Mayor Laurie Gere called to order the regular Anacortes City Council meeting of September 18, 2017 at 6:00 p.m. Councilmembers Eric Johnson, Erica Pickett, Brad Adams, Liz Lovelett and Matt Miller were present. Councilmembers Ryan Walters and Bruce McDougall were absent.

Ms. Lovelett moved, seconded by Mr. Miller, to excuse the absences of Mr. McDougall, who was traveling on business, and Mr. Walters, who was ill. The motion carried unanimously by voice vote.

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Public Safety Committee: Mr. Miller reported from the committee meeting the prior week at which those present discussed the volunteer firefighter program and parking around high school during construction, both of which would be discussed later in evening, as well as Police Department de-escalation strategies and planning for the Oyster Run on September 24.

Finance Committee: Mr. Johnson reported from the committee meeting the prior Wednesday at which Port of Anacortes Finance Director Jill Brownfield, City Attorney Darcy Swetnam and Mayor Gere joined the committee members to discuss the prilled sulfur agreement between the City and the Port. Mr. Johnson reported that all parties were aware that if prilled sulfur shipments ceased from Anacortes all parties stood to lose revenue so staff from both agencies would consider alternative proposals to bring back before Council. Mr. Johnson said the committee also heard from former La Conner councilmember Dan O'Donnell regarding agricultural water rates, about which discussion would continue.

Ms. Pickett reported from the exit conference with the state auditors the prior week at which the auditors presented no written findings whatsoever, which is virtually unheard of. Ms. Pickett congratulated Finance Director Steve Hoglund and the Finance Department staff for their outstanding service.

Public Works Committee: Ms. Lovelett reported that the regular committee meeting scheduled for earlier in the evening had been cancelled.

Public Comment

Patrick O'Hearn, 11039 Post Drive, observed that the prior week a tree service trimming trees on Whistle Lake Road had flaggers directing traffic around the work site while city crews working elsewhere on Whistle Lake Road had no flaggers and no signage in place. Mr. O'Hearn said that city crews should obey the same safety rules that private companies are required to obey. Mayor Gere thanked Mr. O'Hearn for raising that concern and indicated that she would address the matter with the Public Works Department.

Consent Agenda

Mr. Adams removed Item 5d, Contract Modification: Emergency Sewer Repair Project 17-094-SEW-001, from the Consent Agenda. Mr. Johnson added Item 5e, Contract Modification: Fiber Build Project 14-056-IDS-001, to the consent agenda and moved, seconded by Ms. Lovelett, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

a. Minutes of September 11, 2017
b. Approval of Claims in the amount of: $620,639.52
c. Contract Modification: 2016-2017 Landscaping & Maintenance Services 16-063-IDS-001
e. Contract Modification: Fiber Build Project 14-056-IDS-001

The following vouchers/checks were approved for payment: EFT numbers: 86383 through 86429, total $440,171.29 Check numbers: 86430 through 86483, total $172,452.87 Wire transfer numbers: 220768 through 221536, total $15,163.81

d. Contract Modification: Emergency Sewer Repair Project 17-094-SEW-001

Mr. Adams asked for clarification on the location of the sewer repair since the agenda bill listed conflicting locations. Public Works Project Manager Tim Hohmann confirmed that the location was the alley between West 2nd and West 3rd Streets and Hartford and Illinois Avenues, not 8th Street. Mr. Adams requested an explanation for the doubled contract amount. Mr. Hohmann explained that the emergency repair to the collapsed sewer main occurred in a tight alleyway with constricting fences, overhead utility lines, and a gas line crossing and that the obstructions made the work take twice as long as both the city and the contractor had anticipated, which is why the contract had been written on a time and material basis. Ms. Pickett confirmed that the entire cost would be borne by the sewer fund. Mr. Adams moved, seconded by Ms. Lovelett, to approve Consent Agenda Item 5d. The motion carried unanimously by voice vote.

OTHER BUSINESS

Anacortes Family Center Affordable Housing

City Attorney Darcy Swetnam announced that the Anacortes Family Center had approached the city with an affordable housing project that would face some permitting challenges under the current city code. Ms. Swetnam introduced AFC Executive Director Dustin Johnson to describe the project and said that at the conclusion of Mr. Johnson's presentation staff would present options for Council to consider in response.

Dustin Johnson thanked the many members of the AFC board who were present to demonstrate their support of the project and thanked the mayor and City Council for prioritizing affordable housing in the community. Mr. Johnson explained the proposal, referencing his slide presentation which was included in the packet materials for the meeting. He first summarized the need for affordable housing in Skagit County and specifically in Anacortes, then described the proposed new building of approximately 19 units on 27th Street including studio, 1 bedroom and 2 bedroom apartments. Mr. Johnson emphasized that the AFC already owns the two lots and that the project was already fully funded including private and county funding but said the AFC requested an impact fee waiver from the city valued at approximately $80K. He then summarized the development code challenges to permitting the project including building height, parking requirements, and density. Mr. Johnson requested some commitment to the needed code variances as soon as possible to allow the private donors to contribute before year end, to allow investment in the design to proceed, and to take advantage of the contractor's window of availability in early 2018. Councilmembers questioned Mr. Johnson about particulars of the project design and observed that the project fits very well with the established Comprehensive Plan goal for affordable housing.

Ms. Swetnam then addressed the process to proceed with code updates that would be required to permit the project within the desired timeline, referencing her slides in the packet materials for the meeting. She elaborated on the height limit, parking requirements, density and impact fee elements of the current code that the AFC project requested variance from. Ms. Swetnam then listed four options for Council action to address the request from the AFC including waiting for the development regulation updates to conclude, creating an overlay zone to allow the project, amending the code to allow the project in the R4A use zone, and separately updating the impact fee ordinance. Ms. Lovelett inquired if general facilities charges for affordable housing could also be reduced or eliminated; Ms. Swetnam indicated those could also be addressed. She clarified that any changes to the development code would require a public hearing before the Planning Commission, City Council review and adoption, and 60-day review by the Dept. of Commerce but said staff was prepared to move forward as quickly as possible with that sequence if Council so directed. She recommended two separate code amendments, one to update the development regulations to change the standards for affordable housing projects in the R4A zone and a separate impact fee ordinance to reduce impact fees for low income housing.

Councilmember Johnson observed that the Affordable Housing Strategic Plan drafted under the auspices of the City Council Affordable Housing and Community Services committee dovetailed very neatly with the proposed project and suggested that Council adoption of that plan might provide the assurance the AFC development team was seeking. He thanked Planning Director Don Measamer and Planning Assistant Joann Stewart for their extensive support in developing the draft plan. Mr. Measamer confirmed that the code changes requested by the AFC would simply require fast tracking some of the development regulation updates staff would need to make in support of the strategic plan if adopted but echoed Ms. Swetnam's statement that the entire public process for the code updates would still be required. Councilmembers and Mayor Gere commented on the value of the proposed project to address the affordable housing crisis in the community, highlight the goals and strategies of the draft strategic plan, pursue a legislative rather than a conditional use process, and ensure that the property would remain affordable far into the future. Mr. Adams asked about the potential impact to adjacent properties of a 50' height limit. Mr. Johnson explained that the project neighbors were other AFC structures and the Fidalgo Care Center, whose director had expressed support for the proposed project. He responded to councilmember questions regarding actual parking requirements for typical AFC tenants and the process for verifying tenant eligibility on an annual basis. Ms. Pickett commented on the value of affordable workforce housing to local employers. Mayor Gere summarized the sentiment on the dais to proceed with the code updates as recommended by staff. Mr. Adams requested a timeline for the process which Ms. Swetnam said staff would provide.

Fire/EMS Budget and General Update

Fire Chief Richard Curtis updated Council on the Fire/EMS expenditure budget status and developments in the department, referring to his slide presentation included in the packet materials for the meeting. He then reported EMS revenue, summarizing current billing rates, the age demographic of the community that affects the net revenue for ambulance services, and the steadily increasing volume of calls for both fire and EMS. Chief Curtis highlighted the new vehicle extrication equipment, the incident command system training adopted by regional firefighters, more efficient electronic fire inspection reporting software, and key performance indicators for EMS. He then reported on the volunteer firefighter program, summarizing historical and current trends and developments. The chief concluded with a report on the emergency management goals and plans to achieve them in 2017-2018.

Amendment to Interlocal Agreement with Skagit County for 2017 EMS Ambulance Services

Chief Curtis presented an amendment to the interlocal agreement with Skagit County to set a 2% increase in the city's compensation for providing ambulance service in 2017. He reported that a separate additional amendment would be following for an additional 2.88% increase retroactive to January 1, 2017. Mr. Johnson moved, seconded by Ms. Pickett, to approve Amendment 6 to Interlocal Agreement C2140640 with Skagit County.

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

Vote: Ayes – Pickett, Adams, Lovelett, Miller and Johnson. Motion carried.

Police Budget and General Update
Police Chief John Small provided an update on the 2017-2018 budget for his department. He began with the department's mission, goals, core values and organizational chart, referring to his slides included in the packet materials for the meeting. Chief Small then presented a number of successful programs in the Police Department and the budget needs to support that success, including full staffing and the costs to train and outfit each officer; the K-9 narcotics detection team and the costs to supply and protect the K-9 team and tow impounded vehicles; the school resource officer and the cost of staffing that position in cooperation with the school district; and the Anacortes Community Task Force, community volunteers, community partners, and new grant funded communication equipment. Chief Small outlined future goals for the department including adding a 27th officer, returning a detective to the county Drug Task Force, and painting the exterior of the Public Safety building. He also alerted Council to anticipated increases in jail medical costs, Skagit 911 dispatching fees, the Spillman records management system fees and salary increases per the new bargaining agreement. The chief concluded with a report on expenditures year to date compared to budget and budget amendments expected to recognize unanticipated revenue from grants, donations and fees for service.

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

City Attorney's Office Budget and General Update
Ms. Swetnam presented a mid-biennium review and budget update for the City Attorney's office, referring to her slide presentation included in the packet materials for the meeting. She shared the department's mission and organization chart, then summarized the goals and achievements of the five categories of services provided by the City Attorney's office: in house counsel for contracts, litigation, code development, regulatory compliance and other key issues; contracted prosecution services; citywide contracting including training and policy updates for purchasing and procurement; public records management including response to public records requests and implementation of electronic content management software in 2018; and managing risk and processing liability insurance claims through WCIA. She briefly summarized the legal department budget and provided a status update of actual expenditures compared to budget. Mayor Gere and several councilmembers expressed their satisfaction with having an in house City Attorney available for consultation.

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

Donation Acceptance Consideration: "The Leaking Vase"
Parks and Recreation Director Gary Robinson invited Council to accept the donation of a large sculpture, titled Leaking Vase, valued at approximately $75K. Mr. Robinson reported that the donation had been discussed with both the Arts Commission and the Park Board and both bodies recommended accepting the donation and installing it as public art at the N Avenue Park. Mr. Miller clarified that Council was being asked to accept the donation consistent with AMC 3.10 and asked if such donations typically involve some cost to the city for installation and insurance. Mr. Robinson replied in the affirmative. Ms. Lovelett suggested that the proposed Commercial Avenue pocket park would be a better location for the sculpture and expressed concern about vandalism potential at the N Avenue Park. Mr. Robinson said that there had not been significant vandalism problems at the N Avenue Park and that installing the sculpture there would fit with the long range vision for that area as its connection to the Port property to the east was improved and enhanced

Mr. Adams moved, seconded by Mr. Johnson, to accept the donation of the Leaking Vase sculpture and locate it at N Avenue Park.

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

Artist Andres Breedt, 15354 Channel Drive, La Conner, explained that he made the sculpture out of his love for nature and ecology and that he had worked for years on protecting the marine environment. He said he is a keen diver and was struck by the dramatic wasting disease affecting sea stars. He said that inspired him to do something to bring back awareness of the beauty of the oceans. He explained that the sculpture won an award. He said he would love to have it installed close to the water.

Vote: Ayes – Adams, Lovelett, Miller, Johnson and Pickett Motion carried.

There being no further business, at approximately 8:35 p.m. the Anacortes City Council meeting of September 18, 2017 was adjourned.