

Haines Borough
Borough Assembly Meeting #79
August 23, 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**, Herb **VANCLEVE**, and Stephanie **SCOTT**. **Absent:** Debra **SCHNABEL**.

Staff Present: Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, Dave **GROSS**/Asst. W/S Plant Operator, Lori **STEPANSKY**/Tourism Director, and Scott **BRADFORD**/Fire Chief.

Visitors Present: Bonnie **HEDRICK**/CVN, Chris **SHARP**/KHNS, Donny **TURNER**, Marilyn **JOSEPHSON**, Joanie **WAGNER**, LaVerne **BRYANT**, Toni **DEWITT**, Karen **HESS**, Bruce **HALE**, and Rich **KALOOSTIAN**, others.

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

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

SCOTT requested the planning commission report (minutes) be removed from the consent agenda and added under the mayor's comments a proclamation for FASD Awareness Day. There was no objection to the changes.

The motion carried unanimously.

4. **APPROVAL OF MINUTES:** *August 9, 2005 Regular

5. **PUBLIC COMMENTS:**

DEWITT commented about Turner's pit on Menaker Road. She said she does not know what's happening and asked the assembly not to take any action at this meeting. She read aloud a letter that she had written to the planning commission in March 2005. She said best case scenario would be for the pit to be closed. She believes the pit is in violation of State reclamation regulations. **DEWITT** provided a copy of the letter to the Clerk for the record at the mayor's request.

WAGNER said several neighbors want any action and discussion postponed until there is a public notice that the topic will be on the agenda.

6. MAYOR'S COMMENTS/REPORT:

Planning Commission

The mayor said it would be good if the assembly created a statement that would communicate to the planning commission that it is an appointed body and not an independent body as some members of the commission seem to believe.

"FASD Awareness Day" Proclamation

Mayor **CASE** read aloud the proclamation regarding Fetal Alcohol Spectrum Disorders Awareness Day in September.

Boat Harbor Advisory Committee

The mayor announced that Assembly Member **SMITH** has agreed to serve on the Boat Harbor Advisory Committee in the seat that would ordinarily be filled by the Commerce Committee Chair. Assembly Member **LAPP** had requested an alternate appointment.

7. PUBLIC HEARINGS:

A. Ordinance 05-07-118 (second hearing)

An ordinance of the Haines Borough amending Haines Borough code 3.70.040(d) to include the St. Vincent de Paul, St. Lucy Conference property in the list of tax-exempted properties.

Mayor **CASE** opened and closed the public hearing at 6:45pm; there was no comment.

M/S **VANCLEVE/LAPP** Motion to adopt Ordinance 05-07-118.

SCOTT said it has come to her attention that St. Vincent de Paul has decided not to accept the property transfer. There will be another 501(c)3 organization identified that will take over ownership of the property. St. Vincent DePaul will manage the project and be the umbrella for grant funding, but they prefer not to own the property.

M/S **SCOTT/LAPP** Motion to table the Ordinance.

The motion carried unanimously.

B. Ordinance 05-08-119 (first hearing)

An ordinance of the Haines Borough amending Haines Borough code Title 9, Chapter 9.04 to delete sections 9.04.030-selling alcohol to drunken persons, and 9.04.040-minors in alcohol-licensed premises, because these offenses are actually misdemeanors under state law.

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

M/S **LAPP/SCOTT** Motion to advance Ordinance 05-08-119 to its second public hearing on 9/13/05.

The motion carried unanimously.

C. Ordinance 05-08-120 (second hearing)

An ordinance of the Haines Borough amending Sections 3.80.030, 3.80.35, and 3.80.220; and Chapter 3.23 of the Haines Borough code regarding the collection and application of the borough consumer sales tax pursuant to a vote of the people at the October 4, 2005 regular election.

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

HESS said she supports the idea of an areawide tax, but is concerned that some of the proposed allocation is going to reduce the Tourism budget. She's more in favor of increasing the budget for tourism and conventions. She noted that she is speaking as an individual as opposed to Chamber President.

JOSEPHSON asked what affect the sales tax reform would have on Tourism. **STUART** said the intention is that Economic Development would be paid for out of areawide general funds and that tourism would get ½% areawide. She projected a \$45,000 reduction in tourism funds.

HESS asked if the proposed Option B would have the lodging tax dedicated to Tourism. **ROSSMAN** said no. **HESS** said she has always advocated for the lodging tax to go back into conventions and tourism.

Mayor **CASE** closed the public hearing at 7:02pm.

M/S **SCOTT/LAPP** Motion to adopt Ordinance 05-08-120.

M/S **VANCLEVE/ROSSMAN** Motion to amend Ordinance 05-08-120 to incorporate Option B.

SMITH concurred with **HESS** saying he does not believe the lodging tax should go into the general fund. He is opposed to Option B. **SCOTT** agreed with **SMITH** and said she would like to see a fund dedicated to just tourism as in Option A with the lodging tax going to tourism. She spoke strongly in support of Option A saying it is the most logical and believes it is more beneficial to tourism than is perceived. If this amendment fails, she will propose an amendment to clarify the existing proposition wording.

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

SCOTT said it is logical to dedicate the lodging tax to Tourism. **VANCLEVE** said the assembly should make that change in a separate ordinance. **SCOTT** noted that the 1% tax was not just dedicated to tourism anyway. The assembly has discretion when allocating between tourism and economic development. Option A takes the guesswork out of it and dedicates an areawide ½% to tourism period. **SMITH** requested a special assembly meeting to deal with this ordinance since **SCHNABEL** is not at this meeting to participate in the discussion. **ROSSMAN** explained to **SMITH** that Option A will do what he would like it to do---dedicate lodging tax to tourism.

M/S **SCOTT/LAPP** Motion to amend the second proposition to strike "including Economic Development" and to add "Townsite Service Area" in front of "general government functions."

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

M/S **SCOTT/LAPP** Motion to set Ordinance for a third public hearing on Monday evening, August 29, 2005.

VANCLEVE asked **SCOTT** to explain her reasons for wanting a third public hearing. **SCOTT** said it would give more time for the assembly and the public to reach a consensus.

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

VANCLEVE spoke against adoption of the ordinance. He agrees with the lodging tax issue but believes it should be considered separately. He is against the repeal of the 1% tour tax and is concerned with the appearance of rushing the changes through the process. The minimal dollars that the general fund would get does not justify the hit tourism would take, in his opinion. **LAPP** agreed with **VANCLEVE** that Option A should not go on the ballot. He believes Option B would be less confusing to people. **SCOTT** disagreed that tourism's funding would be threatened by Option A. She reiterated that Option A would give Tourism a separate fund that would be more protected from "meddling" by the assembly.

The motion failed 2-3 in a roll call vote with **SMITH**, **LAPP**, and **VANCLEVE** opposed.

8. STAFF REPORTS:

A. Manager

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

- Letnikof Cove Harbor Ramp Repair
- Washington D.C. Lobbyist
- Alaska Department of Environment Conservation Visit
- School Project Update
- Grant Updates
- AMHS Schedule

VENABLES explained that the existing ramp will not be replaced. It is the damaged gangway that will be repaired, including replacement of the decking and all of the stringers underneath.

SMITH asked if there are any strings attached to the Northwest Cruise Ship Association's \$25,000 grant for a new harbor skiff. **VENABLES** said there are none whatsoever.

VENABLES asked for a Government Affairs and Services Committee meeting soon to review the water/sewer master plan priorities and to assist in consideration of a state lobbyist to help acquire funds for identified projects.

SCOTT asked what the contract term is for the Washington D.C. lobbyist. **VENABLES** said it is a month-to-month contract that is reviewed annually for appropriation during the budget process.

The mayor called a brief recess at 7:41pm.
The meeting reconvened at 7:43pm.

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

9. COMMITTEE/COMMISSION/BOARD REPORTS:

A. Commerce Committee

LAPP said the committee intends to introduce a resolution at the next assembly meeting regarding Cannery Cove.

B. Finance & Budget

C. Personnel & Labor Relations

VENABLES said that there is a tentative union agreement that should be available to the assembly at the next meeting. The union membership is meeting on September 1 to make a ratification decision.

D. Government Services/Affairs

E. Planning Commission

SCOTT said it concerns her that the planning commission

has not responded to the assembly's request for written rationale to accompany their recommendations. Some type of document has to be prepared as a result of the commission's actions that will show rationale. Additionally, **LAPP** suggested that the Assembly write a letter to the planning commission reiterating that they are not an independent body. They are appointed and advisory. "They do a good job, but they are not independent." **SCOTT** said the assembly and the planning commission need to communicate with each other more formally with time being of the essence. Mayor **CASE** agreed to call Jim Stanford or Lee Heinmiller regarding a mechanism to communicate rationale as well as clarifying for them that the planning commission is advisory to the assembly and not independent of them.

F. School Board

G. Chilkat Center Advisory Board

H. Parks & Recreation Advisory Board

I. CVB Advisory Board

10. OLD BUSINESS:

11. NEW BUSINESS:

A. Resolution 05-08-067

A resolution of the Haines Borough Assembly authorizing the borough manager to approve a revised interest rate on the City of Haines General Obligation Bond, 1989, and to deliver an amended bond.

M/S **SCOTT/LAPP** Motion to adopt Resolution 05-08-067.

SCOTT thanked the staff for finding the oversight. **SMITH** asked if the borough would save if the bond balance was just paid off now with cash rather than paying it off over the next 4 years.

The motion carried unanimously in a roll call vote.

B. Resolution 05-08-068

A resolution of the Haines Borough Assembly authorizing the manager to acquire, in the best interests of the community, the Schafer real estate property located within the Mission Subdivision.

M/S **ROSSMAN/SCOTT** Motion to adopt Resolution 05-08-068.

ROSSMAN asked where the money is coming from. **CASE** said it will have to come out of reserves although school bond money may be able to be used in the future to reimburse

the reserves.

The motion carried unanimously in a roll call vote.

B. Ordinances for Introduction

1. Ordinance 05-08-121

An ordinance of the Haines Borough amending Haines Borough code 5.04.110(c) - Appeal from Decision of Manager, to make the mayor responsible for setting the appeal hearing and corresponding with the appellant.

M/S **LAPP/SCOTT** Motion to introduce Ordinance 05-08-121 and to advance it to its first public hearing on 9/13/05.

The motion carried unanimously.

C. Other New Business

1. Naming a Street after Ed Shirley

Shirley was one of the largest benefactors of the American Bald Eagle Foundation and has been a big friend of Haines. He died recently of cancer, and it would be a nice recognition. No action was taken at this time.

2. Letnikof Cove Harbor Emergency Repairs

M/S **LAPP/ROSSMAN** Motion to allocate up to \$50,000 to repair the damaged gangway at Letnikof Cove Harbor.

VENABLES will write up the scope of services, and he noted that there are three contractors who have indicated an interest in working on it. The project is being treated as an emergency repair situation.

The motion carried unanimously with a roll call vote.

12. SET COMMITTEE MEETING DATES

The Finance Committee will meet per its regular schedule on September 6 at 4:00pm.

The Government Affairs and Services Committee will meet on August 30 at 4:30pm to discuss the Charter provision that gives the mayor the authority to act as peace officer, as well as to discuss the water/sewer master plan priorities.

13. ANNOUNCEMENTS/ASSEMBLY COMMENTS

LAPP said he would like to see some of the borough vehicles upgraded to newer vehicles with borough colors and the correct logo.

ROSSMAN said the new school will have a new roadway for bus use, but it could be called "Ed Shirley Street" even though it will not technically be a street.

SMITH suggested a commemorative plaque at the gazebo in honor of Jay Hammond or to name it the "Jay Hammond Gazebo."

CASE said he served for 13 weeks as acting manager and was never compensated for it. He asked the assembly to consider authorizing him to keep the laptop computer in lieu of payment.

14. ADJOURNMENT - 8:17 pm

M/S **LAPP/VANCLEVE** Motion to adjourn.
The motion carried unanimously.

ATTEST:

Mike Case, Mayor

Julie Cozzi, Borough Clerk