

**HAINES BOROUGH ASSEMBLY
REGULAR MEETING MINUTES
JUNE 4, 2003**

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

Absent: Assembly Member Jerry **LAPP**.

Staff Present: Julie **COZZI**/Incoming Borough Clerk, Susan **JOHNSTON**/Outgoing Borough Clerk, Gregg **RICHMOND**/Interim Treasurer and Cynthia "CJ" **JONES**/Museum Curator

Visitors Present: Micah **TRUE**/CVN, Doug **FINE**/KHNS, Tim **JUNE**, Scott **CAREY**, Tim **SHIELDS**, Mark **SOGGE**, Rich **KALOOSTIAN** 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.

The Mayor made the following change to the Agenda:
Delete 8.J. Ordinance 03-06-023 - FY02/03 Year-end Budget Adjustment

M/S **OLERUD/HARRELL** Motion to approve the amended agenda.

Motion carried unanimously.

- * 5. **MINUTES OF PREVIOUS MEETINGS:** May 7, 2003 Regular, May 21, 2003 Regular, May 27, 2003 Special, May 30, 2003 Special
6. **AUDIENCE PARTICIPATION/APPEARANCE REQUESTS:** NONE
7. **MAYOR'S COMMENTS/REPORT:**
 - A. Tlingit Park Encroachment

The Mayor has been made aware of some public concern regarding possible encroachment on First Avenue by Tlingit Park. He is 99.9% certain that there is no problem, but said that it will be confirmed with the scheduled survey.

B. 30-Day Extension on Enforcement Order

Gary Bradley has asked for a 30-day extension of the Borough's June 13 deadline to remove the building on his property. The Assembly had no objection.

C. Mayor's Schedule

The Mayor will be in Anchorage for the next three weeks to be with his wife as she continues her cancer treatments. He will be available via phone for meetings, if needed.

8. PUBLIC HEARINGS:

**A. PROPOSED NEW COMMERCIAL TOUR
WINGS OF ALASKA**

WINGS OF ALASKA PROPOSES TO TRANSPORT CRUISE SHIP PASSENGERS FROM THE BOROUGH CRUISE SHIP DOCK TO THE HAINES AIRPORT, WHERE THEY WILL EMBARK ON A FORTY-MINUTE FLIGHT-SEEING TOUR OF GLACIER BAY NATIONAL PARK AND THE ALASKA CHILKAT BALD EAGLE PRESERVE. TITLE 5 REQUIRES A PUBLIC HEARING ON ALL NEW TOURS.

The Mayor opened the hearing to the public at 6:35 p.m.

Hearing no comment, he closed the public hearing.

M/S HARRELL/LENDE Motion to approve the tour.

SCHNABEL asked about the proposed tour route. **KALOOSTIAN** explained that it will go from the airport to Kicking Horse to Glacier Bay to John Muir Glacier down to the airport again with an altitude of at least 1,000 ft. using the Caravan. **LENDE** asked if airline tickets are exempt from sales tax and tour tax. **RICHMOND** said he believes that Federal regulations exempt air tickets from sales tax and the tour tax will be gone July 1. **SCHNABEL** explained that some tours do their reporting with the air components separated out so that sales tax is paid on the rest of the tour package. **KALOOSTIAN** clarified that Wings did not initiate the tour; they were approached by the cruise ships. The tours are sold onboard only and Wings has a limited capacity. **RICHMOND** agreed to check on the sales taxability issue. **SCHNABEL** pointed out that she thinks it's great that Holland

America is using a local tour company, but wants to make people aware that a large group of local tour operators are not benefiting from Holland America marketing.

MAYOR CASE (directed to Lende) Do you have objections to the tour? **LENDE** - Only concerned about the sales tax question; thinks the tour sounds good.

Main motion carried unanimously on a roll call vote.

B. ORDINANCE NO. 03-06-015

AN ORDINANCE OF THE HAINES BOROUGH, TO APPROPRIATE FUNDS TO INCREASE THE LUTAK DOCK REHABILITATION PROJECT CIP FUND BUDGET MATCH BY \$36,000.

The Mayor opened the hearing to the public at 6:43 p.m.

Hearing no comment, he closed the public hearing.

M/S OLERUD/HARRELL Motion to adopt Ordinance 03-05-015.

Motion carried unanimously on a roll call vote.

C. ORDINANCE NO. 03-06-016

AN ORDINANCE OF THE HAINES BOROUGH TO APPROPRIATE \$12,000 TO THE FY 02/03 BUDGET FOR FIRE SUPPRESSION SYSTEM REPAIRS AT THE CHILKAT CENTER FACILITY.

The Mayor opened the hearing to the public at 6:44 p.m.

Hearing no comment, he closed the public hearing.

M/S OLERUD/SCOTT Motion to adopt Ordinance 03-05-016.

Motion carried unanimously on a roll call vote.

D. ORDINANCE NO. 03-06-017

AN ORDINANCE OF THE HAINES BOROUGH TO APPROPRIATE \$40,000 TO THE GENERAL GOVERNMENT BOROUGH ASSEMBLY BUDGET FOR A SCHOOL FACILITY CONDITION SURVEY.

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

Hearing no comment, he closed the public hearing.

M/S OLERUD/HARRELL Motion to adopt Ordinance 03-05-017.

SCHNABEL (directed to Richmond) - Are you comfortable with the expenditures coming from the prior year undesignated general funds? **RICHMOND** - Yes.

Motion carried unanimously on a roll call vote.

E. ORDINANCE NO. 03-06-018

AN ORDINANCE OF THE HAINES BOROUGH, APPROPRIATING HIGHWAY SAFETY PROJECT GRANT FUNDS IN THE AMOUNT OF \$32,325.

The Mayor opened the hearing to the public at 6:47 p.m.

Hearing no comment, he closed the public hearing.

M/S OLERUD/LENDE Motion to adopt Ordinance 03-05-018.

SCOTT asks if this adds new positions with salaries. **MAYOR CASE** (in response) - This funds a portion of several Police Department salaries. Funding comes nearly every year for different highway safety uses. This year includes seatbelt use, radar detector, and a camera among other things.

Motion carried unanimously on a roll call vote.

F. ORDINANCE NO. 03-06-019

AN ORDINANCE OF THE HAINES BOROUGH, APPROPRIATING THE \$90,097.62 IN GLACIER BAY COMPENSATION FUNDS AWARDED TO THE BOROUGH AND ALLOCATING IT TO FISHERIES AND MARINE-RELATED PROJECTS.

The Mayor opened the hearing to the public at 6:50 p.m.

Hearing no comment, he closed the public hearing.

M/S OLERUD/HARRELL Motion to adopt Ordinance 03-05-019.

SCHNABEL (directed to Richmond) Can we anticipate that the Manager and the Harbor Master will present a more detailed budget? What projects are planned? **RICHMOND** - Actual projects to be determined at a later date. **HARRELL** interjected that the original intent for this money was for local match use for the boat harbor expansion. Previous Borough Assembly decided not to restrict it to just the boat harbor in case of an emergency. However, the hope is still to use it for the harbor expansion project.

Motion carried unanimously on a roll call vote.

G. **ORDINANCE NO. 03-06-020**

AN ORDINANCE OF THE HAINES BOROUGH, PROVIDING FOR THE ESTABLISHMENT AND ADOPTION OF THE BUDGET OF THE HAINES BOROUGH FOR THE PERIOD JULY 1, 2003 THROUGH JUNE 30, 2004.

The Mayor opened the hearing to the public at 6:52 p.m.

Scott **CAREY** - This is the first budget since consolidation. There is no such thing as a Townsite Service Area anywhere else in Alaska, so it is critical to get it right. Believes that the area wide will be paying a disproportionate part. Main concern is that the process was never publicly debated. The model was done somewhere by somebody and should have been open to debate. Wants alternate models. Is not an accountant—just a member of the public. The people in charge should come up with various models to bring before the Assembly and then allow the public to debate on the decision. His main concern is the public process, and he does not believe it has happened in this.

MAYOR CASE - Understands need for an orderly process. It is hard to debate methods. Agreed that most of us are not accountants which is why we hire competent people to come up with recommendations.

Scott **CAREY** - Just wants it all to be brought to the table. Transparent government is what we want.

MAYOR CASE - The budget is not set in stone. Appreciates the time Mr. **CAREY** has spent monitoring the process along with Tim **JUNE** and Carolyn **WEISHAHN**.

SCHNABEL - Doesn't believe that there are a lot of models. The financial model is complex, and she believes that the staff has been very forthright in its rationale during the process.

Tim **JUNE** - Handed out an information study complete with pie charts of the old city, new borough, and consolidated Area Wide (AW) and Townsite Service Area (TSSA) budgets that he hoped shows the true relationship between them. He does not believe it is fair to include the schools when determining appropriation—it skews the percentages.

MAYOR CASE - Reminded Mr. **JUNE** of the 10-minute limitation on public presentations. He gave him a 2-minute warning and suggested that he make his proposal.

Tim **JUNE** - Recommended taking the schools out along with some enterprise funds. Wants to see more of a 1/3 - 2/3

split and asked the Assembly to consider NOT passing the budget this meeting.

HARRELL - Questioned the validity of taking out the school portion. In the past, General Fund dollars have been used to fund the schools above and beyond the State mandated 4.5%.

Hearing no further comment, the Mayor closed the hearing to the public at 7:10 p.m.

M/S OLERUD/HARRELL Motion to adopt Ordinance 03-05-020.

SCHNABEL - Appreciated Tim **JUNE**'s presentation, but does not believe that area wide residents have to pay more than is right. Believes the whole area benefits from the schools' location within the Townsite Service Area. **HARRELL** - Believes staff has done a good job with the budget framework. It can be tracked well for next year's budget. **LENDE** - Appreciated Tim **JUNE**'s analysis, but the entire Borough is responsible and at risk for the health, welling-being (social, financial, etc.) of the schools. If they were to fail, the Borough must rescue them, so they should not be taken out of budget considerations. **SCOTT** - is interested in knowing why no one has come forward to ask why we are not making cuts to address the deficits *period*. She is satisfied that staff has worked hard to share the costs between the two "entities" and does not believe that the schools should be taken out.

M/ SCOTT Motion to add \$11,000 to CIP to repair River Road. Motion died for lack of a second.

Original Motion carried unanimously on a roll call vote.

H. **ORDINANCE NO. 03-06-021**

TO APPROPRIATE GRANT FUNDS RECEIVED FOR THE SMALL TRACTS/MUD BAY WATER/SEWER PLAN.

The Mayor opened the hearing to the public at 7:25 p.m.

Hearing no comment, he closed the public hearing.

M/S OLERUD/HARRELL Motion to adopt Ordinance 03-05-021.

LENDE - Marco started this grant to fix the sewage problems on Small Tracts Road and to extend the water/sewer service out there. Is this study going to address that problem? **TROLL** - This study is just to begin the process of determining the water/sewer needs and costs to justify our DEC requests for improvements to Small Tracts and Mud Bay. **LENDE** - The need must be identified and the money used for the things it is

really needed for. There's an identified problem in the Small Tracts area that needs to be addressed. Quantify that problem as opposed to just extending the system out that way. **TROLL** - It's a Jim Dorn feasibility study that will be used to go for grants.

Motion carried unanimously on a roll call vote.

I. **ORDINANCE NO. 03-06-022**

TO APPROPRIATE FUNDS RECEIVED FOR THE NOAA HARBOR ELECTRICAL SERVICE.

The Mayor opened the hearing to the public at 7:30 p.m.

Hearing no comment, he closed the public hearing.

M/S OLERUD/HARRELL Motion to adopt Ordinance 03-05-021.

Motion carried unanimously on a roll call vote.

9. REPORTS OF CITY OFFICERS/DEPARTMENT HEADS:

A. Borough Manager

1) Crystal Cathedrals Update

TROLL said that the Borough's motion to dismiss was denied. He is setting up a meeting with John **FLORESKE** through the Borough Attorney. Requested an Assembly Member or the Mayor to participate in the meeting, if possible.

2) Items of a General Nature

Just returned to town and has his family with him.

C. Borough CFO - NONE

D. Economic Development/Tourism

1) Boat Harbor Project

Robert **VENABLES** reported that he is now the point person on the Boat Harbor project. He went to Washington D.C. to meet with Alaska's Congressional delegation. A meeting with the Corps of Engineers will take place next month in Anchorage, and he hopes for a small delegation from Haines. The Borough needs \$300K from Senator Stevens for pre-design work and a feasibility study, and the Senator has agreed to add it to the budget request. **VENABLES** will know more by the end of next month.

2) Fisheries

Smokey Foods is scheduled to be in Haines and are bringing additional ice capacity. Double fish and double fish tax are expected. Stan **WOOD** is satisfied with the progress at this time. **LENDE** asked about the status of Stan's request for authorization to build a semi-permanent facility. **VENABLES** said that discussions are continuing. Smokey Foods' needs still have to be identified. Ed **LAPEYRI** will be involved in the effort to move the parties together to utilize the old mill. **LENDE** asked if improvements to the property would be valuable to the Borough even if **LAPEYRI**'s property is used by Smokey Foods? He suggested that it would possibly be in the Borough's best interest to improve the property. **VENABLES** believes that it would be premature and should wait until a project the size of the gas pipeline comes along. He believes the pipeline project would want to minimize stockpiling. Also, Ocean Beauty is leasing Ward's Cove for only a year. Perhaps Smokey Foods will end up using that facility. It is important to wait to see what happens before making a big investment in the Lutak Dock.

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

10. BIDS/PROPOSALS RECEIVED:

11. REPORTS OF STANDING COMMITTEES/COMMISSIONS:

A. PERSONNEL

LENDE reported that the Personnel Committee discussion was budget-related.

B. Finance Committee

SCHNABEL said there was nothing to report. The committee discussion was budget-related.

12. REPORTS OF SPECIAL COMMITTEES: NONE

13. CONSIDERATION OF RESOLUTIONS, PETITIONS AND MEMORIALS:

A. RESOLUTION NO. 03-05-025

A RESOLUTION OF THE BOROUGH ASSEMBLY SUPPORTING THE FORMATION OF A HAINES COMMUNITY WATERSHED COUNCIL.

M/S SCHNABEL/HARRELL Motion to adopt Resolution 03-05-025.

SCOTT asked for clarification regarding the letter of support that the Assembly wrote for the concept of a watershed council. **VENABLES** clarified it. **SCOTT** asked if the funding had been received. **VENABLES** explained that funding has not come yet. SE Conference is looking for local support for the council prior to making the funding decision. **SCHNABEL** pointed out that the Borough paid Mark **SOGGE** to work on the preliminary establishment of a watershed council. **SOGGE** explained that this resolution is a continuation of the process that started with consent of the concept. It has progressed to the pursuit of a working group to come up with a statement of work. He has written a draft that has been approved by the watershed group and awaiting approval from SE Conference. **OLERUD** wants more information regarding a mission statement, goals, outlines, and the educational component before he will endorse it. **SOGGE** said that goals are just to get the group going, then needs and priorities can be identified. There is a tight timeframe to get SE Conference approval. **SCHNABEL** admitted that she had asked **SOGGE** to condense the information down to one page for the meeting, so details were left out. **OLERUD** said that it is still too vague for him to support at this time. **MAYOR CASE** said that Chilkat Indian Village has expressed concerns about the vagueness, as well. **SCHNABEL** is in favor of passing the resolution and that it would be unfortunate not to participate in a project endorsed by SE Conference and funded by the Feds.

Motion carried on a roll call vote with **OLERUD** opposed.

14. CONSIDERATION OF ORDINANCES PROPOSED FOR INTRODUCTION:

15. CORRESPONDENCE: NONE

16. OLD BUSINESS: NONE

17. NEW BUSINESS:

18. SET COMMITTEE MEETING DATES:

19. ASSEMBLY MEMBER COMMENTS:

LENDE - the half-pipe has been moved to Oslund Park, and the kids are enjoying it. He will meet with **SCHNABEL** to talk about improvements. Thanks to Public Works for their work.

OLERUD - the Planning Commission met and are concerned about

Oslund Park. They were dismayed about the lack of communication regarding the movement of the pipe. They did not get the chance to give their blessing. **LENDE** (in response) - The Planning Commission got the same presentation as the Assembly did and did not say "no." The kids assumed that everything was okay. He gave the permission for Public Works to move the pipe.

HARRELL - a lot of good work has been done in the Borough and feels good about everything and how consolidation is going. Good to have Tim **TROLL** and Julie **COZZI** onboard. Appreciates the work Gregg **RICHMOND** has done on the budget.

SCHNABEL - Public Works has determined that there is no way to drain Oslund Park. The drain slope is only 8 in. below grade, and it cannot be diverted. The solution will probably be to build a roof. It is important to run projects through the Planning Commission to avoid problems like this.

SCOTT - uncomfortable with the cutoff of a lengthy presentation by a member of the public and wondered if the Mayor could relax the rules. **MAYOR CASE** (in response) - any Assembly Member could have made a motion to suspend the rules. Past practice has been only three minutes. **OLERUD** - the person can give the Assembly Members written information ahead of time to expedite the presentation.

20. ADJOURNMENT

M/S OLERUD/LENDE Motion to adjourn.

Motion carried unanimously.

The meeting was adjourned at 8:05 p.m.

Mike Case, Borough Mayor

ATTEST:

Julie Cozzi, Borough Clerk

S E A L: