

Anacortes City Council Minutes – September 8, 2020

Mayor Laurie Gere called to order the Anacortes City Council meeting of September 8, 2020 at 6:00 p.m. Councilmembers Jeremy Carter, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton and Bruce McDougall all participated in the meeting in absentia via video conference. Councilmember Matt Miller was absent.

Mr. McDougall moved, seconded by Mr. Carter, to excuse the absence of Mr. Miller. The motion carried unanimously by voice vote.

Announcements and Committee Reports

Lodging Tax Advisory Committee: The committee report was postponed a week due to Mr. Miller’s absence.

Museum Committee: Ms. Cleland-McGrath reported from the committee meeting the prior week. She advised that the museum would be staging a soft opening at 25% capacity later in the week, that the Maritime Heritage Museum would likely open later in the fall, and that the W.T. Preston would remain closed through the rest of 2020. Ms. Cleland-McGrath reported on progress on the Mural Mitchell Project and other museum projects, and advised that the Thompson Train would be addressed later on agenda.

Fiber Committee: Mr. McDougall advised that the committee would meet later in the week and would report on that meeting at the September 14, 2020 City Council meeting.

Public Comment

Headen Thompson, son of Tommy Thompson, expressed interest in speaking on behalf of Thompson family. Mayor Gere invited Mr. Thompson to address the Council during the discussion of the Tommy Thompson train later on the agenda.

No other members of the public wished to address the Council.

Consent Agenda

Mr. Young removed Item 4b, Approval of Claims, from the Consent Agenda. Mr. Young moved, seconded by Mr. Carter, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of August 24, 2020
- c. Interlocal: Dark Fiber Lease with City of Mount Vernon #20-172-FBR-001

The following vouchers/checks were approved for payment:
EFT numbers: 98014 through 98068, total \$416,588.59
Check numbers: 98069 through 98109, total \$190,066.43
Wire transfer numbers: 282888 through 273398, total \$119,971.01

- b. Approval of Claims in the amount of: \$725,856.15

Mr. Young asked if staff had asked or would consider asking the Governor’s office and the Attorney General if cities could have more leeway to use local purchasing preference as a tool for supporting economic recovery during the pandemic. Ms. Swetnam said she would investigate and report back. Mr. Young moved, seconded by Mr. McDougall, to approve Consent Agenda Item 5b. The motion carried unanimously by voice vote.

OTHER BUSINESS

Ordinance 3075: Revenue Bond

Finance Director Steve Hoglund introduced Ordinance 3075 to authorize a revenue bond issue. He introduced Alice Ostdiek of Stradling Yocca Carlson & Rauth, the city's bond counsel, and Steven Amano of PFM Financial Advisors LLC. Mr. Hoglund summarized the three-part bond issue to provide additional capital funding in the water and sewer utilities and to refund the 2010 water utility bond. Mr. Hoglund referred to his memo in the packet materials.

Ms. Ostdiek explained the ordinance that would authorize the revenue bond. She called Council's attention to Exhibit C which specified the bond issue parameters and reviewed those parameters in some detail. She then explained the mechanics of the bond issue by bid. Mr. Amano addressed the historically low interest rates currently in effect and the timing of the bond issue.

Ms. Ostdiek, Mr. Amano and Mr. Hoglund responded to councilmember questions about interest rates, debt service costs, and the specific capital projects that would be funded by the bond issue. Mayor Gere advised that the ordinance would come back to Council for action at the September 14, 2020 meeting and asked councilmembers to provide any additional questions about the ordinance to staff before that time.

Mr. Walters raised questions about Exhibit A to the draft ordinance and asked that it be revised before it was presented to City Council for action.

Mayor Gere invited members of the virtual audience to comment on this agenda item. No one expressed interest in addressing Council on this agenda item.

Ordinance 3074: Amending Section 1.30.080 of the Anacortes Municipal Code Regarding Executing Contracts for Dark Fiber Leases and Telecommunication Contracts

City Attorney Darcy Swetnam presented Ordinance 3074 for action and reviewed the revisions made to the draft ordinance per the requests from City Council during the first reading of the ordinance on August 24, 2020. She reviewed the revisions in detail. Ms. Swetnam said staff recommended approval of the revised ordinance.

Mr. Walters reported that the Fiber Committee had suggested articulating by resolution or ordinance a policy to constrain the leases Council can approve. Administrative Services Director Emily Schuh said staff would pursue that task with the Fiber Committee at a future committee meeting.

Mr. McDougall moved, seconded by Mr. Young, to adopt Ordinance 3074.

Mayor Gere invited members of the virtual audience to comment on this agenda item. No one expressed interest in addressing Council on this agenda item.

Vote: Ayes – Young, Walters, Cleland-Mcgrath, Moulton, McDougall and Carter. Motion carried.

Thompson Train Purchase Proposals

Ms. Swetnam provided an overview of the status of the Thomas G. Thompson Jr. train, referring to her slide presentation which was added to the packet materials for the meeting. Ms. Swetnam and Museum Director Bret Lunsford responded to questions from Mr. Young regarding the Museum Advisory Board recommendation on the Iwan purchase offer. Councilman Young cautioned and asked questions of Legal Counsel, Council, and Museum staff concerning the Appearance of Fairness Doctrine and the Gifting of Public Funds concerning the process for entertaining Mr. Iwan's offer.

Ms. Swetnam then reviewed the city's process for disposing of assets.

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

Bret Iwan offered to respond to any councilmember questions about his purchase offer. Mr. Iwan addressed a question that had been posed by Mr. Young at the March 9, 2020 City Council meeting, confirming that Anne Thompson had given her full approval to accepting Mr. Iwan's purchase proposal. Mr. Iwan related his conversations with Mrs. Thompson regarding the family's wishes and its disappointment with the care the train had received since it was donated in 2012.

Headen Thompson spoke on behalf of the Thompson family and Anne Thompson. Mr. Thompson read the March 16, 2020 letters from himself and from his mother, Anne Thompson, supporting the sale of the train to Bret Iwan. Both letters had been included in the packet materials. Mr. Thompson clarified that when the Thompson family signed the 2019 MOA it did so with the understanding that the train would be sold specifically to Bret Iwan. Mr. Thompson said it was never the family's intent that any other group would be allowed to purchase or propose other uses for the train. Mr. Thompson said the train was a passionate issue for his family and that it was hurtful to the family that the city was making it all about the money.

Dave Sem, representing the Anacortes Railway Group, presented a summary of the group's prior work with the train and its plans for the train's future. Mr. Sem's slide presentation was added to the packet materials for the meeting. Mr. Sem responded to councilmember questions about hurdles that had prevented the group from operating the train in the past and might continue to do so in the future. Mr. Sem estimated it could take the group 6-12 months to complete a plan to operate the train in Anacortes.

William (Billy) Campbell related his experience bringing the train back to Anacortes after it was donated by the Thompson family in 2012. Mr. Campbell said it would only be fair to give the community a voice and that the train shouldn't just sit in a barn.

No one else expressed interest in addressing Council on this agenda item.

Mayor Gere asked Council to provide direction to staff to accept, reject or ask for more time to consider Mr. Iwan's purchase offer. Each councilmember stated his or her position and preferred next steps. Mayor Gere noted the late hour. She inquired if Mr. Iwan would consider extending the deadline on his purchase offer past September 10, 2020. Mr. Iwan stated that his deadlines were not intended to force decisions or create arbitrary pressure, only to keep the process moving forward. Mr. Iwan indicated he could support an extension of the deadline and asked how long an extension Council requested.

Mr. Walters asked that staff prepare a resolution of surplus, the outline of a purchase agreement that would fulfill the city's obligations under the 2019 MOA, and an independent assessment of the train's value, then bring the matter back for Council consideration in two weeks. Ms. Cleland-McGrath asked that staff also clarify that if the agreements with the Thompson family would allow the train to be sold for static display or only to be operated. Mayor Gere concluded that the matter would come back to Council for consideration and action in the near future.

There being no further business, at approximately 9:10 p.m. the Anacortes City Council meeting of September 8, 2020 was adjourned.