

Haines Borough  
Borough Assembly Meeting #74  
June 14, 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**, Assembly Members Scott **ROSSMAN**, Herb **VANCLEVE**, Debra **SCHNABEL**, Norm **SMITH**, Stephanie **SCOTT**, and Jerry **LAPP**.

**Staff Present:** Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, and Jila **STUART**/Chief Fiscal Officer.

**Visitors Present:** Micah **TRUE**/CVN, Chris **SHARP**/KHNS, Paul **NELSON**, Michael and Betty **RICKER**, Laverne **BRYANT**, 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:** \*February 8, 2005 Supplemental BOE; May 23, 2005 BOE; and May 24, 2005 Regular

**SMITH** referred to the statement in the 5/24 minutes that said he doesn't believe a company should make a profit running the cruise visitor shuttle. He denied saying it and requested it be removed. There was no objection to that request.

5. **PUBLIC COMMENTS:** None
6. **MAYOR'S COMMENTS/REPORT:**

Mayor **CASE** mentioned the upcoming teleconference with the head of the Marine Highway System, Robin Taylor, and the Marine Transportation Advisory Board. He said that certain strategic people in the community will attend to comment on the Haines Community's critical need for reliable ferry service.

7. **PUBLIC HEARINGS:**

- A. **Ordinance 05-05-104** (second hearing)

**An ordinance of the Haines Borough, Alaska, providing for the establishment and adoption of the budget of the Haines Borough for the period July 1, 2005 through June 30, 2006.**

Mayor **CASE** opened and closed the public hearing at 6:36pm; there were no comments.

M/S **LAPP/VANCLEVE** Motion to adopt Ordinance 05-05-104.

**SCHNABEL** summarized the Finance Committee's recommended amendments to the budget as lined out in the Chief Fiscal Officer's memo.

M/S **SCHNABEL/LAPP** Motion to amend the budget to add \$105,665 of state PERS funding revenue to be split 70% to the General Fund and 30% to the Townsite Service Area, as follows:

- o 01-01-09-4341 \$73,966
- o 02-01-09-4341 \$31,699

The motion carried unanimously.

M/S **SCHNABEL/LAPP** Motion to amend the budget to adjust insurance line items to reflect the quote reduction from AML-JIA.

The motion carried unanimously.

M/S **SCHNABEL/SCOTT** Motion to amend the FY06 Budget to allow for an interest payment on the school construction equal to .81 mills.

**SCOTT** questioned the need for the motion since the interest payment seems to already be a part of the proposed budget. **STUART** explained that the FY06 mill rates are a new addition to this budget, and they include .81 mills for the school construction bond. Because the bonds are being issued in FY06 this mill rate only represents a partial year bond payment. School construction bond mill rates in subsequent years will be between 2 and 2.5 mills. **CASE** asked **SCHNABEL** if she wanted to amend her motion.

M/S **SCHNABEL/SMITH** Motion to amend the budget to include mill rates for the 2005 Real & Personal Property Tax.

The motion carried unanimously.

The main motion to adopt the FY06 operating budget carried unanimously in a roll call vote.

**B. Ordinance 05-05-105** (second hearing)

**An ordinance of the Haines Borough amending Title 2 by adding Chapter 2.54 to establish a public safety commission.**

Mayor **CASE** opened the public hearing at 6:45pm.

**NELSON** encouraged the Assembly to adopt the ordinance and offered to serve on the commission saying he believed he would add a different perspective.

The mayor closed the public hearing at 6:46pm.

M/S **LAPP/SMITH** Motion to adopt Ordinance 05-05-105.  
The motion carried unanimously in a roll call vote.

**C. Ordinance 05-03-102** (first hearing)

**An ordinance of the Haines Borough amending Haines Borough code Section 2.56 to create a Tourism Advisory Board in place of a Convention and Visitor's Bureau Advisory Board and to clarify the relationship between the tourism director, the tourism board, and the manager.**

Mayor **CASE** opened and closed the public hearing at 6:49pm; there were no comments.

M/S **SCOTT/LAPP** Motion to move Ordinance 05-03-102 to a second public hearing on 6/28/05.

**SCHNABEL** asked if staff would investigate whether or not the proposed change would affect the borough's relationship with ATIA and other state organizations. There was no objection to the request, and staff will report back at the second hearing.

The motion carried unanimously.

**D. Ordinance 05-05-106** (first hearing)

**An ordinance of the Haines Borough amending Title 18 Section 18.70.030(C) to clarify the number of single-family dwellings allowed on a lot in the Lutak Inlet Planning/Zoning District.**

Mayor **CASE** opened and closed the public hearing at 6:50pm; there were no comments.

M/S **SCOTT/SMITH** Motion to move Ordinance 05-05-106 to a second public hearing on 6/28/05.

The motion carried unanimously.

**E. Ordinance 05-05-107** (first hearing)

**An ordinance of the Haines Borough amending Title 18 Section 18.70.010, Zoning Map to change the Lynnvue Subdivision zone from single-residential to multiple-residential.**

Mayor **CASE** opened the public hearing at 6:51pm.

**M. RICKER** said he said he is against this ordinance because he believes there is a home-use commercial limitation of 500 square feet (22.5x22.5), so it would not be the solution to his family's needs.

M/S **SCHNABEL/VANCLEVE** Motion to move Ordinance 05-05-107 to a second public hearing on 6/28/05.

Mayor **CASE** read the "multiple-residential" definition from

code. **SCOTT** said the ordinance is intended to resolve the Ricker's problem, but apparently additional discussion needs to occur to determine a more acceptable solution.

M/S **SCOTT/LAPP** Motion to amend to hold the second public hearing at a future date following a Planning Commission public hearing.

**SCOTT** said the Planning Commission seems to have believed that this zoning change would solve the problem. The Rickers were apparently not notified of the Planning Commission meeting where the re-zoning discussion occurred so they were not able to voice their concerns. **SCHNABEL** noted that the Planning Commission has already said it is not willing to spot-zone and is not willing to zone that neighborhood commercial. **SCOTT** said she would like a memo from the Planning Commission describing the basis for their decision. **SCHNABEL** reminded the assembly that the Planning Commission made a decision, the Rickers appealed it before the assembly, and following that hearing, the assembly asked the Planning Commission to consider another solution. **ROSSMAN** asked if a multiple-zone would allow a conditional-use permit. **CASE** said a person may apply for conditional-use permits for certain activities but not beyond the 500 square feet of limitation allowed by code. **SCHNABEL** said she believes the Rickers want their property zoned commercial, but reiterated that the Planning Commission is not willing to zone that neighborhood commercial.

The amendment motion carried 4-2 with **SCHNABEL** and **SMITH** opposed. This made the main motion moot.

M/S **VANCLEVE/SCOTT** Motion to reconsider.

**VANCLEVE** said he misunderstood and voted "yes" on the amendment thinking that the main motion would still be voted on. He is not in favor of the ordinance having a second hearing. **LAPP** said his rationale for a "yes" vote was because he believes the Rickers should have an opportunity to communicate their concerns to the Planning Commission. **SCOTT** said she believes the Planning Commission made a good faith effort to resolve the problem. **VANCLEVE** said he believes the Planning Commission did exactly what the assembly asked them to do, but since the Rickers do not want this solution this ordinance should just die. **CASE** pointed out that this ordinance would enable the existing duplexes in that neighborhood to sell their properties as duplex units in the future; right now, code would prohibit that. **LAPP** suggested the 500 square

feet limitation in code could be reviewed if this ordinance is passed.

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

The amendment motion to send it back to the Planning Commission before holding a second public hearing failed 3-3 with **VANCLEVE**, **SCHNABEL**, and **SMITH** opposed and Mayor **CASE** breaking the tie with a "no" vote.

The main motion to have a second public hearing on 6/28/05 carried unanimously.

**F. Ordinance 05-05-108** (first hearing)

**An ordinance of the Haines Borough amending Haines Borough code Title 7 Section 7.08.050 to add service sub-zones to the Historic Dalton Trail Road Maintenance Service Area.**

Mayor **CASE** opened and closed the public hearing at 7:19pm; there were no comments.

M/S **LAPP/ROSSMAN** Motion to move Ordinance 05-05-108 to a second public hearing on 6/28/05.

**SCHNABEL** said she would like to see a plat, and **VENABLES** offered to provide for the next meeting. **SCHNABEL** said 7.05.080(A)(2) needs to be clarified in the current code because it refers to a "Y" and there is more than one. **CASE** asked if the assembly would accept an administrative change prior to the next hearing. There was no objection to it. **LAPP** added that the current language also does not specify that it is necessary to live in a service area to be on the board. **SCHNABEL** said any commercial tariffs should be used for the whole area, and the language needs to be clarified. It would be important for the service area board to explain their plans for the commercial use. **SCOTT** said she is opposed to this ordinance, because she does not believe it correctly resolves the situation and may even be illegal. She asked the reason for it. **VENABLES** said the residents in Eagle Vista Sub-division want to be taxed at a higher rate so they can get a higher level of service. In order for this to happen and for the funds to be dedicated just for that area, code must be amended. **SCHNABEL** pointed out that everyone in the Historic Dalton Trail RMSA pays a certain mill rate but only one road gets plowed (the Chilkat Lake Road). Staff will provide additional maps and information for the assembly at the next meeting.

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

**G. Ordinance 05-05-109** (first hearing)

**An ordinance of the Haines Borough amending the FY05 Haines Borough operating budget.**

Mayor **CASE** opened and closed the public hearing at 7:37pm; there were no comments.

M/S **LAPP/VANCLEVE** Motion to move Ordinance 05-05-109 to a second public hearing on 6/28/05.  
The motion carried unanimously.

**H. Ordinance 05-06-110** (introduction & first hearing)

**An ordinance of the Haines Borough amending Haines Borough Code Title 3 Section 3.74.030 to increase the minimum tax required before being allowed to pay the tax in two equal installments.**

M/S **LAPP/VANCLEVE** Motion to introduce Ordinance 05-06-110 and to hold the first public hearing this meeting.  
The motion carried unanimously.

Mayor **CASE** opened and closed the public hearing at 7:39pm; there were no comments.

M/S **LAPP/SMITH** Motion to move Ordinance 05-06-110 to a second public hearing on 6/28/05.  
The motion carried unanimously.

**I. Ordinance 05-06-111** (introduction & first hearing)

**An ordinance of the Haines Borough amending Haines Borough Code Title 16 Section 16.16.090 to have the annual moorage rates set by non-code ordinance and to change the method for calculating annual moorage from square footage to linear footage.**

M/S **LAPP/SCOTT** Motion to introduce Ordinance 05-06-111 and to hold the first public hearing this meeting.  
The motion carried unanimously.

Mayor **CASE** opened and closed the public hearing at 6:57pm; there were no comments.

M/S **VANCLEVE/LAPP** Motion to move Ordinance 05-06-111 to a second public hearing on 6/28/05.  
The motion carried unanimously.

**8. STAFF REPORTS:**

**A. Manager**

The manager summarized his written report which included the following topics:

- Boat Harbor
- Chilkoot River Corridor Bear Monitor
- Summer Employment/Training Program for Economicly-

Disadvantaged Native Young People

- Compensation to KHNS for Chilkat Center Management Assistance
- DEC Water System Plant Training
- Chilkat State Park RMSA
- School Construction Project
- Denali Biotechnologies - Blueberry Harvesting

Additionally, he provided information on the following:

- Battery Point Trail
- Ocean Beauty's grant application not being selected.
- The restoration of the whale totem - the paint is in and Wayne Price will be restoring it very soon.

**SMITH** spoke of U.S. Congressman Souder's visit to Haines and the congressman's encouragement to seek federal funding to develop our bear resource. The mayor asked that this topic be discussed during New Business.

**\*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**

**SCHNABEL** informed the assembly the committee has asked staff to revise the port tariff for cruise ships, including discontinuing the 50% discount. The committee has also begun discussions about sales tax reform. Additionally, they have had preliminary discussions about some ballot questions for the October ballot, including shifting looming tax burden by raising the question of using part of the permanent fund to retire some of the larger debts and considering undedicated sales tax and/or seasonal tax rates. **SCHNABEL** also spoke of an effort to look into ways to use the Tongass monies (Fund 21) that would still satisfy the use restrictions. One option being researched is whether or not some of those funds could be diverted to build a different transportation option for the Chilkoot River Corridor since it would take non-forest activity away from a forest.

**C. Personnel & Labor Relations**

**VENABLES** said the union negotiations are near wrap-up and the assembly will get a presentation soon.

- D. Government Services/Affairs - written
- E. Planning Commission
- F. School Board
- G. Chilkat Center Advisory Board
- H. Parks & Recreation Advisory Board
- I. CVB Advisory Board

10. OLD BUSINESS: None

11. NEW BUSINESS:

- A. Resolutions - None
- B. Ordinances for Introduction - None
- C. Other New Business
  - 1. Chilkat Center Conveyance

**VENABLES** said that Lee Heinmiller is satisfied with the document and willing to sign it. **SCOTT** said the Government Affairs & Services Committee reviewed it and recommends the assembly approve it.

M/S **LAPP/ROSSMAN** Motion to authorize the manager to execute the amendment to the Chilkat Center Conveyance document.

The motion carried unanimously in a roll call vote.

**2. Port Chilkoot Fire Hall Soil Contamination - Progress Report and Request for Authorization to Proceed with Additional Work**

M/S **LAPP/SMITH** Motion to allocate \$4,500 out of the FY05 budget for the completion of the project.

**SCOTT** asked how it will be paid for. **VENABLES** said there is money remaining in the Administration's Professional and Contractual budget. **SCOTT** asked why it won't come out of the fire department budget. **VENABLES** said there are no remaining funds in that budget, but an appropriation ordinance to move funds into it could be adopted by the assembly. **SMITH** expressed frustration and said he believes the assembly has been kept in the dark about this oil spill incident. He is dismayed that the fire chief has not given the assembly a report, especially since it is an oil spill. **CASE** pointed out that the assembly hired a manager, and the fire chief does not report to the assembly. **SCHNABEL** noted that the borough does not have insurance to cover this incident. **VENABLES** said during the wintertime, ice built up on the roof of the old Port Chilkoot firehall and fell on to an oil line that broke and spilled all of the oil out. **SCHNABEL** said she believes there needs to be accountability and

is not pleased that the assembly is being asked to allocate funds without being satisfied that staff has been made accountable and to get a full explanation of what occurred. **SCOTT** said she is interested in the manager's ideas on how to prevent a similar incident in the future. **CASE** said the assembly seems to be implying malfeasance and that was inappropriate. **VANCLEVE** said regardless of how and why it happened, the borough has an absolute responsibility to clean-up the spill. **SCHNABEL** agreed with **SCOTT**'s opinion that the expenses should be charged to the fire department's budget. **LAPP** suggested consideration be given to taking away the liability of that building.

M/S **SMITH/SCHNABEL** Motion to amend to stipulate that the cleanup funds should come out of the fire department or medical services budget.

**LAPP** suggested that the funds be spread out over two years. **VENABLES** said there will be a project phase three to clean up the soil after it has been removed from the site. **SCHNABEL** said she believes the expenses should be borne by all of the fire service districts. The fire department seems to have the personnel responsible for these issues. **CASE** said an ambulance was stored in the building during the building, so it would be appropriate for it to be charged to the area-wide medical services budget. **SCOTT** said the only reason to track it to the medical service area is to track the cost of the service. She agreed with **LAPP** that steps should be taken to remove that liability.

The amendment motion carried unanimously.

The motion carried unanimously in a roll call vote.

### **3. Assembly Discussion and Response to the AMHS Winter Service Plan**

**SMITH** gave an impassioned speech about the importance of having reliable, consistent ferry service and his frustration that the letter to Robin Taylor signed by Kookesh and Thomas does not have enough "umph." "We need to write a nasty letter to say we want our ferry back and we're not going to take "no" for an answer. Together we need to demand some answers." **SCOTT** said it is really important for Haines and Skagway to be united in the problem. The severed link between the two upper Lynn Canal communities needs to be restored. "We need to clearly tell them what we want, then we

have to demand clear explanation from them for why we can't have what we want." She said the teleconference needs to be well-attended. **SCHNABEL** said Robin Taylor needs to be invited to come to meet with the assembly and the community and offer an explanation. The assembly agreed, and it will be done. **SCOTT** suggested that the Skagway City Council be informed and given an opportunity to invite him as well. She said Taylor is not factoring the vast impact on the communities and she hopes business people will testify to it. **CASE** said even if there was an awful schedule that was dependable it would be better than what we have now. **SMITH** said he would like to invite the Skagway mayor and city council to come over and join the assembly here in a meeting with Taylor. "All we want is on time, daily ferry service." **SCOTT** suggested inviting Rep. Thomas and Sen. Kookesh to participate in the meeting with Taylor, as well. **LAPP** said the Skagway council should be informed and given a chance to decide whether or not they want to come over and join the assembly. **ROSSMAN** said he wants them to be specifically asked to come over. All agreed. The mayor said he will invite them to come over if Taylor agrees to come to Haines for a meeting.

#### 4. Excursion Inlet Surveying

**SMITH** asked why the Borough is continuing to deal with this individual. **VENABLES** explained that three-quarters of the work was done; a new surveyor would have to start over from the beginning. **SCHNABEL** said effectively there has been no penalty for the four years since the former borough contracted with McClintock. **VENABLES** said this contract is to complete a job; the scope of work is limited and it will be managed. There is a \$20,000 budget; and the contract lists deliverables. The document is fairly standard but has been reviewed by the borough attorney; the attorney is comfortable that the document is defensible. He added that there is not much field work left to be done; most is office CAD work. There is an October deadline for completion of the work.

M/S **SCHNABEL/VANCLEVE** Motion to authorize the manager to enter into a professional services contract with R. Scott McClintock for the creation of Excursion Inlet survey documents. The motion carried 5-1 in a roll call vote with **SMITH** opposed.

#### 5. Congressman Mark Souder and Chilkoot River Bear Funding

**VANCLEVE** said he has no objection as long as it doesn't become a toe in the door for the National Park Service. He's not interested in Chilkoot becoming another Glacier Bay. **SMITH** said this congressman has been to Haines, loves it, and wants to help. He talked about the availability of federal funding for things like a bear viewing platform. The assembly agreed that the manager should make contact with Congressman Souder to get more information. **VENABLES** will report back to the assembly.

**12. SET COMMITTEE MEETING DATES**

The next Finance Committee meeting was set for Tuesday 6/21/05 at 4:00pm.

The Government Affairs & Services Committee meeting was scheduled for Wednesday 6/29/05 with the time to be decided on. The committee will discuss the Chilkat State Park RMSA and the fair vendor permits.

**13. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

**ROSSMAN** asked if the Helicopter Map Committee is making progress. **CASE** said he spoke with committee member Deborah Vogt today, and she reported some progress is being made.

**SCOTT** announced that the FASD (Fetal Alcohol Spectrum Disorder) group is giving a big fund-raiser on 6/22 at the Bald Eagle Foundation. She invited everyone to attend, if possible. The current grant closes at the end of June, so it is hoped that the community pick up the ball and run with it.

**14. ADJOURNMENT - 9:14 pm**

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

The motion carried unanimously.

ATTEST:

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Mike Case, Mayor

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Julie Cozzi, Borough Clerk