



CITY OF ANACORTES

Laurie Gere, Mayor
904 6th Street Anacortes, WA 98221
www.anacorteswa.gov

Mayor Gere's 2022 Budget Message

Introduction

Honorable City Council and Members of our Community:

I am proud to present the City's 2022 proposed annual budget. Looking forward, we continue our commitment to balance fiscal responsibility while meeting the City Council priorities of public safety, essential services, sound infrastructure, and enriching community programs.

City leadership has worked thoughtfully and cooperatively to create a budget reflecting our community values. The City will continue to provide efficient, quality services while being conscientious of our financial position and in compliance with RCW 35A.33.

In every code city a budget message prepared by or under the direction of the city's chief administrative officer shall be submitted as a part of the preliminary budget to the city's legislative body at east sixty days before the beginning of the city's next fiscal year and shall contain the following:

- (1) An explanation of the budget document;*
- (2) An outline of the recommended financial policies and programs of the city for the ensuing fiscal year;*
- (3) A statement of the relation of the recommended appropriation to such policies and programs;*
- (4) A statement of the reason for salient changes from the previous year in appropriation and revenue items;*
- (5) An explanation for any recommended major changes in financial policy.*

Prior to the final hearing on the budget, the legislative body, or a committee thereof, shall schedule hearings on the budget or parts thereof, and may require the presence of department heads to give information regarding estimates and programs.

Throughout my administration, I have been steadfast in my policy to maintain a rainy-day fund cash reserve in the General Fund. That reserve fund increases or decreases as the City Budget grows or shrinks. For Fiscal Year 2021, that reserve stands at over 5.6 million dollars (\$5,673,733.00) and is available to support general operations. Other operating funds have their own reserves as well; each of the Utility Funds have rainy-day reserves that represent 10 percent



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of that Fund's annual expenditures and currently exceed 2.3 million dollars (\$2,316,406.00). Additionally, the Equipment Rental Fund has over 9 million dollars set aside for future equipment replacement (\$9,033,099.67).

In our continued efforts to encourage open communication with our community, the Finance Department has evaluated several programs to share city finance data format in the coming year.

The module currently being considered is OpenGov, which would meet Council expectations of easier citizen access and more transparency of city financial data, provided in a user friendly, searchable, and graphical format. OpenGov also provides a budgeting platform staff would use in the budget development process, incorporating capital budgeting, and providing long term forecasting options, into the budget process. We will continue our exploration of the best platform to provide this service and look forward to sharing this service with our public.

Public Safety

Anacortes Police Department

Our Police officers are on the front lines. I am grateful for their professionalism and adaptability in the face of new legislative changes. In 2022, the Police Department's funding will focus on technology, training, social services, and supporting our homeless population.

Recent legislation has prompted the need to electronically record custodial interviews with adults for felony offenses and juveniles for any offense starting January 1, 2022. We are acquiring body cameras and data storage to comply with this law and will evaluate the need for an additional Records staff to meet the anticipated increase in public disclosure requests, redaction, and editing of these new records.

Staff will be receiving Patrol Tactics training, De-escalation training as well as Officer Wellness training. Additionally, as we support and care for the most vulnerable in our community, we will continue to fund a social services coordinator and outreach partnerships to help connect people with the services they need.



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Anacortes Fire Department

Our Firefighters, EMS, and Paramedics support our community by responding to emergency situations with integrity every day. They have cultivated partnerships with other agencies and strengthened our community's readiness and reliance. The City is focused on providing staff the tools and resources to keep our Anacortes safe.

The priorities for this upcoming year include various equipment upgrades and replacements. Structural and Wildland Firefighting PPE will be procured for new hires and updated for current staff. Additionally, we are pursuing grant funding for a SAFER grant to fund additional positions.

This year, a partnership with Island Hospital brought about a Community Paramedic Program in Anacortes and the surrounding community. The City will pay 50% of an FTE, approximately \$65,000 in 2022.

We will also replace our ladder truck. This 25-year-old truck is beyond the recommended replacement schedule, and we are taking advantage of the LOCAL program through the State Treasurer's Office, giving us a 10-year fixed rate loan that has a comparatively low interest rate. Additionally, we will work with the museum foundation and the community to fundraise to develop an antique engine display at Fire Station 1 and plan an opening in 2024 to coincide with the centennial of the 1924 engine.

Infrastructure

Access Anacortes Fiber Internet

The 2022 budget reflects a continued investment in the City's fiber optic network expansion which provides high speed internet options for Anacortes businesses and residents. With close to 900 business and residential customers in service and over 1500 orders in queue, the network is generating over \$690k annually. In 2021, the network is expanding to pass an additional 2300 premises on the west end of the city and soon customers will be placed into service. We anticipate 2022 revenues to exceed the cost of operating the network. The cost of building the network is separate from the operations and the City is exploring both debt service options and grant funding opportunities to pay for this community infrastructure investment.



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The City has secured a \$2.25M grant from the Economic Development Administration to partially fund expansion of the network east of A Avenue, backfilling gaps in our current service area and passing 1,815 premises. These federal funds come with complex conditions to meet the granting agency's requirements. The timing of the construction project is dependent upon satisfying these requirements.

The area between Anacopper Mine Road and A Avenue will be constructed during 2022, passing an additional 875 homes and businesses. This is projected to cost \$2.58M. The City is actively pursuing grant opportunities to offset the costs.

When I was elected Mayor, I heard from many concerned businesses and residents about the need for better internet options. Anacortes became the first city in the State of Washington to operate as an internet service provider. This was a courageous venture and I appreciate our City Councilmembers' continued commitment to this endeavor. I am excited to see the network expand to pass every home and business within the City of Anacortes. I truly believe that this is an important investment in our community's future.

Public Works

Public Works is the City's largest department and is responsible for managing critical services such as our streets, water, sewer, and stormwater lines. They ensure the safe production and distribution of water to the region; along with maintaining the City's vehicle fleet; and providing the necessary support of City-owned buildings. This department provides uninterrupted, high-quality, customer service all while prioritizing resource conservation

As Anacortes continues to see new construction and growth, we will study the impact on utility-based infrastructure and will implement appropriate models for water and storm utilities.

My ongoing priority as always remains taking care of our streets. We have made consistent progress on improving our Pavement Condition Index for our street system. Presently, we are concentrating on our high-volume arterial street system.

Design work will continue the grant funded South Commercial Avenue Corridor and the R Avenue improvement projects. These projects build on our ongoing efforts to improve the safety of State Route 20 as it enters Anacortes and runs through our central business district, to our deep-water port, and extending to the Washington State Ferry terminal serving the San Juan Islands and Sydney B.C.

The City also continues work on a new Sewer Outfall. The current schedule anticipates completion of this project in 2022 with a budget of \$19.5 million.



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In the Water Utility, \$2 million has been budgeted for critical work on water line infrastructure in the Pass Lake area. We have also dedicated \$500,000 for telemetry expansion in the South Fidalgo service area.

Essential Services

Planning, Community, and Economic Development

The Planning, Community, and Economic Development department is tasked with supporting the community's vision for our future as outlined in the Anacortes Comprehensive Plan. The values defining our work include sustainability and preservation, economic vitality, and providing a supported and connected community.

With those values in mind, we continue our focus on the implementation of our Shoreline Master Program and the work we have begun with the Watershed Company and critical areas updates with Geoengineers. Critical Areas are identified as environmentally sensitive areas protected through regulations. We have implemented an online interactive map where the public may access information about their property and/or the surrounding areas. The City Planning Department can then provide support, information, and permitting guidance for critical areas.

We also continue our efforts to provide seamless service from City Hall by eliminating what was once an entirely paper-based system to a digital permitting process. We are excited to continue finding new ways to improve efficiencies and best serve our constituents.

In our ongoing support of maritime industry, we will install Travel Lift pier floats at the City owned dock. In our CFP we include the Creosote Pile and Treated Wood replacement, which is a requirement per the City's lease requirements and supports our goals of environmental stewardship.

In accordance with the Anacortes Comprehensive Plan, Council has adopted new development regulations to support housing affordability and diversity policies. These include new standards for smaller housing types and new affordable housing provisions and incentives. These changes aim to increase opportunities for our citizens to secure housing that is safe and affordable. These are living documents, and they will be updated as needed.



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Municipal Court and Public Defense

The City employs a court administrator and two court clerks while contracting with Skagit County District Court for Judicial Services. The Municipal Court is responsible for processing infractions and citations in violation of city ordinances and state statutes issued by the Anacortes Police Department. The Municipal Court has a duty to set cases for arraignments, hearings, probation revocations, and trial. The Municipal Court also provides a Community Court, which is a non-traditional system that works to address the root cause giving rise to criminal behavior. In 2022, the City will contribute \$7800 toward the cost of the Community Court.

The City employs a full-time public defender and legal assistant to meet the state-mandated standards for delivery of public defense services. This budget maintains the commitment to continue to serve this community to the highest standards.

Both the Anacortes Municipal Court and the Public Defender's Office are evaluating the impacts of the Washington State Supreme Court decision in *State v. Blake*. The Blake decision invalidated Washington's strict liability making drug possession cases much more difficult to prosecute. As a result, the Municipal Court will hear cases previously heard by the County Superior Court.

City Business

City Attorney's Office

The role of the City Attorney's Office is to provide in-house counsel to City leaders and staff, ensuring the City meets the highest legal standards. As the work in the City Attorney's Office continues to grow, the department has added an additional Legal Assistant to support the City Attorney and Contract Specialist.

In 2022, the City Attorney's Office will build on City processes for responding to public records requests to promote transparency and ensure compliance with information requests.



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Human Resources

The Human Resources department is now staffed with a Human Resources Manager and a Human Resources Generalist in addition to continued departmental support from the Administrative Services Director.

This year a compensation study is being completed to evaluate the wages of elected and non-union employees in relation to comparable sized agencies. Action may be necessary in 2022 and beyond to address wages for specific classifications to better align with the market.

Collective bargaining is underway with the International Association of Firefighters Local 1537 and the Anacortes Police Guild units. Later this year, the Teamster Local 231 bargaining agreement will be reopened to address 2022 wage adjustments. The City is utilizing an outside attorney to assist with the collective bargaining process.

Civil Service responsibilities in the Human Resources department will increase in 2022 with the requirement to plan and host promotional testing processes in both the police and fire departments.

Information Systems and Technology

The Information Systems and Technology division supports computing and networking requirements playing a vital role in keeping the City's business moving forward. The work of this division is crucial to every department's success and essential to ensure stability and security of city networks. Each year there is an increase in the number of systems the IS/T division is responsible for with new hardware and software requirements.

The division is funded through departmental interfund charges. Each department's funding allocation is based on the number of "nodes" that each department utilizes. The interfund charges support the department's operating costs and equipment replacements costs. In 2021 hardware replacements were deferred apart from police equipment. The 2022 budget includes the hardware replacements that were previously deferred.



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The 2022 budget includes funding to prioritize our server infrastructure and storage, network stability, and cybersecurity preparedness. The division will implement system enhancements to detect sophisticated threats and streamline privacy compliance, employ increased protection of sensitive data, and focus on system improvements including 2 factor authentication, implementing an email retention policy, and a robust VPN solution to better accommodate remote workers and IT training.

Enrichment

Parks and Recreation

The Parks and Recreation department is industrious and innovative in their approach to maintaining and caring for our parks and forest lands. One of the hallmarks of our community is outdoor recreation, and the 2022 budget continues a commitment to quality of life through these enrichment opportunities.

In 2022, we are rebuilding staff to pre-pandemic levels. The parks and local trails are an important destination for people seeking exercise and solace during the pandemic, full staffing will help us care for and maintain our recreation facilities.

In addition to taking care of what we have, the department is building new amenities. The expansion of Grand View Cemetery is approaching completion with final touches to be added in 2022. New restrooms are planned for next year near the playground at Washington Park. We are also working with our partners at the Samish Nation on improving the health of Fidalgo Bay through research grants to remove creosote pilings on the Thompson Trail Trestle.

Our recreation programs are back in full swing with over 500 youths in our city soccer leagues. In 2022, we will continue to offer our pee wee sports camps for ages 4-6 to learn and enjoy soccer, basketball, and baseball. Our youth basketball and volleyball leagues and events like the Egg Dash, Kids R Best Fest and Bark in the Park will provide fun and community engagement in the year ahead.



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Senior Activity Center

The Senior Activity Center reopened on July 6, 2021. We are currently operating at approximately 50% capacity, welcoming an average of 60 visitors each day. We also offer several well attended virtual programs. In partnership with Skagit County, Meals on Wheels are provided from the Center's kitchen. Under the guidance of our new Administrator, Karl Wolfswinkel, the Center continues to provide outreach, enrichment, and support for our Seniors.

Library

Our library staff are knowledgeable and creative and have been welcoming the public once again into this vital community space. In 2022 we look forward to cultivating physical and electronic collections and continuing to provide both onsite and virtual programming to our citizens.

Library managers will be participating in the Public Library Association (PLA) conference, giving our team the opportunity to learn together and bring current and emerging best practices back to our staff.

Providing a safe and supportive learning community for children and teens is a priority for our library. We will continue to provide relevant and collaborative programming supporting our youth.

The library will partner in fundraising efforts with the Library Foundation and Friends while continuing to explore grant opportunities to enrich and enhance our offerings.

Museum

The Anacortes Museum will continue its efforts to expand engagement on their increasingly in-demand digital platforms. The museum website now hosts more than 70,000 archived photographs, rare historical footage, and new documentary projects.

Committed to equity and inclusion, the museum is reinforcing its efforts to research and record the histories of citizens from diverse ethnic backgrounds to ensure all stories are represented in our shared history.



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This department will also build on their collaboration with the Anacortes Museum Foundation to fund restoration work on the Anacortes Mural Project. Repairs to the deck of the W.T. Preston will also take place in 2022. The Anacortes Museum continues to focus on the high level of customer service and being dedicated stewards of our community's history.

Conclusion

The global pandemic of COVID-19 has forever changed our way of life and our way of doing business. As a City, we have led with resilience, steadfast in our commitment to fiscal responsibility and transparency to our citizens.

This budget was built with an eye to the future -- we see the long-term benefit of our fiber program to provide critical and equitable access for all residents, infrastructure that supports the changing housing landscape, and the importance of enrichment opportunities that enhance the quality of life and make our home such a special place. I am exceedingly proud of our leadership team that created a budget that meets the priorities of our Council while being mindful of fiscal responsibility and the trust given us by our citizens.

My perennial focus is to envision the needs of the City long term, making decisions that will benefit our community's future. The 2022 budget reflects this unwavering pledge to provide the highest caliber services to each resident.