

Haines Borough
Borough Assembly Meeting #81
September 13, 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**, Debra **SCHNABEL**, and Stephanie **SCOTT**.

Staff Present: Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, and Addison **FIELD**/Museum Director.

Visitors Present: Bonnie **HEDRICK**/CVN, Chris **SHARP**/KHNS, James A. **WILSON**, Pam **COULTER**, Al **GILLIAM**, Don **TURNER III**, Greg **STUCKEY**, Fred **GRAY**, Toni **DEWITT**, Shawn **MCNAMARA**, Rich **KALOOSTIAN**, Liz **HEYWOOD**, Cary **WEISHAHN**, Patricia **BLANK**, Fred **SHIELDS**, Don **HESS**, and Dale **COBB**.

3. APPROVAL OF AGENDA & CONSENT AGENDA:

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

SMITH requested that the planning commission issues in Item 9E be removed from the consent agenda. **LAPP** asked for an addition of a New Business item (11C4) - Heating Fuel Oil Tax. There was no objection to the changes.

The motion carried unanimously.

4. APPROVAL OF MINUTES: *August 23 Regular & August 29, 2005 Special

5. PUBLIC COMMENTS:

DEWITT spoke concerning the Turner Rock Pit and her objections to it, including public safety issues, the noise and its effect on her property value and quality of life. She asked for a "moratorium" on the pit.

WEISHAHN commented on the helicopter map item. She expressed appreciation to the committee for their work and believes the recommendations are not given lightly. The committee recommends honoring the 1996 vote by prohibiting summer helicopter tours. She endorsed the committee's work.

HEYWOOD said that all affected property owners should be given notice before any action is taken regarding the Turner Rock Pit.

GILLIAM said his company's helicopter-assisted operations were approved originally by the Planning Commission and the State SUD. The Borough Assembly also approved his business plan including helicopters. He has been working at developing his business for 27 years.

MCNAMARA representing SEABA (SE AK Backcountry Adventures) said his company strongly disapproves of the committee's helicopter map. This map is even more restrictive than the SUD was. He does not believe there was enough consideration given to the industry in the process.

6. MAYOR'S COMMENTS/REPORT:

Mayor **CASE** said the helicopter map committee did a lot of hard work. He refuted **WEISHAHN**'s contention that the vote of 1996 prohibited summer helicopter operation.

7. PUBLIC HEARINGS:

A. Ordinance 05-08-119 (second 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 6:42pm; there was no comment.

M/S **SCOTT/LAPP** Motion to adopt Ordinance 05-08-119.

The motion carried unanimously.

B. Ordinance 05-09-121 (first hearing)

An ordinance of the Haines Borough amending Haines Borough Code Title 5, Section 5.04.110(c) - Appeal from Decision of Manager, to make the mayor responsible for setting the appeal hearing and corresponding with the appellant.

Mayor **CASE** opened and closed the public hearing at 6:44pm; there were no comments.

M/S **LAPP/VANCLEVE** Motion to advance Ordinance 05-09-121 to its second public hearing on 9/27/05.

The motion carried unanimously.

8. STAFF REPORTS:

A. Manager

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

- State transfer of Municipal Harbors ownership
- Borough finances
- Union employees vote
- School Construction Project
- Fall projects
- Manager's schedule

VENABLES added that the school bond was sold today for a 4.1% rate which will save the project approximately \$100,000. He also noted that the architects want to present the 35% submittal documents on the school project to the assembly the first part of October.

SCOTT commented on the *Expenses by Function* tax chart attached to the manager's report. She said it shows that Public Safety and Public Works/streets are an expense of the borough but they are actually just the Townsite Service Area. Also, Water and Sewer are both enterprise funds. Mayor **CASE** offered to work with the manager and the CFO to suggest changes to the chart format. **SCHNABEL** said it occurred to her that there may need to be two different charts showing expenses.

On a different issue, **SCHNABEL** asked **VENABLES** about the time involvement with his upcoming position as president of Southeast Conference. **VENABLES** estimated just a few hours each month with an occasional trip. He added that most business takes place via teleconference and email. **SCHNABEL** expressed her concern, saying she would like to see 100% of his attention and time given to the borough in the first year or two of his borough management position. She added that she wishes him well in his presidency.

- *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 - written
- C. Personnel & Labor Relations

SMITH said the labor union membership voted not to accept the negotiated agreement. **SCHNABEL** asked at what point in the process the information becomes public; it is certainly public that it was rejected. She asked if there

are any elements of the offer that could be made public at this time and said that it would be important for the public to know what was rejected. **CASE** said he believes the borough could disseminate the information to the public since it has been disseminated to the employees. **SCHNABEL** noted that the agreement did reflect a wage increase and an impact on the budget of at least \$30,000.

D. Government Services/Affairs - written

M/S **SCOTT/VANCLEVE** Motion to authorize the manager to draft an ordinance to appropriate \$20,000 to hire a Juneau lobbyist.

SMITH asked where the money would come from. **VENABLES** suggested one half could come from the water CIP and one half from the sewer CIP. **SCHNABEL** said the LID structure has always served the community well in the area of adding utilities. She asked if that was discussed. **SCOTT** said the committee did discuss LIDS versus fee-based extensions. The committee is in the preliminary stages and decided to seek funding. The committee did ask the manager to research different systems. More than twenty people attended the meeting, and the consensus was that the borough should seek funding.

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

E. Planning Commission

On 8/11/05, the planning commission passed various motions that referred the following to the assembly:

- a. Potential land-use code violation by an unlicensed commercial tour operation conducted by the M/V Absinthe.
- b. Consideration of two questions regarding "vagabond campers."
- c. Recommendation for assembly to seek legal counsel re. Turner Rock Pit Controversy.
- d. Recommendation the assembly reconsider the Turner Rock Pit issue.

CASE pointed out that each action item should go through the manager first. **SCHNABEL** agreed that the manager should take some type of action prior to it being taken to the level of the assembly (it would have to be an appeal to the manager's decision). **SMITH** said he is concerned that there is a problem with the public process because he doesn't see follow-up always happening. He said the Planning Commission is apparently not able to deal with these issues; he spoke with Commissioner Rob Goldberg, and he agreed that the Commission is struggling with them and

that the issues should have been taken to the manager. **SCOTT** suggested an *FYI* to the assembly of any Planning Commission items referred to the manager and any action he had taken on them just to keep them informed. **CASE** said the manager would look at adding additional items to his reports to the assembly.

The mayor called a brief recess at 7:10pm.

The meeting reconvened 7:14pm.

F. School Board

G. Chilkat Center Advisory Board

H. Parks & Recreation Advisory Board - written minutes

I. CVB Advisory Board

10. OLD BUSINESS:

A. Helicopter Map

M/S **SCHNABEL/SCOTT** Motion to adopt the Helicopter Committee's map and accompanying recommendations.

VANCLEVE said the recommendations exceed the committee's charge. The map should be considered for adoption only. **ROSSMAN** agreed. **SCHNABEL** said the map is a visualization of the recommendations. **VANCLEVE** said the recommendations include a lot of items that are not merely visualized by the map. It goes beyond determining areas and times. The Committee speaks to procedural changes that are totally beyond what they were asked to do. **ROSSMAN** said the map should support the helicopter regulations ordinance adopted by the assembly.

LAPP asked to divide the question.

The vote to divide the question carried 5-1 with **SMITH** opposed.

CASE asked **SCHNABEL** to decide which part of her divided motion the assembly would consider first, and she chose the map. She read aloud from the ordinance [5.18.080(A)(1)] that the assembly is to adopt an initial map that may be amended from time to time and what the map is required to do. She recommended the assembly adopt the committee's map as the initial one. **CASE** pointed out that the map and the accompanying narrative completely leaves out any summer tours. He added that he would veto anything that did not at least have what the state SUD had in it that would accommodate Al Gilliam's business. **SMITH** said the map committee decided that historical use had to be documented in order to be included. **VOGT** was asked to speak to the committee's process to conclude that Gilliam's business

would not be accommodated. **VOGT** read from the December 5, 2002 letter the mayor wrote to the commissioner of DNR: "the Assembly asked me to convey to you that they adopted three policies that necessitate change in the proposed regulations. First, that DNR allow Al Gilliam to operate his business as historically he has under BLM permit #AA61582, but not to expand his activities." She said the SUD map appeared to the committee to have nothing to limit Gilliam from expanding his activities beyond the historical scope. **ROSSMAN** said he believes the borough's map and regulations were initiated because of heliskiing. He added that the summertime helicopter tours should be handled case-by-case on a permit basis. **SCOTT** said she spoke with John Katzeek, one of the helicopter committee members, and he is concerned about the LeBlondeau Glacier and the impact of helicopters on wildlife. She likes the map with the single exception of the omission of the summer tours in Gilliam's area and would like to see the map amended to restore it. **ROSSMAN** and **CASE** each said they would support such a change. **SCHNABEL** pointed out that the code requires an initial map that may be amended upon notice of public hearing. She appealed to the assembly to adopt this map and then to immediately move to set a public hearing to deal with the issues.

M/S **VANCLEVE/ROSSMAN** Motion to amend the map to include the areas that were in the last SUD map to allow for Al Gilliam's operation.

SCHNABEL asked for clarification regarding the amendments. **VANCLEVE** said it would change the both the physical boundaries and the legend. **ROSSMAN** pointed out the areas on the committee's map to **SCHNABEL**, saying that it involves the Tsrku River Valley including the Takhin River and Takhin Glacier. **VOGT** said Mr. Gilliam has a permit right now that can be renewed next year without a hearing and something would need to be changed. **VANCLEVE** pointed out that the starting point for a permit renewal is the adoption of a map. **LAPP** said the areas in the legend allowed for heliskiing, and he suggested that if note #1 was eliminated from the legend that it would leave it open to establish an area for Gilliam. **SCOTT** said she likes note #1 because it is clear, but she would like areas specified for Gilliam. She said perhaps another legend will have to be added to the map. "The Haines Borough is not going to be opened up for summer helicopter use; the issue is just restoring the area that is currently open for Gilliam. **ROSSMAN** said he also spoke with John Katzeek and

he said **VANCLEVE**'s amendment leaves out the area he was concerned about.

The amendment motion to amend carried 5-1 with **SMITH** opposed.

The main motion to adopt the map carried 5-1 in a roll call vote with **SMITH** opposed.

Mayor **CASE** entertained a motion for the committee's recommendations (the second part of the divided question), but none was made. Therefore, the committee's recommendations were not adopted by the assembly.

SCOTT thanked the committee for the narrative they submitted and their efforts in developing the map.

B. Ordinance 05-07-118 - Tabled at the August 23, 2005 Meeting

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.

M/S **LAPP/SCOTT** Motion to remove ordinance 05-07-118 from the table.

The motion carried unanimously.

M/S **SCOTT/ROSSMAN** Motion to suspend the rules that constrain the assembly's abilities to postpone an ordinance to a certain time beyond the next meeting.

The motion carried unanimously.

M/S **SCOTT/LAPP** Motion to postpone Ordinance 05-07-118 to a certain time: January 10, 2006.

The motion carried unanimously.

11. NEW BUSINESS:

A. Resolution 05-09-069

A resolution of the Borough Assembly of the Haines Borough, Alaska, appointing election officials for the regular election to be held October 4, 2005, and establishing wages for same.

M/S **LAPP/ROSSMAN** Motion to adopt Resolution 05-09-069.

The motion carried unanimously in a roll call vote.

B. Resolution 05-09-070

A resolution of the Borough Assembly of the Haines Borough, Alaska, submitting an application to the State of Alaska

Mini-Grant Program on behalf of Cannery Cove Development.

M/S **VANCLEVE/LAPP** Motion to adopt Resolution 05-09-070.

The motion carried unanimously in a roll call vote.

C. 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/VANCLEVE** Motion to adopt Resolution 05-09-071.

SMITH said he was surprised by the amount of money offered by the state, because there was no documentation to show how the state arrived at the figure. **VENABLES** said the state surveyed the facilities with an onsite crew that looked at everything down to bolts. They rated structures related to the deferred maintenance and found that most facilities were fair to poor. **ROSSMAN** said the only problem he has is that the borough is taking money for deferred maintenance for facilities that are, at best, in fair condition. He said it seems the \$3.4 million will have to be used to upgrade the facilities rather than using the money for the harbor expansion matching funds. **VENABLES** said the state plans for the boat harbor expansion includes the upgrading of the existing harbor. Letnikof is the only harbor the borough would have to upgrade. **SMITH** distributed a document he acquired from Ruth Carter, a coastal engineer with the Alaska DOT, Ports and Harbors Section. The document summarizes the values used to determine the Haines offer. The replacement costs were based on 1992 construction cost data. He said the price of fuel oil and gasoline and diesel all went up 50 cents a gallon since Katrina hit, and construction costs will be increased from nails to roofing. He expressed strong opposition to the borough accepting the \$3.4 million offer from the state because it is not realistic given today's prices. **SCOTT** said the borough may need to counteroffer based on another rationale. She suggested that the CFO should look at it to determine a more realistic figure. **CASE** noted that the state is expecting a decision by October 30, 2005. **SCHNABEL** wanted to know what obligations come with the funds. **VENABLES** said none. **LAPP** said there are other ways to fund harbor maintenance including state grants. **SCOTT** said she would like to hear from the Boat Harbor Advisory Committee on their opinion of the proposal.

M/S **SMITH/SCOTT** Motion to postpone the resolution to a certain time: October 11, 2005.

SCHNABEL said she would like to utilize the harbor advisory committee by providing them with the deferred maintenance list and tasking them with reviewing the list with the harbor master and reporting on the maintenance that is needed and planned. **VANCLEVE** said if the borough declines the money, there is no guarantee the state will repair it. It has not been a priority for the state up to now. **LAPP** said he has no problem with the harbor advisory committee reviewing the proposal when they meet on 10/5. He noted that in 2000 or 2001, the state offered to sell the facilities to Haines for only \$2 million.

The motion to postpone to a certain time carried unanimously.

D. Resolution 05-09-072

A resolution of the Borough Assembly of the Haines Borough, Alaska, expressing appreciation to Mayor Mike Case and authorizing him to take ownership of the mayor's office laptop computer.

Mayor **CASE** asked Deputy Mayor **LAPP** to chair this portion of the meeting. **SCOTT** asked if the manager would read the resolution out loud, and **VENABLES** did so. The audience applauded **CASE**.

M/S **SCOTT/VANCLEVE** Motion to adopt Resolution 05-09-072.

The motion carried unanimously in a roll call vote.

B. Ordinances for Introduction

1. Ordinance 05-09-122

An ordinance of the Haines Borough amending Haines Borough code 3.70.040(d) to include the Chilkat Valley Historical Society Charles Anway property in the list of tax-exempted properties.

M/S **LAPP/VANCLEVE** Motion to introduce Ordinance 05-09-122 and to advance it to its first public hearing on 9/27/05.

FIELD said \$1,000 earnest money has been put on the acreage and the title transfer is moving forward. **SCHNABEL** said it should be held until such time as the property transfer is completed.

LAPP withdrew the motion with the concurrence of **VANCLEVE**. The ordinance will be introduced at a future time.

C. Other New Business

1. Request for Non-Objection - Liquor License Transfer of

Ownership

M/S **VANCLEVE/LAPP** motion to issue a letter of non-objection.

SCOTT said Haines has 14 year-round liquor licenses. She does not protest this particular transfer but wanted to point out the licensing density in the community. She said most of the liquor outlets were already in place previous to state control and were grandfathered in. The only way to reduce the number is for the assembly to start objecting when renewals or transfers come up.

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

2. Award Letnikof Cove Boat Launch Contract

M/S **LAPP/ROSSMAN** Motion to award a sole-source contract to Stickler Construction for repairing the Letnikof Cove Boat Launch.

SMITH noted the contractor proposed an October 31 completion date. He asked if there is any part of it that has to be done this fall. **VENABLES** said the work is planned for the spring, but the harbor committee wants it awarded now to give an opportunity to begin purchasing materials. Also the contractor's yearlong warranty would not start until after the spring completion avoiding the harsh winter conditions right off the bat. He said the spring completion date would be noted in the contractor's Notice to Proceed. The assembly discussed the importance of allowing the winter conditions to test the work. There was agreement that the work should be done by October 31st as proposed by Sticker rather than waiting for next spring.

The motion carried unanimously with a roll call vote.

3. Award Letnikof Cove Harbor Emergency Repairs Contract

M/S **ROSSMAN/VANCLEVE** Motion to award a contract to sole-bidder, Southeast Road Builders, for making emergency repairs to the Letnikof Cove Harbor gangway for \$28,500.

The motion carried unanimously with a roll call vote.

4. Heating Fuel Oil Sales Tax (added by LAPP during agenda approval)

LAPP suggested the borough finance committee discuss

the impacts of removing the sales tax on heating fuel oil for this winter, specifically the months of November through February. He said since the costs are going up, everyone is going to be affected one way or another. **SCHNABEL** said it seems to her that it would show a certain level of compassion to the community-at-large.

M/S **LAPP/VANCLEVE** Motion to authorize the drafting of an ordinance to suspend the sales tax on heating fuel oil for the months of November 2005 through February 2006.

The motion carried unanimously.

12. SET COMMITTEE MEETING DATES

The School Architects will meet with the assembly as a committee-of-the-whole on 10/4 at 6:30pm to present the 35% school project submittal documents.

The Finance Committee will meet according to its regular schedule on September 20 at 4:00pm.

13. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SCOTT announced that she will not be at the 9/27 meeting but will attend via phone. She also said that she has been doing some research into Haines Borough voting patterns. So far, she has discovered that there was only one time during the last six years that the Haines borough has had more than a 50% turnout. She noted that Klukwan is always above 50%.

VANCLEVE announced that he and his wife are moving from the area to Montana and, therefore, effective October 5, 2005, he is resigning from his assembly seat. He asked to be excused from the 9/27 meeting. Mayor **CASE** expressed appreciation for **VANCLEVE**'s contributions to the community. **SCHNABEL** reiterated the sentiments.

14. ADJOURNMENT - 8:45 pm

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

The motion carried unanimously.

ATTEST:

Jerry Lapp, Deputy Mayor

Julie Cozzi, Borough Clerk