


Haines Borough
Borough Assembly Meeting #47
June 15, 2004
MINUTES

Approved

1. **CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor Mike **CASE** called the meeting to order at 6:30 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**.

Staff Present: Scott **HANSEN**/Administrative Assistant, Keith **BETRIDGE**/Borough Manager, Bob **KLING**/CFO, Jila **HANDJANI**/Accountant, Marva **CRECELIUS**/A-P Clerk, Lori **STEPANSKY**/Tourism Director, Dave **MENAKER**/Chilkat Center Maintenance, and Christa **CLAYTON**/Office Specialist. **HANSEN** recorded the meeting in the Clerk's absence.

Visitors Present: Dan **COLEMAN**/KHNS, Steve **WILLIAMS**/CVN, Marilyn **JOSEPHSON**, Nicki **HOPPER**, Leslee **DOWNER**, Dwight **DOWNER**, Ann **BURKHARDT**, Marge **WARD**, Faith **LORENTZ**, Walter **CLAYTON**, Arlene **JACKSON**, Tom **JACKSON**, Harriet **JURGELEIT**, Tom **HEYWOOD**, Liz **HEYWOOD**, Jim **HEATON**, Dani **BETRIDGE**, James **ALBOROUGH**, Joan **SNYDER**, Randa **SZYMANSKI**, Patricia **PETERS**, Gina **ST CLAIR**, Shannon **NYE**, Ben **KIRKPATRICK**, Jessi **BADGER**, Karen **HESS**, 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 6/2/04 and 6/7/04 minutes from the consent agenda;
- 2) Add under Old Business a discussion of the Helicopter SUD

The following agenda amendment was requested by **SCHNABEL**:

- 1) Add under New Business a discussion of Pam Randles' Letter regarding the Chilkoot River Corridor.

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

4. **APPROVAL OF MINUTES:**

*June 2, 2004 Regular Meeting and *June 7, 2004 Special Meeting

M/S **OLERUD/LAPP** Motion to approve the 6/2/04 meeting minutes.

M/S **SCOTT/SMITH** Motion to postpone consideration of the 6/2/04 minutes to a definite time - the 7/7/04 meeting.

The motion failed with **OLERUD**, **LAPP**, and **HARRELL** opposed.

LAPP asked **SCOTT** to explain her reasons for postponement. **SCOTT** explained that she has substantial issues with them in their

current form and believes they can be easily addressed by the Clerk after she returns from NW Clerk's Institute.

The motion to approve the minutes failed unanimously.

M/S **SCOTT/LAPP** Motion to consider the 6/2/04 minutes on 7/7/04.

The motion carried unanimously.

M/S **OLERUD/LAPP** Motion to approve the 6/7/04 meeting minutes.

M/S **SCOTT/SMITH** Motion to postpone consideration of the 6/7/04 minutes to a definite time - the 7/7/04 meeting - so the Clerk can record the ratification vote results.

The motion to postpone carried unanimously.

5. PUBLIC COMMENTS:

MENAKER took the opportunity to speak to the assembly about his duties at the Chilkat Center, saying that he has saved "thousands of dollars" by being there on a regular basis - the systems are old and need frequent maintenance. He also pointed out that no assembly members have taken the time to stop in at the Center to see what's going on and find out about his duties, yet a cut of his position is being considered by them.

6. MAYOR'S COMMENTS/REPORT:

CASE talked about his meeting with Tom Irwin, DNR, while he was in Anchorage on personal business. Irwin apologized that the assembly was not consulted prior to the SUD decision. However, he said that the current state administration is committed to the decision.

7. PUBLIC HEARINGS:

A. ORDINANCE 04-05-058 - (second hearing)

An ordinance of the Haines Borough, Alaska, providing for the establishment and adoption of the budget of the Haines Borough for the period July 1, 2004 through June 30, 2005, as presented by the Borough Manager.

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

LEHNER spoke in favor of NOT cutting the Chilkat Center maintenance position. She said that he provides much-needed assistance with event set-up in addition to his maintenance duties. Lehner made two suggestions for increased revenue for the Center: 1)the Chilkat Center Advisory Board should restructure the fee schedule, and 2)the Borough should pursue rental of the empty office spaces.

Tom **HEYWOOD** added his support for Chilkat Center funding and keeping the maintenance position. He also asked for continued funding of the swimming pool.

Christa **CLAYTON** asked the assembly to reconsider their plans to cut her Office Assistant position. She said that she does not believe that job cutting will solve the budget problems of the borough.

SNYDER asked the assembly to avoid making cuts to the museum, library, and pool budgets. She acknowledged that the members of the governing body have a difficult job before them but spoke to the community importance of each facility.

NYE respectfully asked for continued funding of the pool and the museum and suggested some ideas, including 1)diverting some of the 1% tourism portion of the sales tax to the museum since it is largely used by tourists, 2)closing the museum some in the winter months and using the library for the traditional winter events held at the museum, 3)investigate different emergency dispatch options, and 4)reduce part-time staff at the library by increasing the volunteer pool and the amount of hours they work.

Liz **HEYWOOD**, Chair of the Library Board of Trustees, expressed appreciation for the assembly's time and effort with the budget process. In response the assembly's 6/9/04 request for the public to identify possible revenue and cost-cutting ideas, she presented requests and suggestions on behalf of the Board.

SZYMANSKI spoke in favor of fully funding the pool and agreed with others that the museum choose receive some of the tourism sales tax fund. **BADGER** agreed that the pool is very important and needs full funding. She asked that the assembly spread any needed budget cuts over several programs. **ST CLAIR** expressed her support for the pool.

HEATON talked against the idea of closing the museum during the winter months. He agreed that the museum is used primarily by visitors in the summer, but the winter season is the time important special community programs occur.

PETERS noted that she found a 1985 pool budget that was the same amount as the current one.

HESS asked the assembly NOT to consider tapping into the 1% tourism sales tax for other programs. She said that it should be used to focus on getting visitors to come to Haines.

The mayor closed the public hearing at 7:10pm.

M/S **HARRELL/LAPP** Motion to adopt Ordinance 04-05-058.

SCHNABEL said that the assembly is dedicated to realignment of revenues and expenditures. She also pointed out to the audience

that the assembly is not able to divert dedicated funds, but the hope is for the public to let them know what they want via ballot questions in October. She said she wants to segregate the operation of the pool from appropriation funds.

OLERUD said that most of the tough budget issues are not related to the tax cap, in his opinion. He believes it is caused more from revenues remaining flat while operation costs are increasing. He agreed with the public that the museum, library, and pool are important integral parts of the community, but with the current funding situation makes it difficult to fund them at the same levels or in the same way. He sees it as an opportunity to look at things differently and find better ways to manage programs and facilities. "People need to understand that the revenue situation is only going to get worse each year." He spoke against the current proposed budget deficit.

SCOTT clarified that the assembly is not talking about cutting the Chilkat Center but only considering the public works maintenance of it. She added that it is a practice but not a requirement to have a borough employee present at Center events. The center is still being significantly subsidized and does not even come close to supporting itself. She agreed with **LEHNER's** suggestion that the Chilkat Center Advisory Board needs to meet and reconsider its fee schedule but also look at including costs of any personnel support needed during an event. "The community needs to ask themselves to what degree they can afford to subsidize the Chilkat Center." In this time of a revenue shortfall, everyone has to be more efficient.

LAPP said that the borough is getting dangerously low in its fund balances and needs to change the way it does things and get more efficient. Revenue solutions must be found to continue funding the programs and facilities everyone wants. One thing needed is a borough-wide increase of sales tax revenue. Also, borough-owned land sales may help. **LAPP** disagreed with **OLERUD** regarding the affect of the tax cap on the current budget problems saying that the mill rate cannot be raised area-wide without also raising the townsite service area mill rate.

HARRELL talked about the rising costs of the employee benefits packages. She added, however, that employee positions can be cut to the point where momentum and efficiency are lost. "We have tried to provide for ongoing government, streamlined government, consolidation of government, and improving services all at the same time with fewer people. We've cut a lot of key people out of the consolidated budget already including one mayor, one council, one clerk, etc." **HARRELL** spoke about lobbying the state to make the senior property tax exemption a local option. She said that the assembly is open to any ideas the public can come up with.

CASE said that the borough's costs are increasing. The citizens of the borough should pay for the increased costs to maintain the services they want or need.

M/S **SCHNABEL/SCOTT** said that she would like to amend the budget by funding 20% of the museum budget (\$31,000) out of the tourism fund balance.

OLERUD spoke against it saying that it should be maintained strictly for the tourism and economic development departments. **SCHNABEL** said that the tourism/economic development fund balance relative to the costs of those departments is quite large, and she believes the museum is appropriately tourism-related.

The motion to amend carried 4-2 in a roll call vote with **OLERUD** and **LAPP** opposed.

M/S **SCOTT/LAPP** Motion to reduce from \$250K to \$128K the budgeted ancillary appropriations for the Haines Borough School District and to add \$122K for a swimming pool contract.

LAPP asked if there would be stipulations for a pool contract. **CASE** clarified that it would not be a competitive contract. **SCOTT** said that "management agreement" might be a better term than "contract." **LAPP** (the seconder) agreed to the change in the motion.

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

SCHNABEL spoke of her concern that the assembly is asking fewer people to do more things without a strong analysis of the conditions under which people are working. The assembly has very clearly stated that Lookout Park, roads, and other facilities must be improved and maintained, yet tools are being cut. She added that "it is dangerous to cut back on programs that may be reinstated within six months" because of increased property tax revenue, etc.

M/S **SCHNABEL/SCOTT** Motion to reinstate in the proposed budget a half-time position to the Chilkat Center budget for maintenance of that facility.

HARRELL said she agrees with **SCHNABEL**. She added that the majority of the population is in the townsite service area and does not see that increased property tax revenue will be enough to "bail us out." **LAPP** would like to first see if Public Works could handle the job of maintaining the Chilkat Center. **SCOTT** is satisfied that Public Works could take it on, because she has not heard any arguments to the contrary. **BETTRIDGE** said that he talked with Bruce Smith, Superintendent of Public Works, who said that it would be managed as well as possible except it would be difficult if a crisis came up. **SCOTT** said that we should not staff the borough for crises. **SCHNABEL** noted that it

is not the assembly's prerogative to add or remove positions. The assembly may cut budgets but it is up to the Borough Manager to decide how the cuts will be absorbed. She would prefer the discussions to be in terms of dollar amounts and functions as opposed to specific people's jobs. She asked to restate her motion so that it calls for reinstating \$25K as opposed to a half-time position. **SCOTT** (the seconder) concurred.

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

M/S **OLERUD**/ Motion to decrease the administration budget by \$30K, the finance budget by \$30K, the library budget by \$20K, the museum budget by \$20K, and add \$20K back into the school district appropriations.

CASE ruled that there is too much for one motion and would require a division. **OLERUD** chose not to divide it.

M/S **OLERUD**/ Spend the remaining 01 fund balance (approximately \$800K) this year. The motion died for lack of a second.

The main motion, amended three times, carried 4-3 in a roll call vote with **LAPP**, **SMITH**, and **OLERUD** opposed. Mayor **CASE** broke the tie with a "yes" vote.

The mayor called a brief recess at 8:16pm.

The meeting reconvened at 8:23pm.

B. ORDINANCE 04-06-060 - (first hearing)

An ordinance of the Haines Borough amending Title 18, section 18.70.030 b(4) to remove fish processing from conditional use status in the Cannery zone.

The mayor opened the public hearing at 8:24pm; there were no comments.

M/S **OLERUD/HARRELL** Motion to move Ordinance 04-06-060 to its second public hearing on 7/7/04.

The motion carried unanimously.

C. ORDINANCE 04-06-061 - (first hearing)

An ordinance of the Haines Borough appropriating an additional \$20,000 unrestricted funds from the FY04 budget for the Haines Borough School District.

The mayor opened the public hearing at 8:25pm; there were no comments.

M/S **OLERUD/HARRELL** Motion to move Ordinance 04-06-061 to its second public hearing on 7/7/04.

The motion carried unanimously.

D. ORDINANCE 04-06-062 - (first hearing)

An ordinance of the Haines Borough appropriating funds from the FY04 budget for the actual cost of repairing the two high school boilers not to exceed \$39,000.

The Mayor opened & closed the public hearing at 8:26pm; there was no comment.

M/s **OLERUD/HARRELL** Motion to move Ordinance 04-06-062 to a second public hearing on 7/7/04.

The motion carried unanimously.

E. ORDINANCE 04-06-063 - (first hearing)

An ordinance of the Haines Borough appropriating \$2,500 funds from the FY04 budget for the 2004 Independence Day fireworks display, and \$1,500 from the FY04 budget for the Haines beautification program.

The mayor opened the public hearing at 8:27pm.

HESS said that the Chamber of Commerce wants this event to continue and are trying to raise additional funds. If they get extra, they will refund a portion of the borough's grant.

CRECELIUS said that the American Legion helped last year in lieu of a borough donation and could again in the future.

The mayor closed the public hearing at 8:29pm.

M/S **OLERUD/LAPP** Motion to adopt Ordinance 04-06-063 to a second public hearing on 6/2/04.

LAPP pointed out that the assembly already approved the expenditure.

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

8. STAFF REPORTS:

A. Manager

BETTRIDGE summarized his written report.

***B. Finance**

***C. Economic Development**

***D. Chilkat Center**

***E. Tourism**

***F. Museum**

***G. Library**

***H. Public Works**

***I. Water/Sewer**

***J. Fire**

***K. Ports/Harbors**

***L. Planning & Zoning**

***M. Police**

9. COMMITTEE/COMMISSION REPORTS:

- a. **Commerce Committee**
- b. **Finance & Budget**
- c. **Personnel & Labor Relations - None**
- d. **Government Services - None**
- e. **Government Affairs - None**

10. OLD BUSINESS:**A. Helicopter SUD**

SCOTT said she was interested in the Planning Commission meeting minutes where they passed a motion requesting the Assembly to bring back a helicopter zone. She asked how something like that gets from the Planning Commission to the Assembly agenda. The state has said that the borough can regulate activity on their land. She would like to have the Commission initiate the process that would enable the borough to replicate the SUD regulations. **HARRELL** said that communication between the two bodies is frustrating. The Planning Commission wants clear-cut direction from the assembly. She suggested written communications between the two groups as a general rule. **SCOTT** said that the Planning Commission needs to follow procedure laid out in the Charter.

SCHNABEL asked that the standing agenda form be amended to include an item 9F for a planning commission report. There was no objection, and it was so ordered by the mayor.

M/S **SCOTT/SCHNABEL** Motion to direct the Planning Commission to discover how to put the SUD regulations into Borough Code.

SCHNABEL said that management of the industry is important for the community. She believes economic development is more secure in an atmosphere of regulation. **HARRELL** pointed out that the charter gives the planning commission only the ability to regulate land use and zoning. They cannot put into place every SUD regulation. **LAPP** said that the Planning Commission should come up with something new and not just go by the SUD.

The motion failed 4-3 with **OLERUD**, **LAPP**, and **HARRELL** opposed. The mayor broke the tie with a "no" vote.

11. STRATEGIC PLAN UPDATES**12. NEW BUSINESS:**

- A. **Resolutions - None**
- B. **Ordinances for Introduction**

1. ORDINANCE NO. 04-06-064

An ordinance of the Haines Borough amending the Haines Borough Code Section 12.08.060, Utility Installation, to add a period of validity for right-of-way utility permits.

M/S **OLERUD/SMITH** Motion to introduce Ordinance 04-06-064 and set it for its first public hearing on 7/7/04.

The motion carried unanimously.

2. ORDINANCE NO. 04-06-065

An ordinance of the Haines Borough amending the Haines Borough Code Section 18.50.040, to change the planning commission's process of reviewing conditional use permit requests.

M/S **OLERUD/LAPP** Motion to introduce Ordinance 04-06-065 and set it for its first public hearing on 7/7/04.

HANSEN clarified that this ordinance removes the arbitrary element of the conditional use permitting process. For example, if a property owner is unpopular in the neighborhood, the neighbors could successfully prevent a permit even though the property owner met every other requirement.

M/S **SCOTT/SCHNABEL** Motion to amend by striking *only* "and given their due weight."

HARRELL said she believes the conditions should be specified at the time of zoning.

The motion failed in a roll call vote with **HARRELL, LAPP,** and **OLERUD** opposed. Mayor CASE broke the tie with a "no" vote.

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

3. ORDINANCE NO. 04-06-066

An ordinance of the Haines Borough accepting a pass-through grant from the U.S. Fish and Wildlife Service and agreeing to act as the contracting entity for the construction phase of the Muskrat Creek culvert replacement project.

M/S **OLERUD/HARRELL** Motion to introduce it and have the first public hearing on it this evening.

The motion carried unanimously.

The mayor opened it for its first public hearing at 8:20pm

HESS spoke against the ordinance because she sees the project as being a potential problem for her business in the future.

KIRKPATRICK responded that there will be no impact on nearby property owners. He added that 10% of the grant monies will go to the Haines Borough for administrative costs.

Mayor **CASE** closed the public hearing at 8:23pm

M/S **OLERUD/SCOTT** Motion to set Ordinance 04-06-066 for its second public hearing on 7/7/04.

The motion carried unanimously.

C. Other New Business

1. Contract Award(s)

a. GIS Parcel Data Services

M/S **OLERUD/LAPP** Motion to award the GIS parcel data contract to the apparent low bidder, Encompass Data.

SMITH requested that RFP results include the business addresses in the future.

The motion carried unanimously with a roll call vote.

b. Cruise Ship Shuttle Service

M/S **OLERUD/LAPP** Motion to award the cruise ship shuttle contract to the sole bidder, River Adventures.

SCOTT and **SMITH** both said that they want to make sure that a Fort Seward stop is included in the shuttle route. **STEPANSKY** said that she would like to allow flexibility with the route depending on the passengers and the weather conditions. **SCOTT** wants a guarantee that it will always stop at the Fort.

M/S **SCOTT/SMITH** Motion to amend to specify that the cruise ship shuttle route will always include a stop at Fort Seward.

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

The motion carried unanimously with a roll call vote.

2. Fire District #4, Mud Bay

M/S **SCOTT/LAPP** Motion to advertise for volunteers to serve on a Fire District #4 Board, and if there are no applications, the assembly will appoint the Board.

The motion carried unanimously.

3. Chilkoot River Corridor Working Group - Pam Randles' Letter

M/S **SCOTT/SCHNABEL** Motion to ask the mayor to write a letter to the Chilkoot River Corridor Working Group asking them to consider

Pam Randles' concerns and make recommendations to the Borough Assembly.

SCOTT said that she would love to see the borough help fund the bear monitor position with tourism and economic development monies.

The motion carried 4-2 with **OLERUD** and **LAPP** opposed.

13. SET COMMITTEE MEETING DATES

A Commerce Committee meeting was scheduled for Tuesday, 6/22/04, at 2:00pm to discuss the boat harbor project with Army Corps staff in the assembly chambers.

A Finance Committee meeting was set for Tuesday, 6/29/04, at 4:00pm in the assembly chambers.

A joint meeting of the Finance and Government Affairs Committees was scheduled for Tuesday, 7/13/04 at 2:00pm in the assembly chambers to discuss an area wide sales tax.

OLERUD requested regular reminders of the committee meetings.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SMITH said that he would like to see an ordinance passed limiting the assembly meetings to a specific time.

OLERUD announced that Ed Shirley's prognosis is very good, and he really appreciated the get well card he received from the Haines Borough.

15. ADJOURNMENT - 9:50pm

Mike Case, Borough mayor

ATTEST:

Julie Cozzi, Borough Clerk