

**HAINES BOROUGH ASSEMBLY MINUTES
REGULAR MEETING #30
NOVEMBER 5, 2003 - 6:00 p.m.**

1. **Call To Order**: Mayor Mike **CASE** called the meeting to order at 6:03 p.m. in the Assembly Chambers of the Municipal Building.
2. **Pledge To Flag**: Led by Mayor **CASE**.
3. **Oaths of Office**:
 1. **Julie Cozzi** - Borough Clerk
 2. **Keith Bettridge** - Borough Manager
 3. **Norm Smith** - Assembly Member, Seat D
 4. **Stephanie Scott** - Assembly Member, Seat A
4. **ROLL CALL Present**: Mayor Mike **CASE** and Assembly Members **Norm SMITH**, Jerry **LAPP**, Stephanie **SCOTT**, Lucy **HARRELL**, Douglas **OLERUD**, and Debra **SCHNABEL**.

Staff Present: Julie **COZZI**/Borough Clerk, Keith **BETTRIDGE**/Borough Manager, Gregg **RICHMOND**, and Michelle **GLASS**/Tourism Director.

Visitors Present: Todd **SEBENS**/KHNS, Scott **SUNDBERG**, Steve **WILLIAMS**/CVN, Sean **BROWNELL**, Carolyn **WEISHAHN**, Tim **JUNE**, Bill **HAGEN**, Jim **WILSON**, and Molly **WILSON**.

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

M/S **OLERUD/LAPP** Motion to approve the Consent Agenda.

SCHNABEL asked to amend the agenda to add a discussion of the Helicopter SUD to Old Business. There were no objections to the amendment.

The motion carried unanimously.

6. **Minutes Of Previous Meetings**: October 14, 2003 Regular Meeting

7. **Executive Session** - to discuss labor negotiations

M/S **OLERUD/LAPP** Motion to go into Executive Session.

The motion carried unanimously.

The Executive Session lasted 39 minutes.

M/S **LAPP/HARRELL** Motion to reconvene regular meeting.

The motion carried unanimously.

8. **Audience Participation/Appearance Requests**:

Mayor **CASE** opened the audience participation portion of the meeting at 6:45pm.

Scott SUNDBERG re. Helicopter SUD

SUNDBERG referred the Assembly to the information he had provided in the meeting packets. He read his letter to the Assembly and summarized the information regarding the input DNR received during the public comment periods. He asked that the Ferebee and Upper Chilkoot areas be reinstated in the SUD and said that he "was directed by the DNR Commissioner to bring his concerns to the Assembly" during the reconsideration period. He also said "everyone is aware that there are still concerns on both sides."

Carolyn **WEISHAHN** said that the focus of the DNR reconsideration period is for "reviewing the revisions the Assembly asked for in December 2002. The Assembly asked for three specific changes. They are now in the SUD (formatted in bold italics) and should be reviewed to make sure that they are stated the way the Assembly had intended. A long give and take process should now be finalized so that managed heliskiing can happen this next season."

Sean **BROWNELL** talked about the hardships the industry experienced during the previous season. The area "went from a season of 3 helicopters and lots of customers to a season of 1 helicopter and a lot fewer customers. This is the worst possible time for this issue to resurface. People are nervous."

Jim **WILSON** referred to his time on the former Borough Assembly when the issue was being dealt with. He handed out copies of letters of concern he had written to them last year. He said that "several years ago when the community was wrestling with whether or not to even allow heliskiing in the valley, the industry proponents offered to be managed within certain boundaries." He asked the Assembly "to hold the line to encroaching proponents."

Tim **JUNE** asked the Assembly "to continue with the process, making sure that the SUD reflects the changes from last spring. One reason the Ferebee was removed was because it has a high goat population. Fish & Game and BLM asked for the Ferebee to be a control area for studying impacts." He believes "the industry will have to learn to cope with it" and encouraged the Assembly "to do their job."

Bill **HAGEN** said regarding the Heliskiing issue that "once you start losing customers, you keep losing them. It is difficult to keep them during uncertainty." Mr. Hagen diverted from the topic at hand to make personal comments about Assembly member **SCHNABEL**, and the Mayor asked him to stop.

Hearing no more comments, Mayor **CASE** closed the Audience Participation portion of the meeting at 7:05pm.

9. Mayor's Comments/Report:

• **Strategic Plan**

SCHNABEL suggested that the Mayor give the Assembly members an assignment to put their concerns and issues in writing to facilitate the strategic planning process. **SCOTT** asked if the Assembly would do the strategic planning with public input. Mayor **CASE** said that the Assembly would come up with the strategic plan with the public welcome to observe. **SCHNABEL** said that she is "aware of some very good strategic plans on shelves. A lot of the planning has already happened." She suggested that "in addition to answering questions regarding scope and participation that all of the plans be pulled off the shelves and referred to." Mayor **CASE** said he wants a strategic plan complete with actual assignments and timelines---something he believes is lacking in other plans. He asked the Assembly members to give him feedback before the next meeting.

• **AML Conference in Nome**

Mayor **CASE** announced those attending the conference in addition to himself: Lucy Harrell, Stephanie Scott, Keith Bettridge, and Julie Cozzi.

8. Public Hearings:

ORDINANCE 03-10-032 (First Public Hearing)

AN ORDINANCE OF THE HAINES BOROUGH APPROPRIATING A \$20,600 GRANT FROM THE US DEPARTMENT OF INTERIOR, FISH & WILDLIFE SERVICE, FOR ONGOING RESTORATION OF SAWMILL CREEK AND TO BUDGET THE IN-KIND REQUIRED MATCH OF \$20,500.

Mayor **CASE** opened and closed the public hearing at 7:13pm. There was no public comment.

M/S **OLERUD/LAPP** Motion to set Ordinance 03-10-032 for its second public hearing on 11/19/2003.

SCHNABEL asked about the prior fiscal year expenditures shown in the budget detail. **RICHMOND** explained that the grantor does not look at fiscal years like we do; they don't care when the expenses occurred.

The motion carried unanimously.

9. Reports Of Borough Officers/Department Heads:

A. Manager

1. Porcupine Road Update

BETTRIDGE reported that the Dalton Trail Road Maintenance Service Area Board met and discussed the issue. Additionally

he met with Mr. **SCHNABEL** regarding monies allocated by the former Haines Borough during a previous year. "Those monies are not in this year's budget and would need to be reappropriated if that is the desire of the Assembly." **BETTRIDGE** said that he would be working with Robert **VENABLES** and Mr. **SCHNABEL** on costs and plans. **LAPP** asked if the Borough is still looking at taking possession of Porcupine Road. **BETTRIDGE** said that he understands that to be the case. **LAPP** asked if we could ask the State to pay for the survey prior to the property transfer.

SCOTT said that "efforts should be made to have the Dalton Trail listed in the Federal Registry" and wonders how to make it happen. Mayor **CASE** said that the Museum and the Historical Society will be asked to help in the effort but staff can certainly spearhead it. **LAPP** said that a letter was sent to Senator Frank Murkowski in May 2002 asking for this to be considered. **SCOTT** said that "we need to wake it up."

2. Tax Cap Effective Date

BETTRIDGE said that the matter was reviewed by Borough attorneys who said that State law requires the tax rate to be in effect by June 15th each year. Therefore, the effective date of the tax cap ordinance is June 15, 2004.

3. Finance Department

BETTRIDGE reported that the audit is completed. **RICHMOND** said that the report is not in yet; there are "a lot of loose ends to deal with." He said the finance staff did a great job including the new Controller, Bob **KLING**.

10. Bids/Proposals Received:

A. Snow Removal Bids

M/S **OLERUD/LAPP** Motion to accept all apparent low bidders.

The Motion carried unanimously on a roll call vote.

B. Administrative Offices Remodel Bids

BETTRIDGE reported that two bids were received, and the apparent low bidder is Stickler Construction with the bids differing by \$4,000. The other bidder was Northern Construction. **BETTRIDGE** and Bruce **SMITH**/Public Works Superintendent have begun a process of negotiating with the low bidder and **RICHMOND** is continuing to look at funding options for the additional amount. Additionally, the apparent low bidder's detail has been forwarded to the architect and **BETTRIDGE** is awaiting her comments.

SCHNABEL suggested that the manager request that the USDA review our situation and consider an allowance of more funds. She said she "believes it is defensible because when the Library Board went to the USDA, they wrote into the grant that it was a two-fold component project---the new library and the new administrative offices. In no way was the administrative office meant to be downplayed." **SCHNABEL** believes "that the USDA would be very willing to review it and find that the project warrants additional money. After all, they were the ones that required the architectural portion. They had already approved the initial grant and project application that lined out the renovation of the former library. Now that the bids are in, we can go back to the grantor." Mayor **CASE** said that he doesn't "want to downplay the importance of going back to the USDA," but believes "that time is of the essence." **SMITH** requested clarification of the project's timeline and the lease termination of the Willard Street office. **CASE** explained that the lease terminates the end of November but has been extended to the end of December with the possibility of an additional month.

LAPP suggested the Denali Commission as another possible source of funds saying that "they are looking for projects." **SCHNABEL** said that the funding is for a "multi-use building" and that 11/19/2003 is the deadline for applying.

OLERUD stated that he believes "it is a waste of money" even though he understands that the architectural fees and Davis-Bacon wages are responsible for the high bid. **SCHNABEL** asked if the USDA asked for the architect to be involved and to approve the design. Mayor **CASE** said he believed that to be the case and asked the manager "to provide by next meeting a full accounting of expenses to date since this process began while Marco was alive."

SCHNABEL asked what design changes could be made. Mayor **CASE** reminded the Assembly that they are the ones who decided that it was a good idea to raise the floor. There was no choice on the bathroom renovation because of ADA requirements. He asked the Assembly to "keep in mind that Willard Street has to be vacated by the end of December." **BETTRIDGE** said that different plans would have to be approved by the USDA and the Fire Marshall. Mayor **CASE** asked **BETTRIDGE** to call the USDA to ask them for options. **SMITH** suggested that the focus be on the bathrooms and the floors, which "could surely be done by the deadline---within 45 days." **BETTRIDGE** reiterated that part of the problem is the review process with USDA and the Fire Marshall. **SCHNABEL** asked **OLERUD** if he thinks that there is a life expectancy for the former library building. **OLERUD** responded that he does "not see it as being a long-term home for the Borough Offices---ten years maybe. To put that kind

of money into a short-term place is not cost-effective." **RICHMOND** said, "The Borough is spending \$28,000 a year to lease the Willard Street Office. **CASE** said that the strategic plan would also address infrastructure.

LAPP said "the Borough would have to go through the whole design phase again complete with approvals. A possible proposal is to do it in sections, but modify the building enough to get the Willard Street folks into it."

M/S **SCHNABEL/SCOTT** Motion to accept the low bid of Stickler Construction and negotiate with them to reduce the bid and also to find the needed funds (including a request that the USDA increase their portion).

SCOTT said that she believes "renovating the building would save \$8,000 per year for ten years compared with renting Willard Street---much more fiscally responsible for the citizens." **OLERUD** said that he is "concerned that the cost keeps creeping up and believes it is a disservice to the taxpayer." **SCHNABEL** said that her intent in putting the motion on the table was to give the Assembly the option to proceed with the project and find the money to make it happen.

M/S **HARRELL/SCOTT** Motion to amend the main motion to accept the bid "subject to" renegotiating a lower bid and getting additional funds from USDA.

SCHNABEL spoke against the amendment.

The motion to amend failed on a roll call vote with **HARRELL** and **SCOTT** voting for it.

The main motion passed on a roll call vote with **SMITH** and **OLERUD** opposed.

Mayor **CASE** called for a short recess at 8:15pm.

The meeting reconvened at 8:20pm.

11. Expenditure/Grant Approval Request(s):

A. Adventure Media, \$5,994.00 - Tourism Department

GLASS clarified that this expenditure was preapproved in the budget for \$6,000.

M/S **SMITH/OLERUD** Motion to approve the expenditure.

Motion carried unanimously on a roll call vote.

B. Aasman Design, \$19,850 - Tourism Department

GLASS said "this is a dedicated fund balance item request."
SMITH asked how many brochures are received for the money.
GLASS said 40,000.

M/S **OLERUD/LAPP** Motion to approve the expenditure.

Motion carried unanimously on a roll call vote.

12. Reports Of Standing Committees/Commissions:

Mayor **CASE** reported that a Committee of the Whole met on October 22 and 29 to continue reviewing the combined Borough Code and has nearly completed Title 2. He said that consideration is being made to contracting with Vince **HANSEN** and Susan **JOHNSTON** to expedite the process.

13. Reports Of Special Committees: None

14. Consideration Of Resolutions, Petitions And Memorials:

RESOLUTION NO. 03-11-032

A Resolution of the Haines Borough Assembly adopting the established schedule of compensation and position classification plan for Borough employees for fiscal year 2003/2004.

M/S **OLERUD/LAPP** Motion to adopt Resolution 03-11-032.

The motion carried unanimously.

15. Consideration Of Ordinances Proposed For Introduction:

A. ORDINANCE NO. 03-11-033

An ordinance of the Haines Borough, appropriating a \$20,250 grant from the State of Alaska, Department of Community & Economic Development, Division of Community Advocacy, Alaska Coastal Management Program, ACMP 309 Special Projects (NOAA Funding), to the FY03/04 budget, for the Haines Borough Comprehensive Plan, and to move line items in the FY03/04 budget for the required \$8,190 match.

M/S **OLERUD/LAPP** Motion to introduce and set Ordinance 03-11-033 for its first public hearing on 11/19/03 .

SCOTT asked **BETTRIDGE** to offer clarification on the budget detail for the next meeting.

The motion carried unanimously.

B. ORDINANCE NO. 03-11-034

An ordinance of the Haines Borough, appropriating a \$65,000 grant from the State of Alaska, Department of Natural Resources, Support Services Division, Land Records Information Section, to the FY03/04 budget, for the Haines Borough "live" GIS Website

Land Information Project, and to move line items in the FY03/04 budget for the required \$17,050 match.

M/S **OLERUD/LAPP** Motion to introduce and set Ordinance 03-11-034 for its first public hearing on 11/19/03.

SCOTT asked **BETTRIDGE** to offer clarification on the budget detail for the next meeting.

The motion carried unanimously.

C. ORDINANCE NO. 03-11-035

An ordinance of the Haines Borough amending Section 9.01 of the Haines Borough Charter pursuant to a vote of the people at the October 7, 2003 Regular Election.

M/S **OLERUD/SCOTT** Motion to introduce and set Ordinance 03-11-035 for its first public hearing on 11/19/03 .

The motion carried unanimously.

D. ORDINANCE NO. 03-11-036

An ordinance of the Haines Borough amending Section 3.36.020(D) of the Haines Borough Code pursuant to a vote of the people at the October 7, 2003 Regular Election.

M/S **OLERUD/SCOTT** Motion to introduce and set Ordinance 03-11-036 for its first public hearing on 11/19/03.

The motion carried 5 to 1 with LAPP opposed.

16. Correspondence:

A. Request for Appropriation Increase - Chilkat Snowburners Club

SCHNABEL spoke against this request and asked for a review of the discretionary funds and identify other beneficiaries.

M/S **LAPP/HARRELL** Motion to increase the current \$300 budget allocation to \$500.

Motion carried on a roll call vote.

17. Old Business:

Helicopter SUD

Mayor **CASE** read a November 4, 2002 letter from Polly Hessing of Fish & Game to Bruce Phelps asking for removal of the Ferebee and Upper Chilkoot areas out of the SUD.

SCHNABEL reminded the Assembly that a motion was passed last year clarifying that the SUD as it stood was acceptable with the exception of the three changes requested. She expressed concern about "the issue being reopened and hashed out all over again."

HARRELL asked that the two little Ferebee zones be included again saying, "there seems to be no compelling reason to exclude the areas that were originally in the plan. The more this business activity can be spread around, the less impact." **SUNDBERG** said the cold slopes are the resource being requested. **HARRELL** said she believes "the goat management issue is not relevant because goats and their young will be looking for thin snow as opposed to deep snow." Mayor **CASE** clarified that Polly Hessing had requested that the Ferebee area be withdrawn to be used as a control area to study impacts.

SCHNABEL said that the flight corridor is a very important issue and asked **SUNDBERG** where he would stage. **SUNDBERG** said that the staging would occur at 18-mile. **SCHNABEL** said that the Planning Commission needs to identify helicopter pad locations. **WEISHAHN** pointed out that the Assembly had already voted to accept the SUD with the three changes and is puzzled that the Ferebee and Upper Chilkoot are even being discussed. She said that she could bring up many changes she would like, too, but does not advise it. **WEISHAHN** encouraged the Assembly to stick with their original vote. **SMITH** asked the Assembly to stay the course. He read the December 4, 2002 letter submitted to DNR by Mayor **CASE** and said "unless the Assembly wants to open it all up again, the letter says it all."

M/S **OLERUD/HARRELL** Motion to ask DNR to reconsider the Ferebee and Upper Chilkoot areas and add them back into the SUD for heliskiing.

OLERUD said he believes "that there are definitely times to relook at things regardless of previous statements and decisions. New information can shed different light and make changes necessary." **SCOTT** said she believes that "it is a very radical proposal and warrants a public hearing." Mayor **CASE** said "a public hearing process would put the entire SUD in jeopardy." **SMITH** said he does not understand how two more areas can be added without it being considered a big deal. He said he believes that "it would be a big disservice to the people at Lutak and believes we need to stay the course. It could be revisited next year, but we need some type of regulation for this industry."

The motion tied on a roll call vote with **SMITH**, **SCHNABEL**, and **SCOTT** opposed. Mayor **CASE** broke the tie with a "no" vote, and the motion failed.

18. New Business: NONE

19. Set Committee Meeting Dates:

Mayor **CASE** offered up the option of rearranging committees.

A meeting of the Commerce Committee will occur on 11/18 at 9:00am to discuss an Ice House.

20. Assembly Member Comments:

SCOTT requested a day-of-the-meeting reminder via email and more information in her packet. Also, she announced that the School Board the previous night had accepted the school resource officer provided he is unarmed.

SCHNABEL and **SMITH** both expressed concern about Bill **HAGEN** and how he makes them feel threatened.

OLERUD asked to be excused from the 11/19/03 meeting.

21. Adjournment:

M/S **OLERUD/LAPP** Motion to adjourn.

Motion carried unanimously.

The meeting was adjourned at 9:17 p.m.

Mike Case, Borough Mayor

ATTEST:

Julie Cozzi, Borough Clerk

S E A L: