

**HAINES BOROUGH ASSEMBLY
REGULAR MEETING MINUTES
MARCH 19, 2003**

1. **CALL TO ORDER:** Deputy Mayor **LAPP** 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 Deputy Mayor.
3. **ROLL CALL: Present:** Assembly Members Jerry **LAPP**, Chip **LENDE**, Douglas **OLERUD**, Lucy **HARRELL**, Debra **SCHNABEL** and Stephanie **SCOTT**.

Absent: Mayor Mike **CASE**

Staff Present: Susan **JOHNSTON**/Borough Clerk, Gregg **RICHMOND**/Borough CFO and Ann **MYREN**/Librarian.

Visitors Present: Steve **WILLIAMS**/CVN, Doug **FINE**/KHNS, Fred **GRAY**, Patty **CAMPBELL**, Leonard **DUBBER**, Bret **HODGES**, Ray **MENAKER**, Scott **ROSSMAN** and others.

4. **APPROVAL OF AGENDA/CONSENT AGENDA:** All items listed with an asterisk (*) are considered to be routine by the Borough Assembly and will be enacted by the motion to approve the agenda. There will be no separate discussion of these items unless an Assembly Member or citizen so requests, in which event the Assembly, by a majority vote, may remove the item from the Consent Agenda and consider it in its normal agenda sequence.

M/S **OLERUD/LENDE** Motion to approve the agenda.

Motion carried unanimously.

- * 5. **MINUTES OF PREVIOUS MEETINGS:** March 5, 2003
6. **AUDIENCE PARTICIPATION/APPEARANCE REQUESTS:** NONE
7. **MAYOR'S REPORT:**

A. Proclamation - National Library Week, 2003

The Deputy Mayor read the Proclamation.

B. Mayor's Probable Absences

The Mayor is currently out of town with his wife who is having health problems. Depending on the outcome of tests, the Mayor may be out of town on several occasions over the course of treatment his wife will receive.

8. PUBLIC HEARINGS:

- A. ORDINANCE NO. 03-03-009
(Second Public Hearing)

AN ORDINANCE OF THE HAINES BOROUGH TO APPROPRIATE FUNDS
FOR THE OPERATION OF THE CHILKAT CENTER.

The Deputy Mayor opened the public hearing at 6:42 p.m. Hearing
no comment, he closed the hearing.

M/S LLENDE/HARRELL Motion to adopt Ordinance 03-03-009.

The Clerk explained that the two contract employees at the
Chilkat Center are being changed to year-round part-time
employees. The C.F.O. explained that he thought they would
qualify for PERS but not for the health plan.

Motion carried unanimously on a roll call vote.

- B. ORDINANCE NO. 03-03-012
(Second Public Hearing)

AN ORDINANCE OF THE HAINES BOROUGH TO AMEND CITY CODE
CHAPTER 3.28, PROPERTY TAX, BY DELETING THE EXISTING
DIFFERENTIAL TAX ZONES.

The Deputy Mayor opened the public hearing at 6:45 p.m.

John **WINGE** said he doesn't want to pay more taxes. He did
not feel he was getting any services for it. He stated that
he thought the budget was out of control.

In response to a question from Bret **HODGES** the C.F.O. and
Clerk explained what the adoption of the Ordinance would
accomplish as far as equalizing the tax rate for the entire
Townsite Service Area.

Hearing no further comment, the Deputy Mayor closed the hearing to
the public at 6:50 p.m.

M/S HARRELL/LENDE Motion to adopt Ordinance 03-03-012.

SCOTT explained that at their inception, the
differential tax zones were based on the contention that
the areas affected would receive different levels of
service from the original city area. Otherwise, the
City would have had to tax them at 100%.

8. PUBLIC HEARINGS: (cont.)

B. ORDINANCE NO. 03-03-012

Ms. **SCOTT** asked what had changed since the differential tax zones were established. According to the Police Department's budget, costs have gone down. The valuations in the annexed area have gone up by 70% since 1995 while the original city area's valuation has only risen 11% over the same period. She did not feel a tax increase to these areas was justified by the information she has seen.

LENDE said it is obvious the people in the differential tax zones are getting the same level of services currently received by the original city residents, but paying only 80% of the taxes. He asked **SCOTT** which services the Borough should deny these people to make up for the 20% reduction in taxes.

SCOTT stated that the argument made in 1997 was that distance made the difference in taxes. The distance hasn't changed. No additional police officers were hired. She didn't see what was changed. She stated that the people in the annexed areas do not use the services to the same level of intensity as the residents downtown. They don't require the same level of police protection because there is no bar in either area.

LENDE stated that the area toward Lutak was annexed because of the anticipation of the Windy-Craggy Mine opening and the need for having some control over the development of the industrial areas to the north. At that time there were only two houses in that entire area. Since then there have been numerous homes built. In 1998 the 20% break was again given because it was felt that those people were not used to receiving the services and would take some time to begin realizing what was available to them and taking advantage of those services. Once the services are being utilized, they should be paid for.

SCOTT said that until someone can document that the services such as police patrols and animal control are actually being provided in the annexed areas, she has to go with the perception of the residents, who say they are not getting the services.

HARRELL stated that she lives in the annexed area and has availed herself of animal control services. She sees police cars go by almost daily because she lives right on the road and has more opportunity to see what is happening than most people in that area who live off the road. New street lights have been installed, which add to the safety of all along the road.

8. PUBLIC HEARINGS: (cont.)

B. ORDINANCE NO. 03-03-012

She stated that many nice homes are being built in the annexed areas and it is a fact that police protection and planning and zoning contribute to the value of a property. The property owners should be willing to pay their share for this added value.

SCHNABEL suggested adopting a schedule to raise the taxes in the differential tax zones over a period of years to equalize the tax burden. This would give the residents advance notice so that they can plan for it. The people in these areas have already borne additional costs for being annexed. There are road issues that must be dealt with. She felt that there needed to be more "give and take". She recommended retaining the 20% differential tax for now but schedule equalization over a five-year period. New subdivisions and new development will increase revenue without a tax increase. The new revenue should compensate for any new services demanded.

LAPP stated that he needed more justification to show where the taxes are spent before he could make a decision.

OLERUD suggested holding the Ordinance over for a third public hearing so that more information could be gathered.

M/S OLERUD/SCHNABEL Motion to postpone the vote on Ordinance 03-03-12 to the next regular meeting and schedule a third public hearing.

Motion carried unanimously.

SCHNABEL acknowledged the petitions received in opposition to this Ordinance, but wanted to clear up the misstatement on the petition that this ordinance had anything to do with consolidation. It does not, but deals with annexed territory only.

9. REPORTS OF CITY OFFICERS/DEPARTMENT HEADS: WRITTEN REPORT

- A. Borough Manager
- 1) Lutak Dock Project
 - 2) Boat Harbor Expansion Project
 - 3) Legislative Report
 - 4) Tank Farm Land Conveyance - Update

NO DISCUSSION

- B. Borough Clerk - NONE

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

- C. Borough CFO
1) Tax Software Update

The CFO reported that funding budgeted for a consultant to fix the tax software had to be spent to clean viruses out of the computers in the tax office. The CFO stated that the Manager has started the process of evaluating the computer networks and what will be needed to keep the systems safe and operating efficiently.

The software engineers demanded that the C.F.O. sign off on any further "fixes" after they took care of 12 items that have been identified as needing to be corrected. He refused.

SCOTT stated that it seems the computer system has cost more than it's worth. Doing taxes manually was not all that difficult when she worked for the Borough.

LENDE stated that the software has never been any good and he would not approve any further expenditures on it. It has already cost over \$100,000 and has never worked right.

SCHNABEL stated that since communities all over the U.S. collect sales taxes and property taxes, there should be a "canned" software program that works. She suggested the new Manager work to obtain new proven software.

LAPP suggested the Borough might look at legal action against the software developers if they haven't delivered what was contracted for.

- D. Economic Development - WRITTEN REPORT

- E. Police Chief - WRITTEN REPORT

- 1) Memorandum of Understanding with Skagway P.D.

M/S LENDE/SCHNABEL Motion to approve the Memorandum of Understanding between the Haines and Skagway Police Departments.

Motion carried unanimously.

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

F. Library

The Librarian gave a brief verbal report expanding on her written report. The past month has been the library's busiest month ever. The meeting rooms are being used by a wide variety of groups. Staff is gearing up for National Library Week and she thanked the Borough for the Proclamation. There will be a volunteer tea Wednesday, April 9th from noon to 2:00 p.m. to honor all the library volunteers. Funding for activities at the library comes from a variety of sources, including individual contributions, business contributions and grants. Meeting rooms are available at no charge.

G. Museum - NONE

H. Public Works - NONE

I. Water/Sewer - NONE

J. Fire/EMS - WRITTEN REPORT

K. Harbors - NONE

10. BIDS/PROPOSALS RECEIVED: NONE

11. REPORTS OF STANDING COMMITTEES/COMMISSIONS:

A. Committee Of the Whole - Manager Hire

The Committee Of the Whole met Saturday March 8th and decided to offer the position of Manager to Tim **TROLL**, who accepted. The goal is to have him here by April 15th. The recommendation of the Committee to the Assembly is to approve the hire if Tim **TROLL**.

M/S SCOTT/HARRELL Motion to approve the recommendation of the Committee Of the Whole to hire Tim **TROLL** as Borough Manager.

Motion carried unanimously.

B. Finance and Budget

The Committee met to review the newly designed, easy to read financial reports. They hope to see them completed within the month. A work order system is being initiated in all departments. This will allow for better documentation of cost allocations for budgeting purposes. The Assembly has two audit reports to review - the former City and former Borough audits for FY02. If there are any questions, contact the CFO.

11. REPORTS OF STANDING COMMITTEES/COMMISSIONS:

C. Commerce Committee

Commerce met to discuss ice for the commercial fishing fleet. Ed LAPEYRI, Robert VENABLES and Stan WOOD attended. It would appear that there is enough ice in the community, the dispute is over availability. There is an ice barge at Wards Cove that may be available. VENABLES is following up on that possibility.

12. REPORTS OF SPECIAL COMMITTEES: NONE

13. CONSIDERATION OF RESOLUTIONS, PETITIONS AND MEMORIALS:

A. RESOLUTION NO. 03-03-017

A RESOLUTION OF THE BOROUGH ASSEMBLY OF THE HAINES BOROUGH, ALASKA, APPOINTING ELECTION OFFICIALS FOR THE SPECIAL ELECTION TO BE HELD MARCH 25, 2003, AND ESTABLISHING WAGES FOR SAME.

M/S OLERUD/LENDE Motion to adopt Resolution 03-03-017.

Motion carried unanimously on a roll call vote.

The Clerk asked the Assembly to set a date for a special meeting to canvass the results of the March 25th Special Election. It must be no later than seven days after the election and is usually held on the seventh day to allow for all absentee ballots to be returned. The Clerk recommended April 1st at 6:30, with the regular meeting immediately following so there won't be two meetings back to back. The Assembly concurred.

M/S OLERUD/LAPP Motion to set a special meeting at 6:30 p.m. on April 1st to canvass the results of the March 25, 2003 Special Election, with the regular meeting to follow.

Motion carried unanimously.

The Clerk stated that she anticipated a very large number of absentee ballots. She asked if the Assembly wanted her to have the election board open and count the absentee ballots from qualified voters on election day, leaving only the questioned ballots and any ballots received between March 25th and April 1st for the Assembly to count. The Assembly concurred.

13. CONSIDERATION OF RESOLUTIONS, PETITIONS AND MEMORIALS:

B. RESOLUTION NO. 03-03-018

A RESOLUTION OF THE BOROUGH ASSEMBLY OF THE HAINES BOROUGH, ALASKA, SUPPORTING THE ALASKA POWER COMPANY REQUEST FOR FEDERAL AND STATE MATCHING ASSISTANCE IN THE AMOUNT OF \$2 MILLION TO COMPLETE THE UPPER LYNN CANAL REGIONAL POWER SUPPLY SYSTEM.

M/S LENDE/OLERUD Motion to adopt Resolution 03-03-018.

Motion carried unanimously on a roll call vote.

14. CONSIDERATION OF ORDINANCES PROPOSED FOR INTRODUCTION:

NONE

15. CORRESPONDENCE: NONE

16. OLD BUSINESS: NONE

17. NEW BUSINESS: NONE

18. SET COMMITTEE MEETING DATES: NONE

19. ASSEMBLY MEMBER COMMENTS:

A. Assembly Member **SCHNABEL** stated that she felt if further discussions take place between the Borough and Chilkoot Indian Association regarding the conveyance of the tank farm property, the Assembly should be included.

LENDE said that the Manager's report indicated that it will be a long time before any of the property is conveyed, but when it is conveyed, the Chilkoot Indian Association obtaining the land would be of more benefit than if the Borough obtained it. It seems it would be better for the Borough to support C.I.A. in this matter. The Borough must come up with a policy regarding this conveyance.

B. Assembly Member **SCOTT** stated she was concerned about the Governor's budget, including the huge increase in business license fees, elimination of the Longevity Bonus and more. The Chamber of Commerce is considering bringing a Resolution to the Borough for the Assembly to support disputing many of the Governor's budget items.

C. Assembly Member **HARRELL** stated that according to the AML Municipal Fiscal Condition Survey, most communities in Alaska are facing the same problems Haines is with deficit budgets and lower school enrollments. She felt that everyone should encourage their friends to keep their kids in school here.

20. ADJOURNMENT

M/S OLERUD/LAPP Motion to adjourn.

Motion carried unanimously

The meeting was adjourned at 7:55 p.m.

ATTEST:

Jerry Lapp, Deputy Mayor

Susan V. Johnston, CMC, Borough Clerk

S E A L: