


Haines Borough
Borough Assembly Meeting #57
October 26, 2004
MINUTES

Adopted

1. **CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor **CASE** called the meeting to order at 6:30 p.m. in the Assembly Chambers of the Public Safety Building and led the pledge to the flag.
2. **OATHS OF OFFICE - NEWLY-ELECTED MEMBERS**
 1. **Scott Rossman** - Assembly Member, Seat B
 2. **Herb VanCleve** - Assembly Member, Seat E

ROLL CALL Present: Mayor Mike **CASE** and Assembly Members, Norm **SMITH**, Jerry **LAPP**, Scott **ROSSMAN**, Stephanie **SCOTT**, Debra **SCHNABEL**, and Herb **VANCLEVE**.

Staff Present: Julie **COZZI**/Borough Clerk, Robert **VENABLES**/Economic Development Director and Acting Manager, Lori **STEPANSKY**/Tourism Director, and Jila **HANDJANI-STUART**/Accountant.

Visitors Present: Bonnie **HEDRICK**/CVN, Walter **CLAYTON**, Georgia **SAMPSON**, Fred **GRAY**, Scott **SUNDBERG**, Judy **EREKSON**, Gene **KENNEDY**, and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA:**

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

SCHNABEL requested *Item 8C* (the Economic Development report) be removed for discussion. **SCOTT** asked that *Solar Aquatics* be added to Old Business. Mayor **CASE** requested to remove *Item 8N* (the Museum report) for discussion. He also asked that New Business include the *Appointment of Lynda Walker to the Planning Commission* to replace **ROSSMAN** and a *Discussion of Assembly Committees*.

There was no objection to the changes, and the motion to approve the amended consent agenda carried unanimously.

4. **APPROVAL OF MINUTES:**

*October 6, 2004 Regular and October 12, 2004 Canvass

5. **PUBLIC COMMENTS:** None

6. **MAYOR'S COMMENTS/REPORT:**

- The mayor announced Kim Lehner's resignation from the Chilkat Center and commended her for a job well done and also her efforts with the Community Garden.
- All board and commissions terms expire on October 31. Assembly Member **VANCLEVE** could opt to maintain his seat on the Planning Commission. **CASE** talked about his efforts to get younger people to be involved.
- **CASE** reviewed assembly procedures including consent agendas, minutes, executive sessions, parliamentary procedure,

respect, not speaking negatively about a borough employee during a meeting, general meeting rules, motions, and amendments.

- The mayor thanked **VENABLES** for the excellent job he did as acting manager while he was on vacation, and he asked the assembly to confirm his request to make **VENABLES** the acting manager until a permanent manager is hired. **CASE** publicly resigned from acting as manager.

7. PUBLIC HEARINGS:

A. Ordinance 04-09-084 - (second hearing)

An ordinance of the Haines Borough, Alaska, adding Chapter 2.105 to establish a parks and recreation department and advisory board and amending Chapter 2.104 to show the relationship between the Community Youth Development Program and the parks and recreation advisory board and deleting sections 2.102.020-050 pertaining to the Community Youth Development Board.

Mayor **CASE** opened the public hearing at 6:45 pm.

CLAYTON spoke in favor of the ordinance. He said there are currently five active Parks and Recreation programs in Southeast Alaska. The committee has been effective to this point, but a board needs to be established now to move ahead. **CASE** thanked **CLAYTON** for his active participation in the committee.

The mayor closed the public hearing at 6:48pm.

M/S **SCOTT/LAPP** Motion to adopt Ordinance 04-09-084.

SCOTT said if the ordinance is adopted tonight, advertising should take place immediately and include a deadline to apply for being on the board. **ROSSMAN** asked if there are any paid employees in the Parks and Recreation plan. **CASE** responded that there is a Community Youth Development Coordinator and some pool employees. **SCHNABEL** said there will be a recommended budget which is created by pulling from other budgets. Pulling the pool from the school into the borough will result in a different budget than it is now.

The motion carried unanimously in a roll call vote.

B. Ordinance 04-09-081 - (third hearing)

An ordinance of the Haines Borough, Alaska, amending the FY05 advertising budget and appropriating an additional \$53,185 to market the Haines Borough as a tourist destination.

The mayor opened and closed the public hearing at 6:51 pm; there were no comments.

M/S **LAPP/SCHNABEL** Motion to adopt ordinance 04-09-081.

The motion carried unanimously in a roll call vote.

C. Ordinance 04-09-083 - (second hearing)

An ordinance of the Haines Borough amending Haines Borough Code 3.70.040(D) to include the Haines Animal Rescue Kennel Property in the list of tax-exempted properties.

The mayor opened and closed the public hearing at 6:54 pm.; there were no comments.

M/S **LAPP/VANCLEVE** Motion to adopt 04-09-083.

The main motion carried unanimously with a roll call vote.

D. Ordinance 04-10-085 - (first hearing)

An ordinance of the Haines Borough amending Haines Borough code section 18.20.020 to clarify the definitions for mobile home and modular home.

The mayor opened and closed the public hearing at 6:55 pm; there were no comments.

M/S **SCOTT/SMITH** Motion to set 04-09-085 for its second public hearing on November 9.

SCOTT said she received an email from Jim Stanford, Chair of the Planning Commission. He has concerns that the assembly's definitions were too simplistic. **ROSSMAN** said the Planning Commission added more language so that it would be clearer. **VANCLEVE** said the Commission felt that a neighborhood like Skyline wanting a tighter restriction should be zoned more restrictively. **LAPP** spoke in favor of it saying it is a good ordinance and that the term "integral chassis" is very clear. **SCHNABEL** called for the question saying the Skyline residents should have appeared at the public hearing if the ordinance definitions are not clear enough.

All were in favor of shutting off debate.

The motion carried unanimously.

E. ORDINANCE 04-08-079 - (fifth hearing)

An ordinance of the Haines Borough, Alaska, authorizing the borough to issue general obligation bonds in the principal amount of not to exceed \$19,700,000 to finance the planning, design, and construction of a new K-8 school and the renovation of the existing high school.

The mayor opened and closed the public hearing at 7:03 pm.

There was some discussion about the correctness of adopting the ordinance at this meeting. **CASE** felt the amendment to be proposed would significantly change the ordinance and require a sixth public hearing. **COZZI** summarized the action taken at the September 29 meeting and explained that, while it certainly does not justify violating parliamentary procedure,

if the ordinance is not adopted tonight, the assembly will be out of time regarding an election; the Charter requires a minimum of 45 days from ordinance adoption to a special election.

M/S **SCHNABEL/SCOTT** Motion to adopt 04-08-079.

SCHNABEL distributed an amended version of the ordinance and read the changes aloud: 1)Principal Amount not to exceed \$17,500,000, 2)December 14, 2004 special election, 3)the project is eligible for a 70% state reimbursement, 4)the resulting tax on \$100K of valuation is anticipated to be \$240, and 5)if the reimbursement by the state ends, the anticipated tax on \$100K will be \$798. **LAPP** said "per year" should follow the anticipated tax amounts. **SCHNABEL** agreed.

M/S **SCHNABEL/SCOTT** Motion to substitute the ordinance with the amended one.

ROSSMAN asked about the risk. **SCHNABEL** said it is very unlikely that the state will pull out of the program because other school districts including Anchorage are part of it. However, it is important to disclose to the public what would happen if the state did not come through. She referred to the memo from **HANDJANI-STUART** concerning the issue of a 20-year amortization vs. a 25-year bond. The 25-year term results in lower annual payments but in a higher total expense over the life of the bonds. **SMITH** asked if the actual amount of the 30% tax burden after reimbursement could be spelled out in the ballot question so the public knows what their total obligation would be.

M/S **SMITH/LAPP** Motion to amend the ballot question to show that the borough share of bond after the 70% reimbursement is 5.25 million.

VANCLEVE said it sounds nice, but is factually incorrect. The borough would be assuming the full debt amount of \$17.5 million. **SCHNABEL** agreed with **VANCLEVE**. The borough has to take on the full responsibility. With the mayor's concurrence, she asked **EREKSON** how this information will be communicated to the public. **EREKSON** said they would definitely be stressing the \$5.25 million, but she agreed with **SMITH** that it might be nice to say something in the ballot language that shows what the resulting 30% share of the borough tax burden is.

The amendment motion carried 5-1 in a roll call vote with **ROSSMAN** opposed.

The main motion carried unanimously in a roll call vote and the substituted ordinance was adopted.

8. STAFF REPORTS:

A. Acting Manager - VENABLES summarized the written report covering the following subjects:

- Finance Department
- SEARHC Drainage Problem
- Assessor
- School Bond Issue
- Snow Plowing
- Property Tax Foreclosure
- AMHS Letter of Support
- Employee Recognition

VENABLES also announced a projected Supplemental Board of Equalization in December.

The mayor called a brief recess at 7:37pm.
The mayor reconvened the meeting at 7:41pm.

Departments

- *B Clerk's Office
- *C. Economic Development

SCHNABEL voiced concern that the Eldred Rock project be brought before the assembly soon. **VENABLES** said he will make sure fiscal notes are attached to the project so the Finance & Budget Committee may correctly prioritize it. **SMITH** asked why the borough would want to acquire a structure that needs more rehabilitation. **VENABLES** pointed out the tourism potential. **SCHNABEL** said she does not have a vision of the borough government being the owner/operator of the structure. A private entity, such as the Chilkat Valley Historical Society would be more appropriate. **CASE** added that one option is to turn the whole museum over to a private foundation.

- *D. Finance
- *E. Fire
- *F. Planning & Zoning
- *G. Police
- *H. Ports/Harbors
- *I. Public Works
- *J. Tourism
- *K. Water/Sewer

Facilities

- *L. Chilkat Center
- *M. Library
- *N. Museum

The Museum Board of Trustees has requested the Acting Manager to accept their recommendation to offer the Museum

Director's position to Addison Field. **CASE** said he approved it while still Acting Manager and is asking the assembly to accept it.

M/S **LAPP/VANCLEVE** Motion to approve the recommendation to hire Addison Field to be the Museum Director.

There was some discussion regarding the director's pay, the museum operating hours, and the annual budget. **ROSSMAN** expressed concern about the Museum costs.

The motion carried 5-1 in a roll call vote with **ROSSMAN** opposed.

9. COMMITTEE/COMMISSION REPORTS:

- A. Commerce Committee** - None
- B. Finance & Budget** - Written Report
- C. Personnel & Labor Relations** - None
- D. Government Services** - Written Report

SCOTT said the committee concluded that the protest provision issue should go back to the Planning Commission for clarification. She said it is premature to put the issue on the special election ballot because the public process should not be rushed.

- E. Government Affairs** - None
- F. Planning Commission** - None

10. OLD BUSINESS:

A. Administration Building Parking

VENABLES said the cost for the Option 9 parking plan is about \$18K provided the playground equipment is not damaged in the move. **LAPP** asked if the Option 10 plan brings the borough into compliance with parking regulations. **VENABLES** said "yes." **SCHNABEL** wondered if Haisler could be asked about leasing their lot across the street. **ROSSMAN** suggested the lot next to the Parts Place. **SCHNABEL** said she is not satisfied with Option 10, because it does not seem to adequately solve the problem. She would like to see the playground equipment moved. **CASE** said there is a strong likelihood of damaging the playground equipment because of the cement it is embedded in. **LAPP** said he would be in favor of going ahead with Option 10 to get the borough into code compliance. **ROSSMAN** suggested at least asking Haisler and Parts Place about using their lots. **CASE** explained that code requires a long term solution, and leasing lots will not meet that need. **SCHNABEL** reluctantly agreed with **LAPP** that the noncompliance needs to be solved now.

M/S **SCHNABEL/LAPP** Motion to proceed with parking plan Option 10 for now until the Option 9 plan can be revisited.

The motion carried unanimously in a roll call vote.

B. Current Policy of Delinquent Property Tax Payments

SCOTT suggested a tiered penalty process. The more delinquent they are the more the penalty and interest. She said staff currently sends out two tax bills, and she suggested that the borough consider only one. **CASE** said customer service is still very important. **LAPP** agreed with **SCOTT**. The second bill is a courtesy reminder. **VANCLEVE** said payments probably spike around the time of the second reminder. **SCOTT** suggested the manager do a cost study on it. She said she does not believe the borough always sent out two bills, and they are only 3-months apart. **SMITH** said the purpose of the second bill is for those people who only paid the first half of the taxes. The manager will report back to the assembly.

C. Resale of Foreclosed Properties

The acting manager provided a memo outlining the current situation, and there was no discussion.

D. Solar Aquatics (added by **SCOTT** during approval of the consent agenda)

SCOTT suggested a competitive bid process for contracting with someone to write a funding request to go to the USDA. She said she has a template of an RFP to consider publishing. **ROSSMAN** asked to be brought up to speed about why a new treatment plant is needed and why the solar aquatic system and Mayor **CASE** provided a brief summary. **SCHNABEL** added that she chaired a community task force last year that looked at the needs and the options. That group made up of different community members agreed that a solar aquatic system should be pursued. **SMITH** pointed out that another economic benefit is being able to do away with costly sludge disposal. He said the borough needs to think into the future. **SCOTT** referred to the feasibility study that was done on the solar treatment facility. She added that it is time to be responsible and increase the quality of life in Haines for future generations and stop expelling waste into the bay. She suggested the clerk make copies of her sample RFP to distribute to the assembly and publish the issue on the 11/9 agenda. **CASE** said he is not in favor of it because there are so many other issues needing attention, but he will not veto it again. He so ordered that the topic of an RFP will be on the next agenda.

11. STRATEGIC PLAN UPDATES

SCOTT asked the mayor to schedule a public meeting with community leaders to address the issue of public awareness of alcohol and drug abuse and dependency problems. **CASE** agreed to.

12. NEW BUSINESS:

A. Resolutions - None

B. Ordinances for Introduction

1. Ordinance 04-10-086

An ordinance of the Haines Borough amending Haines Borough code section 7.08.080 to allow a board of directors to be appointed for the Chilkat State Park Road Maintenance Service Area.

M/S **SCOTT/LAPP** Motion to introduce Ordinance 04-10-086 and set it for a first public hearing on 11/9/04.

SMITH asked how many households are in that area, and **KENNEDY** said "two." **SCHNABEL** asked what the advantage would be to have a board with so few residents. **KENNEDY** said the families have acted to get funding and sign contracts. There were never service area board meetings. **SCHNABEL** said if there is no provision for funding, there is no need for a board. **KENNEDY** said he has no objection to being taxed if there is no other funding available. **LAPP** said he believes a board and tax language would have to be voted on by the residents. **VENABLES** said a board could be ordered by the assembly, but taxing would have to be voted on by the residents. **SCHNABEL** spoke against the ordinance and suggested that it be referred to committee.

M/S **SCHNABEL/SMITH** Motion to refer the ordinance to the Government Services Committee and delay the first public hearing.

SCOTT said the ordinance could be introduced and scheduled for a public hearing simultaneous to being addressed in committee.

SCHNABEL/SMITH withdrew the motion as long as the committee will address the issues and work with the Kennedys.

The motion carried 5-1 with **SCHNABEL** opposed.

2. Ordinance 04-10-087

An ordinance of the Haines Borough amending Haines Borough code section 2.68.070, Scheduling of special elections, to match the Charter requirements for scheduling a special election for a charter amendment question.

M/S **SCHNABEL/SMITH** Motion to introduce Ordinance 04-10-087 and set it for its first public hearing on 11/9/04.

The motion carried unanimously.

3. Ordinance 04-10-088

An ordinance of the Haines Borough amending Haines Borough code section 2.08.060, Meetings of the Assembly, to change the regular meeting days to the second and fourth Tuesdays of each month.

M/S **LAPP/ROSSMAN** Motion to introduce Ordinance 04-10-088 and set it for a first public hearing on 11/9/04.

The motion carried unanimously.

C. BID AWARDS

1. **Chilkat Center**
2. **River Road/Chilkat Trails**
3. **Schools**
4. **Tanani Bay**
5. **Cathedral View, Piedad, Sunshine, etc.**
6. **Lutak Dock**
7. **Eagle Vista Subdivision**

M/S **SCHNABEL/ROSSMAN** Motion to award contracts to the low bidders for snow removal at the Chilkat Center, River Road/Chilkat Trails, the public schools, Tanani Bay Subdivision, Cathedral View/Upper Piedad/etc., Lutak Dock, and Eagle Vista Subdivision.

The motion carried unanimously with a roll call vote.

D. Other New Business

1. **Late Application for Tax Exemption - Hazel Nelson, Nelson Trust**

LAPP said he is opposed to it, because he does not believe she qualifies.

M/S **LAPP/SMITH** Motion to deny the late application.

SCHNABEL said the assessor is asking the assembly to decide whether or not there is just cause for the late application. **SCOTT** said she is concerned that the property owner may not understand the requirement to live in the property. (The applicant has not lived on the property for ten years.) **SMITH** said the late application should be denied, because the property owner does not meet the criteria for an exemption.

The motion carried 4-3 in a roll call vote with **SCOTT, SCHNABEL,** and **VANCLEVE** opposed. Mayor **CASE** broke the tie.

2. **Borough Manager Applicant Discussion**

SMITH and **LAPP** said they want to hire a permanent borough manager and not spend time considering an interim. **SCHNABEL** said there are two or three permanent position applicants that she is willing to interview. Mayor **CASE** said he would like to save money by hiring **VENABLES** and not replacing his economic development position right away, or to hire Doug Bell who could lead the accounting staff to prevent having to hire a CFO right away. **SCHNABEL** said Gene Kane struck her as a viable candidate.

The assembly took a moment to write down their top three applicants and gave them to the mayor to compile. The result was a short list of three candidates to interview: Robert Venables, Gene Kane, and Doug Bell. Phone interviews will be conducted for those out of town.

SCOTT asked that staff be allowed to have their point-of-view represented in the hiring process; she spoke with Marva Crecelius, union steward, and she is willing to solicit two staff volunteers (no compensation).

M/S **SCOTT/ROSSMAN** Motion that two volunteer members of the staff be included formally in the hiring committee with the understanding that they will participate in all meetings and interviews and not be compensated.

SCOTT said the two should be able to vote. **CASE** and **SCHNABEL** disagreed with voting rights and said they should only be given an opportunity to give their input following the interviews. **SCHNABEL** suggested that the chairs of the museum and library boards and the Chamber of Commerce be involved. **VANCLEVE** disagreed saying he is generally not opposed to garnering input, but he is against employees or board members being given an opportunity to vote. There should be no official record of particular staff voting for or against the manager who is hired. **ROSSMAN** agreed with **VANCLEVE**. **SMITH** said the assembly is elected by the public to make these decisions, and **LAPP** agreed.

ROSSMAN withdrew his second to the motion.

M/S **SCOTT/** Motion to include two members of staff on the hiring committee to act in an advisory capacity. The motion died for lack of a second.

A Committee-of-the-Whole was scheduled for Monday, 11/1/04 at 6:30 p.m. to conduct interviews.

3. Appointment of Lynda Walker to the Planning Commission (added by **CASE** during approval of the consent agenda)

M/S **LAPP/VANCLEVE** Motion to confirm the appointment of Lynda Walker to the Haines Borough Planning Commission.

The motion carried 5-1 with **SCHNABEL** opposed.

13. SET COMMITTEE MEETING DATES

SCHNABEL changed the standing Finance & Budget Committee meetings to the 1st and 3rd Mondays of each month.

SCOTT said the Government Services Committee will meet next week subject to **KENNEDY**'s availability, and she will notify the clerk for posting.

SMITH asked that the Government Services and Government Affairs Committees be officially combined and expand the members to four. **CASE** said he will give the two new assembly members an opportunity to decide the committees they would be interested in before he makes final committee decisions. He asked **VANCLEVE** if he wanted to be the assembly's liaison to the planning commission. **VANCLEVE** said he has not yet decided if he wants to resign from the planning commission. **CASE** confirmed that he could serve on both if he wants.

COZZI will advertise and post for appointees for the new Parks and Recreation Advisory Board and provide for a 3-week application period. The mayor will appoint them for the assembly's confirmation during the second meeting in November.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SMITH said the borough should seriously look into accepting credit card payments. An additional fee could be charged for the right to pay that way. The borough could purchase a credit card terminal for approximately \$500. **VENABLES** agreed to look into it.

CASE emphasized that he is now "just" mayor, and **VENABLES** is acting manager.

15. ADJOURNMENT - 9:35 pm

Mike Case, Mayor

ATTEST:

Julie Cozzi, Borough Clerk