

**HAINES BOROUGH ASSEMBLY
REGULAR MEETING MINUTES
JANUARY 7, 2003**

1. **CALL TO ORDER:** Mayor **CASE** called the meeting to order at 6:30 p.m. in the Assembly Chambers of the Municipal Building.
2. **PLEDGE TO FLAG:** Led by the Mayor.
3. **ROLL CALL: Present:** Mayor Mike **CASE**, Assembly Members Chip **LENDE**, Douglas **OLERUD**, Lucy **HARRELL**, Jerry **LAPP**, Debra **SCHNABEL** and Stephanie **SCOTT**.

Staff Present: Vince **HANSEN**/Borough Manager, Susan **JOHNSTON**/Borough Clerk, Robert **VENABLES**/Economic Development Director, Greg **RICHMOND**/Acting Borough CFO, Cynthia **JONES**/Museum Curator and Scott **HANSEN**/Planning and Zoning.

Visitors Present: Doug **FINE**/KHNS, Steve **WILLIAMS**/CVN, Fred **GRAY**, Ray **MENAKER**, Jila **HADJANI** and others.

4. **APPROVAL OF AGENDA/CONSENT AGENDA:**

The following changes were made to the Agenda: Add discussion of regular meeting dates under New Business. Add 7.B. Museum Hire.

M/S OLERUD/SCOTT Motion to approve the agenda as amended.

Motion carried unanimously.

- * 5. **MINUTES OF PREVIOUS MEETINGS:** December 17, 2002
6. **AUDIENCE PARTICIPATION/APPEARANCE REQUESTS:** NONE
7. **MAYOR'S REPORT:**

A. Financial Reports

The Mayor called on the C.F.O. to give an update on financial reports. **RICHMOND** stated that they are inputting data and hope to have financial reports through the end of December ready for the Assembly by the next meeting. The financial consultant is in town and they are tweaking the reports.

7. MAYOR'S REPORT:

B. General Subjects

The Mayor has spoken with Tim **BOURCY** in Skagway about the possibility of forming a regional fast ferry authority.

The Wards Cove situation will be discussed under Committee Reports.

The moving of the Borough offices into the old library building is being discussed. There is no hurry as the lease on the Willard Street building will not expire for some time. There is \$75,000 for building rehabilitation to make the old library a fit for the Administrative employees, but there is a problem with the fire suppression system that must be corrected first and will be costly. **LENDE** suggested working with the school board. There may be some room in a school building for some Borough employees.

The Legal Transition Committee meeting may be delayed until next Tuesday, the 14th.

The new recommendations for the helicopter SUD may be coming out by the end of next week.

Holland America may cut eight cruise ships from Haines to go to Skagway next summer. The Manager and staff have been in touch with representative of Holland America about this possibility.

The petition for the repeal of the tour tax was short 11 legible signatures and was sent back out to the initiator, who has 11 days to return it with the additional signatures.

The Mayor stated that he has been contacted about the possibility of the Borough "stimulating" the transfer of the Army Tank farm from the Army to another party.

C. Museum Hire

The Museum Board recommended hiring Shori **LONG** as the Museum Operations Facilitator. The Borough Assembly approves hires for the Museum and Library.

M/S **LENDE/LAPP** Motion to approve the hiring of Shori **LONG** as Museum Operations Facilitator.

7. MAYOR'S REPORT: (cont.)

C. Museum Hire (cont.)

OLERUD asked if this position was absolutely necessary. The Mayor explained that this person is the museum janitor, store manager and volunteer coordinator and it is a very important position.

Cynthia **JONES**, Museum Curator, stated that this is a critical and key position. They have actually hired a temporary person to fill in until the new permanent hire can be made. Two position were actually combined into this one in an earlier attempt at money-savings.

Motion carried with **OLERUD** opposed.

8. PUBLIC HEARINGS: NONE

9. REPORTS OF CITY OFFICERS/DEPARTMENT HEADS:

A. Borough Manager

1) Overview/Status

The Manager thanked the Assembly for hiring him and putting their confidence in him. He is concentrating on the four areas delineated in his hire offer: Continued cost-effective management of Borough operations, mitigation of negative economic impacts and developing economic opportunities, getting approval for and finding funding for the Boat Harbor Expansion Project and obtaining additional transition funding.

The transition committees worked very hard and with Marco and Linda gone, it will be difficult to tie it all up; however, the process is ongoing.

The Manager has been working with Economic Development staff in developing an economic development opportunity action list.

The meeting set in Anchorage to discuss the Boat Harbor Expansion Project may not be necessary as the Alaska Corps of Engineers is firmly behind the project and is working to convince the Feds.

Consolidation transition funding will be discussed later in the meeting.

9. REPORTS OF CITY OFFICERS/DEPARTMENT HEADS: (cont.)

A. Borough Manager (cont.)

2) Lutak Dock Project

The project is nearing completion. There are substantial cost overruns and the Manager will be negotiating these overruns with the contractor later this week. Dredging and surface work will be completed in the Spring. The cathodic protection system will be non-electrical and there will be a regular schedule set up for sacrificial anode replacement.

3) Set Date of **GILMAN** Nuisance Appeal

The Assembly agreed to hear the **GILMAN** appeal at the second meeting in January. Staff will check with Mr. **GILMAN** to be sure he can make the meeting on the 21st as he probably thinks it will be on the 28th.

4) Local 71 Contract Negotiations

The 2002 contract has been extended without change until a new contract can be negotiated. Old City employees may be included in the new contract should they choose to join the union. The Manager will contact Local 71 to encourage contract negotiations.

5) Approval Request - Grant Expenditures

- a) People Mover
- b) Tourism Vehicle

The Manager asked the Assembly's permission to change the purchase of the golf-cart style vehicle for a mini-van so that the vehicle will be usable year-round as a Tourism Department vehicle. A used van could be purchased for about the same amount as the "people mover". The Assembly had concerns about the congestion at the dock with a full-size vehicle.

It was suggested that school vehicles could be utilized for this purpose. The Manager stated they are too large. Other problems were discussed briefly. The Mayor asked the Manager to bring back a report showing alternatives and trade-offs with costs justified.

9. REPORTS OF CITY OFFICERS/DEPARTMENT HEADS: (cont.)

A. Borough Manager (cont.)

6) New Hire

Nicole **WILSON** has been hired as the new police dispatcher.

*B. Borough Clerk

- *1) ABC Board Liquor License Renewal
Haines Brewing Company

C. Borough C.F.O.

- 1) Property Tax Relief Request - **BERTROCH**

The Assembly reviewed a request from Karen **BERTROCH** for property tax relief on property she recently had to foreclose on in Haines. The CFO checked with the State Assessor's office and was told that the Assembly could forgive penalties and court costs, but could not change past assessments or forgive taxes or interest accrued. According to Peter **FREER** of the D.C.E.D. this has never been done before to his knowledge.

The Mayor stated that in its current condition, the property is unusable. He asked if the assessment could be reduced this year. The acting Assessor, Karen **HARVEY**, is doing a new assessment this week. **SCHNABEL** asked if the Borough could work up a payment schedule for the amount owing. The Mayor stated that he would have Karen take care of it. There was no further action on this request.

D. Economic Development - Written Report

LENDE asked what was being done about the Ward's Cove closure. Economic Development Director **VENABLES** stated he has been in contact with Zachary **SCOTT**, Ward's Cove's representative and is waiting to hear back from him. Mr. **SCOTT** is like a broker - he is trying to get the best deal for his client. He will be contacting the Borough with more information.

SCOTT and **SCHNABEL** wanted more specifics about what types of help the Borough could offer. The Mayor stated that the Borough is asking what type of help is needed, but not making any specific offers at this time.

9. REPORTS OF CITY OFFICERS/DEPARTMENT HEADS: (cont.)

- E. Police Chief - NONE
- F. Library - NONE
- G. Museum - NONE
- H. Public Works - NONE
- I. Water/Sewer - NONE
- J. Fire/EMS - NONE
- K. Harbors - NONE

10. BIDS/PROPOSALS RECEIVED: NONE

11. REPORTS OF STANDING COMMITTEES/COMMISSIONS:

- A. Committee Of the Whole - Manager Hire

The Mayor reported that the C.O.W. met and discussed Manager recruitment. They drafted an ad and discussed the procedure they want staff to follow. They will be updating the job description and looking at the salary range. There are already four people who have expressed interest in the position.

12. REPORTS OF SPECIAL COMMITTEES:

- A. Boat Harbor Expansion Committee

The Committee met to discuss the Boat Harbor Expansion and prepare for the scheduled January 14th meeting in Anchorage. The Manager told the Committee this meeting may not take place. The Anchorage Corps of Engineers is supporting the project. They are working to convince the Federal branch. They may convince them, issue their final report and move to the next phase. Indications are favorable.

- B. Fisheries Committee - Wards Cove Response

Notes from the meeting were distributed to the Assembly. **OLERUD** had hoped there was a possibility of the fishery being able to bring their product through Haines, but has been told it is too far and too expensive. Unless the Excursion Inlet (Ward's Cove) facility is bought by another company and re-opened, the Haines Borough will lose the fish tax revenue it has been getting. The committee discussed the Borough purchasing the Haines Packing property at Letnikof Cove, subdividing it and selling it to refurbish the Haines Packing facility there and re-open it or lease it out.

12. REPORTS OF SPECIAL COMMITTEES: (cont.)

B. Fisheries Committee - Wards Cove Response (cont.)

LENDE stated that the Borough needs to be contacting all the permit holders in Haines to find out what their needs and plans are. Maybe they will have some suggestions that would help in the decision making. Ask them where they are fishing, if they are keeping their permits or selling out, etc. He felt the Borough needs to be aggressive - not wait for the State to study the situation. **OLERUD** stated that there may be no choice but to wait. Until Wards Cove has a plan, everyone is waiting to make theirs. The Mayor stated that staff can contact the permit holders and offer support and ask for suggestions in any case.

SCHNABEL stated that this is the time for Haines to consider developing its own market for fish. Find out what is needed. If it's more ice, look into building a facility to provide it. **LAPP** stated that the Borough helped Stan **WOOD** get an ice machine and he is currently looking to get a bigger one. **OLERUD** stated that there is enough ice, but no storage facility.

SCOTT stated that the Borough should contact the fishermen and show them that Haines is their community - they are respected here and the community wants them to stay here.

13. CONSIDERATION OF RESOLUTIONS, PETITIONS AND MEMORIALS:

A. RESOLUTION NO. 02-12-008

A RESOLUTION OF THE BOROUGH ASSEMBLY OF THE HAINES BOROUGH, ALASKA, CERTIFYING THAT THE FORMER HAINES BOROUGH DID SUFFER SIGNIFICANT EFFECTS DURING THE PROGRAM BASE YEAR FROM FISHERIES BUSINESS ACTIVITIES THAT OCCURRED WITHIN THE NORTHERN SOUTHEAST FISHERIES MANAGEMENT AREA.

M/S OLERUD/HARRELL Motion to adopt Resolution No. 02-12-008.

Motion carried unanimously on a roll call vote.

B. RESOLUTION NO. 03-01-009

A RESOLUTION OF THE BOROUGH ASSEMBLY OF THE HAINES BOROUGH, ALASKA, IN SUPPORT OF STATE TRANSPORTATION IMPROVEMENT PROJECTS.

13. CONSIDERATION OF RESOLUTIONS, PETITIONS AND MEMORIALS:

B. RESOLUTION NO. 03-01-009 (cont.)

M/S OLERUD/SCHNABEL Motion to adopt Resolution No. 02-12-009.

The Assembly briefly discussed the priority list and why it is in the order it is in.

Motion carried unanimously on a roll call vote.

14. CONSIDERATION OF ORDINANCES PROPOSED FOR INTRODUCTION:

A. ORDINANCE NO. 03-02-004

AN ORDINANCE OF THE HAINES BOROUGH APPROPRIATING FUNDS FOR LOBBYING FOR CONSOLIDATION TRANSITION ASSISTANCE FUNDING.

M/S OLERUD/HARRELL Motion to introduce Ordinance 03-02-004 and set it for first public hearing January 21, 2003.

HARRELL stated that when she was with the delegation in Juneau that lobbied for the first \$200,000, they were told that if the Borough could justify it, there may be another \$200,000 available. **SCHNABEL** asked if a lobbyist would be hired. The Manager stated that some lobbying would be by staff, but a contract lobbyist would be hired to do the day-to-day lobbying.

The manager asked the Assembly to approve his hiring a lobbyist as a sole-source supplier and use the same lobbyist as last time as he is familiar with Haines and the consolidation efforts.

M/S SCHNABEL/SCOTT Motion to amend Ordinance 03-02-004 by the addition of the words "and other purposes" following the words "...consolidation assistance funding" in the first sentence under number 1.

Motion to amend carried unanimously.

Main motion carried unanimously.

M/S OLERUD/HARRELL To authorize the Manager to sole-source the lobbyist professional services contract for \$25,000.

Motion carried unanimously.

14. CONSIDERATION OF ORDINANCES PROPOSED FOR INTRODUCTION:

B. ORDINANCE NO. 03-02-005

AN ORDINANCE OF THE HAINES BOROUGH TO APPROPRIATE GRANT FUNDS RECEIVED FROM THE LEGISLATURE FOR CONSOLIDATION TRANSITION EXPENSES.

M/S OLERUD/SCOTT Motion to introduce Ordinance 03-02-005 and set it for first public hearing January 21, 2003.

Motion carried unanimously.

C. ORDINANCE NO. 03-02-006

AN ORDINANCE OF THE HAINES BOROUGH TO APPROPRIATE D.C.E.D. MINI-GRANT FUNDS RECEIVED FOR THE HAINES CONVENTION CENTER FEASIBILITY STUDY.

M/S OLERUD/SCOTT Motion to introduce Ordinance 03-02-006 and set it for first public hearing January 21, 2003.

LENDE asked what the Borough is looking for with this grant. **SCHNABEL**, who worked on the original grant with the Chilkoot Indian Association, stated that what was being asked for was under what conditions could a convention facility be feasible in Haines. **LENDE** stated that McDowell has looked at convention centers in Haines. He wants to be sure the Borough gets new information - not duplication. He is hoping that there will be information on how Haines can develop the community in order to justify having a convention center.

The Manager stated that proposals have been solicited for and received. They are awaiting evaluation at this time. **LENDE** said that the new study should answer questions the Borough needs answered and not just yes or no. If it's yes, explain how to promote it - if it's no, explain what to do to make it feasible.

Motion carried unanimously.

15. CORRESPONDENCE: NONE

16. OLD BUSINESS:

A. Borough Organizational Chart

The Mayor explained the changes he made to the organizational chart, including changing the Assessor/Assistant Borough Clerk to Assessor/Lands Manager. The duties under this position were expanded to include oversight of the Youth Services Coordinator, Planning & Zoning Technician and Chilkat Center. He left in the position of Executive Assistant, but does not intend to fill it unless it can be justified.

OLERUD asked the Mayor to explain "empowered boards" again. Who negotiates employment contracts and deals with problems? The Mayor stated this is all handled by the Board in the current structure. **OLERUD** stated he felt the Manager should be in this somewhere. **LAPP** stated that the Manager is the personnel officer and all employees should answer to the Manager, not the board. **LENDE** stated that he felt the boards should handle the day-to-day operations but the employees should answer to the Manager, especially if there are problems the boards are not able to handle. The Mayor stated that this would require a code change to implement.

SCHNABEL stated that the manner of funding the Museum and Library supports a "hands off" management. **LENDE** stated that if the employees are not answerable to the Manager, then maybe they should be Museum employees and Library employees and not Borough employees. **OLERUD** stated that if they want to be Borough employees they should answer to the Manager. The current method makes two classes of employees in the Borough structure.

LENDE stated he wanted to hear from the boards. He asked that the Assembly meet with the boards to address this issue. **SCOTT** suggested the Manager could delegate some of his responsibility to the boards as a compromise. Frame it more as "support" than "problem resolution". Let them know that the Manager is available to offer his services as the personnel manager. **HARRELL** stated that it could be worked as an appeal process. **SCHNABEL** stated that she has been impressed with the boards' actions in the past, but the management structure should be addressed. The Mayor will contact the boards to arrange a meeting.

OLERUD asked if the Borough now has a full-time Assessor/Lands Manager.

16. OLD BUSINESS: (cont.)

A. Borough Organizational Chart (cont.)

The Mayor has asked Karen **HARVEY** to step in as acting Assessor as he was becoming concerned about the gaps found in the assessment rolls. **OLERUD** was concerned about using the Assessor/Lands Manager to assist the Clerk - they are two different types of positions and after Karen leaves, the new Assessor may not have those same skills. The Manager stated that in the current situation, Karen is assisting with some Clerk duties, but is phasing out of those. The Assessor/Lands Manager wage is consistent with her current wage, so there is no fiscal impact.

LAPP pointed out that the organizational chart is not cast in stone and can be changed in the future. He said he felt it looked good for a starting point.

The Mayor stated that the organization chart is hereby adopted by default as the Charter states it will be effective upon the third presentation. He stated that it will remain a flexible document.

17. NEW BUSINESS:

A. Re-evaluate Regular Meeting Dates

Assembly Member **OLERUD** asked if the Assembly would consider changing the regular meetings to a schedule that can be kept and settled on. The second and fourth Tuesdays are obviously not working well. The meetings are being re-scheduled too often. After considerable discussion, it was decided to hold regular meetings on the first and third Wednesdays of each month beginning in February.

18. SET COMMITTEE MEETING DATES:

A. New Borough Logo Committee - The Mayor and Assembly Member **LAPP** will meet to discuss the new Borough logo, time and place to be decided.

B. Personnel - 1/15/03 at Noon to work on the Manager's job description and discuss Union Local 71 issues.

C. Finance - 6:00 p.m. before the second Assembly meeting of each month unless cancelled by the chair.

19. ASSEMBLY MEMBER COMMENTS:

- A. Assembly Member **SCOTT** thanked the Clerk for the open meetings act information she provided.
- B. Assembly Member **SCHNABEL** reminded everyone of the open house at the Convention and Visitor's Bureau Wednesday at 4:00 p.m.

20. ADJOURNMENT:

M/S OLERUD/LENDE Motion to adjourn.

Motion carried unanimously

Meeting adjourned at 8:55 p.m.

ATTEST:

Mike **CASE**, Borough Mayor

Susan V. **JOHNSTON**, CMC, Borough Clerk

S E A L: