

Haines Borough  
Borough Assembly Meeting #43  
May 19, 2004  
MINUTES

1. **CALL TO ORDER:** Mayor Mike **CASE** called the meeting to order at 5:59 p.m. in the Assembly Chambers of the Municipal Building and led the pledge to the flag.
2. **ROLL CALL Present:** Mayor Mike **CASE**, Assembly Members Stephanie **SCOTT**, Lucy **HARRELL**, Norm **SMITH**, Jerry **LAPP**, Douglas **OLERUD**, and Debra **SCHNABEL**.

M/S **OLERUD/SCOTT** Motion to go into Executive Session to discuss a personnel issue.

The motion carried unanimously.

The Executive Session Duration: 26 minutes (in at 6:00pm and out at 6:26pm)

M/S **OLERUD/SCHNABEL** Motion to go out of Executive Session.

The motion carried unanimously.

The Regular Meeting convened at 6:30pm.

**PLEDGE TO FLAG** led by Mayor **CASE**.

**Staff Present:** Julie **COZZI**/Borough Clerk, Keith **BETTRIDGE**/Borough Manager, Bob **KLING**/CFO, Robert **VENABLES**/Economic Development Director, and CJ **JONES**/Museum Director.

**Visitors Present:** Carolyn **WEISHAHN**, Byron **RETTINGER**, Laura **RETTINGER**, Elli **BRAATEN**, Woody **WILSON**, Carol **KELLY**, Gary **STIGEN**, Tresham **GREGG**, Anthony **CRUPE**, Steven **HAY**, Dawne **THOMSEN**, and others.

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

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

The following agenda amendments were requested by **SCOTT**:

- 1) Remove 4/21/04 minutes from the consent agenda;
- 2) Remove Economic Development Report from the consent agenda

The following agenda amendments were requested by **SCHNABEL**:

- 1) Remove 5/5/04 minutes from the consent agenda;
- 2) Add PC request to Item 8L-Planning & Zoning Report.

The motion to approve the consent agenda, as amended, carried unanimously.

4. **APPROVAL OF MINUTES:**

\*April 21, 2004 Regular Meeting and \*May 5, 2004 Regular Meeting

M/S **OLERUD/HARRELL** Motion to approve the 4/21/04 meeting minutes.

**SCOTT** pointed out that the second paragraph on page 7 should actually say, "**SCOTT** said she does not share **HARRELL**'s lack of concern." There was no objection to the change.

The motion carried unanimously.

M/S **OLERUD/SCOTT** Motion to approve the 5/5/04 meeting minutes.

**SCHNABEL** said that the paragraph on page 5 titled "Folletti's Espresso Stand" needs to be corrected to clearly state that the question has to do with the property owner (the Haines Borough). The property owner needed to determine whether or not the access to the espresso stand was acceptable; the owner (the Borough) needed to give permission. **SMITH** added that he would like it added to the same section that "**SMITH** does not believe that it is a use-by-right."

The motion carried unanimously.

**5. PUBLIC COMMENTS:**

**WEISHAHN** commented about the recent media release announcing that the State had done away with the helicopter service use district (SUD). She said the media release made it sound like the Borough has changed its opinion regarding the Helicopter SUD. In a memo from Al Clough, DCED Commissioner, it sounds like the Economic Development Director was responsible for this. "Who was responsible for this meeting; who authorized a change in the Borough's position. She requested that the Borough take action. "It would be useful if **VENABLES** would address the issue during tonight's meeting, possibly during his report."

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

**A. Association of Yukon Communities Annual General Meeting in Haines Junction**

Mayor **CASE** said that this organization is similar to the Alaska Municipal League. They invited him to attend. He was informed of the Canada 2007 Games in the Yukon. "It is a big thing; if we play our cards right, we can get a lot of visitors from it." He also thanked **VENABLES** for preparing an excellent notebook of resource material for him to take to Haines Junction that was very helpful.

**B. Helicopter SUD status**

He pointed out that the media release had not come out when he added this topic to the agenda.

**C. Exterior Painting, Borough Buildings - RFP**

The mayor asked the manager to explain, and **BETTRIDGE** explained that the RFPs have gone out and the Borough is waiting for proposals.

**D. Haines Article in Highways Magazine**

He brought their attention to the Good Sam Club Magazine article about Haines.

**7. PUBLIC HEARINGS:**

**A. PROPOSED NEW COMMERCIAL TOUR**

**WHALE TALE CHARTERS**

ELLI BRAATEN, OWNER/OPERATOR, PROPOSES TO PROVIDE A TWO-HOUR WATER-BORNE TOUR TO VIEW WILDLIFE. IT WOULD ACCOMMODATE A MAXIMUM OF SIX PASSENGERS AT ONE TIME AND WOULD ORIGINATE OUT OF THE HAINES BOAT HARBOR. THE TOUR WOULD CONTINUE ON TO SEA LION ROCK, CROSS TO SEDUCTION POINT, THEN BACK TO THE BOAT HARBOR.

The mayor opened and closed the public hearing at 6:42pm; there was no comment.

M/S **OLERUD/SCOTT** Motion to approve the Whale Tale Charters Tour Proposal.

The clerk noted that all requirements have been met.

The motion carried unanimously with a roll call vote.

**B. PROPOSED NEW COMMERCIAL TOUR**

**SHELTERED HARBOR SHUTTLE**

BYRON AND LAURA RETTINGER PROPOSE A 1-1/2 TO 2-HOUR VAN TOUR TO SHOW THE SCENIC BEAUTY, WILDLIFE, AND GENERAL HISTORIC ATTRACTIONS OF HAINES. THE TOUR WOULD LEAVE FROM BEACH ROAD/PC DOC, TRAVEL FRONT STREET TO LUTAK ROAD, CONTINUE TO CHILKOOT STATE PARK AND CHILKOOT LAKE AND BACK TO TOWN VIA LUTAK ROAD. THE TOUR WOULD CONTINUE WITH A COUNTER-CLOCKWISE DRIVE AROUND THE FORT PARADE GROUNDS, UP TO TOWER ROAD TO MUD BAY ROAD TO LETNIKOF COVE BEFORE RETURNING TO THE STARTING POINT VIA MUD BAY AND TOWER ROADS.

The mayor opened the public hearing at 6:50pm.

**CRUPE** requested that, if the tour is approved, the tour owners meet with State Parks and Fish & Game to discuss how they could minimize traffic. There is much congestion and overuse of the Chilkoot River Corridor.

Laura **RETTINGER** said that she and her husband are offering a simple tour but will customize to the interest of their clients by adding Chilkat State Park or the Bald Eagle Preserve. She said that people are citing congestion and overuse of the Chilkoot River area as a reason for denying their tour. "The borough could have set limits as to the number of permits and you haven't. The State Parks offers non-competitive permits and they are going to issue us a permit." She added that she was told by Ranger, Joel Telford, that their tour is considered low impact and he has provided a letter of support.

**HAY** spoke to the issue of congestion and the "carnival-type" atmosphere. He said you cannot survive unless you expand. Asside from having a personal commercial interest, he said he

loves the area and does not want to see another operator in the area; the ones currently operating there will potentially expand in the future.

The mayor closed the public hearing at 6:54pm.

M/S **OLERUD/LAPP** Motion to approve the Sheltered Harbor Shuttle tour proposal.

**SMITH** said that he sympathizes with the Rettingers as fellow B&B operators. "We're all guilty of telling our friends and families about the bears out at Chilkoot." He said that he cannot endorse the tour if the Rettingers are planning to expand to more and/or larger vehicles.

Byron **RETTINGER** said they would like to have the opportunity to sell tours for others in town, including Dale Mulford's tour, in their B&B gift shop. For this year, he has only one van. So far, he has more than \$3,000 in permits and insurances. **SMITH** said it comes across as a "mom & pop" operation, but he is concerned that in 4 or 5 years he may have lots of big vehicles. **RETTINGER** responded that, although he has no idea what the future will bring, he guarantee he will not have a lot.

**OLERUD** said he is not happy that he (as well as Harrell and Lapp) was singled out in the Dan Egolf memo of objection. He referred to Telford's memo and said that he is supportive of the tour because State Parks has no problem with it. **SCHNABEL** said that she is very disappointed that the Chilkoot River Corridor (CRC) Group was not able to come to a consensus about limiting tours. She asked that the group be given time to continue addressing the issue. She only sees that the situation is going to worsen. She asked if the assembly should ask the Rettingers to consider NOT going out to the Chilkoot area during the cruise ship days; to arrange to go out there during non-competitive times. **CASE** said we would have to get a legal opinion in order to limit free-enterprise. **HARRELL** said that the spacing of tours should be done in the permitting process; schedule of hours and numbers of vehicles. She said that individual operators like the Rettingers could possibly go out in the evenings after the cruise ships have left. **RETTINGER** reiterated that Telford said they definitely have a low-impact tour, because they are not taking the trails and walking around. 99% of his business is going to be when the cruise ships are in port. **SCOTT** said the assembly would have to determine that the tour would violate Title 5 in order to NOT approve the tour and at this point in time the tour should be approved.

The motion to approve the tour proposal carried unanimously with a roll call vote.

**C. ORDINANCE 04-04-054 - (second hearing)**

AN ORDINANCE OF THE HAINES BOROUGH AMENDING HAINES BOROUGH CODE TITLE 8, SECTION 8.16, TO ALLOW THE SALE OF FIREWORKS OUTSIDE THE PRE-"1999 ANNEXATION" BOUNDARIES OF THE TOWNSITE SERVICE AREA.

M/S **LAPP/SCOTT** Motion to adopt Ordinance 04-04-054.

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

**D. ORDINANCE 04-05-055 - (first hearing)**

AN ORDINANCE OF THE HAINES BOROUGH AMENDING HAINES BOROUGH CODE TITLE 3, SECTION 80.020, DEFINITIONS, EXEMPTING FROM THE "BED TAX" THOSE GUESTS WHO PROVIDE THEIR OWN ACCOMMODATIONS.

The Mayor opened & closed the public hearing at 7:15pm; there was no comment.

M/s **OLERUD/LAPP** Motion to move Ordinance 04-05-055 to a second public hearing on 6/2/04.

The motion carried unanimously.

**E. ORDINANCE 04-05-056 - (first hearing)**

AN ORDINANCE OF THE HAINES BOROUGH, APPROPRIATING \$8,400 TO RETAIN THE PROFESSIONAL SERVICES OF THE FIRM OF ROBERTSON, MONAGLE & EASTAUGH TO REPRESENT THE HAINES BOROUGH IN WASHINGTON, D.C. REGARDING A NEW HARBOR.

The mayor opened & closed the public hearing at 7:17pm; there was no comment.

M/S **OLERUD/LAPP** Motion to move Ordinance 04-05-056 to a second public hearing on 6/2/04.

The motion carried unanimously.

**8. STAFF REPORTS:**

**A. Manager**

**BETTRIDGE** summarized his written report and spoke to the following items:

**Governmental Financial Software Purchase**

**BETTRIDGE** announced that he is withdrawing his request to purchase Black Mountain Software, at this time. He has been discussing it with Finance Department staff, and they have requested more time to work with Fundware and to get training before decisions are made to go with a new system.

**Planning Commission**

They are looking at DCED training in September, and **BETTRIDGE** encouraged the assembly to take part in it.

**Townsite Service Area and the Tax Cap**

**BETTRIDGE** said that he and the Finance Department have done the research into options and legalities. He requested that the appropriate committee take a look at the issue.

**Alaska Supernatural Teas**

**BETTRIDGE** pointed out that a Forest Service grant will be awarded in the next day or two. It's a "pass-through" grant similar to the community daycare account. The grant needs to be sponsored by a government agency. Erika Merklin of Alaska Supernatural Teas has applied for the grant, and the Forest Service has asked the Borough if it would support it and be the "conduit" for it? It was decided that action would be taken under New Business.

**\*B. Finance****\*C. Economic Development**

**VENABLES** gave an update on the boat harbor. The Alaska Marine Highway has agreed to a special voyage of the Kennicott on Friday for the Beer Festival. Grants are going forward. He addressed **WEISHAHN**'s questions & concerns regarding the Helicopter SUD being cancelled. **VENABLES** said he has not initiated any contacts regarding the SUD. On the contrary, he has continued to express the Mayor's policies including a breakfast meeting with Attorney General, Greg Renkes. He has many projects that cause him to interact regularly with the Department of Community and Economic Development (DCED). At the meeting on 4/19/04, he was discussing many different topics with Al Clough. During that meeting, he was asked about the SUD. He told them that the SUD needs to stay. He was surprised to see the memos and the media release. Never at any time did he (**VENABLES**) recommend anything other than keeping the SUD in place. **SMITH** asked **VENABLES** if he had any prior knowledge of Murkowski's opposition to sign the SUD. **VENABLES** said that he was very aware of it. **SCOTT** asked when the assembly could discuss the situation and how to respond to it. **CASE** said this time would be good. He said that he had recently inquired about the SUD status and was told that it was being held up in the Governor's Office. He called DCED and talked to Al Clough and was told essentially what is in the Clough's memo to Chief of Staff, James Clark. He called Clark, and he said that he did not realize the press release was coming out and did not seem to realize that the Haines Borough had endorsed the SUD as a compromise. He said that he is not happy about the way it has evolved and he and the mayor will talk later in the week to discuss the appropriate steps to take. What comes of that discussion remains to be seen.

**SCOTT** said that it appears that some element of the State has gone to great lengths to make it look like this is what the Borough wants. She said that she would like an official

response to the State that the Assembly is dismayed and is not supportive of the abandonment of the SUD.

**SMITH** made comments on Clough's memo and said that he does not believe it adequately answers the reason(s) for the SUD being "thrown out." He said he does not want it to be taken lightly by just writing a letter of objection. He is not looking for blame; he is looking for answers and they are not in the memorandum. "It is a slap in the face from the Murkowski administration." **CASE** clarified that the subject of the memo is "Haines Economic Development" not just the SUD.

**SCOTT** asked **VENABLES** if the State would offer assistance as a matter of routine. **VENABLES** said not necessarily. DCED has various experts and he asked them if they would offer some of that expertise to the assembly because of the large amount of state lands here. This has nothing to do with the SUD. He added that he believes that Clough was trying to find some middle ground. "This was an internal memo for them; it was not intended to answer our questions." **SCHNABEL** said we are speaking as though the SUD has been dissolved. At the same time, we are hearing that DCED is interested in helping us with Economic Development issues. This idea that all of the regulations are somehow unacceptable is wrong. "What regulation(s) need to be readdressed as opposed to throwing the whole thing out?" **SMITH** said he wants to reiterate that DCED says that they will be advisory only. **HARRELL** asked if it would help if each member of the assembly actually signed the letter of objection. **CASE** said it was a good idea.

**SCOTT** asked about Ocean Beauty and Excursion Inlet and the status of it. **VENABLES** said that Mr. Forbush did come to town; they are working on locating a surveyor to survey Borough lands as well as identifying lands they have that they might exchange with the Borough.

\*D. Chilkat Center

\*E. Tourism

\*F. Museum

\*G. Library

\*H. Public Works

\*I. Water/Sewer

\*J. Fire

\*K. Ports/Harbors

\*L. Planning & Zoning

**SCHNABEL** commented on the letter from the Planning Commission regarding access to Fred Folletti's espresso stand through Borough-owned property. **THOMSEN** said that he has been assessed a fine.

## 9. COMMITTEE/COMMISSION REPORTS:

**a. Commerce Committee**

**OLERUD** distributed a status report on the harbor project. **VENABLES** asked for the assembly to give him some direction to provide to the lobbyists. The ice house business plan shows a net gain to the borough, and the harbormaster has indicated that the harbor crew could handle the ice house labor needs.

**LAPP** asked the location, and **VENABLES** said it is planned for a spot just before the fuel dock and the crane. There will be a 20-ton machine with a 35-ton storage facility. "That is what the fishing fleet has asked for." **SCHNABEL** asked the size of the structure. **OLERUD** said he is assuming the Planning Commission will go over the plan prior to final location. **VENABLES** said it is about the size of a freight container with a compressor on top, about 25-feet. **OLERUD** pointed out that the grant application must be made ASAP.

M/S **SCOTT/LAPP** Motion of support for applying for the ice house grant with haste.

The motion carried unanimously with a roll call vote.

**b. Finance & Budget**

**SCHNABEL** said that she would like to see requests for funding meet certain requirements. Additionally, the committee would like to start a process of determining bonding capability of the Borough.

**c. Personnel & Labor Relations** - None

**d. Government Services** - None

**e. Government Affairs** - None

The mayor called a brief recess at 8:07pm

The meeting reconvened at 8:17pm

**10. OLD BUSINESS:**

**A. School District Request for Additional Revenue**

**KELLY** said that the first real need is the boilers that must be repaired. The second need is the van, because it is not safe to take out of town. Additionally, there is major interest in starting the trades & industries program. A fourth need would be musical instruments. **SMITH** asked how many boilers are involved. **WILSON** said all the tubing must be removed and replaced in the two boilers at the High School. He said that no one in town can do the repair on these boilers, so they got the estimate from a company in Juneau.

M/S **LAPP/HARRELL** Motion to reconsider the 4/21/04 decision to not provide the school district additional foundation funding as requested.

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

M/S **LAPP/HARRELL** Motion to grant the school's request for additional funds but limited to \$20K.

**WILSON** said that \$39K is in the amended school district budget, and he does not recall the line items that the money was taken from. **SCHNABEL** said that she does believe that the boiler repair is a very important item. **SCOTT** said that the assembly needs to have some criteria for evaluating funding requests. She said she would like to wait on it and wait to fund it altogether in one lump sum. **CASE** clarified that it would be funded out of the FY04 budget. **SMITH** asked **WILSON** what the school district would do with the \$20K. **WILSON** said that the school board would have to discuss it. **OLERUD** said that he has been convinced to vote against the motion. **KELLY** responded that the school board is elected to make funding choices. **OLERUD** said he views additional funding as above and beyond what is mandated and therefore subject to assembly stipulation.

M/S **SCOTT/LAPP** Motion to amend the amendment to appropriate up to \$18,571 to the School District to purchase a van.

**HARRELL** said that the school board's judgment should be trusted.

The amended amendment motion failed 4-3 in a roll call vote with **OLERUD**, **HARRELL**, and **SCHNABEL** voting against and Mayor **CASE** breaking the tie with a "no" vote.

The amendment motion carried 4-2 in a roll call vote with **OLERUD** and **SCHNABEL** opposed.

An unrestricted \$20,000 will be given to the School District out of the FY04 budget.

M/S **SCHNABEL/LAPP** Motion to authorize up to \$39K to the School District to repair the boilers immediately.

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

#### **B. Chilkat Center Advisory Board By-Laws Adoption**

Adoption was postponed until next meeting to provide the Assembly adequate opportunity to review them again with the changes approved during the 4/21/04 meeting.

### **11. STRATEGIC PLAN UPDATES**

**SCHNABEL** said that she was somewhat disappointed that the strategic plan came back in "minute form." It is a great beginning but needs to be narrowed down and approved. **CASE** said that McDowell wants a response, and it should be a group response.

### **12. NEW BUSINESS:**

#### **A. Resolutions - None**

**B. Ordinances for Introduction - None**

**C. Other New Business**

**1. Forest Service Grant - Alaska Supernatural Teas**

**SCHNABEL** had concerns about the administrative costs and reporting requirements. **SMITH** had concerns about Alaska Supernatural Teas being accountable. **CASE** said that **VENABLES** has been assisting this small business (in addition to other businesses) to locate sources of funding. **SCOTT** pointed out that this is the second grant for this company, and that the owner has gone through a very tedious process.

**M/S OLERUD/SCOTT** Motion to endorse the grant application with the stipulation that the Borough be reimbursed for administrative costs and that there be no out-of-pocket cost to the Borough.

**SMITH** and **SCHNABEL** asked **BETTRIDGE** to identify a Borough individual responsible for grant reporting. He agreed.

The motion carried unanimously.

**2. Repair or Replacement of Schools**

**M/S OLERUD/LAPP** Motion to accept the recommendation of the school board for a new school building.

The motion carried unanimously.

Mayor **CASE** asked if there are two assembly members that would be willing to work with the School Board committee in the planning of the new school.

**SCHNABEL** asked what the committee would be doing and how detailed the work would be. **STIGEN** said there is a process that the committee will go through to prepare the new school package for the community. He said it would be advisable to have two assembly members on the committee, but one would be okay. He added that it would be nice to keep both bodies connected and have someone able to report back to the assembly. **CASE** said that a decision on committee appointees from the assembly will be delayed until later.

**3. Adopting a Format for Committee Minutes**

**SCHNABEL** said that a format would encourage more communication from the committees and assure that the committees produce certain items for presentation to the assembly. No action was taken.

**4. CVB Board Request for Funding - Summer Arts Festival**

**GREGG** asked for \$1,500 for brochures to help get the word out for a summer arts "school." He spoke of it as an opportunity to tap into a new (or revisited) way of

bringing people into Haines. The brochure would start the ball rolling to capitalize on the arts community in Haines; getting people to come in to spend some time, spend some money, and take some classes. He said that there are quite a few instructors on line for it from different mediums and walks of life. **CASE** said he attended the meeting where it was presented to the CVB Board, and everyone was very enthusiastic. He added that the requested funds would come out of the Tourism budget.

M/S **SCOTT/SMITH** Motion to authorize \$1,500 to the Ft. Seward Centennial Committee to support their efforts to promote the arts community.

**SCOTT** said that the brochure as presented does a lot of advertising and it would be "iffy" for the Borough to fund it in that form. She would be supportive of giving the funds directly to the Ft. Seward Centennial Committee as opposed to giving it directly to a business or a group of businesses. **SCHNABEL** suggested a less expensive brochure at this time to get the ball rolling, but during the winter develop one for next year that actually provides specific information and dates. **GREGG** said he set up a generic brochure so that it could be used in different situations. **SCOTT** said that the assembly needs to establish criteria for granting funding requests, and she believes that one of the criteria needs to be that the Borough would not fund individual businesses.

The motion carried 4-1 with **HARRELL** opposed and **SMITH** abstaining.

**13. SET COMMITTEE MEETING DATES**

The Commerce Committee will meet on 5/27 at Noon to discuss directions for the lobbyist.

The assembly agreed to move the June 16<sup>th</sup> regular meeting to June 15<sup>th</sup> to accommodate the budget adoption deadline.

**14. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

**OLERUD** suggested that consideration be made to purchasing laptops for assembly members for use during the meetings.

**SMITH** said that borough ordinances need to be consistently enforced.

**15. ADJOURNMENT - 9:49pm**

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Mike Case, Borough mayor

ATTEST:

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Julie Cozzi, Borough Clerk