


Haines Borough
Borough Assembly Meeting #48
July 7, 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 Public Safety Building and led the pledge to the flag.

2. **ROLL CALL Present**: Mayor Mike **CASE**, Assembly Members, Norm **SMITH**, Jerry **LAPP**, Douglas **OLERUD**, and Debra **SCHNABEL**; Stephanie **SCOTT** and Lucy **HARRELL** attended the meeting via teleconference.

Staff Present: Julie **COZZI**/Borough Clerk, Keith **BETTRIDGE**/Borough Manager, Bob **KLING**/CFO, Marva **CRECELIUS**/A-P Clerk, and Robert **VENABLES**/Economic Development Director.

Visitors Present: Dan **COLEMAN**/KHNS, Bonnie **HEDRICK**/CVN, Dani **BETTRIDGE**, Carolyn **WEISHAHN**, Sarah **SWINTON**, Stacie **TURNER**, Gary **STIGEN**, Chip **LENDE**, Heather **LENDE**, Mike **WARD**, June **HAAS**, Emily **COLE**, Brian **CLAY**, and others.

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

Mayor **CASE** announced that all voting would be by roll call since two members were present by telephone.

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

The following agenda amendments were requested:

- 1) By Mayor **CASE**: Add item #12C4 - Personnel Issue under New Business
- 2) By **SCHNABEL**: Move Item 12C2 from New Business to just after the Mayor comments to accommodate the school board members present at the meeting.

The motion to approve the consent agenda, as amended, carried unanimously with a roll call vote.

4. **APPROVAL OF MINUTES**:

- *June 2, 2004 Regular Meeting, *June 7, 2004 Special Meeting, and
- *June 9, 2004 Special Meeting

5. **PUBLIC COMMENTS**:

WEISHAHN spoke against Ordinance 04-07-068 to adopt the two heliport zones. She believes that heliports as a conditional use borough-wide would be a good idea. If the assembly chooses to introduce that ordinance, she asked that they at least consider addressing each of the two zones separately since they are very different (one being remote and one being on a road system).

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

Mayor **CASE** recommended the appointment of Judy Heinmiller Clark and Herb VanCleve to the CVB Board.

M/S **OLERUD/SMITH** Motion to approve the appointments.

The motion carried unanimously on a roll call vote.

7. New Business Item 12C2 - Request for joint school budget workshop
(moved out of order during consent agenda approval)

TURNER and **LENDE** each explained the two issues of prime concern-- the pool and assembly understanding that the budget cuts occurred to the only places that the school board has discretion with.

M/S **OLERUD/SCHNABEL** Motion to set a joint workshop meeting on 7/12/04 at 6:30pm in the High School open area.

The motion carried unanimously with a roll call vote.

7. PUBLIC HEARINGS:

A. ORDINANCE 04-06-060 - (second 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 6:53pm.

HAAS spoke in favor of the ordinance but as a property neighbor expressed concern that the cannery property not be allowed to be used for just any activity.

Hearing no further comment, the mayor closed the public hearing at 6:56pm.

M/S **OLERUD/LAPP** Motion to adopt Ordinance 04-06-060.

The motion carried unanimously with a roll call vote.

B. ORDINANCE 04-06-061 - (second 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 and closed the public hearing at 6:57pm; there were no comments.

M/S **OLERUD/LAPP** Motion to adopt ordinance 04-06-061.

LAPP encouraged the school board to use wisdom in allocating the money and to consider using it to purchase a much-needed van.

The motion carried unanimously with a roll call vote.

C. ORDINANCE 04-06-062 - (second 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 and closed the public hearing at 7:01pm; there were no comments.

M/S **OLERUD/LAPP** Motion to adopt Ordinance 04-06-062.

The motion carried unanimously with a roll call vote.

D. ORDINANCE 04-06-063 - (second 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 7:04pm.

Heather **LENDE** voiced concern about the assembly spending funds for flowers and fireworks in the light of the budget cuts.

M/S **OLERUD/LAPP** Motion to adopt Ordinance 04-06-063.

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

E. ORDINANCE NO. 04-06-064 - (first hearing)

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.

The mayor opened & closed the public hearing at 7:07pm; there was no comment.

M/S **OLERUD/LAPP** Motion to move Ordinance 04-06-064 to a second public hearing on 7/21/04.

The motion carried unanimously with a roll call vote.

F. ORDINANCE NO. 04-06-065 - (first hearing)

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.

BETTRIDGE stated that the Planning Commission would like to "recall" this ordinance to do some more work on it before reintroducing it.

M/S **LAPP/OLERUD** Motion to table.

The motion carried unanimously with a roll call vote.

G. ORDINANCE NO. 04-06-066 - (first hearing)

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.

The mayor opened & closed the public hearing at 7:10pm; there was no comment.

M/S **OLERUD/SMITH** Motion to move Ordinance 04-06-066 to a second public hearing on 7/21/04.

The motion carried unanimously with a roll call vote.

8. STAFF REPORTS:

A. Manager

BETTRIDGE summarized his written report, which covered the following topics:

1. Ocean Beauty and the Excursion Inlet Survey
2. Lookout Park Maintenance
3. 35-mile Gravel Pit Lease
4. Carson-Dorn Water/Sewer Master Plan Report
5. Public Safety and Administration Buildings - Exterior Painting
6. Emergency Dispatch Options
7. Janitorial Services
8. Administration Office Changes
9. FY05 Budget Books - Final Version

BETTRIDGE also distributed a memo regarding janitorial options for the borough and said he believes there would be an advantage to the assembly creating a part-time custodian position as opposed to continuing to handle it with contracts. **SCHNABEL** expressed concern that the estimated hours are too low and said she would like to see it go out to bid once again but this time as a package of all three buildings---all or nothing. **SMITH** said he is not in favor of creating a new position and is not willing to call a personnel committee meeting to address it. The manager will proceed with reposting it for contracting.

SCHNABEL said that she is still interested in surveying the Townsite Service Area regarding desired police services.

OLERUD said that Gershon **COHEN** paid him a visit to say that his company would pay for retrofitting the Haines Borough facility to a secondary treatment center. **BETTRIDGE** said that Cohen is working on getting a written agreement from his company and then staff could proceed with applying to the USDA for grant funding, if the assembly so desires. The assembly delayed a decision pending receipt of the written commitment.

SCHNABEL asked that the Public Works Department make it a priority to upgrade and maintain Lookout Park.

LAPP suggested putting the gravel pit on the back burner for now until such time as the public comes forward with a request.

9. COMMITTEE/COMMISSION REPORTS:

a. Commerce Committee

OLERUD summarized the meeting that occurred with the Army Corps about the boat harbor expansion project. **SMITH** added that the outfall pipe will be expensive to move and therefore any water treatment facility changes should be aggressively pursued so that it happens prior to or at the same time as the harbor project.

b. Finance & Budget - None

c. Personnel & Labor Relations - None

d. Government Services - None

e. Government Affairs - None

10. OLD BUSINESS:

A. National Flood Plain Insurance (NFPI)

Mayor **CASE** strongly suggested reintroducing an ordinance.

M/S **HARRELL/OLERUD** Motion to rejoin FEMA and the NFPI.

SCOTT said that the affected property owners should be informed and given an opportunity to weigh in on this. **SCHNABEL** clarified that FEMA is the only option for flood insurance. She said she is not intending to oppose the reintroduction of this ordinance. There are members of the public that have asked for it. Staff will prepare the ordinance for introduction at a future meeting.

The motion carried unanimously on a roll call vote.

11. STRATEGIC PLAN UPDATES

12. NEW BUSINESS:

A. Resolutions - None

B. Ordinances for Introduction

1. ORDINANCE NO. 04-07-067

An ordinance of the Haines Borough amending Haines Borough Code Title 2 Section 2.92.010(B) removing the Borough's obligation to pay the health insurance premiums for the mayor and the assembly.

M/S **OLERUD/SMITH** Motion to introduce Ordinance 04-07-067 and to set its first public hearing for 7/21/04.

The motion carried 5-1 with **LAPP** opposed on a roll call vote.

2. ORDINANCE NO. 04-07-068

An ordinance of the Haines Borough adopting Haines Borough code Title 18, Section 18.70.030(E) - Commercial

Recreational Zone, and adding definitions to section 18.20.020.

M/S **HARRELL**/ Motion to introduce Ordinance 04-07-068 and to set its first public hearing for 7/21/04. It died for lack of a second.

3. ORDINANCE NO. 04-07-069

An ordinance of the Haines Borough amending Haines Borough code Title 18 Section 18.70.030(d) GU - General Use Planning/Zoning District, to make heliports a conditional use.

M/S **SCHNABEL/SCOTT** Motion to introduce Ordinance 04-07-069 and to set its first public hearing for 7/21/04.

SCHNABEL spoke in favor of this ordinance. Her reason is that a heliport is a high impact use. She believes that having it as a conditional use would suit the community more than identifying certain zones. **OLERUD** reminded the assembly that an ordinance had recently been adopted removing heliports from being a conditional use. Staff will research the appropriateness of reintroducing this ordinance so soon. **SCHNABEL** suggested that the Planning Commission revisit it and come up with a unified ordinance that combines Ordinances 068 and 069. **SCOTT** spoke in favor of this ordinance. **OLERUD** said he agrees that there needs to be use-by-right zones identified but does not agree with the zones proposed in Ordinance 068 which is why he did not second the motion. He is against conditional use heliports. **SCOTT** said that Ordinance 068 would make heliports a use-by-right in a large area of the Borough. Conditional use would require each application to stand on its own merits. [Scott requested that staff estimate the affected acreage taking into account the areas less than 1200 ft.] **CASE** said that he would be alright with this ordinance going forward to the public hearing process even though he would likely vote against it in the event of a tie.

The motion carried unanimously.

C. Other New Business

1. Property Use Request - Harbor LLC - Mike Ward

WARD representing Harbor LLC is requesting permission to use or lease a small portion of borough property so that he may construct a deck on the Lighthouse Restaurant building. **BETTRIDGE** clarified that the borough as property owner must have an opportunity to allow it. **WARD** added that the property is a zero lot line. He would like to build a deck out to the edge of the property line and utilize the existing

doorway. Because of the zero lot line, there is existing encroachment of 4 feet all along the side of the building where the Fjordlines, bar, and restaurant entrances are. The former building owner had some type of agreement with the City of Haines, but that has not yet been located. This new request is in line with using that same 4-foot encroachment for part of the planned deck. **SCHNABEL** asked why the borough isn't talking about just selling the property to Harbor LLC. She has no objection to leasing the land right now as long as there is an understanding that it will be sold in the future to him. **WARD** said that he is in favor of purchasing the property. **LAPP** suggested that the borough sell it for a fair assessed value.

M/S SCOTT/SMITH Motion to sell the land in question to Harbor LLC for the assessed value with terms negotiated between the seller and the buyer.

SCOTT clarified that the motion refers to the 60 sq ft in the area of the deck.

M/S OLERUD/SMITH Motion to amend the main motion to sell the entire strip along the building with the borough retaining access.

HARRELL asked about delaying decision until uplands needs are identified for the harbor expansion project. **SCHNABEL** suggested leasing for a time with an option to buy in the future. **OLERUD** agreed and, with no objection from **SMITH** (the seconder), "sell" in his motion was changed to "lease with a future option to buy."

The motion carried unanimously with a roll call vote.

The main motion carried with a roll call vote.

WARD asked for a letter of intent to lease the land from the borough. **CASE** said that it would be a gamble since the issue has to go through a public hearing process. **WARD** agreed to the risk, and there was no objection to the requested letter.

3. Building Tax Exemption

Chip **LENDE** reminded the assembly that, during their work on the new borough code, they raised the construction materials sales tax exemption threshold from \$5K to \$10K. "It's a double tax. The owner is paying an additional property tax for upgrading their property, plus they have to pay a lot more of the sale tax. It gives an out-of-town vendor a big advantage over local businesses." He cited roof packages and cabinet packages as an example. **LENDE** asked the assembly to take the threshold back to \$5K.

M/S **SCHNABEL/SMITH** Motion to introduce an amendment to Title 3 Section 3.80.050(4) to change the construction sales tax exemption back to \$5K.

SCOTT disagreed with the double taxation argument.

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

4. Personnel Issue

The mayor read a letter of resignation from Keith Bettridge, Borough Manager, and said that pursuant to the contract he has with the borough, he is giving his 60-day notice. **CASE** read his own drafted response. **HARRELL** asked for clarification of when **BETTRIDGE** will leave. **CASE** answered that he will be finished in the office on 7/9/04 but will be paid until he finds another job up to 60 days. **BETTRIDGE** will be completing final summaries and will still be available to answer questions during that time.

M/S **LAPP/OLERUD** Motion to accept the Mayor's letter of response to Keith Bettridge.

The motion carried unanimously with a roll call vote.

M/S **OLERUD/LAPP** Motion for the Mayor to approach Vince **HANSEN** to ask him to fill in for the interim and, in the event he declines, that the mayor would fill in as acting manager.

HARRELL said she would prefer it to be the other way around with the mayor being the first choice.

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

Mayor **CASE** said advertisements will begin immediately.

13. SET COMMITTEE MEETING DATES

SCHNABEL asked about changing the date of the joint meeting of the Finance and Government Affairs Committees scheduled on 7/13/04. It was agreed that it would be changed to 7/20/04 at 2:00pm.

SCHNABEL asked **SMITH** to consider a Personnel Committee meeting to conduct an exit interview with Jason Rettinger, the patrol officer who recently resigned. **SMITH** said that the Police Chief should be talked to about it. **OLERUD** said that it is over-stepping the bounds by going into the manager's responsibilities. **SMITH** said that he understands that the personnel committee deals with policy issues. **SCHNABEL** said that ordinarily she would agree, but she sees that there are systemic problems with the police department because of the high turnover rate. As Finance Committee chair she is concerned about these issues. No Personnel Committee meeting was set.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

HARRELL commented that it is a real blow to the community to lose the manager.

SCHNABEL thanked **BETTRIDGE** for his effort to work with them over the past year. She also thanked **COZZI** for her work on the website.

LAPP thanked **BETTRIDGE** and said he is sorry to see him go. He also suggested that our library consider charging out-of-state residents for Internet use; the Matsu Borough has implemented that policy.

15. ADJOURNMENT - 8:50pm

Mike Case, Borough mayor

ATTEST:

Julie Cozzi, Borough Clerk