

**HAINES BOROUGH ASSEMBLY  
REGULAR MEETING MINUTES  
JULY 02, 2003**

1. **CALL TO ORDER:** Mayor **CASE** called the meeting to order at 6:32 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** and Assembly Members Chip **LENDE**, Douglas **OLERUD**, Jerry **LAPP**, Debra **SCHNABEL**, Stephanie **SCOTT** and via teleconference, Lucy **HARRELL**.

**Staff Present:** Julie **COZZI**/Borough Clerk, Tim **TROLL**/Borough Manager, Greg **RICHMOND**/Chief Financial Officer, and Cynthia "CJ" **JONES**/Museum Curator

**Visitors Present:** Micah **TRUE**/CVN, Doug **FINE**/KHNS, Dale **MULFORD**, Dave **BUTTON**, Anne **BOYCE**, Fred **GRAY**, and others.

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

**SCHNABEL** requested the June 18 meeting minutes to be removed from the consent agenda.

M/S **OLERUD/SCOTT** Motion to approve the consent agenda with the minutes removed.

Motion carried unanimously.

5. **MINUTES OF PREVIOUS MEETINGS:** June 18,2003 Regular

**SCHNABEL** asked that the following changes be made to the minutes: 1)in 9.A.1, remove "(Lily Lake)" since it has no bearing on getting water from Mt. Ripinsky, 2)in 9.A.3, change "unusual sewage treatment system" to the more meaningful "solar aquatic sewage treatment system," and 3)in 10.A, change "not to exceed 15% of either the total project amount or the \$75,000 remaining in the grant" to "not to exceed 15% of \$75,000."

M/S **SCHNABEL/LENDE** Motion to approve the minutes as amended.

Motion carried unanimously.

6. **AUDIENCE PARTICIPATION/APPEARANCE REQUESTS:** NONE

7. MAYOR'S COMMENTS/REPORT:

Mayor **CASE** thanked the Assembly and the community for the tremendous outpouring of support for his wife, Pauline, and said that they are back home from Anchorage where the medical treatments were completed. The prognosis is good.

8. PUBLIC HEARINGS:

PROPOSED NEW COMMERCIAL TOUR  
TAKSHANUK MOUNTAIN TRAIL TOURS

DALE MULFORD PROPOSES TO TRANSPORT VISITORS TO THE TAKSHANUK MOUNTAIN TRAIL HEAD BEGINNING AT 7-MILE LUTAK ROAD AND CONDUCT ESCORTED TRAIL TOURS WITH MOTORIZED ACCESS EXTENDING INTO SEVEN MILE SADDLE VALLEY AND LEADING TO A VIEWING PLATFORM AT APPROXIMATELY 1350 FEET. TITLE 5 REQUIRES A PUBLIC HEARING ON ALL NEW TOURS.

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

Fred **GRAY** expressed his support of the proposed tour saying he believes that everything **MULFORD** does is first class and exceeds expectations. **GRAY** has elderly relatives that will be visiting and are looking forward to being able to do something that would otherwise be impossible for them.

Anne **BOYCE** said that she has no objection to the tour as long as the Assembly honors it's 2/19/03 vote to allow the trail to go to 1560 feet. She wants **MULFORD**'s tour documentation to clearly and accurately reflect that. Cynthia "CJ" **JONES** echoed **BOYCE**'s comments.

In response, **MULFORD** said that DNR has permitted his trail to 1550 feet and not 1865 feet. He agreed that his documentation is not up-to-date.

Hearing no further comments, the Mayor closed the public hearing at 7:05.

**SCOTT** asked if the operation is within the area governed by Lutak Land Use zoning. She believes that it is and that he needs to have a conversation with the Planning Commission; there are Title 8 components that may apply to him. She stated that she is in favor of the tour, but is concerned that regulations are adhered to.

Mayor **CASE** said that the Code mentions a *cottage industry* provision and believes that this tour may apply, although bringing it before the Planning Commission would be a helpful thing.

**OLERUD** clarified the difference between a tour permit and a land use permit. Tour permissions are the Borough Assembly's responsibility; land use is the Planning Commission's. **LENDE** agreed with **OLERUD** saying that he does not believe the tour portion needs to go before the Planning Commission.

**SCHNABEL** said that she sees the distinction but feels very strongly that the Planning Commission exists to review development on behalf of the public. She has no problem with supporting the proposed commercial tour as long as it goes before the Planning Commission favorably.

**OLERUD** pointed out that the trail was established prior to the Planning Commission having authority over it (pre-consolidation). He believes that a review after the fact would be unfair. **LAPP** agreed that it would be unfair to require a review after the fact.

Mayor **CASE** expressed that he is in favor of the tour. He stated that there was an obligation for **MULFORD** to deal with the Land Use Service Area prior to consolidation, however it is the tour portion that is up for review before the Assembly.

M/S **OLERUD/HARRELL** Motion to approve the tour.

**SCHNABEL** expressed disagreement with the idea that the facilities are separate from the tour portion.

M/S **SCHNABEL/SCOTT** Motion to amend the main motion to make approval of the tour contingent upon approval by the Planning Commission.

**SCHNABEL** said that it is important for the Assembly to be consistent in their process. Even though the trail was constructed prior to consolidation, the public is entitled to have this go before the Planning Commission.

**SCOTT** pointed out that **MULFORD**'s planned facilities are something that the Planning Commission should look at. The facilities are planned because of the tour.

**LENDE** explained that the Tourism Planning Committee realized that a process of review was needed. The City Council at that time was the review body. He does not agree that it belongs to the Planning Commission. Tours and development are two different things.

**SCHNABEL** asked if **MULFORD** has a Land Use Permit. In response, he stated that he was told nothing was needed by

the Borough and that all permits and permissions were needed by the State and that is where he has put his energy. **SCHNABEL** pointed out that Land Use Permits are required in this Borough for anyone building or constructing.

Mayor **CASE** interjected that the hearing was not for the purpose of discussing land use issues. He brought the focus back to the tour permission request.

**SCHNABEL** withdrew the motion to amend the main motion.

M/S **SCHNABEL/SCOTT** Motion to amend the main motion to approve the tour permit contingent upon getting a land use permit from the Haines Borough.

**LENDE** said that the Assembly does not need to condition their approval because land use planning is *always* the Planning Commission's responsibility. The Commission should not tie the hands of the Assembly.

**SCHNABEL** asked if the Assembly by default was going to give approval for a tour that is not permitted in the Borough. She believes that her motion speaks to support the governmental processes that the Borough has in place.

**HARRELL** pointed out that the Assembly's job is to deny or permit the tour portion.

**SCOTT** stated her belief that the tour permit form should be revised to include a question asking if the tour operator has an appropriate land use permit.

Mayor **CASE** said that two separate issues were being discussed and should not be combined into one. He said that the Manager would surely look into the code that involved the Lutak Land Use Service Area to see if all of it was followed in the establishment of **MULFORD**'s facilities. If deficiencies are found, there are remedies in that area that don't carry forward to the tour permit.

The motion to amend the main motion failed five to one with **SCHNABEL** for it.

The main motion to approve the tour permit carried unanimously.

9. REPORTS OF CITY OFFICERS/DEPARTMENT HEADS:

A. Borough Manager

In addition to the written report, the following was discussed:

1. *Crystal Cathedrals* - the hearings took place in Anchorage, and the RCA will make a decision at some point. **TROLL** anticipates that it will likely be 30 days before a report is received.

**LENDE** asked regarding the Crystal Cathedrals portion of the written report --- what happens if a decision is made affecting the customers and the Borough's ability to purchase the system. Who is responsible for the negative impacts? **TROLL** said he does not believe that the Regulatory Commission has the right to set a price and force us to pay it.

2. *Public Works loader* - bid process is nearing completion with the Case dealer being the likely choice as low bidder.

3. *Borough's insurance package* had a 17% increase over the previous year.

4. *Applications for initiative petitions* - two have been received, one dealing with a property tax cap and the other with adding balanced budget text to the Charter. The petitions are currently being circulated. **TROLL** offered kudos to **COZZI**/Borough Clerk for handling a difficult task very well, especially in light of being new to the job.

5. *Comptroller position proposal* - A fulltime finance person is needed in the office. A comptroller could possibly mature in to a CFO after one fiscal year. Gregg **RICHMOND** would function as a part-time CFO during that year. **TROLL** asked that the proposal be referred to the Assembly's Personnel Committee.

Mayor **CASE** assigned it to the Personnel Committee with instructions to look at reporting and budget issues.

6. *Sales Tax* - **TROLL** pointed out that no deadline was imposed in the Charter for the Sales Tax districts to be looked at. His concern is the 18 months imposed by the Transition Plan which is essentially part of the Charter.

**SCOTT** said she believes that 2.5% needs to be added to the Area-wide sales tax to help fund Tourism, Economic Development and Capital Improvement Projects. Those three areas are currently funded only by sales tax money

collected within the Townsite Service Area. Since consolidation, they are area-wide responsibilities and should be funded with area-wide revenue.

**LAPP** said that the question would have to be put on a ballot, but it would have to be determined whether it would be an area-wide vote or only the area outside the Townsite.

- C. Borough CFO - NONE
- D. Economic Development/Tourism
- 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:**

- A. Former Library Remodel Project

**TROLL** said there is not yet anything formal to present.

**11. REPORTS OF STANDING COMMITTEES/COMMISSIONS:**

**12. REPORTS OF SPECIAL COMMITTEES: NONE**

**13. CONSIDERATION OF RESOLUTIONS, PETITIONS AND MEMORIALS:**

**14. CONSIDERATION OF ORDINANCES PROPOSED FOR INTRODUCTION:**

**15. CORRESPONDENCE:**

- A. Letter of Request from Stan **JONES** regarding his planned golf course.

Mayor **CASE** said that the Code lists options for using the Permanent Fund but a loan is not one of the options. **LAPP** pointed out that a vote of the people would be required. He also said that the Revolving Loan Fund could be used for a solvent venture, and this is what **JONES** needs to use as opposed to the Borough's Permanent Fund. Mayor **CASE** asked the Assembly to respond to the four requests in **JONES'** letter. **TROLL** said that the first two items requesting permission to extract right-of-way material to use in developing an access road, parking lot, and building pads are being handled administratively via the permitting process. **SCHNABEL** expressed concern about a pit being created. **TROLL** believes that it is a building permit issue that will be handled at his level or the Planning Commission. Regarding

**JONES'** request for a 10-year moratorium on property valuation increase, **SCOTT** said that Title 29 has limitations for exempting property tax. **HARRELL** pointed out that **JONES** is not asking for an exemption of property tax; he is asking only for a period of time when his property valuation would not increase. The Borough would not be giving up taxation but would be giving up future potential tax revenue. **SCHNABEL** asked if there is a time limit for the Assembly to respond to the requests. **TROLL** said that the permit to put up a driving range has already been approved. **HARRELL** requested that the Assembly continue to discuss **JONES'** requests and encourage him to provide more details. **SCOTT** asked if staff could look into what other communities have done, and **HARRELL** suggested that the Alaska Municipal League may be able to provide some ideas. Mayor **CASE** said that he will continue the discussions with the Manager.

16. OLD BUSINESS:

17. NEW BUSINESS:

A. Borough Manager Replacement

M/S OLERUD/SCOTT Motion to go into executive session to discuss the Borough Manager replacement.

Motion carried unanimously.

MOVED INTO EXECUTIVE SESSION: 7:50 p.m.

RECONVENED FROM EXECUTIVE SESSION: 8:55 p.m.

M/S HARRELL/OLERUD Motion to offer the Borough Manager contract to Keith **BETTRIDGE** at the same terms as Mr. Troll.

Motion carried unanimously on a roll call vote.

Mayor **CASE** said that he will contact **BETTRIDGE**.

18. SET COMMITTEE MEETING DATES:

**PERSONNEL COMMITTEE** meeting scheduled for Wednesday, July 9, at 12:00 noon to discuss the proposed comptroller position.

**GOVERNMENT AFFAIRS COMMITTEE** meeting scheduled for Tuesday, July 15, at 12:00 noon to discuss the Charter mandate regarding sales tax area-wide.

19. ASSEMBLY MEMBER COMMENTS:

**SCHNABEL** - Does not want the local ferry authority issue to go away and wants the Assembly to be effective with lobbying efforts.

**20. ADJOURNMENT**

M/S OLERUD/LENDE Motion to adjourn.

Motion carried unanimously.

The meeting was adjourned at 9:05 p.m.

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Mike Case, Borough Mayor

ATTEST:

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Julie Cozzi, Borough Clerk

S E A L: