in structural fires in Anacortes if that data was available. Councilmembers were generally supportive of deferring action on the ordinance until later in the spring.

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

The mayor concluded that staff would bring the sprinkler topic back to Council for discussion the following month with additional information, would defer action on Ordinance 3081 until likely May or June in conjunction with similar action in neighboring jurisdictions, and would continue a separate discussion of fire department staffing requirements to address imminent rescue protocols.

Resolution 3012: City Leave for Covid-19 Related Absences

Finance Director Steve Hoglund presented Resolution 3012 which would amend the city's personnel policy to extend the sick leave policy to cover some specific COVID related leave, following termination of federal benefits for those absences at the end of 2020. Mr. Hoglund referred to his slide presentation which had been included in the packet materials for the meeting.

Councilmembers discussed the proposal at length, with detailed input from members of the Personnel Committee. Council requested additional information about all the various types of both paid and unpaid leave currently available to staff if the policy were to extend currently available leave types to include COVID-related absences to care for others. Mr. Hoglund advised that the first 2021 pay period would conclude on January 15,

prior to the next City Council meeting, and requested some direction from Council for processing that payroll.

RYAN WALTERS moved, seconded by CHRISTINE CLELAND-MCGRATH, to adopt Resolution 3012 omitting Section 2.

RYAN WALTERS moved, seconded by BRUCE MCDOUGALL, to amend the motion to add effective dates of January 1, 2021 through December 31, 2021 to Resolution 3012.

Vote on amendment: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, MATT MILLER. Nays - None.
Result: Passed

Vote on amended motion: Ayes - JEREMY CARTER, ANTHONY YOUNG, RYAN WALTERS, CHRISTINE CLELAND-MCGRATH, CAROLYN MOULTON, BRUCE MCDOUGALL, MATT MILLER. Nays - None.
Result: Passed

Adjournment

There being no further business, at approximately 6:37 p.m. the Anacortes City Council meeting of January 11, 2021 was adjourned.

The following claims against the City of Anacortes have been preaudited and certified by the Clerk-Treasurer as ready for City Council approval at the January 19, 2021 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
278745	1/10/2020	20-026	REGION 3 FIRE COUNCIL	NOZZLE CLASS - MT	\$ 225.00	medic
278761	10/31/2020	00540-OCT20	CAMPBELL LAW FIRM	PUB DEF CONL	\$ 39.00	court
278762	10/31/2020	00705-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 110.50	court
278763	10/31/2020	00714-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 52.00	court
278764	10/31/2020	00699-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 182.00	court
278765	10/31/2020	00670-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 45.50	court
278766	10/31/2020	00548-OCT20	CAMPBELL LAW FIRM	PUB DEF CONL	\$ 6.50	court
278767	10/31/2020	00408-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 6.50	court
278768	10/31/2020	00700-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 136.50	court
278769	10/31/2020	00669-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 71.50	court
278770	10/31/2020	00698-OCT20	CAMPBELL LAW FIRM	PUB DEF CON	\$ 19.50	court
278771	10/31/2020	00594-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 13.00	court
278772	10/31/2020	00683-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 52.00	court
278773	10/31/2020	00454-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 13.00	court
278774	10/31/2020	00716-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 156.00	court
278775	10/31/2020	00704-OCT20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 26.00	court
278776	10/31/2020	00717-OCT20	CAMPBELL LAW FIRM	PUB DEF CONLF	\$ 175.50	court
278778	11/1/2020	00716-NOV20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 143.00	court
278779	11/1/2020	00706-NOV20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 32.50	court
278780	11/1/2020	00594-NOV20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 58.50	court
278781	11/1/2020	00714-NOV20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 32.50	court
278782	11/1/2020	00699-NOV20	CAMPBELL LAW FIRM	PUB DEF CONL	\$ 84.50	court
278783	11/1/2020	00698-NOV20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 240.50	court
278784	11/1/2020	00717-NOV20	CAMPBELL LAW FIRM	PUB DEF CONFL	\$ 195.00	court
278671	12/1/2020	2020 invoice	FRIENDS OF THE FOREST	2020 FOREST EDUCATION AND OUTREACH SERVICES	\$ 6,000.00	parks1
278758	12/1/2020	31532	SIGNS PLUS, INC.	DIGITAL COMMUNITY INFORMATIONAL SIGN	\$ 28,477.09	pw1
278858	12/1/2020	045-321398	TYLER TECHNOLOGIES, INC	TYLER SOFTWARE SUPPORT 1/1/21-12/31/2021	\$ 87,400.13	infosyscc
278678	12/21/2020	1095127777	MALVERN PANALYTICAL, INC.	PERISTALTIC PUMP ASSEMBLY	\$ 1,430.03	dwtpt
278553	12/21/2020	15040	WASHINGTON CITIES INSURANCE	WCIA NO SHOW MANAGING REMOTE WORK	\$ 50.00	plan
278618	12/22/2020	S3792963.002	BUILDERS' HARDWARE & SUPPLY	PADLOCKS	\$ 49.63	pwfac
278559	12/23/2020	1218389	SKAGIT PUBLISHING LLC	PUBLISH AA-2040009 AA-2040013 AA-2040273	\$ 357.28	finance

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
278567	12/27/2020	109835338	FERRELLGAS, LP	DEC PROPANE INVOICE - AUTOGAS ACCOUNT	\$ 203.50	finance
278556	12/28/2020	4900/0100148611/2021	DEPARTMENT OF NATURAL	DNR MARINA LEASE 2664 1/3-1/2/2022	\$ 41,969.62	plan
278617	12/28/2020	1114041049	FERRELLGAS, LP	CARETAKER PROPANE FILL UP WA PARK 12/28/20	\$ 133.92	parks1
278564	12/28/2020	9870102214	VERIZON WIRELESS	City Cell Phones 11/29-12/28/20	\$ 9,895.47	finance
278670	12/30/2020	9319415453	GRAYBAR ELECTRIC COMPANY, INC	WALLBOXES	\$ 1,725.84	fiber
278903	12/30/2020	20-112-TRN-0011	LAKE SIDE INDUSTRIES, INC.	RETAINAGE RELEASE	\$ 11,124.52	pw1
278560	12/30/2020	1218449	SKAGIT PUBLISHING LLC	PUBLISH AA-2040442 AA-2040443 AA-2040559	\$ 215.18	finance
278609	12/31/2020	310	BUBBA SUDZ CAR WASH, INC.	DECEMBER CAR WASHES- 3	\$ 27.00	dshop
278681	12/31/2020	FB-1504	CITY OF MOUNT VERNON	DARK FIBER	\$ 350.00	fiber
278757	12/31/2020	Pay App 7	IMCO GENERAL CONSTRUCTION	SKAGIT RIVER RAW WATER PIPELINE AND CLEARWELL PROJECT - DECEMBER 2020	\$ 638,224.13	pw1
278876	12/31/2020	AFD 20	ISLAND HOSPITAL	NOVEMBER/DECEMBER AMBULANCE SUPPLIES	\$ 1,420.52	medic
278756	12/31/2020	IN938887	NOANET	NOC SERVICES - DECEMBER 2020	\$ 3,506.88	fiber
278911	12/31/2020	34512	PACIFIC SECURITY	SECURITY DETAIL - DECEMBER 2020	\$ 280.00	court
278692	12/31/2020	9277	PETDATA, INC	PETDATA LICENSING FEES DEC	\$ 2,505.10	finance
278741	12/31/2020	2020 Q4-Ana	SKAGIT COUNTY DEM	4TH QTR SHARED COSTS	\$ 12,890.94	medic
278569	12/31/2020	0173	SKAGIT COUNTY SOLID WASTE FUND	DECEMBER TONNAGE HAULED	\$ 79,087.63	dshop
278566	12/31/2020	INV00639830	SMARSH, INC	ARCHIVING PLATFORM 12/1-12/31/20	\$ 97.58	infosys
278551	12/31/2020	0120113	UTILITIES UNDERGROUND LOCATION	DECEMBER LOCATE TICKETS	\$ 216.72	dshop
278739	12/31/2020	15044	WASHINGTON CITIES INSURANCE	DIVERSITY TRAINING CLASS - NW	\$ 50.00	medic
278863	1/1/2021	052-0010-00	CITY OF ANACORTES	OPS W/S/G 12/1-12/20/20	\$ 1,295.27	dshop
278900	1/1/2021	0523403	EBSCO INFORMATION SERVICES	PERIODICAL SUBSCRIPTION	\$ 2,168.62	publib
278620	1/1/2021	5061121309	RICOH USA, INC	S/N C86138599 APD FRONT OFFICE COPIES 12/1-12/31/20	\$ 27.46	apd
278562	1/1/2021	12488	VENTEK INTERNATIONAL	JANUARY SERVER HOSTING AND CELL CARRIER 1/1-1/31	\$ 135.00	parks1
278676	1/1/2021	2219824-0043-6	WASTE MANAGEMENT	TRASH AND RECYCLING PICKUP 12/1-12/31/20	\$ 140.52	dshop
278743	1/1/2021	1392974-0043-8	WASTE MANAGEMENT	DECEMBER 2020 CONTRACTED SERVICES	\$ 115,455.46	finance
278561	1/1/2021	360-293-1900-0122885	ZIPLY FIBER	CITY MAIN PHONE 1/1-1/31/2021	\$ 2,237.37	finance
278865	1/1/2021	360-293-0045-0233175	ZIPLY FIBER	STATION 1 BACKUP LINES: 1/1 - 1/31/21	\$ 160.70	medic
278565	1/2/2021	8498 30 017 0319913	COMCAST	LIBRARY INTERNET ACCESS 1/9-2/8/2021	\$ 182.07	fiber
278629	1/4/2021	5605	ANACORTES TOWING, LLC	TOWING; APD CASE 21-A00021	\$ 163.20	apd
278612	1/4/2021	204612	NAPA	YELLOW TRIM #514	\$ 37.69	dshop

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
278695	1/4/2021	300000325005	PUGET SOUND ENERGY INC	STREET LIGHTS: 11/09- 12/08/2020	\$ 102.56	dshop
278697	1/4/2021	200012505505	PUGET SOUND ENERGY INC	WTP ELECTRICITY 12/1-12/31/20	\$ 63,011.27	dwtpt
278698	1/4/2021	300000340004	PUGET SOUND ENERGY INC	STREET LIGHTS: 12/1- 12/29/2020	\$ 80.19	dshop
278746	1/4/2021	2914	SKAGIT 911	3RD QTR 2020 SPILLMAN CHARGES	\$ 1,632.37	medic
278885	1/5/2021	275105	ANACORTES ANIMAL HOSPITAL	BOARD & DISTRAINER; DEC 2020	\$ 15.00	apd
278864	1/5/2021	6052064	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS AND ACCU-CHEK	\$ 423.72	medic
278883	1/5/2021	017346814	GALLS, LLC.	UNIFORM BOOTS; OFC WILSON	\$ 92.48	apd
278614	1/5/2021	MV246325	MOTOR TRUCKS, INC	FILTER HYDRAULIC #612	\$ 13.75	dshop
278890	1/5/2021	895749	NAPA	#514 BUTTON SWITCH	\$ 157.90	dshop
278685	1/5/2021	331 0555129	UNIFIRST CORPORATION	WATER CREW LAUNDRY	\$ 39.26	wdist
278693	1/5/2021	331 0555159	UNIFIRST CORPORATION	UNIFORM LAUNDRY	\$ 34.07	fiber
278878	1/5/2021	16145368	WASHINGTON STATE DEPARTMENT	PARTICIPATION FEE 1/1-12/31/2021 SURPLUS GOODS	\$ 600.00	apd
278628	1/6/2021	5606	ANACORTES TOWING, LLC	TOWING; APD CASE 21-A00101	\$ 163.20	apd
278868	1/6/2021	WAANA130865	FASTENAL COMPANY	BATTERIES, FLASHLIGHT, SAFETY GLASSES	\$ 132.02	medic
278613	1/6/2021	41600381148	LES SCHWAB TIRE CENTERS	TIRE REPAIR #030	\$ 45.70	dshop
278611	1/6/2021	204863	NAPA	20LB OIL	\$ 91.30	dshop
278736	1/6/2021	204808	NAPA	OIL FILTERS	\$ 54.63	dshop
278546	1/6/2021	January	SKAGIT LAW GROUP PLLC	PROSECUTION SERVICES JAN. 2021	\$ 6,430.00	legal
278673	1/6/2021	331 0555294	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 95.15	dwtpt
278624	1/6/2021	21003509	WASHINGTON STATE PATROL	APD BACKGROUND CHECKS	\$ 119.25	apd
278703	1/7/2021	293219B	BAY CITY SUPPLY	FACILITY SUPPLIES	\$ 37.92	pwfac
278704	1/7/2021	294587	BAY CITY SUPPLY	COVID-19 PPE DISINFECTANT WIPES	\$ 817.09	pwfac
278871	1/7/2021	WAANA130894	FASTENAL COMPANY	SAFETY GLASSES, BATTERIES	\$ 21.29	medic
278683	1/7/2021	9319502200	GRAYBAR ELECTRIC COMPANY, INC	MST	\$ 371.27	fiber
278684	1/7/2021	9319502901	GRAYBAR ELECTRIC COMPANY, INC	PATCH PANEL & CASSETTES	\$ 1,589.83	fiber
278899	1/7/2021	9319502902	GRAYBAR ELECTRIC COMPANY, INC	FIBER TERMINATION CASSETTES	\$ 2,561.27	fiber
278866	1/7/2021	1064535	LIFE ASSIST, INC	COVID PPE - COVERALLS	\$ 816.82	medic
278867	1/7/2021	1064567	LIFE ASSIST, INC	COVID PPE - COVERALLS	\$ 273.63	medic
278699	1/7/2021	220015523313	PUGET SOUND ENERGY INC	CAR CHARGING STATION: 12/08- 12/31/2020	\$ 53.94	dshop
278700	1/7/2021	220013286525	PUGET SOUND ENERGY INC	HEART OF ANACORTES 12/8-1/6/2021	\$ 100.00	finance
278896	1/7/2021	220013286491	PUGET SOUND ENERGY INC	APD 12/8-1/6/2021	\$ 1,785.43	ap direct
278888	1/7/2021	K-2 ANACOR	STATE OF WASHINGTON	OVERDRIVE CONSORTIUM ANNUAL 2021	\$ 9,523.13	publib
278616	1/7/2021	113124	WALTON BEVERAGE COMPANY, INC	OPS BREAKROOM SUPPLIES	\$ 49.25	dshop
278672	1/7/2021	113123	WALTON BEVERAGE COMPANY, INC	CITY HALL BREAK ROOM SUPPLIES	\$ 257.00	finance
278862	1/7/2021	113120	WALTON BEVERAGE COMPANY, INC	AFD BREAKROOM SUPPLIES	\$ 98.50	medic
278737	1/7/2021	026P16513	WESTERN TRUCK CENTER	WATER PUMP, CORE, BELTS VEH #511	\$ 713.38	dshop
278738	1/7/2021	026P16570	WESTERN TRUCK CENTER	FREIGHT #511 PARTS - INV 026P16513	\$ 70.73	dshop
278759	1/8/2021	538	BLUE COW CARWASH	CAR WASHES: 10/3-12/27/20	\$ 180.00	dshop

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
278701	1/8/2021	8528	C & C TIMBER INC	FIREWOOD RESALE 400 BUNDLES	\$ 1,540.00	parks1
278696	1/8/2021	RefundClark	CLARK, RIANNA	REFUND FOR PET LICENSE OVERPAY	\$ 40.00	finance
278735	1/8/2021	1114166938	FERRELLGAS, LP	PROPANE	\$ 276.37	dshop
278901	1/8/2021	9319523680	GRAYBAR ELECTRIC COMPANY, INC	MSTS	\$ 1,831.52	fiber
278860	1/8/2021	205084	NAPA	BRAKE CLEANER FOR SHOP	\$ 193.75	dshop
278740	1/8/2021	220013297076	PUGET SOUND ENERGY INC	1100 STATE ROUTE 20 12/9-1/7/2021	\$ 24.60	finance
278861	1/8/2021	220013297498	PUGET SOUND ENERGY INC	CASINO DR UNDER TWIN BRIDGE 12/9/2020 - 1/7/2021	\$ 60.35	wdist
278889	1/8/2021	200000667101	PUGET SOUND ENERGY INC	LIBRARY 1220 10TH ST 12/9-1/7/2021	\$ 2,467.96	publib
278869	1/8/2021	20-062	REGION 3 FIRE COUNCIL	NOZZLE CLASS - DL	\$ 250.00	medic
278747	1/9/2021	INV2246570	COPIERS NORTHWEST, INC	CANON/IRC5560I FINANCE/OPS/WWTP 12/8-1/7/2021	\$ 213.01	finance
278882	1/9/2021	00005W5A83021	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES; WEEK ENDING 1-9-21	\$ 9.35	apd
278749	1/11/2021	120-1412-01	BAKER VISTA APARTMENTS	UB Refund Cst #042308	\$ 4,313.50	finance
278909	1/11/2021	9319544904	GRAYBAR ELECTRIC COMPANY, INC	MSTS	\$ 4,115.49	fiber
278859	1/11/2021	205291	NAPA	BRAKE CLEANER	\$ 96.88	dshop
278751	1/11/2021	IND1	WASHINGTON DEFENDER	PUB DEF WDA 2021 DUES	\$ 200.00	court
278895	1/12/2021	61061783	150-PRAXAIR DISTRIBUTION INC	MAINTENANCE SUPPLIES	\$ 252.27	dwwtp
278886	1/12/2021	LTAC Arts Fest AIA	ANACORTES ARTS FESTIVAL	LTAC ARTS FEST ART IN ANACORTES	\$ 10,000.00	plan
278907	1/12/2021	cpls	DEPARTMENT OF LICENSING	CPLS TO DOL - DECEMBER 2020	\$ 606.00	apd
278908	1/12/2021	804556	MISTER T'S AWARDS &	NAME PLATE FOR NEW COMMISSIONER	\$ 30.92	court
278891	1/12/2021	22021901958	PUGET SOUND ENERGY INC	ENERGY BILL - SKYLINE TSUNAMI	\$ 11.08	dwwtp
278892	1/12/2021	220022355618	PUGET SOUND ENERGY INC	ENERGY BILL - WWTP TSUNAMI	\$ 11.08	dwwtp
278913	1/12/2021	20210049	SYSTEMS DESIGN WEST, LLC	AMBULANCE SERVICE BILLING 12/2020	\$ 3,238.95	finance

Total **\$1,174,245.95**



City Council Agenda Bill

Meeting Date: January 19, 2021 **Agenda Item:** 5.a.

Agenda Item Title: Ordinance 3082: Establishing a \$4,500,000 line of credit with SaviBank to provide resources for the continued build out of the City Access Fiber network.

Staff Contact(s): STEVE HOGLUND, EMILY SCHUH

Approved for Submittal to Council by **Action Type**

Steve Hoglund

Ordinance

Emily Schuh

Item Summary: This ordinance will authorize the City to draw on a line of credit (LOC) with SaviBank up to \$4,500,000 to provide resources for the City to continue build out of the Access Fiber Network.

Budget Impact:

It is a \$4.5M LOC at 1.75% fixed rate, on a 30/360 basis.

Previous Action: Discussed numerous times at the committee level, and full council level during City Council budget meetings in fall and winter of 2020.

Recommended Motion: I move to adopt Ordinance 3082.

Alternative Actions: Do not adopt ordinance, and provide staff direction on alternative steps for either funding or delaying the Fiber build out.

Attachments (listed in order presented):

1. Ordinance 3082
2. Letter of Interest

CITY OF ANACORTES, WASHINGTON

ORDINANCE NO. 3082

AN ORDINANCE of the City of Anacortes, Washington, relating to contracting indebtedness; providing for the establishment of a revolving line of credit evidenced by the issuance, sale and delivery of a not to exceed \$4,500,000 principal amount limited tax general obligation Note, in order to provide part of the funds necessary to design and construct extensions to and betterments of the City's fiber optic network for the purpose of supporting City services and other municipal and public purposes, and to pay the costs of issuance and sale of the Note; fixing or setting parameters with respect to certain terms and covenants of the Note; appointing the City's designated representative to approve the terms of the sale and delivery of the Note to SaviBank; and providing for other related matters.

Passed January 19, 2021

This document prepared by:

Stradling Yocca Carlson & Rauth, P.C.
Seattle, Washington 98104
(206) 829-3000

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**The cover page, table of contents and section headings of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.*

CITY OF ANACORTES, WASHINGTON

ORDINANCE NO. 3082

AN ORDINANCE of the City of Anacortes, Washington, relating to contracting indebtedness; providing for the establishment of a revolving line of credit evidenced by the issuance, sale and delivery of a not to exceed \$4,500,000 principal amount limited tax general obligation Note, in order to provide part of the funds necessary to design and construct extensions to and betterments of the City's fiber optic network for the purpose of supporting City services and other municipal and public purposes, and to pay the costs of issuance and sale of the Note; fixing or setting parameters with respect to certain terms and covenants of the Note; appointing the City's designated representative to approve the terms of the sale and delivery of the Note to SaviBank; and providing for other related matters.

NOW THEREFORE, the City Council of the City of Anacortes, Washington (the "City"), do ordain as follows:

Section 1. Recitals and Findings. The City Council makes the findings and determinations set forth below. Capitalized terms that are not defined have the meanings given in Section 2 of this ordinance.

1.1 *Municipal Fiber Network Services.* The City currently owns and operates a high capacity telecommunications fiber network that serves the City's utility operations, public safety operations and other City and public agency services, and desires to extend and improve that system in order to enhance other utility operations, and public safety operations. The extension and improvement of the City's existing fiber network creates excess capacity that may be used to provide access to ultra high capacity internet and other telecommunications services; capacity for accommodating expanding technologies and demand; and intergovernmental coordination and services, including educational and health institutions.

1.2 *Description of Fiber Network Services.* Pursuant to chapter 13.56 of the Anacortes Municipal Code and applicable state law, the City previously established its Municipal Fiber Network Services to maintain and operate its high capacity telecommunications fiber network in a manner that is intended to satisfy the City's ongoing need for a cost-effective fiber telecommunications system to support City services; to ensure cost-effective telecommunications services continue to be available to public agencies and the City; to operate, manage, and maintain telecommunications facilities owned by the City in the right-of-way up to the point of delivery to public agencies and the City; to manage and regulate competing demands for the use of the public right-of-way by minimizing the installation of duplicative communications lines and facilities on, over or under the public right-of-way; to provide for the operation, management and maintenance of the City's metropolitan area network; to offer affordable, reliable, and locally-managed high-speed broadband service to every business and resident within the City; and to own and operate the telecommunications facilities.

1.3 *Fiber Network Services Business Plan.* City Council Resolution 2013 directed staff to develop a Business Plan for a City-owned and operated fiber network. City staff presented that Business Plan to City Council on November 16, 2020. The City is now in need of funds to pay for the

construction of the of the next phase of the fiber system operated by the City (the “Project”). The City is in need of financing for the Project, the estimated total cost of which is more than \$4,500,000, and the City does not have available sufficient funds to pay the cost. The City Council therefore finds that it is in the best interests of the City to issue the Note authorized by this ordinance in order to provide the funds for these purposes.

1.4 *Plan of Financing.* The City Council finds it necessary and advisable that the City issue and sell its limited tax general obligation Note (the “Note”) to evidence indebtedness drawn on a revolving line of credit in a principal amount not to exceed at any given time \$4,500,000 for the purpose of providing financing to enhance the City’s fiber network infrastructure for use by City departments in order to enhance other utility operations, public safety operations, and other City services, to provide access for use by other governmental, and educational and health institutions pursuant to interlocal agreements and other contractual arrangements. Pursuant to applicable law, including without limitation chapters 35.37, 39.36 and 39.46 RCW, the City is authorized to issue general obligation Notes for the purposes described herein.

1.5 *Issuance of the Note.* For the purpose of providing the funds necessary to undertake the Project and to pay the costs of issuance and sale of the Note, the City Council finds that it is in the best interests of the City and its taxpayers to issue the Note and deliver it to the Bank to evidence the indebtedness drawn against a revolving line of credit, pursuant to the terms set forth in the [Line of Credit Agreement] as approved by the City’s Designated Representative, consistent with this ordinance.

1.6 *Debt Capacity.* The maximum amount of indebtedness authorized by this ordinance is \$4,500,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

(a) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes is \$3,985,572,170. The last preceding assessment completed as of the date of this ordinance is the assessment prepared for collection in the calendar year 2020; the assessment for collection in calendar year 2021 has not yet been finalized.

(b) As of December 31, 2020, the City had nonvoted limited tax general obligation indebtedness outstanding in the principal amount of \$0, incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote. Since that date, other than the Note, the City has not incurred additional nonvoted general obligation indebtedness.

(c) As of December 31, 2020, the City had voter-approved unlimited tax general obligation indebtedness for capital purposes only outstanding in the principal amount of \$0 for general municipal purposes and no other outstanding voter-approved indebtedness for City-owned water, artificial light, and sewers or for acquiring or developing open space, park facilities, and capital facilities associated with economic development. The indebtedness described in this paragraph was incurred with the approval of the requisite proportion of the City’s qualified voters at an election meeting the minimum turnout requirements, within the limit of up to 2½% of the value of the taxable property within the City for general municipal purposes (when combined with the outstanding limited tax general obligation indebtedness), 2½% for utility purposes and 2½% for open space, parks and economic development purposes. Since December 31, 2020, the City has not incurred additional voter-approved indebtedness.

Section 2. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) “*Bank*” means SaviBank, Anacortes, Washington (or its corporate successor) or any other qualified public depository selected by the City as the provider of the line of credit consistent with RCW 39.46.050.

(b) “*City*” means the City of Anacortes, Washington, a municipal corporation duly organized and existing under the laws of the State.

(c) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(d) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(e) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2) for purposes of accepting, on behalf of the City, an offer to purchase the Note on the Note Terms consistent with this ordinance and the parameters set forth herein.

(f) “*Draw*” means an incremental draw of principal of the Note.

(g) “*Draw Request*” means a request for a Draw, submitted in accordance with this ordinance.

(h) “*Finance Director*” means the Finance Director or such other officer of the City who succeeds to substantially all of the responsibilities of that office.

(i) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(j) “*Interest Rate*” means a fixed rate of 1.75% computed on the basis of a 360-day year of twelve 30-day months.

(k) “*Issue Date*” means the date of issuance and delivery of the Note to the Bank in exchange for the purchase price of the Note.

(l) “*Line of Credit Agreement*” means a written agreement establishing the line of credit to be drawn upon in exchange for the Note, reflecting the Note Terms, which is authorized to be executed by the Designated Representative on behalf of the City, in accordance with this ordinance and RCW 39.46.050.

(m) “*Maturity Date*” means a date not later than January 31, 2024.

(n) “*Municipal Fiber Network Services*” means the communications services, provided in whole or in part by means of the city’s municipal fiber network or other communications infrastructure, network services that include residential internet services, business class internet services, dedicated

internet access services, dark fiber services, ethernet service, and other city-provided communications services of the City established and operating under chapter 13.56 of the Anacortes Municipal Code.

(o) “*Note*” means the not to exceed \$4,500,000 Revolving Line of Credit Note issued pursuant to and for the purposes provided in this ordinance.

(p) “*Note Counsel*” means the firm of Stradling Yocca Carlson & Rauth, P.C., its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as Note counsel in the field of municipal finance.

(q) “*Note Debt Service Fund*” means the general indebtedness fund of the City created for the payment of the principal of and interest on general obligations of the City, including the Note.

(r) “*Note Register*” means the books or records maintained by the Note Registrar for the purpose of identifying ownership of the Note.

(s) “*Note Registrar*” means the Finance Director.

(t) “*Note Terms*” means the terms of the line of credit established consistent with the parameters set forth in Exhibit __, including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining the interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants. The Note Terms shall be set forth in a written Line of Credit Agreement executed by the City’s Designated Representative on behalf of the City.

(u) “*Project*” means the design and construction of extensions to and enhancements to the City’s fiber network infrastructure for use by City departments in order to enhance other utility operations, public safety operations, and other City services, including the creation of excess capacity that may be used to provide access to ultra-high capacity internet and other telecommunications services, to provide access for use by other governmental offices, educational institutions, health institutions, businesses, and residents pursuant to interlocal agreements and other contractual arrangements.

(v) “*Project Fund*” means that part of the General Fund of the City created for the purposes of paying the costs of carrying out the Project.

(w) “*Record Date*” means the Note Registrar’s close of business on the 15th day of the month preceding an interest payment date.

(x) “*Registered Owner*” means, with respect to the Note, the person in whose name the Note is registered on the Note Register.

(y) “*State*” means the State of Washington.

(z) “*System of Registration*” means the system of registration for the City’s Notes, Notes and other obligations set forth in Ordinance No. 1944 of the City.

Section 3. Authorization of Note. In order to provide funds necessary to carry out the Project, including paying the costs of issuance and delivery of the Note, the City is authorized to borrow money on the credit of the City and issue a negotiable limited tax general obligation Note evidencing

indebtedness to be drawn in a maximum principal amount of not to exceed \$4,500,000 outstanding at any given time. The proceeds of Draws on the Note shall be deposited as set forth in Section 9 of this ordinance and shall be used for the purposes described herein in such order of time as the City determines is advisable and practicable.

Section 4. Appointment of Designated Representative; Description of the Note. The Finance Director is appointed as the Designated Representative of the City for purposes of RCW 39.46.050 and is authorized and directed to approve the Note Terms, within the parameters set forth in Exhibit A, which is incorporated by this reference, with such additional terms and covenants as the Designated Representative deems advisable.

The Note shall be issued in fully registered form, shall be numbered R-1, shall be dated the date of the first substantial Draw against the Note in accordance with the Code, and shall mature on the Maturity Date. Draws on the Note shall be made and shall bear interest as set forth in Section 5 below. The line of credit evidenced by the Note is revolving. Amounts repaid may be reborrowed, provided, however, the Draws may only be used for cost and expenses associated with the Project.

Section 5. Draws on the Note. The City's Designated Representative is designated as the officer authorized to make Draws on the Note. As a condition to the initial Draw, the City shall have delivered this ordinance authorizing the loan transaction with the Bank and a legal opinion certifying the City's ability to enter into the loan transaction with the Bank and the tax status of the Note. The City, through its Designated Representative, may make Draws with three business days' prior written notice to the Bank. Only one draw shall be permitted each month and the minimum amount of any Draw shall be \$50,000. Draw Requests shall be on a form reasonably satisfactory to the Bank and shall be made in accordance with the terms and provisions of this ordinance. Draws shall be recorded on the Draw Record attached to the Note, or in such other form as the City and the Bank agree.

Section 6. Interest Rate; Bank Fees. Interest on each Draw against the Note shall accrue at the fixed Interest Rate, defined above, accruing from the date of that Draw. Interest on each Draw shall be computed on the principal amount of the Draw outstanding on the basis of a 360-day year of twelve 30-day months. Upon the initial delivery of the Note to the Bank, the City shall pay the Bank's attorney's fees equal to \$6,000, and any other reasonable costs incurred by the Bank in connection with the Note financing, which may be discounted against the proceeds of the first Draw on the Note. The City Council finds that the fixing of the Interest Rate is in the best interest of the City.

Section 7. Note Registrar; Registration and Transfer of Note.

7.1 *Registration of Note.* The Note shall be issued only in registered form as to both principal and interest and the ownership of the Note shall be recorded on the Note Register.

7.2 *Note Registrar; Duties.* The Finance Director shall serve as initial Note Registrar. The Note Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Note, which shall be open to inspection by the City at all times. The Note Registrar is authorized, on behalf of the City, to authenticate and deliver the Note in accordance with the provisions of the Note and this ordinance, and to serve as the City's authenticating agent, transfer agent, registrar and paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this ordinance and the System of Registration. The Note Registrar shall be responsible for its representations contained in the Note Registrar's Certificate of Authentication on the Note.

7.3 *Note Register; Transfer of Note.* The Note Register shall contain the name and mailing address of the Registered Owner and the principal amount and number of the Note held by the Registered Owner. The Note shall state on its face that the principal and interest shall be paid only to the Registered Owner thereof registered as such on the Note Register as of the Record Date and to no other person or entity, and that such Note may not be assigned except on the books of the Note Register. The Note may be assigned or transferred only in whole by the Registered Owner to a single investor that is a financial institution or person who is reasonably believed to be a qualified institutional buyer or accredited investor within the meaning of the applicable federal securities laws. The Note Registrar shall not be obligated to transfer registered ownership during the period between the applicable Record Date and the next upcoming installment payment or the Maturity Date. When the Note has been paid in full, as to principal, interest and/or other costs and expenses due by the City to the Bank with respect to the Note, the Registered Owner shall promptly present and surrender the Note to the City as the principal offices of the City for cancellation.

Section 8. Form and Execution of Note.

8.1 *Form of Note; Signatures and Seal.* The Note shall be prepared in a form consistent with the provisions of this ordinance and State law. The Note shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on the Note ceases to be an officer of the City authorized to sign Notes before the Note bearing his or her manual or facsimile signature is authenticated by the Note Registrar, or issued or delivered by the City, that Note nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign Notes. The Note also may be signed on behalf of the City by any person who, on the actual date of signing of the Note, is an officer of the City authorized to sign Notes, although he or she did not hold the required office on its Issue Date.

8.2 *Authentication.* Only if the Note bears a Certificate of Authentication in substantially the following form, manually signed by the Note Registrar, shall it be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate Of Authentication. This Note is the fully registered City of Anacortes, Washington, [name of issue and series designation, if any], described in the Note Ordinance.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 9. Deposit and Use of Draw Proceeds. The principal proceeds of each Draw shall be paid into the Project Fund to be used to pay costs of the Project and costs of issuance of the Note. Until needed for such purposes, the City may invest principal proceeds temporarily in any legal investment, and the investment earning may be retained in the Project Fund and be spent for the purposes of that Fund.

Section 10. Payment of Interest on and Principal of the Note; Prepayment Provisions. Principal of and interest on the Note shall be payable in lawful money of the United States of America. Interest on the Note is payable by electronic transfer on each semiannual installment payment date, occurring on May 1 and November 1 of each year, beginning May 1, 2021 (or such other semiannual payment dates as may be acceptable to the Designated Representative), or by check or draft mailed on the payment date to the Registered Owner at the address appearing on the Note Register on the Record Date.

Principal shall be due on the Maturity Date in an amount equal to all then outstanding principal, plus all accrued interest then due and payable. The City may pay any or all of the principal amount then-outstanding against the Note, upon 15 days advance written notice, in the same manner as interest is paid on dates that mark three-month intervals from the Issue Date. Partial prepayments shall be applied to outstanding principal on the Note only. Interest on the principal amount of the Note that is prepaid shall cease to accrue on the date of such prepayment. The Note is not subject to acceleration under any circumstances. The line of credit evidenced by the Note shall be revolving and principal repaid may be reborrowed.

Section 11. Note Debt Service Fund. The general indebtedness fund of the City shall serve as the Note Debt Service Fund for the purpose of paying principal of and interest on the Note. All amounts allocated to the payment of the principal of and interest on the Note shall be deposited in the Note Debt Service Fund as necessary for the timely payment of amounts due with respect to the Note. The principal of and interest on the Note shall be paid out of the Note Debt Service Fund. Until needed for that purpose, the City may invest money in the Note Debt Service Fund temporarily in any legal investment, and the investment earnings shall be retained in the Note Debt Service Fund and used for the purposes of that fund.

Section 12. Pledge of Taxes. The amount of outstanding principal drawn on the Note at any given time constitutes a general indebtedness of the City and is payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Note. For as long as the Note is outstanding, the City irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Note, and the full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal interest and such pledge shall be enforceable in mandamus against the City.

Section 13. Failure to Pay Note. If the principal of the Note is not paid when the Note is properly presented at its maturity, the City shall be obligated to pay interest on that Note at the same rate provided in the Note from and after its maturity or date fixed for redemption until that Note, both principal and interest, is paid in full.

Section 14. Sale and Delivery of the Note. The Designated Representative is authorized to negotiate the Note Terms with a qualified public depository in accordance with RCW 39.46.050. The [Line of Credit Agreement] shall set forth the Note Terms. In accepting those Note Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City. The Designated Representative is authorized to execute the [Line of Credit Agreement] on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance. The City shall be responsible for costs of issuance, including its own legal and administrative costs and the fees of Note Counsel. The Note will be prepared at City expense and will be delivered to the Bank in accordance with the Line of Credit Agreement, together with the approving legal opinion of Note Counsel regarding the Note.

Section 15. Tax Covenants.

15.1 *Preservation of Tax Exemption for Interest on Note.* The City covenants that it will take all actions necessary to prevent interest on the Note from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Note or other funds of the City treated as proceeds of the Note that will cause interest on the Note to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Note, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Note.

15.2 *Post-Issuance Compliance.* The Finance Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Note from being included in gross income for federal tax purposes.

15.3 *Designation of Note as "Qualified Tax-Exempt Obligation."* The Note may be designated as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code, if (1) the Note does not constitute a "private activity Note" within the meaning of Section 141 of the Code; and (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity Notes and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Note is issued will not exceed \$10,000,000.

Section 16. Governing Law. This ordinance and the Note shall be governed and interpreted according to the laws of the State. Nothing in this paragraph shall be constructed to limit or otherwise affect any rights or remedies of the Bank under federal law.

Section 17. Reports and Information. For so long as the Note is outstanding, the City shall provide to the Registered Owner, (i) by the last day of the ninth month after the end of each fiscal year (i.e., September 30) a copy of its unaudited financial statements of the City for that fiscal year, prepared in accordance with accounting principles applicable to governmental units of the State such as the City prescribed by the Washington State Auditor's Office ("SAO"), as such principles may be changed from time to time; (ii) annual audited financial statements within 30 days of receipt, prepared in accordance with accounting principles applicable to local governmental units of the State such as the City prescribed by the SAO, as such principles may be changed from time to time; (iii) promptly after adoption by the City, the budget of the City for each fiscal year the Note is outstanding; and (iv) such other financial information of the City as the Registered Owner may from time to time reasonably request.

Section 18. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Note to the Bank (including approving additional terms, conditions or covenants as set forth in Exhibit A) and for the proper application, use and investment of the proceeds of the Note. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 19. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 20. Effective Date. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council of the City of Anacortes, Washington, at a regular open public meeting thereof, this 19th day of January, 2021, and signed in authentication of its passage this _____ day of January, 2021.

Laurie Gere, Mayor

AUTHENTICATED:

Steven D. Hoglund, City Clerk

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth, a
Professional Corporation, Note Counsel

EXHIBIT A
DESCRIPTION OF THE LINE OF CREDIT NOTE

- | | | |
|-----|-----------------------------|---|
| (a) | Principal Amount. | The principal amount of the Note evidencing the line of credit shall not exceed the principal amount of \$4,500,000 outstanding at any given time. This line of credit is revolving and principal repaid may be redrawn. |
| (b) | Date or Dates. | The Note shall be dated its Issue Date, which date may not be later than one year after the effective date of this ordinance. |
| (c) | Denominations, Name, etc. | The Note shall be issued as a single Note and shall be numbered R-1 or in any other the manner and with any additional designation as deemed necessary or appropriate by the Designated Representative. |
| (d) | Interest Rate(s). | Each Draw against the Note shall bear interest at the fixed Interest Rate of 1.75% per annum, computed on the basis of a 360-day year of twelve 30-day months, from the date of the Draw or from the most recent date for which interest has been paid or duly provided for, whichever is later. |
| (e) | Payment Dates. | Interest shall be payable beginning on May 1, 2021 and semi-annually thereafter on each May 1 and November 1 (or such other dates as are acceptable to the Designated Representative) through and including the Maturity Date. Principal shall be payable at maturity and may be prepaid as set forth in item (g). Principal repaid may be redrawn. |
| (f) | Final Maturity. | All then-outstanding principal drawn on the Note shall mature on January 31, 2024. |
| (g) | Redemption Rights. | Principal drawn on the Note may be prepaid in whole or in part upon 15 days' notice, without prepayment penalty on dates that mark three-month intervals from the date of issuance of the Note. |
| (h) | Price. | Each Draw shall be at 100% of par; there shall be no premium or discount. |
| (i) | Other Terms and Conditions. | <p>(1) The Note may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date.</p> <p>(2) The Designated Representative may agree to additional terms, conditions or covenants in the [Line of Credit Agreement] if not inconsistent with this ordinance.</p> |

CERTIFICATION

I, the undersigned, City Clerk of the City of Anacortes, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. 3082 (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on January __, 2021, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date was _____, 2021.

3. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: January __, 2021.

CITY OF ANACORTES, WASHINGTON

City Clerk



January 14, 2021

City of Anacortes
Attn: Steve Hoglund
PO Box 547
Anacortes, WA 98221

Dear Steve:

SaviBank is pleased to provide you with this Letter of Interest, which will provide a basic outline of the terms and conditions currently under consideration with regard to a Request for Proposal on a Bond that would be purchased by SaviBank ("Bank"). This letter is not, and should not be construed as, a commitment to lend or a guarantee of any terms, nor does it identify all aspects of the proposed loan relationship. Rather, it is an expression of interest in providing the aforementioned financing request, subject to appropriate due diligence and underwriting. The terms and conditions contained herein are subject to change in whole or in part once the bank has completed its due diligence, credit analysis and underwriting.

Bond Issuer:	The City of Anacortes ("the City").
Bond Amount:	Approximately \$4,500,000.00.
Bond Purpose:	Proceeds of the Bond will be used to finance construction and expansion of a fiber system operated by the City.
Expected Closing:	On or around January 31, 2021.
Payments:	The Bond will require interest payments payable semi-annually on May 1 st and November 1 st , commencing May 1 st , 2021. Principal payments will be optional at the discretion of the City.
Final Maturity:	Any remaining Principal and Interest will be payable upon the final maturity date of January 31, 2024.
Interest Rate:	1.75% fixed for 3 years. Interest is based on a 30/360 calculation.
Tax Status:	Interest on the Bond will be excludable from gross income for federal income tax purposes.
Bank Qualification:	The City will designate the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.



Draw Structure:	Draws may be made on 3 business days' prior written notice to the Bank. Only one draw shall be permitted each month and the minimum amount of any draw shall be \$50,000. The line of credit shall be a revolving line of credit, however, the draws may only be used for cost and expenses associated with the fiber system project.
Rating:	Non-rated: The City will not seek a rating on the Bond.
Call Provision:	The Bond is callable in whole or part with 15 days advance written notice on dates that mark three month intervals from the date of issuance of the Bond. Partial prepayments will be applied to principal only.
Security:	The Bond constitutes a general indebtedness of the City and is payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Bond. For as long as any of the Bond is outstanding, the City irrevocably pledges that it shall, in the manner provided by law, include in its budget and levy taxes annually within the constitutional and statutory limitations provided by law without a vote of the electors of the city in amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bond as it becomes due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of an interest on the Bond and such pledge shall be enforceable in mandamus against the City.
Legal Opinion:	The City's Bond Counsel will deliver a legal opinion as to the validity and enforceability of the Bond under state law, as to the tax-exempt status of interest on the Bond, and as to Bank qualification. Bond counsel approving opinion must be addressed to the Bank or permit reliance by the Bank.
Documentation:	Documentation shall be prepared by City's bond counsel, at City's expense. This Letter of Interest is subject to approval of the documentation by the Bank and its separate Bank counsel in the Bank's reasonable discretion, including but not limited to the form of Bond. The Bank will make a loan by entering into of the Bond under the following additional conditions: (i) the Bond is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Bank will hold the Bond as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Bond; (iv) no official statement has been or will be prepared in connection with the private placement of the Bond; (v) the Bond will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the Bond is not listed on any stock or other securities exchange.
Bank Counsel:	The City will be responsible for the Bank's legal counsel fee of \$6,000.00. If the City elects not to close the sale of the Bond notwithstanding the Bank's



willingness to purchase, the City will nonetheless be responsible for payment of the incurred fees of Bank's counsel.

Bank Counsel: Davis Wright Tremaine LLP

Material Change: Any change (whether material or not) in the amount to be financed, the weighted average life, or a material change in the financial condition or prospects of the City may constitute a re-pricing event and Bank may, at its option and in its sole discretion, terminate this Term Sheet and/or the Interest Rate may be adjusted.

MSRB Rule G-34 Representations: The Bank intends that the Bond be exempt from the requirements for CUSIP numbers under Municipal Securities Rulemaking Board Rule G-34. The Bank represents and warrants that (i) it is a bank or an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, and (ii) the present intent of the Bank is to hold the Bond to maturity or earlier redemption. Any placement agent, broker or financial advisor may rely upon the representations and warranties contained in this paragraph.

Municipal Disclosure: The City acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the City and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the City, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the City on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the City, and (vi) the City has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Website Disclosure: Final bond documentation may be posted by the City on a national public bond market repository provided that certain information be redacted by the City as directed by the Bank. Items that should be redacted include, signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

Reporting



Requirement:

While the Bond is Outstanding, the City shall provide the Bank (i) within 270 days after the end of each fiscal year, a copy of the unaudited financial statements of the City for that fiscal year, prepared in accordance with accounting principles applicable to governmental units of the State such as the City prescribed by the Washington State Auditor's Office (the "SAO"), as such principles may be changed from time to time; (ii) annual audited financial statements within 30 days of receipt, prepared in accordance with accounting principles applicable to local governmental units of the State such as the City prescribed by the SAO, as such principles may be changed from time to time; (iii) promptly after adoption by the City, the budget of the City for each fiscal year; and (iv) such other financial information of the City as the Bank may from time to time reasonably request.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS TERM SHEET, BUT BEFORE CLOSING, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, THE BANK MAY MODIFY THE INDICATIVE PRICING DESCRIBED ABOVE.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Please note that this outline does not contain all of the terms, conditions and provisions involved in this transaction. Final terms will be contained in the legal documents for the proposed agreement.

Once again, this letter is not, and shall not be construed as formal loan approval. SaviBank reserves the right to underwrite the requested credit in accordance with our guidelines and standards.

Sincerely,

Steve Henery
Vice President





January 2021

GPON CUSTOMER COUNT & REVENUE

Month	In Service	Static IPv4 Address	Internet Service Revenue	Static IPv4 Revenue	GPON Revenue	Other Revenue	TOTAL REVENUE
Mar-20	9	1	\$ 1,171.00	\$20	\$ 1,191.00	\$ -	\$ 1,191.00
Apr-20	30	3	\$ 3,180.00	\$49	\$ 3,229.00	\$ -	\$ 3,229.00
May-20	138	6	\$ 9,102.00	\$109	\$ 9,211.00	\$ -	\$ 9,211.00
Jun-20	209	10	\$ 13,451.00	\$145	\$ 13,596.00	\$ -	\$ 13,596.00
Jul-20	246	15	\$ 15,884.00	\$190	\$ 16,074.00	\$ -	\$ 16,074.00
Aug-20	284	19	\$ 18,456.00	\$248	\$ 18,704.00	\$ -	\$ 18,704.00
Sep-20	314	24	\$ 20,646.00	\$326	\$ 20,972.00	\$ 867.00	\$ 21,839.00
Oct-20	341	26	\$ 22,489.00	\$344	\$ 22,833.00	\$ 867.00	\$ 23,700.00
Nov-20	363	27	\$ 23,827.00	\$353	\$ 24,180.00	\$ 2,023.25	\$ 26,203.25
Dec-20	463	43	\$ 29,897.00	\$382	\$ 30,279.00	\$ 2,023.25	\$ 32,302.25
Jan-21	524	31	\$ 33,616.00	\$411	\$ 34,027.00	\$ 2,023.25	\$ 36,050.25

IN HOME INSTALLATIONS



30 Guidelines

Training & Supervision

Social Distancing

PPE

Sanitation & Cleanliness

Employee Health

Job Site Tracking

COVID-19 JOBSITE GUIDELINES



**Jobsite Sign-in
Protocols Required**



**Wash Hands Before
and After
Installation**



**Maintain 6' Distance
of Separation**



**Wear Masks, Gloves, and
Goggles at All Times**



**Sanitize Work Area
Before and After
Installation**



**Weekly Safety
Meetings**



**Do Not Come to
Work if You're Sick**



**Stay Home if You've
Been in Contact with a
COVID 19 Patient in the
Last 14 Days**

CUSTOMER ORDERS

Residential	Count	Monthly Revenue	Commercial	Count	Monthly Revenue	Other Customers	
100Mbps	146	\$ 5,694.00	100Mbps	33	\$ 2,937.00	\$867.00	
100Mbps managed	141	\$ 6,909.00	100Mbps managed	18	\$ 1,782.00	\$1,156.25	
1Gbps	99	\$ 6,831.00	1Gbps	29	\$ 4,321.00		
1Gbps managed	51	\$ 4,029.00	1Gbps managed	7	\$ 1,113.00		
One Static IP	4	\$ 36.00	One Static IP	15	\$ 135.00		
Five Static IPs	2	\$ 40.00	Five Static IPs	10	\$ 200.00		
Total:	437	\$ 23,539.00	Total:	87	\$ 10,488.00		
Grand Total \$ 36,050.25							
	CBD	Old Town	M Ave	Aerial Areas 2, 3, 4, 6	Aerial Areas 1, 5	Remainder of City	Total
Potential Customers	255	562	160	566	730	5345	7618
Sign-ups	116	244	64	150	141	999	1714
Take-Rate	45.5%	43.4%	40.0%	26.5%	19.3%	18.7%	22.5%
Partial Installs	1	0	2	0	0	0	3
In-Service	103	228	53	39	89	12	524
Percentage of Orders in Service	88.8%	93.4%	82.8%	26.0%	63.1%	1.2%	

In our current service areas 715 orders have been received of the potential 2273 customers which equates to 31.5% market share.

2020 CONSTRUCTION COMPLETE

Section	Underground Boring	Aerial Make Ready	Aerial Construction	Splicing
1	Complete	Complete	Complete	Complete
2	Complete	Complete	Complete	Complete
3	N/A	Complete	Complete	Complete
4	Complete	Complete	Complete	Complete
5	Complete	Complete	Complete	Complete
6	N/A	Complete	Complete	Complete

Network technicians are systematically completing installations and placing customers into service. There are 203 orders in queue for service in our current service areas.



**ACCESS ANACORTES FIBER
INTERNET SERVICE AREA**

SPECIAL PROJECTS

☐ PORT OF ANACORTES

1st quarter 2021

Ad Hoc Construction to Bartholomew Rd property

Tenants enter into service agreements for business-class internet

☐ ANACORTES SENIOR ACTIVITY CENTER

1st quarter 2021

☐ ROCK ISLAND COMMUNICATIONS

1st quarter 2021

Dark fiber lease for health services

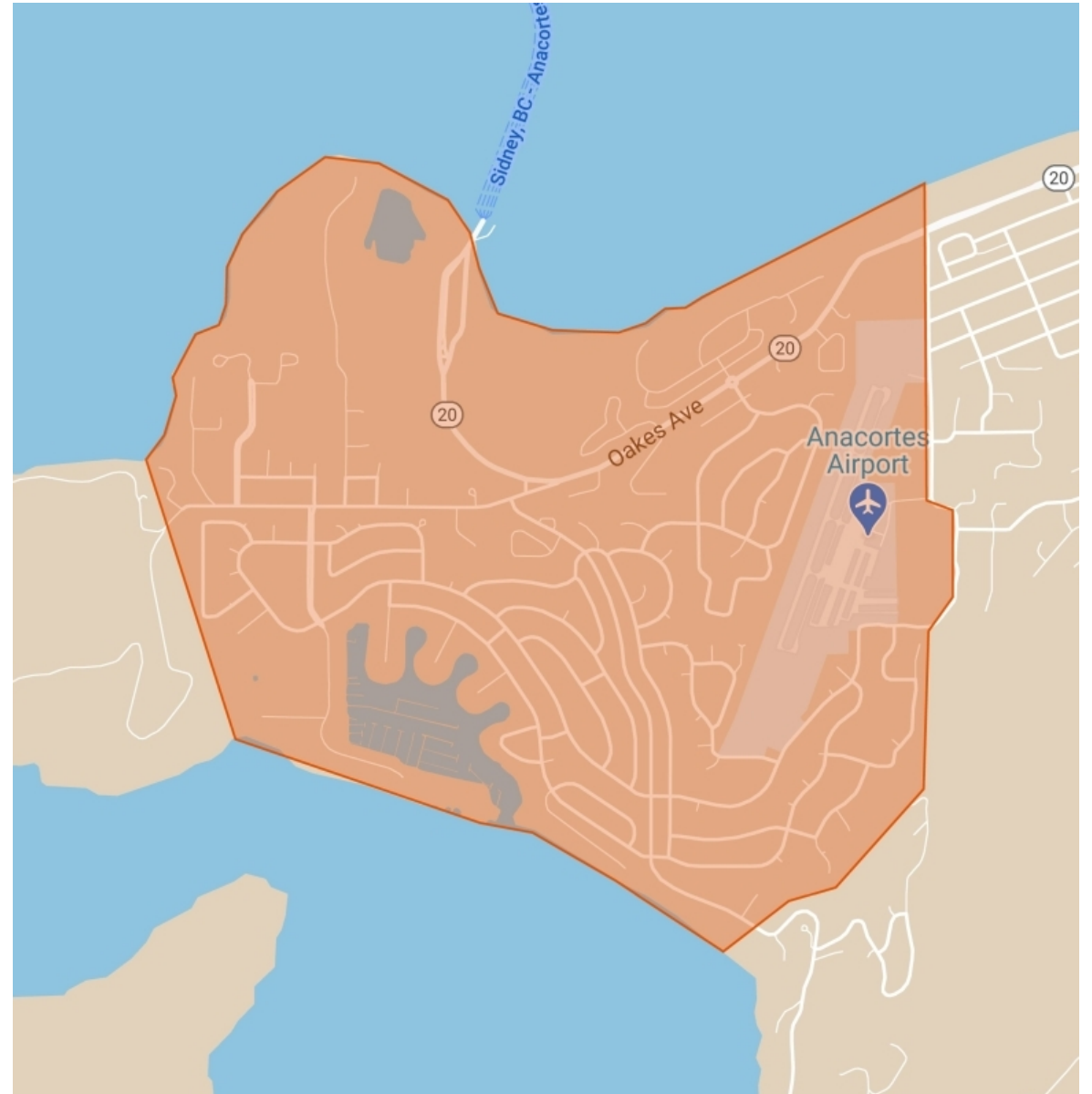


2021 EXPANSION

2021 NETWORK EXPANSION

- West of Anacopper Mine Road
- Design underway
- Placing material orders
- By end of 2021 will have passed 4753 premises (of 7600)

**Passes 2300 Premises
35% Take Rate = 805 installations**

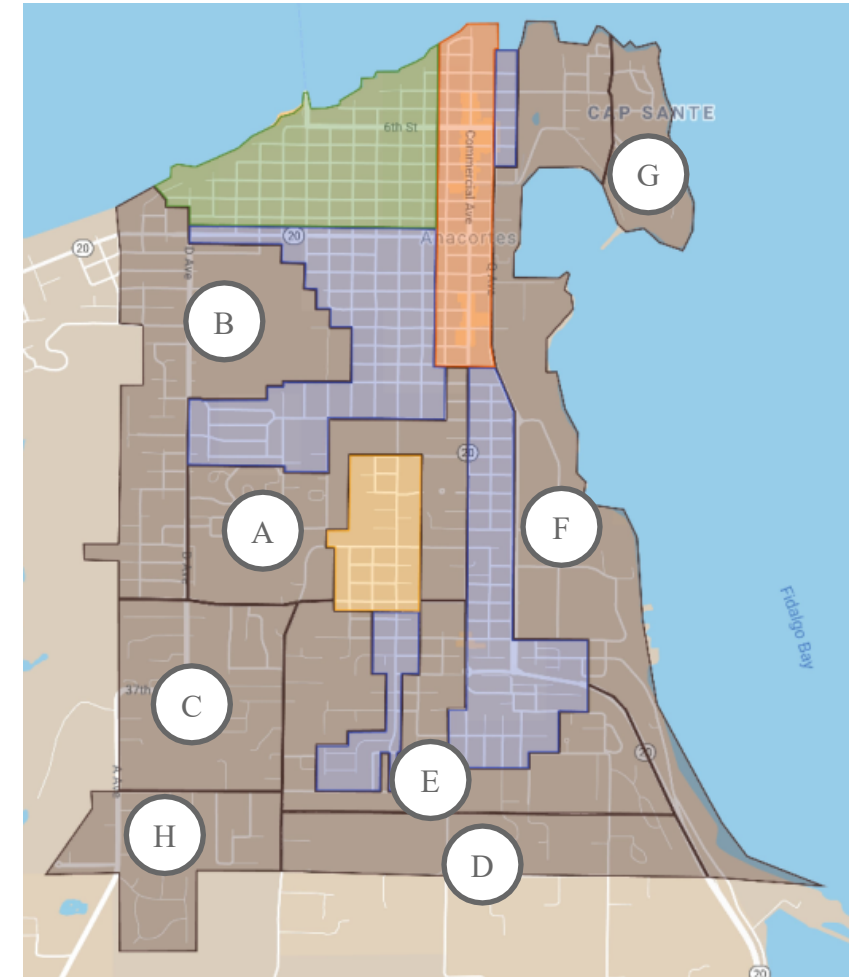


2022 EXPANSION

2022 NETWORK EXPANSION

- A Avenue east to City limits (passing 1815 additional premises)
- By end of 2022 will have passed 6388 premises (of 7600)
- Applied for Economic Development Association Public Works & Economic Adjustment Assistance Grant

1815 PARCELS PASSED			
A.....	310	E.....	447
B.....	429	F.....	144
C.....	118	G.....	46
D.....	129	H.....	192



OUTREACH

Steady growth in new orders for service

- ✓ **Staff conversations with residents**
- ✓ **A Town is Our Town**
- ✓ **Utility bill envelopes**
- ✓ **Sanitation vehicle billboards**
- ✓ **Facebook**
- ✓ **Door Hangers**
- ✓ **Word of mouth referrals**



Here When You Need Us

**Fast.
Reliable.
Yours.**

access
ANACORTES FIBER INTERNET



COMING ACTIVITY

INSTALLATIONS

- *Continue installations in current service areas*
- *203 installations in queue*

EDA GRANT

- *Working with EDA team to finalize application*
- *Application to be reviewed February 8*

- > **Faster Speeds**
- > **Lower Prices**

- > **More Reliable**
- > **Locally Run**

Residential Plans

Month to Month

100 Mbps	\$39/month
1 Gbps	\$69/month
Managed WiFi	\$10/month
Install Fee	\$100

Business Plans

12 Month Contract

100 Mbps	\$89/month
1 Gbps	\$149/month
Managed WiFi	\$10/month
Install Fee	\$100

access
ANACORTES FIBER INTERNET





City Council Agenda Bill

Meeting Date: January 19, 2021 **Agenda Item:** 5.c.

Agenda Item Title: Resolution 3013: Providing for Employee Leave Benefits in Response to the Covid-19 Epidemic

Staff Contact(s): STEVE HOGLUND

Action Type

Resolution

Item Summary: This is continued discussion from January 11, 2021 when Council authorized the use of City sick leave for Covid related absences. This resolution would authorize City staff an additional amount of Emergency Paid Sick Leave (EPSL) that would be in addition to the City provided sick leave accruals already in place.

BudgetImpact:

40 hours of EPSL prorated on an FTE basis; i.e. a 1/2 FTE would get 20 hours of EPSL, a 1/4 FTE 10 hours, and so on. This leave would be available through 12/31/2021.

Previous Action: January 5 and January 11 Personnel Committee meetings.

[January 11 Council Meeting](#)

Recommended Motion: I move to approve Resolution 3013 authorizing an EPSL bank to City Staff.

Alternative Actions: Do not authorize additional EPSL

Attachments (listed in order presented):

1. Resolution 3013
2. Covid-19 EPSL slides

RESOLUTION NO. 3013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANACORTES PROVIDING FOR EMPLOYEE LEAVE BENEFITS IN RESPONSE TO THE COVID-19 EPIDEMIC

WHEREAS, on March 16, 2020 Families First Coronavirus Response Act (FFCRA) required employers with less than 500 employees to provide 2 weeks of Emergency Paid Sick Leave (EPSL), and

WHEREAS, the FFCRA also expanded the use of the Family Medical Leave Act to require 10 paid weeks for leave for the Covid-19 related criteria identified in the FFCRA, and

WHEREAS, the leave provisions of the FFCRA expired on December 31, 2020, and

WHEREAS, the Anacortes City Council desires to provide staff an additional paid sick leave bank for Covid-19 related absences similar to what was described in the FFCRA, and

WHEREAS, if additional Covid-19 leave benefits are provided in the future at the State or Federal level this resolution would thereby be repealed.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Anacortes, Washington, that:

Section 1 – An additional 40 hours of EPSL will be made available to each employee

40 additional hours of Emergency Paid Sick Leave (EPSL) will be made available to City staff to take in addition to their existing leave balances, on an FTE % basis, where part time employees would receive a prorated share based on their FTE %, and the use of those 40 hours will not affect the remaining employee leave balances. The EPSL would be eligible to be taken where the employee:

1. Is subject to a federal, state, or local quarantine or isolation order related to COVID-19.
2. Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
3. Is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
4. Is caring for an individual who is subject to a quarantine order or has been advised to self-quarantine.
5. Is caring for a son or daughter and the child's school or place of care has been closed, or the child care provider is unavailable due to COVID-19 precautions.
6. Is experiencing any other substantially similar condition.

Any of the unused additional 40 EPSL hours will lapse after December 31, 2021.

APPROVED BY THE CITY COUNCIL OF THE CITY OF ANACORTES on this 19th day of January, 2021.

LAURIE M. GERE, MAYOR

Approved as to form and legality:

Darcy Swetnam, WSBA #40530
City Attorney

ATTEST:

Steven D. Hoglund, City Clerk Treasurer

Covid-19 Leave Benefits

- March 18, 2020 Families First Coronavirus Response Act (FFCRA) was enacted, effective through December 31, 2020.
 - Required Employers less than 500 employees to provide 80 hours Emergency Paid Sick Leave
 - Required expanded use of FMLA to allow leave to cared for loved ones affected by Covid-19.
 - Including paid leave at 2/3 or full pay, depending on reason.
 - City adopted policy to provide full pay for FMLA regardless of reason.
- See City Policy FFCRA Effective 4/1/2020-12/31/2020

President Signs Emergency Paid Sick or Family Leave Legislation

BY: Curtis E. Tatum, Esq. | 03/19/20



Covid-19 Leave Benefits

City use of Covid Leave: 3/16/20 – 12/31/2020

- Emergency Paid Sick Leave (EPSL)
 - 56 staff used at least some hours.
 - 16 staff exhausted the 80 hours.
 - Total of 2363 hours used.
- Expanded Family Medical Leave Act (FMLA)
 - 2 employees have used this leave
 - Total of 301 (out of 960 possible) hours used

City Sick Leave Use 2019 vs. 2020

	Accrued	Used	
2019	22,220	15,580	Differential
Ave per employee	104	73	31
2020	20,056	16,709	
Ave per employee	75	93	(18)



Covid-19 Leave Benefits

Leave Options:

	Leave Options providing pay for Covid Leave:			
	City Sick Leave	EPSL *	FMLA **	WPFML ***
2020	Unclear	Yes	Yes	No
As of 1/18/21	Yes	No	No	No

* Emergency Paid Sick Leave (EPSL) - an 80 hour bank of additional paid sick leave that was mandated by the Families First Coronavirus Relief Act (FFCRA). Expired 12/31/2020.

** Family Medical Leave Act (FMLA) - a Federal program, pre FFCRA it was unpaid, but protected an employees job during extended leave. The FFCRA required employers to pay for the last 10 weeks of the 12 week FMLA leave period for Covid-19 related absences.

*** Washington Paid Family Medical Leave is a State of Washington paid leave program for certain qualifying events.

Covid-19 Leave Benefits

- The remaining question:
 - Does Council wish to provide and additional EPSL leave bank Staff
 - An additional EPSL leave bank was discussed at the 1/11/21 Council Meeting
 - Resolution 3013 adopted 1/11/21 clarified that employee sick leave may be used for Covid related absences, including those not related to being infected with Coronavirus.
 - The leave bank would be in addition to the existing employee balances.
 - Average employee sick leave balances are currently 325 hours
 - A City FTE accrues 8 hours of sick leave per month
 - Any additional leave balances would be in addition to the existing employee balances, and paid for by the City.
 - There are provisions in City policy for leave share if a staff member runs out of leave.
 - The City could take no action on this issue.