

City Council Minutes – March 11, 2019

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of March 11, 2019 at 6:00 p.m. Councilmembers Eric Johnson, Anthony Young, Brad Adams, Bruce McDougall and Matt Miller were present. Councilmember Ryan Walters was absent. Mr. Johnson moved, seconded by Mr. McDougall, to excuse the absence of Mr. Walters who was ill. The motion carried unanimously by voice vote. The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Anacortes High School Green Club & Anacortes Activist Student Union Invitation to Attend March 23 Fidalgo for the Future Event: Ally Schuh, Ben Marshall, and Jade Carter, representing the Anacortes High School Anacortes Activist Student Union, invited the public to participate in the Fidalgo for the Future event beginning at 9 a.m. on March 23, 2019 in the Anacortes High School commons. The students listed nine locations on Fidalgo Island where participants would collect trash and outlined the activities for the remainder of the day, including construction of a sculpture with waste materials collected. Their slide presentation was added to the packet materials for the meeting. Mr. Johnson invited the students to report back to Council on the amount of waste collected. Mayor Gere thanked the AASU for setting an example for the community.

Port/City Liaison Committee: Mr. Johnson reported from the committee meeting the prior week. He advised that the Olson Building had been transferred from the Port of Anacortes to the Anacortes Housing Authority, said the Council had requested quarterly reports from the committee on the implementation of the Maritime Strategic Plan, listed upcoming milestone dates for the Port's North West Basin redevelopment plan, and said Mayor Gere had reported that in the month of December for the first time online sales had generated more sales tax revenue than food and drinking establishments, traditionally a leading sales tax generator in Anacortes.

Planning Committee: Mayor Gere announced that the committee meeting normally scheduled for earlier in the evening had been cancelled so committee members could attend the Mayor's State of the City address.

Public Comment

Sarah Atwood, 1015 23rd Street, said she was a new property owner in Anacortes and that she was concerned that when someone asked for future corrections where flooding had occurred, they did not receive a response from the Public Works department. Ms. Atwood listed three locations near her property that had experienced flooding, including property owned by Mrs. Hicks, and said that to date she had received no response from staff on actions the city would take to prevent future flooding in those locations. City Attorney Darcy Swetnam interposed that Ms. Atwood represented a party who was in a dispute with the city that was being handled by WCIA and that Ms. Atwood's communication with Council on this issue was prohibited by RPC 4.2. She requested that Ms. Atwood cease her ex parte communication on the issue because the city's outside counsel for the matter was not present. Ms. Atwood objected that she was speaking as a private citizen concerned about flooding on her property and that she had requested responses before any attorneys were involved. Ms. Swetnam cautioned Ms. Atwood to avoid discussing the conflict and said that speaking on behalf of the Hicks was inappropriate. Ms. Gere advised Ms. Atwood that she would follow up with city staff.

Consent Agenda

Mr. Young removed Item 5b, Approval of Claims, from the Consent Agenda. Mr. Adams removed Item 5d, Contract Award: WAVE Direct Internet Access (DIA) Service 19-045-FBR-001, from the Consent Agenda.

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

- a. Minutes of March 4, 2019
- c. Contract Award: Emergency Management Services 19-015-IDS-001
- e. Ordinance 3035: Repealing Ordinance 2694
- f. Resolution 2037: Adopting Safety Suggestion Incentive Program for Employees

The following vouchers/checks were approved for payment:
EFT numbers: 92449 through 92498, total \$132,385.78
Check numbers: 92448 and 92499 through 92533, total \$136,237.48
Wire transfer numbers: 246022 through 246358, total \$6,714.32

- b. Approval of Claims in the amount of: \$297,492.16

Mr. Young remarked on the increase in Amazon purchases included on the weekly voucher list and challenged department heads to continue to work with their staff to purchase items locally where that can be done within reason and within the law and while responsibly spending city resources. Mr. Young moved, seconded by Mr. Johnson, to approve Consent Agenda Item 5b. The motion carried unanimously by voice vote.

- d. Contract Award: WAVE Direct Internet Access (DIA) Service 19-045-FBR-001

Mr. Adams requested additional information about this contract. Administrative Services Director Emily Schuh explained that the subject contract would connect the city's municipal broadband network to the internet at two locations, for the term specified in the contract. Mr. Adams moved, seconded by Mr. Young, to approve Consent Agenda Item 5d. Mr. Johnson asked who was tracking the expenditures for the municipal fiber project against its \$1,050,000 budget. Ms. Schuh advised that she closely monitored the expenditure reports for that BARS account. The motion carried unanimously by voice vote.

OTHER BUSINESS

Property Tax Presentation by Skagit County Assessor

Finance Director Steve Hogle introduced Skagit County Assessor David Thomas to explain property taxation in the county. Mr. Thomas introduced Chief Deputy Assessor Annette DeVoe. He shared a slide presentation explaining the assessment of property tax in the county, referring to his packet materials for the meeting. Mr. Thomas addressed factors affecting valuation, valuation adjustments, median property prices over time, personal property valuation, tax benefit programs, and the levy process. Mr. Thomas also reviewed a number of informational tools available to the public on the Skagit County website. Mr. Thomas responded to councilmember questions about school levies, tax appeals, determination of highest and best use for parcels and how that affects their valuation, and when revisions to the development code would be reflected on individual property valuations. Mr. Thomas also addressed the questions frequently raised by citizens when overall property tax bills go up by significantly more than 1% even though the city's levy increase is only 1% per year. He explained that the other taxing districts reflected on a property owner's bill are not subject to the 1% levy lid and demonstrated that school and county taxes form the bulk of the overall property tax bill.

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

Presentation: Museum Newspapers Exhibit Opening March 13

Museum Director Bret Lunsford announced the [new exhibit](#) opening at the Anacortes Museum on March 13, 2019 focused on early newspapers in Anacortes history. He invited the public to the opening reception from 4 to 6 p.m. on March 13, the 140th anniversary of the founding of Anacortes. Mr. Lunsford shared a number of entertaining examples from the historic newspapers. He said the exhibit illuminated the role of journalism in

Anacortes history and focused on the new online resource of text searchable, digitized newspapers including the *Anacortes American* from 1890 to 1922 as well as other local historic papers. Mr. Lunsford advised that the exhibit would run through the end of the year.

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

Contract Award: WTP SCADA Systems Upgrade - Engineering Services Phase 1 19-031-WTR-001
Contract Award: WTP SCADA Systems Upgrade - Phase 1 Design & Installation 19-031-WTR-002

Water System Manager Jeff Marrs requested Council approval of two contracts to modify control systems at the water treatment plant. His slide presentation was added to the packet materials for the meeting. Mr. Marrs provided some background on the SCADA system that controls all critical water treatment plant operations. He then explained incidents that had exposed critical vulnerabilities in the plant's essential treatment processes. Mr. Marrs indicated that the proposed contracts would modify the SCADA system to achieve more robust, fail safe control under all operating conditions. He described the motor control equipment in some detail, then described Industrial Ethernet, the new industry standard technology that staff proposed to implement with the subject contracts. Mr. McDougall confirmed that the proposed solution was the state of the art in a number of technology sectors and was expected to remain so for some years into the future. Mr. Marrs reviewed the scope of the phased project. He explained that HDR would serve as the designer and coordinator for the project and that QCC would implement the new technology. Mr. Marrs reminded Council of the city's longstanding relationship with both firms for controls systems for the utilities. He said staff would bring future contract modifications to Council for subsequent phases, up to six total, in order to achieve the most competitive pricing. Mr. Marrs said staff expected that the first three phases would solve the bulk of the critical equipment needs and were expected to complete by the end of the year. He recommended approval of the contracts presented. Mr. Marrs responded to councilmember questions about the roles of the two contractors and whether the transition to Industrial Ethernet might achieve some cost savings.

Mr. Miller moved, seconded by Mr. Johnson, to authorize the Mayor to sign contract 19-031-WTR-002 with Quality Controls Corporation in the amount of \$160,129.73 to perform the WTP Controls Modifications Project – Phase 1 Design and Installation. Vote: Ayes – Young, Adams, McDougall, Miller and Johnson. Motion carried.

Mr. Johnson moved, seconded by Mr. Adams, to authorize the Mayor to sign contract 19-031-WTR-001 with HDR Engineering, Inc. in the amount of \$47,000.00 to perform the WTP Controls Modifications Project - Engineering. Vote: Ayes – Adams, McDougall, Miller, Johnson and Young. Motion carried.

Contract Modification: Library Generator Electrical 18-096-FAC-002

Public Works Director Fred Buckenmeyer advised that PSE was requiring a modification to the generator's connection to the library, as outlined in the agenda bill. He recommended approving the contract with VECA Electric. Mr. Buckenmeyer indicated that VECA was somewhat surprised by the requirement based on past installations at other sites but that in this instance PSE was requiring the connection addressed by the modification. Mr. Adams moved, seconded by Mr. Johnson, to approve the contract modification for the library generator electrical. Mr. Young asked to go on record as struggling to accept a 50% increase over the original contract amount. Vote: Ayes – McDougall, Miller, Johnson, Young and Adams. Motion carried.

Presentation: 2019 Stormwater Management Program Plan

Mr. Buckenmeyer introduced Diane Hennebert, NPDES Program Manager, who joined city staff in late 2018. Mr. Buckenmeyer advised that the city's NPDES permit requires it to submit two documents to the Department of Ecology each March, an annual report on the year concluded and a stormwater management plan for the year ahead. Ms. Hennebert presented the city's Stormwater Management Program Plan for 2019, referring to her slide presentation which was added to the packet materials for the meeting. She provided an overview of the

NPDES permitting process in Washington State, then described in some detail each of the elements of the permit and the city's actions to comply with the permit requirements: Public Education and Outreach; Public Involvement and Participation; Illicit Discharge Detection and Elimination (IDDE); Controlling Runoff from New Development, Redevelopment and Construction Sites; Municipal Operations and Maintenance; Monitoring and Assessment; and two new requirements proposed for the 2019 permit, Comprehensive Stormwater Planning and the Source Control Program. In response to councilmember questions, Ms. Hennebert elaborated on how calls to the IDDE hotline were responded to, 24/7/365. She added that all such calls and their responses are part of the city's annual report which is available to the public. Mr. Buckenmeyer expressed the city's pride in its stormwater program and in the work of Ms. Hennebert and staff throughout the city to continue the city's compliance with its NPDES permit. Mr. Young confirmed with Mr. Buckenmeyer that city staff provide responses to all citizens who report service issues, for stormwater issues and all other types of requests as well.

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

Jason Hicks, 2400 24th Court, observed that the 2019 plan included street sweeping and said some places in the city cannot be swept effectively because of junk vehicles parked along the roadway. Mr. Hicks asked if the existing AMC provided a mechanism for removing or tagging such cars to allow effective street sweeping. Mr. Hicks also said that many existing developments were not Low Impact Developments and that some older private developments might be breaking down, resulting in a breakdown of the overall stormwater system. He asked if there was a process for pre-LID private developments that were not being maintained. He asked staff to look into that.

In response, Mr. Buckenmeyer and Ms. Swetnam explained the parking code that limits on street parking to 72 hours and allows citations for violations. Mr. Buckenmeyer added that staff had worked with the Anacortes Police Department to remove three abandoned vehicles in the past year.

Jan Hersey, 3153 Biz Point Road, speaking as a member of the Fidalgo Bay Aquatic Reserve Citizen Stewardship Committee, noted that the Reserve is one of 8 areas of environmental significance in the state. She described the monitoring, surveys and community outreach and education performed by the committee in service of the health of the Reserve. Ms. Hersey cautioned that the condition of the water was not as pretty as it appeared from the surface. She said the committee had met with Ms. Hennebert and was very proud to have her on staff. Ms. Hersey offered the committee's support to the city's stormwater efforts but also asked the city to stringently enforce all regulations that exist.

Sarah Atwood, 1015 23rd Street, said the new Anacortes plan seemed to closely parallel the City of Tacoma's plan but that the Anacortes 2017 plan was wonderful because it gave specifics on erosion, flooding, cost to work on specific basins, and so on which educated the community about work that would be pursued in the future. Ms. Atwood said she did not see any proposed solutions or estimated cost to address known problems in the draft 2019 plan. Mr. Young asked Mr. Buckenmeyer to respond. Mr. Buckenmeyer suggested that Ms. Atwood might be confusing the Stormwater *Comprehensive* Plan with the 2019 Stormwater Management Program Plan currently under discussion. Ms. Atwood said Provision S.5.A.1 invited a listing of specific planned activities for the upcoming year and she did not see that in the draft plan. Mayor Gere said staff would look into that matter.

No one else present wished to address the Council on this topic.

At approximately 7:53 p.m. Mayor Gere called a five-minute recess. At approximately 7:57 p.m. the mayor called the meeting back to order.

Ordinance 3036: Municipal Code Chapter 1.30, Contracting and Resolution 2030: Purchasing Policy

City Attorney Darcy Swetnam continued the discussion of these topics which had last been considered by Council at its March 4, 2019 meeting. Her slide presentation was added to the packet materials for the meeting.

Ms. Swetnam noted that draft Ordinance 3036 presented for consideration and possible action maintained the mayor's contract authority at \$30K. She displayed a comparison of contracting authority limits at fourteen other cities, noting the wide variance in the sample. Ms. Swetnam reiterated that the mayor's contract authority was a policy decision that was Council's to make and observed that raising the limit to \$40K or \$50k would not be unreasonable based on the range at other jurisdictions and the size of the city's utility contracts. Councilmembers and Mayor Gere discussed the appropriate authority limit at some length, including contemplation of setting different limits for different types of contracts. Councilmembers questioned the mayor about contracts for which scheduling Council action might have resulted in added cost or delay to the work. Ms. Swetnam reviewed Section 1.30.040 in draft Ordinance 3036, which had been revised following councilmember input at the March 4 meeting. She also clarified that the revised draft Ordinance applied the same contract authority limit to all contracts for goods or services. Mr. Young confirmed that Council would still be presented with the entire voucher list each week. Ms. Swetnam noted that all city contracts were now posted on the city's electronic document portal for easy access by the public.

Mr. Johnson moved, seconded by Mr. Adams, to adopt Ordinance 3036 and Resolution 2030, amended to change the mayor's contracting authority to \$45,000 throughout both documents. Vote: Ayes – Miller, Johnson, Young, Adams and McDougall. Motion carried.

Mr. Young reiterated his suggestion from the February 19, 2019 meeting that purchasing be allowed from the EDASC contractor list. Ms. Swetnam explained that the city's use of the MRSC vendor roster and small works roster required authorization by resolution but said contracting staff would be happy to assist EDASC to get contractors on its list enrolled on the MRSC rosters so they could reach an even wider audience.

Ordinance 3030: Fire Impact Fees

Fire Chief Dave Oliveri resumed the discussion of fire impact fees most recently addressed at the February 19, 2019 City Council meeting. He recalled that at that meeting Council had asked staff to investigate two changes to the proposed impact fee structure: changing the formula for residential fire impact fees to vary with square footage of the residence and adding additional categories of commercial structures. The Chief said Council had also asked for the code citations allowing exemption from fire impact fees for sprinklered buildings. He advised that AMC 3.93.030.D.3 allowed single family residences exemption from the non-EMS portion of fire impact fees if a residential sprinkler system was installed.

Chief Oliveri reported that staff had met with Berk Associates subsequent to the February 19, 2019 City Council meeting and had identified six commercial categories that would provide a better breakdown for the application of fire impact fees. Berk estimated consulting fees of \$2,000-\$2,500 to update their study to arrive at impact fees for those six categories. Chief Oliveri said that arriving at a SF-based fire impact fee for residential structures would be significantly more complicated, more time consuming and more costly, estimating consulting costs of \$5,000 on the low end, on top of the \$19K already spent for the Berk study. Chief Oliveri added that the calculations based on SF could arrive at an impact fee structure that would collect less revenue for the department than the structure proposed. Councilmembers questioned Chief Oliveri about possible means of arriving at a SF-based fire impact fee for less cost. The Chief cited the very complicated formulas required to develop impact fees in compliance with state law. He also urged Council to put revised impact fees in place before the development regulations updates were complete as construction on available lots was expected to increase at that time. After continued discussion of these topics, Mayor Gere summarized the consensus among the councilmembers present to have staff work with Berk to develop revised commercial fire impact fees based on six commercial categories but not to pursue revising the residential impact fee calculations, then bring the matter back to Council for consideration and possible action in the near future.

There being no further business, at approximately 8:48 p.m. the Anacortes City Council meeting of March 11, 2019 was adjourned.