

Haines Borough
Borough Assembly Meeting #83
October 11, 2005
MINUTES

Approved

1. **CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor **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** and Assembly Members Scott **ROSSMAN**, Norm **SMITH**, Jerry **LAPP**, Debra **SCHNABEL**, and Stephanie **SCOTT**.

Staff Present: Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, and Dave **GROSS**/Asst. W-S Plant Operator.

Visitors Present: Bonnie **HEDRICK**/CVN, Chris **SHARPE**/KHNS, Karen **HESS**, Mayor-elect Fred **SHIELDS**, Deborah **VOGT**, Kathleen **MENKE**, Assembly Member-elect Luck **DUNBAR**, Doug **OLERUD**, Patricia **BLANK**, Greg **STUCKEY**, Jessie **BADGER**, Diane **LA COURSE**, and others.

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

M/S **LAPP/SMITH** Motion to approve the Agenda/Consent Agenda.
The motion carried unanimously.

4. **APPROVAL OF MINUTES:** *September 27, 2005 Regular

5. **PUBLIC COMMENTS:**

HESS asked the assembly to consider appointing Douglas Olerud to Assembly Seat B and noted that she has withdrawn her own letter of interest in support of him.

VOGT expressed appreciation to the departing officials--Assembly Member **SCHNABEL** and Mayor **CASE**--for the service they have provided to the community.

LA COURSE requested that the assembly seriously consider appointing either James Wilson or Deborah Vogt to the vacant assembly seat B. She said it is important to appoint someone who was interested enough to run in the last election and also got a large number of votes. **BLANK** concurred.

STUCKEY disagreed that the appointment should be tied to the election results. He spoke in favor of the assembly's process of accepting letters of interest.

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

Mayor **CASE** announced that he will be attending the joint chamber of commerce session in Skagway this week where

Senator Lisa Murkowski will be speaking. Mayor-Elect Fred Shields may also join him.

7. PUBLIC HEARINGS:

A. Ordinance 05-09-123 (first hearing)

An ordinance of the Haines Borough amending Haines Borough code Title 3, Section 3.80.050 - Exempt Transactions, to add a temporary assembly-adopted suspension of consumer sales tax to the list of exempted sales.

Mayor **CASE** opened and closed the public hearing at 7:52pm; there were no comments.

M/S **SCOTT/LAPP** Motion to advance Ordinance 05-09-123 to its second public hearing on October 25, 2005.

SMITH said he talked with several people who have asked why the assembly is not including propane in the tax exemption. He suggested that a new resolution could be done. **SCHNABEL** said the finance committee did discuss propane and wood, and the primary focus was on fuel that people use to heat their homes. The committee felt that it was too far-reaching to include propane. There was no objection to a new resolution exempting propane being presented at the next meeting.

The motion carried unanimously.

B. Ordinance 05-09-124 (first hearing)

An ordinance of the Haines Borough, appropriating \$167,250 for a new fire truck: 1) \$147,250.00 Assistance to Firefighters grant from the U.S. Department of Homeland Security and 2) \$20,000 from the Fire Department's equipment sinking fund for matching funds and other costs, including transportation.

Mayor **CASE** opened and closed the public hearing at 7:52pm; there were no comments.

M/S **LAPP/SMITH** Motion to advance Ordinance 05-09-124 to its second public hearing on October 25, 2005.

The motion carried unanimously.

C. Ordinance 05-09-125 (first hearing)

An ordinance of the Haines Borough, appropriating \$350,000.00 to purchase from Afognak Construction & Excavating the following real property: Lots 1-11, Block 3 and Lots 4-6, Block 4, in the Mission Subdivision, Haines Recording District, First Judicial District, State of Alaska.

Mayor **CASE** opened and closed the public hearing at 7:02pm; there were no comments.

M/S **LAPP/SMITH** Motion to advance Ordinance 05-09-125 to its second public hearing on October 25, 2005.

The motion carried unanimously.

D. Ordinance 05-09-126 (first hearing)

To retain the professional services of a lobbyist to represent the Haines Borough in Juneau, Alaska regarding the extension of water and sewer services to the Small Tracts and Mud Bay Road neighborhoods.

Mayor **CASE** opened the public hearing at 7:03pm.

MENKE said she is a property owner in the affected area and is opposed to the ordinance. The property owners in the area have not been surveyed, and she believes there should be a prioritized list of capital improvement projects before a lobbyist is sent to Juneau. She said it makes sense to extend waterlines into the area but not sewer lines, because many people in the area already have approved septic systems. She believes there are many questions that still need to be answered, and there are better alternatives. The substandard systems that are of a concern should be located and upgraded at a community cost. She provided written comments to the Clerk.

The mayor closed the hearing at 7:09pm.

M/S **SCOTT/LAPP** Motion to advance Ordinance 05-09-126 to its second public hearing on October 25, 2005.

SCOTT thanked **MENKE** for her comments and questions. She said that a meeting occurred and in attendance were a substantial number of affected property owners who asked the borough to seek out funds. She agreed that there are several questions that need to be addressed. **SCHNABEL** said the project has been on the list for a long time. She is concerned about sending a lobbyist to Juneau to request funds if we are not clear on what the total project costs would likely be including impacts to the existing system and operating costs. **SCOTT** said the Carson-Dorn report said the present operation has sufficient capacity to accommodate additional lines. She wondered if the assembly should be working with the Planning Commission on this. **CASE** disagreed saying that it is not land use, although placement of pump stations, etc. would certainly be of interest to them. **SCOTT** said everyone was notified in writing that the borough was considering this and were invited to the meeting. Many comments have been received in favor of this, and only two opposed. Many are concerned about the health issues. **ROSSMAN** said he is concerned about the hidden costs and what a project like this would potentially cost in the end. **SMITH** referred to the Skyline

Estates land sales with water and sewer issues and said it ended up being costly to have the system attended to. He thinks it is a great idea, but if he was a landowner on the downhill side, he would be worried about the guys on the uphill side. He agreed that **MENKE** brought up some good points. **SCHNABEL** spoke in support of the ordinance, because the primary concern the assembly should have is health and providing people an infrastructure that they cannot provide for themselves. It is true that there are some landowners that have installed their own systems, but history has shown that not all of them meet code. \$20,000 to discover whether or not the project has state support would be prudent and believes it would be irresponsible to do otherwise. As long as the lobbyist knows what the total cost is it would be money well spent. **LAPP** said he supports it because there is a possibility of getting some state funds to upgrade our current system in preparation for an extension project like this. **SCOTT** asked that the manager assist with coming up with some more cost parameters for the project in time for the second public hearing. She also asked that the borough's water-sewer personnel address the assembly. **VENABLES** said any project like this would likely be done in four or five phases, and this is the design phase to see how feasible a project like this would be. The manager was asked to make a copy of the Carson-Dorn report available for **MENKE** to review.

The motion carried 4-1 with **ROSSMAN** opposed.

E. Ordinance 05-09-127 (first hearing)

An ordinance of the Haines Borough readopting the Borough code and amending Title 1, Section 1.01.010 and adding Section 1.01.080 to authorize formatting and publishing by the Code Publishing Company.

Mayor **CASE** opened and closed the public hearing at 7:30pm; there were no comments.

M/S **LAPP/SMITH** Motion to advance Ordinance 05-09-127 to its second public hearing on October 25, 2005.

The assembly expressed some reservations with adding the company's name to code and questioned the need for it since the borough has a contract with them. The clerk will get more information.

The motion carried unanimously.

8. STAFF REPORTS:

A. Manager - VENABLES summarized his written report including

the following topics:

- Southeast Conference
- Haines Construction Projects
- Ice House
- Pool Manager
- School Project

He added that the Letnikof Gangway repairs went very well by Southeast Road Builders. Stickler Construction is ready to pour the concrete for the Letnikof boat ramp repair.

SCHNABEL said her recollection is that there are volumes of public records from when the Turner Pit controversy first came up. Reviewing the public record would likely be enough. On another matter, she said on 9/8/05 the assembly received several action requests from the Planning Commission. They have asked the assembly to do something, and the assembly needs to respond. She asked what has been done regarding their requests and if any written communication has taken place. **VENABLES** said no communication has yet occurred, and **SCHNABEL** said it needs to happen ASAP. **VENABLES** asked the assembly if they have particular responses or if they would like him to draft them. **SCOTT** said she remembers that the assembly already decided that all four of the requests should be handled at the manager level. There needs to be track record and some immediate acknowledgment of the requests in order to keep the lines of communication open. It has to be a reciprocal process in order to work. **SCHNABEL** concurred. She thanked the Clerk for developing the format and suggested some type of identification numbering so that each request could be more easily referenced. **COZZI** will add that to the process.

- *B. Borough Clerk
- *C. Chief Fiscal Officer
- *D. Chief of Police
- *E. Museum
- *F. Library

9. COMMITTEE/COMMISSION/BOARD REPORTS:

- A. Commerce Committee
- B. Finance & Budget
- C. Government Services/Affairs
- D. Personnel
- E. Planning Commission
- F. School Board
- G. Chilkat Center Advisory Board

H. Parks & Recreation Advisory Board

I. CVB Advisory Board

10. OLD BUSINESS:

A. Resolution 05-09-071

A resolution of the Borough Assembly of the Haines Borough, Alaska, accepting from the State of Alaska the transfer of Haines Municipal Harbors Ownership and \$3,400,000 deferred maintenance funds.

M/S **LAPP/ROSSMAN** Motion to adopt Resolution 05-09-071.

SMITH said he has concerns about this even though the majority of the BHAC endorses it. He still believes it is about half the amount of money needed to take on the maintenance of the harbors. He would like the borough to request more money. He asked the manager how ownership assumption affects our liability insurance. He is still not convinced that this is a good deal and asked that the resolution be tabled until the October 25th meeting to get the newly-elected people onboard.

M/S **SMITH/SCHNABEL** Motion to table Resolution 05-09-071.

The motion failed 3-2 with **LAPP** and **ROSSMAN** opposed.

SCHNABEL said that the assembly needs to know more about the experiences of the other municipalities and the way they have been impacted. She believes that harbor use fees will definitely need to be raised, and she does not want to see our fleet move out of our harbor because they can't afford to contribute to the cost of maintaining it. She would like more of an understanding of what the borough really wants to do in the harbor before accepting the money. **ROSSMAN** said, in state hands, the harbors have reached a level of disrepair even when the borough asked for repairs. He is now in favor of it, with reservation. **LAPP** said he has reservations with the borough taking ownership but believes it will be better maintained. "We can fix what needs to be fixed right now and put the remaining amount in a special interest-earning fund for the harbors. We would be remiss in not taking the money."

At this point, the borough manager assumed the recording responsibilities of the borough clerk so she could leave to catch a ferry.

VENABLES said there are sympathies in the legislature to provide more monies retroactively. Haines will be in a better position to get those additional funds if the \$3.4 million offer is accepted now. **SMITH** wondered why Haines

can't ask for \$4.5 million instead. **SCOTT** said there has to be a rationale for the amount---projected repair and maintenance costs. The state has rationale for the amount they have offered. **VENABLES** said the state is offering this money now with plans to make additional funds available for the harbor expansion project. **OLERUD** was asked his opinion. He said he is supportive of the borough accepting the offer, because it would be a long time before it is offered again. More money is always good, but this amount is guaranteed. **LAPP** said again that he is in support of accepting the offer. **SCHNABEL** said it seems to her that Haines is in a good position because "we have something else almost like an insurance policy behind us---the boat harbor expansion project. We will be building a new harbor, so it is likely we will have other funds made available to help with harbor maintenance and repair.

The motion carried unanimously in a roll call vote.

B. Assembly Seat C Vacancy

SCOTT said when the 9/27 motion was made to solicit letters of interest, there was no deadline. **VENABLES** said the current ad in the paper contains a 10/20 deadline in anticipation of the 10/25 assembly meeting. **SCOTT** asked what the assembly's procedure will be. **CASE** noted that the code does not specify a procedure. **SMITH** said this is a difficult decision, and the code needs to be amended to be more specific for the future. He expressed support for appointing the candidate who received the third highest votes in the recent election even though letters of interest are being solicited. **CASE** said the assembly has to do what the code and charter say, and there is no provision for using an election to fill a vacancy. **SCHNABEL** noted that the assembly makes decisions all the time that affect the community. She does not want to play games or discuss whether or not the assembly is qualified to appoint someone. The assembly has a job to do and should just make an appointment. **LAPP** agreed that it shouldn't be such a big deal. The former borough went through this twice, and it was fairly simple. Interested names were considered and voted on until one was appointed by the majority. **SMITH** took exception to the deadline being set for 10/20 and **SCHNABEL** not being able to vote on the appointment. **SCOTT** stated again her opinion that the election process should be respected; consideration should be given to those that participated in the election when reviewing the letters of interest. **CASE** said that sometimes the reason a person gets

elected is because they are perhaps considered the lesser of two evils. Also a group like Lynn Canal Conversation (LCC) often garners enough votes to get a person at least in second place. **SCHNABEL** questioned the relevance of **CASE**'s statement and took offense to it. **CASE** said that LCC is very well organized, and he admires them for it and did not intend anything derogatory by his comment. **SCHNABEL** said it can be difficult to accurately determine the true third-highest vote getter. **SMITH** wanted to know why the assembly is not making the decision at this meeting. He again expressed his displeasure with the deadline change from ASAP to 10/20. **SCOTT** said the motion did not specify a deadline. The clerk and manager made an administrative decision to add a deadline, but the assembly could override it. **SCHNABEL** said that she has no argument with the administration's decision to add a 10/20 deadline to the request for letters.

M/S **ROSSMAN/SCOTT** proposed that each assembly member nominate a candidate and put the five names on a list and each assembly member rank the names 1 to 5. The one with the highest number of votes would be appointed.

SCOTT asked when discussion would occur on nominees. **ROSSMAN** said that it could be at the time of nomination.

Fred **SHIELDS** suggested nominating one person at a time and voting them up or down. **SCHNABEL** said it might be wise to consider holding an executive session to discuss the applicants. **SCOTT** said she wants it to be a completely public process and does not agree with an executive session. She said it might be wise to schedule a special single-issue meeting for this. **ROSSMAN** said he is willing to withdraw his motion if the assembly wants to direct Fred **SHIELDS** to come up with a procedure.

The motion failed with **SCOTT**, **SMITH**, and **SCHNABEL** opposed.

M/S **SCOTT/SCHNABEL** Motion that the appointment be made by unanimous consent.

SCOTT said it would give each assembly member the guarantee that they will be listened to. **SCHNABEL** said the minority has to be represented somehow. **SCOTT** withdrew the motion.

M/S **SCOTT/LAPP** Motion to make the appointment at a special meeting on October 27, 2005.

SCHNABEL said she does not want to have a special meeting that includes a public hearing. **LAPP** agreed that the

meeting should not include public input but the public could submit questions ahead of time. There was no objection.

The motion carried 4-1 with **ROSSMAN** opposed.

11. NEW BUSINESS:

A. Resolutions - None

B. Ordinances for Introduction - None

C. Other New Business

1. Architect's 35% Schematic Design - School Project

M/S **LAPP/ROSSMAN** Motion to accept the Architect's 35% Schematic Design for the school project.

The motion carried unanimously in a roll call vote.

2. Cooperative Agreement with Fish & Game for Construction of a Boat Launch Facility in the Small Boat Harbor

M/S **ROSSMAN/LAPP** Motion to accept the cooperative agreement with Fish & Game for the construction of a boat launch facility in the Small Boat Harbor.

SMITH expressed concern that the assembly was not informed of this project before now. He wanted to know where it fits in with the new harbor project and the ice house. **SCHNABEL** said the merits of the project need to be discussed at this point, although it is frustrating to try to be planners but to have things dropped in like this. She expressed concerns that there is not enough room for the 20 parking spaces the borough would be expected to provide per the agreement. **VENABLES** said approval of this cooperative agreement would allow the engineers to move forward to develop the parking concepts. **SCHNABEL** said that she wants this to be moved to the planning commission ASAP. **ROSSMAN** said it is his understanding that the design is not yet set in stone. **SCHNABEL** said that in 2006 the borough will be constructing a new school, a new boat ramp, and several CIP projects. She suggested that it might behoove the assembly to start giving consideration to hiring an engineer. She would also like to see user fees charged even though details aren't all worked out yet.

M/S **SCOTT/SCHNABEL** Motion to amend by accepting the second #4 as stated on page 6 of the agreement allowing the borough to charge user fees.

The amendment motion carried unanimously in a roll call vote.

The motion carried 4-1 in a roll call vote with **SMITH** opposed.

3. 2005 Snow Removal Contracts

M/S **LAPP/ROSSMAN** Motion to award the 2005 snow removal contracts to the apparent low bidders as presented by the Clerk.

The motion carried unanimously in a roll call vote.

4. Proposed Rulemaking on the Western Hemisphere Travel Initiative

SCOTT explained to the audience that this refers to the proposal to require passports to move between Canada and the U.S. An adult passport currently costs \$97. It would be an unfunded mandate that would cause economic impacts to families and border communities. Mayor **CASE** said he would do a first draft of a letter but it will probably go out under Fred **SHIELD**'s watch. The assembly was unanimous in their support of a letter being written.

12. SET COMMITTEE MEETING DATES

Finance Committee meeting on Tuesday, October 18 at 4:00pm.

13. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SCOTT said that she has really enjoyed working with **SCHNABEL** on the assembly.

SCHNABEL said she would like to continue to serve on the Oversight & Strategic Planning Committee for the school project.

LAPP said thanks to **CASE** and **SCHNABEL** for all of their hard work on behalf of the community. **SMITH** concurred.

14. ADJOURNMENT - 9:33 pm

M/S **ROSSMAN/LAPP** Motion to adjourn.

The motion carried unanimously.

ATTEST:

Mike Case, Mayor

Julie Cozzi, Borough Clerk