


Haines Borough
Borough Assembly Meeting #49
July 21, 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**, Debra **SCHNABEL**, Stephanie **SCOTT**, and Lucy **HARRELL**.

Staff Present: Julie **COZZI**/Borough Clerk, Henriette **ARENSEN**/Bookkeeper, Jila **HANDJANI**/Accountant, Bob **KLING**/CFO, Marva **CRECELIUS**/A-P Clerk, and Scott **BRADFORD**/Water-Sewer Operator.

Visitors Present: Dan **COLEMAN**/KHNS, Steve **WILLIAMS**/CVN, Patricia **BLANK**, Stacie **TURNER**, Sarah **SWINTON**, Woody **WILSON**, Marilyn **GUNN**, Liz **HEYWOOD**, Michele **BOISVERT**, Leonard **DUBBER**, Carolyn **WEISHAHN**, Heather **LENDE**, Judy **EREKSON**, Gary **STIGEN**, Tim **SHIELDS**, Emily **COLES**, Jansy **HANSEN**, Ann **HANSEN**, Sandra **JUNE-DEGEN**, Jim **HEATON**, and Bill **KIANA**.

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

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

The following agenda amendments were requested:

- 1) By Mayor **CASE**: Postpone New Business Item 12C1 - Appointment of Chief Fiscal Officer - until the next meeting, and insert just before committee meeting dates an executive session dealing with two personnel issues.
- 2) By **SCHNABEL**: Add under Old Business the Solar Aquatic issue.
- 3) By **SCOTT**: Add under New Business the need to communicate with the school district regarding a new school bond, and also under New Business an unpaid invoice for boat harbor exploratory costs.
- 4) By **HARRELL**: remove 7/07/04 meeting minutes from the consent agenda.

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

4. **APPROVAL OF MINUTES**:

*June 15, 2004 Regular Meeting and *July 7, 2004 Regular Meeting

M/S **OLERUD/LAPP** Motion to approve the 07/07/04 minutes.

HARRELL pointed out that the 7/07/04 meeting minutes should be amended to show that she was opposed to the motion that authorized the mayor to ask Vince Hansen to act as interim manager and, if Hansen declined, for the mayor to act in that capacity. She had wanted it to be the other way around. There was no objection to the correction.

The motion carried unanimously.

5. PUBLIC COMMENTS:

Jansy **HANSEN** and Ann **HANSEN** spoke with concern about the needed funding for high school extra-curricular activities.

DUBBER asked the assembly to consider opting out of the APOC-required financial disclosure statement. He also asked for the borough to open the cruise ship dock for sport fishing.

6. MAYOR'S COMMENTS/REPORT:

Mayor **CASE** recommended the appointment of Peter Enticknap, Megan Sherman, and Kerry Cohen to the Fire District #4 Board.

M/S **SCOTT/SMITH** Motion to approve the mayor's appointments to the Fire District #4 Board.

The motion carried unanimously.

Mayor **CASE** announced the retirement of Dawne Thomsen from the Planning Commission for health reasons. He recommended the appointment of Scott Rossman.

M/S **SCOTT/OLERUD** Motion to approve the appointment of Scott Rossman to the Planning Commission.

The motion carried unanimously.

7. PUBLIC HEARINGS:

A. ORDINANCE NO. 04-06-064 - (second 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 and closed the public hearing at 6:45pm; there was no comment.

M/S **OLERUD/LAPP** Motion to adopt Ordinance 04-06-064.

The motion carried unanimously with a roll call vote.

B. ORDINANCE NO. 04-06-066 - (second 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 the public hearing at 6:46pm; there were no comments.

M/S **OLERUD/LAPP** Motion to adopt ordinance 04-06-066.

The motion carried unanimously with a roll call vote.

C. ORDINANCE NO. 04-07-067 - (first hearing)

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.

The mayor opened and closed the public hearing at 6:47pm; there were no comments.

M/S **OLERUD/SCOTT** Motion to set Ordinance 04-07-067 for its second public hearing on 8/04/04.

The motion carried unanimously.

D. ORDINANCE NO. 04-07-069 - (first hearing)

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.

The Mayor opened the public hearing at 6:48pm.

WEISHAHN said that it is an issue that still needs to be dealt with because heliports are a high-impact use. She urged the assembly to look at the dynamics and to consider putting it into the conditional use category.

BLANK said that the First National Bank clarified for her that a conditional use designation would not make a property loan more difficult to acquire.

COULTER asked for an explanation of "conditional use," and Mayor **CASE** explained that it is applied by the Planning Commission. They look at the location, the conditions, etc. to determine neighborhood and community impacts of the activity.

The public hearing closed at 6:54pm.

M/S **SCOTT/SMITH** Motion to set Ordinance 04-07-067 for its second public hearing on 8/04/04.

SMITH said that the CBJ Assembly had a committee-of-the-whole meeting to discuss moving heliports because of massive noise complaints. "A conditional use is a manner in which the Haines Borough can control heliports and prevent similar problems. It is an issue that impacts everyone in the area of their use." **SCOTT** said, "This is the least the assembly can do in light of the State's cancellation of the SUD." She sees CU as a way to manage helicopter activity within the Haines Borough. Mayor **CASE** clarified that it was Planning Commission's desire that the companion ordinance would also be adopted by the assembly establishing two special heliport use zones. Heliports outside of those zones would have required a Conditional Use permit. He said that he does not

agree with this ordinance because the special use-by-right zones ordinance is needed, too.

The motion carried 3-3 with **OLERUD, LAPP,** and **HARRELL** opposed. Mayor **CASE** broke the tie with a "yes" to give the ordinance another public hearing opportunity.

8. STAFF REPORTS:

A. Acting Manager

CASE summarized his written report, including the following:

1. Carson Dorn Water-Sewer Master Plan Report

The priority will likely be the Highland Estates L.I.D.

2. Tlingit Park Property Survey

John Schnabel does not believe a portion of the playground was situated correctly. He will meet with Susan Johnston, Scott Hansen, and John Schnabel to look at survey documents.

3. Janitorial Services

Until further notice, departments will save money by covering the custodial work themselves, but heavy-duty cleaning would be contracted out.

4. Highland Estates Muncaster Road Sewer Line

Item 12F1 under New Business will not have to be addressed after all, because the Clerk was able to locate information that shows 390 ft. of 8" pipe was installed in 1991 rather than the suspected 4" pipe. The installation was supervised and inspected by the Public Works Superintendent at that time. Therefore, the Borough will not have to participate with the LID members in this project.

Departments

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

9. COMMITTEE/COMMISSION REPORTS:

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

SCOTT distributed a written report of the joint committee meeting that **Government Affairs** held with the **Finance** committee.

M/S **SCOTT/SCHNABEL** Motion that the assembly put on the October 5th ballot a question similar to: "Shall the one-percent sales tax dedicated to tourism development and promotion and economic development be collected borough-wide?"

SCOTT said that if the motion passes, the borough attorney will have to do some work on the final ballot language. **LAPP** asked if the people in the townsite service area would vote on it or just the area-wide voters. **SCOTT** said that the intent of the question is to allow the assembly to allocate sales tax monies to projects and services that affect the entire borough.

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

- f. **Planning Commission** - None

10. OLD BUSINESS:

A. **Tabled Ordinances**

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 **LAPP/SMITH** Motion to take the ordinance off the table for discussion.

The motion failed unanimously, and the ordinance died.

B. **Reconsideration of FY05 Budget**

M/S **SCHNABEL/SMITH** Motion to restore \$88,126 to the Haines Borough School District supplemental budget line item 01-12-00-76-02 and to reduce General Fund 01-01-10 Admin and 01-01-15 Finance collectively by \$88,126; such amendments to be introduced for adoption by the Assembly by December 1, 2004.

She explained that 50% of the \$177K budget cuts would be restored to the School District and the other 50% would be absorbed by the general fund budget getting additional cuts in the Admin and Finance areas. **OLERUD** said that he will vote against the motion because he believes that \$125K needs

to be restored to the school district, and other facilities and departments, like the Chilkat Center, Library, and Museum, need to share in the budget cuts.

M/S **OLERUD/SCOTT** Motion to amend the motion to restore \$125K to the school district budget and that amount to be made up at the Manager's discretion out of Fund 01 (General Fund).

OLERUD explained that \$125K is three-quarters of the school district's requested budget. He believes it is a more reasonable budget to fund the needed activities of the school district and gives them a year's leeway to plan for bigger cuts next year.

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

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

C. Solar Aquatic System (added by **SCHNABEL** during approval of the consent agenda)

SCHNABEL said she wants to make sure that a staff member has been assigned to spearhead the pursuit of the USDA grant. She is concerned that if the borough delays the application for funding, Haines will miss out because other communities are making overtures for it. Mayor **CASE** said that he would assign Robert Venables to work with Scott Bradford on it.

11. STRATEGIC PLAN UPDATES

12. NEW BUSINESS:

A. Communicating with the School Board about the New School Bond (added by **SCOTT** during consent agenda approval)

SCOTT asked **WILSON** about the project to get a new school bond on the ballot and asked who is going to take the lead on it so the ball does not get dropped. **WILSON** said the school board has asked for help from the assembly. Mayor **CASE** asked **LAPP** and **SCOTT** to meet with **LENDE**, **EREKSON**, and **STIGEN** to work on the school bond issue, and they agreed.

B. Unpaid Invoice for Boat Harbor Exploratory Costs (added by **SCOTT** during the approval of the consent agenda).

SCHNABEL said she recalls a meeting where **VENABLES** identified state revenues that were to fund the harbor exploratory costs. **OLERUD** said the assembly authorized the mayor to sign contracts. Those included a match requirement. **CASE** said the Army CORPS has allocated \$200K to the Borough as of 7/20/04. **SCHNABEL** said that the Borough probably has not yet received the state grant monies that will cover the invoice.

C. Resolutions - None

D. Ordinances for Introduction

1. ORDINANCE NO. 04-07-071

An ordinance of the Haines Borough, appropriating a \$23,800 grant from the USDA forest service to Alaska SuperNatural Teas for an educational program.

M/S **OLERUD/SCOTT** Motion to introduce Ordinance 04-07-071 and to set its first public hearing for 8/04/04.

The motion carried unanimously.

2. ORDINANCE NO. 04-07-072

An ordinance of the Haines Borough amending Haines Borough code Title 2, Section 2.04.020, to add the chief of police to the list of appointed borough officers.

M/S **OLERUD/LAPP** Motion to introduce Ordinance 04-07-072 and to set its first public hearing for 8/04/04.

The motion carried unanimously.

3. ORDINANCE NO. 04-07-073

An ordinance of the Haines Borough amending Haines Borough code Title 3, Section 3.80.050(4) changing the sales tax exemption threshold back to \$5K from \$10K on sales of construction materials and services for use in each construction project paid for by any one purchaser during any twelve (12) consecutive-month period. Construction materials are defined as those items becoming a permanent part of the structure.

M/S **OLERUD/SMITH** Motion to introduce Ordinance 04-07-073 and to set its first public hearing for 8/04/04.

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

E. Bid Awards

1. Muskrat Creek Culvert Replacement Contract

M/S **OLERUD/HARRELL** Motion to award the Muskrat Creek Culvert Replacement Contract to Southeast Roadbuilders for \$17,500.

The motion carried unanimously with a roll call vote.

F. Other New Business

1. Highland Estates Muncaster Road Sewer Line

Discussion of this topic was not needed (see Manager's Report under Item 8A(4)).

13. EXECUTIVE SESSION - DISCUSSION OF PERSONNEL MATTERS (added by Mayor CASE during the approval of the consent agenda).

M/S **OLERUD/LAPP** Motion to go into Executive Session.

The motion carried unanimously. The executive session began at 7:53pm. The executive session ended at 9:08; a duration of 75 minutes.

M/S **SCOTT/OLERUD** Motion to authorize the mayor to negotiate a range of benefits with potential borough manager candidates.

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

M/S **SCHNABEL/SMITH** Motion to advertise locally for applicants for borough manager and they may be considered for an interim position.

The motion carried unanimously.

14. SET COMMITTEE MEETING DATES

A Commerce Committee meeting was set for 7/28/04 at noon regarding the ice house, harbor expansion, and other economic development issues.

The Finance Committee set a meeting for 7/27/04 at 2:00pm to discuss bond issues, the sales tax issue, and to continue to review the budget.

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

LAPP said that Code says that if you have more than two unusable vehicles, it is considered a junkyard. He asked about the Alaska Indian Arts property where a lot of old cars are located and the old caved in barracks building. He requested that something be done, because they are hazards and an eye sore.

SCOTT distributed a draft of a petition that the assembly could submit to the State to force them to readdress the SUD. She requested that the assembly review her draft and that it be on the 8/4/04 agenda.

SMITH said that he had a Swiss guest who expressed amazement at the facilities and services that we have for the number of residents here. He also asked **HARRELL** and **OLERUD** if they plan to run for re-election of office. They both said "no."

SCHNABEL said that she got a call from the Tourism Director complaining about the assembly expecting the visitor center staff to clean the restrooms. This issue is being handled administratively.

16. ADJOURNMENT - 9:17pm

Mike Case, Borough mayor

ATTEST:

Julie Cozzi, Borough Clerk