


Haines Borough
Borough Assembly Meeting #84
October 25, 2005
MINUTES

Approved

1. CALL TO ORDER/PLEDGE TO THE FLAG: Mayor **SHIELDS** 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. OATHS OF OFFICE - NEWLY-ELECTED MEMBERS
 - a. **Fred Shields** - Mayor
 - b. **Luck Dunbar** - Assembly Member, Seat C
 - c. **Jerry Lapp** - Assembly Member, Seat F

ROLL CALL Present: Mayor Fred **SHIELDS** and Assembly Members Scott **ROSSMAN**, Norm **SMITH**, Jerry **LAPP**, Luck **DUNBAR**, and Stephanie **SCOTT**.

Staff Present: Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, and Scott **BRADFORD**/W-S Operator.

Visitors Present: Bonnie **HEDRICK**/CVN, Chris **SHARPE**/KHNS, Mike **CASE**, Fred **GRAY**, Eddie and Laverne **BRYANT**, Leonard **DUBBER**, Jeff **SHIELDS**, Deborah **VOGT**, Chris **SCHELB**, Tom and Lyn **LAUENROTH**, Doug **OLERUD**, Alan **TRAUT**, Richard **CHAPPELL**, Patricia **BLANK**, Don **TURNER III**, Carolyn and Ron **WEISHAHN**, Greg **STUCKEY**, Paul **NELSON**, Patty **CAMPBELL**, James **ALBOROUGH**, Georgia **HAISLER**, Kathleen **MENKE**, Jessie **BADGER**, Steve **SCARROT**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA:

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

The motion carried unanimously.

4. APPROVAL OF MINUTES: None

5. PUBLIC COMMENTS:

Former mayor Mike **CASE** congratulated all of the newly-elected officials and thanked all of the candidates for their willingness to run. He expressed appreciation for all the people he worked with throughout his term as mayor.

6. MAYOR'S COMMENTS/REPORT:

Mayor **SHIELDS** said he has asked Assembly Member **LAPP** to continue as Deputy Mayor.

The mayor announced that his office hours for the time being will be from 9:00am to 10:00am or so.

7. PUBLIC HEARINGS:

A. Ordinance 05-09-123 (second 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 **SHIELDS** opened the public hearing at 6:38pm.

WEISHAHN asked why the ordinance is necessary since the resolution was already adopted. Mayor explained that the ordinance allows a temporary suspension to happen, and a resolution specifies what it is. **VOGT** disagreed and said that the Charter mandates that tax matters be done by ordinance so that the public can count on two hearings. "The power to suspend is the power to tax."

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

M/S **SCOTT/LAPP** Motion to adopt Ordinance 05-09-123.

LAPP said the assembly cannot impose sales tax---it requires a vote of the people. This is simply offering temporary relief. **SCOTT** said she believes that there is a slight flaw in **VOGT's** argument that suspensions are the same as establishing taxation. She said all this ordinance does is make it possible for the assembly to temporarily offer tax relief, and she spoke in favor of the ordinance as it is written. She noted that the assembly made it a rule that a resolution would always be posted publicly on the agenda prior to being considered at a meeting.

The motion carried unanimously in a roll call vote.

The mayor took a few moments to explain the roll of the assembly for the benefit of newly-elected assembly member **DUNBAR**.

B. Ordinance 05-09-124 (second 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 **SHIELDS** opened the public hearing at 6:46pm.

MENKE said she really appreciates the fire department and spoke in favor of the ordinance.

The mayor closed the public hearing at 6:47pm.

M/S **LAPP/DUNBAR** Motion to adopt Ordinance 05-09-124.

The motion carried unanimously in a roll call vote.

C. Ordinance 05-09-125 (second 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 SHIELDS opened and closed the public hearing at 6:49pm; there were no comments.

M/S LAPP/SMITH Motion to adopt Ordinance 05-09-125.

The motion carried unanimously in a roll call vote.

D. Ordinance 05-09-126 (second 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 SHIELDS opened the public hearing at 6:50pm.

MENKE said she continues to be concerned that the property owners have not been surveyed. She believes it could be done with a simple questionnaire, and if there is no demand for the service, the money should not be spent on a lobbyist. She is concerned that the project costs would be too high and doesn't believe that a failed septic system is a community problem. She believes that the existing water/sewer systems should be upgraded first. She read from a written statement before handing it to the Clerk.

HAISSLER asked for a summary of what the proposed project would be. The mayor explained that the idea of the lobbyist is to tap into some of the money available in Juneau to pay for a thorough evaluation of a water/sewer system extension.

TRAUT said he is satisfied with his current water and sewer system. He added that if the water/sewer extension is a good idea, a lobbyist should not be needed. The mayor said he called Dennis Watson (18-yr mayor of Craig); he said they have never hired a lobbyist but have still received monies for various large projects.

NELSON spoke in opposition to the idea of extending the water/sewer services because he believes the existing system is marginal at best. He added that if the system is extended, the people who have working systems should not be forced to hook up to it.

ALBOROUGH said he is opposed, as well, because he has

invested a lot of money into installing a very good system. He agreed with **MENKE** that a survey should be conducted. In his opinion, existing property owners should not be forced. There should be a waiver for those that have good systems and the costs should not be amortized. He offered that brand new subdivisions could possibly be hooked up. The mayor said the infrastructure for w-s is very expensive. If it wasn't for grant dollars, we would not be able

SCARROT said he is looking for some answers. He asked if property owners would be forced to become a part of the system and if so, what the cost would be. The mayor said as he understands it, it would be a phase-in and people would not be required to participate if they have good systems.

DUBBER complimented the borough for discussing the water-sewer issues.

CHAPPELL said lot sizes are decreasing, and it will lead to a lot more septic systems and not everyone has or will install a good system. He spoke in favor of the ordinance and having water-sewer service in the Small Tracts & Mud Bay Road areas.

BLANK asked the mayor to clarify what a lobbyist would do. The mayor said the lobbyist would seek funding for a study (approx. \$1 million) as a first step to get the project underway. The Carson Dorn Water Sewer Master Plan covers the existing system and the expansion. This ordinance is the next step from that Master Plan.

The mayor closed the hearing at 7:09pm.

M/S **SCOTT/LAPP** Motion to adopt Ordinance 05-09-126.

M/S **SCOTT/LAPP** Motion to specify the purpose for the lobbyist: 1)to obtain funds to survey each existing septic system and determine the need for sewer services including the cost to fix or replace; 2)to gauge the need for water distribution in the area separate from sewer; 3)to build a business plan for extended water & sewer services inc. number of expected users, hookup costs, mechanism for financing, infrastructure and long-term operation costs, expected footprint, etc.; and 4)to perform an in-depth analysis of the current system ability and need.

SCOTT said any construction is probably five years away. "To even enter into a meaningful discussion, a lot more data is needed. The viability of a septic system depends

on a lot of factors. The increased density of the area is driving this project; the lot sizes are getting smaller, and the ground water is being polluted. This whole thing is built on the hypothesis that this is a good time to go before the legislature." She noted that health and public safety are her primary concerns. She believes it is a good project and a good cause; it is a planning mechanism. It is a rapidly developing area of the borough. Even though people talk about DEC-approved septic systems, she knows for a fact that some people have installed systems that are not DEC-approved. Those systems might work for a while, but it doesn't mean the ground water isn't contaminated. Her amendment specifies what the lobbyist would be asked to do. Mayor **SHIELDS** said an in-depth survey would be very expensive. **ROSSMAN** said his biggest problem is adding three miles to an existing infrastructure that needs work. **LAPP** said he agrees with **SCOTT's** amendment because it calls for studying the existing system.

VENABLES agreed with the amendment motion. He said that the Borough has a number of ongoing projects and several things are happening to work on the existing system. Thanks to our representative and senator, there are funds to replace the wood stave pipe and replace the Young Road water tank allowing for upgrades to Barnett Pump station. Grant funding requests are in the works for work on the Piedad Road water source including a new tank and replacing or upgrading the force main on Beach Road. The FY06 capital improvements (CIP) budget includes replacement of a number of feet of asbestos concrete piping on Ocean View and along Union Street in conjunction with the state's road project over the next year or two. The FY07 CIP projects list includes more pipe replacement along View Street, 4th Avenue, and Lynnvue Drive. This week, a group of 12 engineers are here assessing the borough's water treatment plant. "The borough is trying to be as responsive as possible." The governor is currently putting together his budget to present to the legislature, and this is an opportune time to lobby for some of his funds.

BRADFORD agreed with **SCOTT** that there will be a problem as the Small Tracts and Mud Bay areas become more densely populated. "The soil can only accept so much before it is overloaded." **LAPP** asked him how the existing system would accept an extension like this. **BRADFORD** explained that the plant itself is designed for four times the capacity the

borough typically uses. The force main was poorly designed and can't always handle the flow. The grant funds being sought for it will either replace it or upgrade it.

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

SMITH said he does not see the need to hire a lobbyist for this. He suggested that the borough might consider hiring an engineer to study the system. "We should fix what we have first before we venture off Small Tracts Road." He believes problems can be dealt with on a per-resident basis. He added that the Carson-Dorn report identifies nearly \$6 million worth of upgrades that need to be done to the 30+ year old existing system. A lot more information is needed, and he does not support this ordinance.

SHIELDS said he believes there is a clear need to address the issues, especially for the future, but he's not comfortable with the current approach. **SCOTT** said people resist spending money for planning, but there is a need for it. The situation is only going to become more extreme as population increases in that area. She does not want to see this become a public health crisis. The lobbyist would be tasked with getting us "study money." It is very expensive to study something and evaluate it very well. It doesn't commit us to any project; it just evaluates it. "When you live in the middle of a lot of acreage, a failed septic system is not as much a hazard to the community. But when there is population density, there are potential problems."

The main motion failed 3-2 in a roll call vote with **SMITH** and **ROSSMAN** opposed.

The mayor called a brief recess at 7:44pm.

The meeting reconvened at 7:48pm.

E. Ordinance 05-09-127 (second 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 **SHIELDS** opened the public hearing at 7:48pm.

VOGT said she really likes the new online code.

The mayor closed the public hearing at 7:48pm.

M/S **SCOTT/LAPP** Motion to adopt Ordinance 05-09-127.

M/S **SCOTT/DUNBAR** Motion to delete all references to the Code Publishing Company from the ordinance.

No one has issues with the Code Publishing Company's performance or continuing to use them for codification. The assembly only objected to the company being named in the code.

The amendment motion carried unanimously.

The motion carried unanimously in a roll call vote.

8. STAFF REPORTS:

A. Manager - VENABLES summarized his written report covering the following topics:

- School Project Update
- Water & Sewer Plant Issues
- Marine Transportation
- Community Youth Development Program
- Lutak Road Project

VENABLES also noted that he has been Borough Manager for one year now and expressed appreciation for the opportunity to serve the community.

- 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**

ROSSMAN said the committee discussed how to budget the Permanent Fund dividend since it is difficult to estimate what it will be. The borough manager has suggested either a two-year delay or not including it in the budget and just considering it a windfall when it finally comes in.

- C. Government Services/Affairs**
- D. Personnel**
- E. Planning Commission**
- F. School Board**
- G. Chilkat Center Advisory Board**
- H. Parks & Recreation Advisory Board**
- I. Tourism Advisory Board**
- J. Boat Harbor Advisory Committee**
- K. Public Safety Commission**

10. OLD BUSINESS: None

11. NEW BUSINESS:

Mayor **SHIELDS** suggested skipping the November 8 meeting since several members will be in Anchorage attending the Alaska Municipal League Conference. There was no objection to canceling it and having only one meeting in November.

A. Resolutions

1. Resolution 05-10-074

A resolution of the Haines Borough Assembly authorizing a temporary suspension of consumer sales tax on propane purchased for home and business heating within the Haines Borough from November 1, 2005 through February 28, 2006.

M/S **SMITH/DUNBAR** Motion to adopt Resolution 05-10-074.

SCOTT said she believes the assembly should lobby the legislature to reimburse the borough for the lost revenue due to the heating fuel tax exemption. She offered to bring some type of resolution to the next assembly meeting. **LAPP** suggested that **SCOTT** might put the information together right away so that the Haines contingency could present it to the AML Conference in Anchorage. Everyone agreed. **LAPP** asked how the propane for heating could be separated out from propane for other uses. **SCOTT** said she doesn't believe it is important to break it out.

M/S **SCOTT/SMITH** Motion to amend the resolution to remove all references to heating.

The amendment motion carried unanimously.

The motion carried unanimously in a roll call vote.

B. Ordinances for Introduction

1. Ordinance 05-10-128

An ordinance of the Haines Borough amending Haines Borough code Title 3, Sections 3.14.010 and 3.14.020 of the Haines Borough code regarding the Capital Improvement Fund (CIP) allocation of the borough consumer sales tax pursuant to voter ratification at the October 4, 2005 Regular Election.

M/S **LAPP/ROSSMAN** Motion to introduce Ordinance 05-10-128 and to advance it to its first public hearing on 11/22/05.

The motion carried unanimously.

2. Ordinance 05-10-129

An ordinance of the Haines Borough appropriating \$15,625 donated to the Haines Volunteer Fire Department by Dorothy Quinn for purchase of ambulance equipment.

M/S **LAPP/ROSSMAN** Motion to introduce Ordinance 05-10-129 and to advance it to its first public hearing on 11/22/05.

The motion carried unanimously.

3. Ordinance 05-10-130

An ordinance of the Haines Borough revising the FY06 budget to reflect changes to Public Employee Retirement System (PERS) contribution expense and changes to insurance expense.

M/S **LAPP/ROSSMAN** Motion to introduce Ordinance 05-10-130 and to advance it to its first public hearing on 11/22/05.

The motion carried unanimously.

C. Other New Business - None

12. SET COMMITTEE MEETING DATES

13. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SMITH expressed concern about the crime rate in Whitehorse and his belief that local people are feeling threatened. He said he and his family were recent victims---they had things stolen from their vehicle. He believes the situation deserves a letter from the Borough saying Haines people are being victimized. **SHIELDS** noted the crime happening in our own community. He asked **SMITH** to draft a letter and bring it to the assembly. **SMITH** suggested a letter from the mayor's office would be better. **SHIELDS** agreed to draft a letter and starting it off with something like "it has come to the attention of the Haines Borough Assembly...".

14. ADJOURNMENT - 8:32 pm

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

The motion carried unanimously.

ATTEST:

Fred Shields, Mayor

Julie Cozzi, Borough Clerk