


Haines Borough
Borough Assembly Meeting #51
August 18, 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, Marva **CRECELIUS**/A-P Clerk, Jila **HANDJANI**/Accountant, and Cynthia "CJ" **JONES**/Museum Director.

Visitors Present: Dan **COLEMAN**/KHNS, Bonnie **HEDRICK**/CVN, Julie **LEONARD**, Cary **WEISHAHN**, Ned **ROZBICKI**, Paul **SWIFT**, Darsie **CULBECK**, Dave **BUTTON**, Woody **WILSON**, Jane **BUTTON**, Gershon **COHEN**, Julie **LEONARD**, Chip **LENDE**, and others.

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

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

SCOTT requested the following changes to the consent agenda:

- a) Remove Ordinance 04-07-069 from the agenda because it was not properly posted,
- b) Add to OLD BUSINESS a discussion of heliport conditional use, and
- c) Add to OLD BUSINESS a discussion of Solar Aquatics.

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

4. **APPROVAL OF MINUTES:**

*August 4, 2004 Regular Meeting

5. **PUBLIC COMMENTS:**

WEISHAHN asked if the assembly intended to handle the two heliport ordinances combined into one. **CASE** said the assembly members voted that way at the 8/4/04 meeting, but they may still opt to handle it differently.

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

CASE thanked **COZZI** and Robert Venables for their help during the time he has been filling in as acting manager.

7. **PUBLIC HEARINGS:**

A. **New Tour Proposal - Sea Kayaking and Hiking**

Alaska Mountain Guides & Climbing School, Inc. would like to run daily sea kayaking and hiking trips in the Haines Borough. Sea Kayaking trips would take place at Chilkoot

Lake, Chilkat State Park, Letnikof Cove, and Portage Cove. Hiking Trips would take place on the Mt. Ripinski and Seduction Point trail systems. One van would be used to transport groups of 10 or less.

The mayor opened the public hearing at 6:40 pm.

SWIFT spoke concerning the Ripinski Trail portion of the tour. He said he has no objection to the proposed hiking tours but asked for a public commitment from Alaska Mountain Guides to produce 20 man-days of trail maintenance a year. He also expressed concern that the trails not be overtaken by commercial interests.

CULBECK said he does not plan to make a public commitment to 20 man-days. The company's intent is not to do any of this on a large scale. They just want to be legal with a tour permit for day trips in the event that their existing clientele requests something different from the overnight excursions; they want to have the permit in place. There are no plans for high volume day tours.

ROZBICKI said there is very legitimate concern about increased traffic in the Chilkoot River Corridor. He is the primary kayak tour operator in the area. Congestion and parking are big issues. State Parks has no mechanism in place to impose limits; if a tour operator submits the proper documentation to them, they are granted a permit. This area is congested and there is a very confined area for launching vessels. He believes it would be fairly irresponsible for the assembly to grant a permit for increased use.

Dave **BUTTON** spoke against monopolies and attempts to stop a small operation.

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

M/S **OLERUD/SCOTT** Motion to approve the proposed commercial tour by Alaska Mountain Guides & Climbing School, Inc.

SMITH said he cannot support this, because he doesn't want the trails used commercially. He referred to a former City of Haines study called "Plan for Public Use and Access." He said it is very difficult for residents to use the local facilities because of increased commercial activity. He would like to see this studied more closely. **SCHNABEL** said she would reluctantly support this tour permit application, because she cannot determine where to fairly draw the line. She said the assembly is the group to resolve conflicts, but the Chilkoot Planning Group needs to be the body to come up with capacity limits. She said the assembly should work during the winter to determine tourism capacities. **LAPP** agreed with **SCHNABEL** but put in a pitch for developing a Parks & Recreation Department to begin getting money and

manpower to develop and maintain trails. **SCOTT** said she believes there are no grounds for denying the tour permit application. **ROZBICKI** pointed out that the Chilkoot Corridor Working Group is defunct, so there is currently no planning body for addressing the issues.

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

B. Ordinance 04-07-071 - (second hearing)

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

The mayor opened and closed the public hearing at 7:07pm; there were no comments.

M/S **OLERUD/SCOTT** Motion to adopt ordinance 04-07-071.

The motion carried unanimously in a roll call vote.

C. Ordinance 04-07-072 - (second hearing)

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.

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

M/S **OLERUD/LAPP** Motion to adopt ordinance 04-07-072.

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

D. ORDINANCE NO. 04-07-073 - (second hearing)

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.

The mayor opened and closed the public hearing at 7:11pm.

LENDE spoke in favor of the ordinance and urged the assembly to adopt it. **SWIFT** agreed.

M/S **OLERUD/SCOTT** Motion to adopt Ordinance 04-07-073.

The motion carried unanimously.

E. ORDINANCE NO. 04-08-074 - (first hearing)

An ordinance of the Haines Borough amending Haines Borough Code Title 6, Section 6.08.010(c) changing the fee amounts for dog licensing and eliminating license fee prorating in the townsite service area.

The mayor opened and closed the public hearing at 7:12pm; there was no comment.

M/S **OLERUD/LAPP** Motion to set ordinance 04-08-074 for its second public hearing on 9/01/04.

The motion carried unanimously.

F. ORDINANCE NO. 04-08-075 - (first hearing)

An ordinance of the Haines Borough establishing land use regulations to conform to requirements of the National Flood Insurance Program and providing for an effective date.

The mayor opened and closed the public hearing at 7:13pm; there was no comment.

M/S **OLERUD/LAPP** Motion to set ordinance 04-08-075 for its second public hearing on 9/01/04.

The motion carried unanimously.

G. ORDINANCE NO. 04-08-076 - (first hearing)

An ordinance of the Haines Borough, Alaska, appropriating an additional \$23,497.50 from the FY05 budget for the Haines Harbor Study - design and engineering feasibility.

The mayor opened and closed the public hearing at 7:14pm; there was no comment.

M/S **OLERUD/HARRELL** Motion to set ordinance 04-08-076 for its second public hearing on 9/01/04.

The motion carried unanimously.

H. ORDINANCE NO. 04-08-077 - (first hearing)

An ordinance of the Haines Borough, Alaska, appropriating a \$199,000.00 grant from the Alaska Division of Homeland Security to the Haines Borough for first responder preparedness for the police, fire, and public works departments.

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

M/S **OLERUD/LAPP** Motion to set ordinance 04-08-077 for its second public hearing on 9/01/04.

SMITH asked for an explanation of where the grant money will go. **HANDJANI** said that an itemized list is with the grant documentation. **CASE** said that he will make sure the assembly gets a copy of the list prior to the second hearing.

The motion carried unanimously.

I. Ordinance 04-08-079 - (Introduction and first hearing)

An ordinance of the Haines Borough, Alaska, authorizing the borough to issue general obligation bonds in the principal amount of not to exceed \$19,300,000 to finance the planning, design, and construction of a K-12 school.

M/S **OLERUD/SCHNABEL** Motion to introduce Ordinance 04-08-079.

SMITH said he thinks it is a great idea, but it is scary in this time of budget constraints and tight economy and a new boat harbor on the horizon. **SCHNABEL** spoke in favor of putting this ordinance to a public hearing. Through the public process, it is hoped that the amount can be pared down.

The motion to introduce carried unanimously.

The mayor opened and closed the public hearing at 7:25pm; there was no comment.

WEISHAHN asked if a design would be ready for the public to look at in time for the election, and **WILSON** said he does not believe so. He added that there may be a concept, but an actual design would take a lot more community input. The question is whether or not it is more cost effective to upgrade existing facilities to make them compliant with ADA, health and electrical codes, etc. or build brand new. The school board and the administration are working to get more data to present to the assembly. **ROZBICKI** asked how the additional mill rate would fit with the 10 mill tax cap. **CASE** said that bonded debt retirement is not subject to the tax cap. **LENDE** asked the assembly to work to put this question before the voters. He said that as a voter, he wants an opportunity to decide whether or not to pay to repair old schools or to build new. "It's going to cost the citizens money no matter what." **ROZBICKI** said he is concerned about a 20-year debt retirement. "Deferred maintenance in the school has affected the condition of the buildings." **WILSON** said the age of the old buildings is a big factor. The Primary School building was meant to last only a few years, but it has lasted 34 years because of maintenance.

The mayor closed the public hearing at 7:37pm.

M/S **OLERUD/SCOTT** Motion to set ordinance 04-08-079 for its second public hearing on 9/01/04.

HARRELL spoke concerning "obsolescence" and said it is expensive. The money being poured into maintenance of the obsolete buildings is costly. "Just making the old buildings do is not doing the best for our children and community. It will be less expensive in the long run to upgrade." **SMITH** asked what happens to our bonded indebtedness if the legislature does not come through and appropriate the funds

to reimburse. **SCHNABEL** said the Borough would be liable to pay it, but she added that she does not believe it has ever happened that the state has not come through.

The motion carried unanimously.

8. STAFF REPORTS:

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

- Folletti Water line Claim
- Skyline Estates Small Structure Dispute
- Excursion Inlet Assessing Program
- PC Dock Grant
- Lutak Dock Fencing
- Tour Permit Revocation
- Manager Search
- FY05 Budget Publication
- Employee Handbook
- Janitorial Services

SMITH said that the Visitor Center janitorial situation really needs to be addressed. In September, staff will be reduced. **CASE** reiterated that it will be addressed contractually.

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
- B. Finance & Budget - written report
- C. Personnel & Labor Relations
- D. Government Services
- E. Government Affairs
- F. Planning Commission

G. Friends of the Pool Committee - written report

SCHNABEL reported that the school board's intention is to transfer management of the pool by December 31, 2004. She made a formal request of the manager to ask the water department staff to determine how to get an accurate reading of how much water is needed. The committee would like to have an energy audit done, but it is unclear who would take the lead on the financing. **CASE** said possibly a shared responsibility of the assembly and the school board. **SCHNABEL** said that a strong contingent believes that a parks and recreation department would be the best for management of the pool. She asked the Government Services committee to evaluate the costs and structure of a department like that.

10. OLD BUSINESS:**A. Carson-Dorn Final Water-Sewer Master Plan - Assembly Approval**

M/S **OLERUD/LAPP** Motion to approve the final Water-Sewer Master Plan as presented by Carson-Dorn.

The motion carried unanimously.

B. Heliports in the Haines Borough (added by **SCOTT** during the approval of the consent agenda)

SCOTT said she would like to have a special meeting on Wednesday, August 25 to hold an introduction and first public hearing on an ordinance to put a question on the ballot regarding heliports being a conditional use. She hopes that the assembly will allow this to go forward through the public hearing process to get it on the ballot.

M/S **SCOTT/SCHNABEL** Motion to set a special meeting on 8/25/04 for an introduction and first hearing and a second hearing on 9/1/04 regarding putting a question on the October 5 ballot to make heliports a conditional use.

HARRELL spoke strongly against the motion saying "we have a planning commission, and we need to work with them and face the fact that it is a complex issue. The conditional use permit process as understood here opens the door to abuses and inequities." **LAPP** said he is opposed to it because he has seen five different definitions of the word *heliport*. "We need a real legal definition of it." He also stated a general dislike for conditional use permits. **OLERUD** said conditional use permits do nothing to protect people from having a heliport next to their house. **SCHNABEL** said conditional use permitting is not a negative thing. She is in favor of the public having an opportunity to vote on this issue. **SMITH** concurred saying, "The borough voters requested regulated helicopter use and industry. It is important to make it clear what conditional use is: it's not a deterrent; it's a regulated use." **CASE** told **SMITH** that he

likes his idea of having at least one use-by-right zone along with conditional use. **SCOTT** said she believes the industry's needs would be met by a conditional use process. **OLERUD** said the whole intention was to alleviate helicopters coming into residential areas. "With conditional use permitting required, there will be absolutely no incentive for the industry to find another area." **SCHNABEL** suggested that the assembly take a pro-active position and identify for the heli-skiing industry those places that are accessible by road but that do not have a flight path over a residential area. She said she believes there is such a place and she distributed a map. **OLERUD** said he likes **SCHNABEL**'s location suggestions, but he said that one acre is not enough for the industry. **SCHNABEL** agreed to 5 acres. **HARRELL** said that safety was one of the major criteria the Planning Commission used when determining the original two zones. "A heliport zone needs to include a buffer zone." **CASE** suggested that the assembly might consider an amendment to Ordinance 04-07-069 at the next public hearing to incorporate **SCHNABEL**'s zone suggestion.

The motion failed 4-2 in a roll call vote with Smith, Lapp, Olerud, Harrell opposed.

The mayor called a short recess at 8:35pm.

The meeting reconvened at 7:42pm.

C. Solar Aquatic System

COHEN said the assembly needs to decide whether or not to move forward in examining the issue in order to take the next step of figuring out the costs, options, etc. There are two questions: 1) whether or not the 30-yr old plant should be repaired or replaced, and 2) whether or not to apply to the USDA for grant monies; the application forms are lengthy. The estimate is that it would take a 2 to 4-week process of completing the application. "The Solar Aquatic engineers could do it for under \$10K." Completing it does not mean it has to be submitted, but the information would be useful to the borough. EPA is interested in seeing the proposal. **SCOTT** asked **COHEN**, "Why would we have the Solar Aquatics company evaluate our options? Why not an independent?" **COHEN** responded that there are only 40-50 Solar Aquatic plants that have been built. No independent engineer is going to put the stamp of approval on a relatively new system. The Solar Aquatics company will give a guarantee to the community that says if the tertiary plant does not do what it is supposed to do, they will, at their own expense, transform it into a more traditional secondary treatment plant. The Solar Aquatic company would evaluate both systems upfront.

M/S **OLERUD/SCHNABEL** Motion to appropriate up to \$10,000 for an Solar Aquatics engineering study in order to complete the USDA application for grant funding.

The motion carried unanimously in a roll call vote.

11. STRATEGIC PLAN UPDATES

12. NEW BUSINESS:

A. Resolutions

1. Resolution 04-08-047

A Resolution of the Assembly for the Haines Borough setting forth a question for the ratification of Haines Borough voters whether an additional one-half (½) percent sales tax shall be levied and collected Borough-wide and dedicated for Haines Borough School District extracurricular activities.

M/S **LAPP/HARRELL** Motion to adopt Resolution 04-08-047.

SCOTT spoke against the motion saying she believes there are more important issues for the assembly to address. She is impressed with the fact that Wrangell school families pay \$350 per activity. She believes it is time for Haines school families to take more financial responsibility for activity costs, including travel. **SMITH** agreed and said that Palmer school families pay an activity fee, as well. **SCHNABEL** spoke against the motion, as well. "To develop pools of money for a dedicated function can drive that function to be bigger and drive the growth of extra-curricular activities to become larger." She would support a sales tax dedicated for a parks and recreation department and would entertain a portion of that going to extra-curricular school taxes. **CASE** said the sales tax would not raise more money than the school is getting now; it would be nearly the same. **OLERUD** spoke against increasing sales tax. **SMITH** spoke against the motion.

The motion failed 4-2 in a roll call vote with Smith, Olerud, Schnabel, and Scott opposed.

B. Ordinances for Introduction - None

C. Tax Exemption Request - Haines Elks Lodge #2634

M/S **OLERUD/LAPP** Motion to grant the Haines Elks Lodge #2634 sales tax exemption status.

M/S **OLERUD/SMITH** Motion to postpone the request until the next meeting to clarify the meaning of a tax exempt status.

The motion to postpone carried unanimously.

D. Other New Business - None

M/S **OLERUD/SCOTT** Motion to go into Executive Session to discuss the Borough Manager position.

The motion carried unanimously.

EXECUTIVE SESSION - 9:10pm to 9:47pm

M/S **SCOTT/LAPP** Motion to offer the Borough Manager position to Robert Caldwell based on the terms agreed upon in Mayor Case's letter.

14. SET COMMITTEE MEETING DATES

A Government Services Committee meeting was set for 8/24 at 2:00pm to discuss Parks and Recreation.

A Finance Committee Meeting was set for 8/24 at 1:00pm. **SCHNABEL** announced that a standing meeting schedule for the Finance & Budget Committee will be the second and fourth Tuesdays of each month at 1:00pm.

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

HARRELL said that she was in Juneau with Jim Studley, Beth McCready and others from Haines who met with the St. Vincent DePaul Board of Directors. It looks promising that they are going to help with an assisted living facility for Haines.

LAPP said he would like to see Robert Venables work on the Dalton Trail and try to get it established at least from Jones Point all the way to Chilkat. It could be a good calling card for the community.

SCOTT thanked **COZZI** for sending out the air quality notices. She also suggested technical writing skills for the department heads and to consider putting out an RFP to see if there are people locally that would be interested. Additionally, parliamentary procedure training for the assembly would be good--possibly taught by Dan Henry.

SMITH wondered if it would be good for the Assembly to prioritize a project list for Bob Caldwell to accomplish by the end of the year.

SCOTT suggested it to be an agenda item for September 1. It was agreed.

16. ADJOURNMENT - 9:58pm

Mike Case, Borough mayor

ATTEST:

Julie Cozzi, Borough Clerk