

Haines Borough
Borough Assembly Meeting #94
May 9, 2006
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. ROLL CALL **Present:** Mayor Fred **SHIELDS** and Assembly Members Norm **SMITH**, Stephanie **SCOTT**, Jerry **LAPP**, Scott **ROSSMAN**, Luck **DUNBAR**, and Deborah **VOGT**.

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

Visitors Present: Bonnie **HEDRICK**/CVN, Christijan **DRAPER**/KHNS, Don **TURNER III**, Kathleen **MENKE**, David **AMMON**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

The mayor requested the removal of the Planning Commission report from the consent agenda.

Motion by **LAPP**: Approve the Agenda/Consent Agenda, as amended. It was seconded by **ROSSMAN**. The motion carried unanimously.

4. APPROVAL OF MINUTES* April 18, 2006 Regular

5. PUBLIC COMMENTS

AMMON expressed concern about the lack of discussion about the borough's investments during the 5/2/06 Committee-of-the-Whole meeting. He said he is opposed to the borough's current portfolio affecting the school bond funds.

6. MAYOR'S COMMENTS/REPORT

The mayor reported on the recent visit to Washington D.C. He announced that Senator Lisa Murkowski will be coming to visit the Haines Borough on May 30th as a direct result of the visit. He read a thank you note from Sen. Murkowski. Senator Stevens gave the Haines contingent extra time. **SHIELDS** noted that Haines is relatively new to the lobbying arena in Washington, and he believes we will benefit from that. Eldred Rock was discussed with the Coast Guard. Assuming ownership is a serious matter and steps are being taken slowly. The Coast Guard owns the building, and the land is owned by the Forest Service. The assembly will be kept apprised. **LAPP** said that the Haines contingent presented the idea of restoring Fort Seward. Senator Stevens was very amenable to the idea. He added that Senator Murkowski also likes the idea.

6. PUBLIC HEARINGS

A. Ordinance 05-09-122 - first hearing

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.

Mayor **SHIELDS** opened and closed the public hearing at 6:43pm; there were no comments.

Motion by **SCOTT**: Advance Ordinance 05-09-122 to a second public hearing on May 23, 2006. It was seconded by **ROSSMAN**. The motion carried unanimously.

B. Ordinance 06-04-141 - first hearing

An ordinance of the Haines Borough providing for the addition or amendment of specific line items to the FY06 Budget.

Mayor **SHIELDS** opened and closed the public hearing at 6:45pm; there were no comments.

Motion by **LAPP**: Advance Ordinance 06-04-141 to a second public hearing on May 23, 2006. It was seconded by **SMITH**.

Motion to Amend by **LAPP**: Include \$75,000 for Port Chilkoot Dock emergency repairs, \$371,000 for Port Chilkoot Dock cathodic protection, and \$50,000 for Porcupine alignment and widening. It was seconded by **ROSSMAN**.

ROSSMAN reported that the Commerce Committee met and recommends the assembly approve the ordinance amendment. He said that the borough's net obligation for the emergency repairs will be about \$30,000 after insurance. Regarding the Porcupine Road alignment, he said that the former Haines Borough appropriated \$50,000 for the project, but it was apparently lost in the shuffle during consolidation. He added that storm damage has worsened the road situation. The Historic Dalton Trail Road Maintenance Service Area Board met and recommends the reappropriation.

The amendment motion carried unanimously.

The main motion carried unanimously.

C. Ordinance 06-05-142 - introduction & first 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, 2006 through June 30, 2007.

Motion by **SCOTT**: Introduce Ordinance 06-05-142 and hold the first public hearing at this meeting since it has been duly advertised. It was seconded by **LAPP**. The motion carried unanimously.

Mayor **SHIELDS** opened the public hearing at 6:52pm.

LENDE spoke in favor of the Library budget. She presented a letter from the Library Board and said they have some grave concerns about the proposed FY07 budget since it is \$19,000 less than the current year. It would be the lowest level of funding since the new building opened. She asked for an increase of \$5,380. The board also has great concerns about increased fuel costs. The shortfall will directly impact Library patrons.

TURNER asked if the budget is balanced. **SHIELDS** answered that it is for Fund 01 (General Fund) but isn't for Fund 02 (Townsite Service Area Fund). **TURNER** asked about the charter requirement of having a balanced budget. **ROSSMAN** responded that the borough may use reserves, and it doesn't count. **SHIELDS** said the issue is a bit more complicated than it appears. The tax cap and the balanced budget initiative did not quite accomplish what the sponsors had hoped. It has put Fund 02 in a difficult position. **TURNER** said his research shows that Haines is the highest taxed community in the Southeast and Number 11 in the State of Alaska. **SHIELDS** asked him where the borough should do things differently. **TURNER** said he has a few ideas. **SHIELDS** said if the borough experiences a legislative windfall, he and the manager talked about the possibility of lowering the mill rate. **SMITH** said there is also talk of energy assistance. There could be relief for the whole borough. **SHIELDS** said the mindset of the borough's leaders and staff is to spend money wisely and to balance the budget.

MENKE said she doesn't know how much thought has been given to the Townsite Service Area (TSA) bearing all the responsibility for the cost of public safety and public works. She asked the assembly to consider lowering the mill rate within the TSA and increasing it in the rest of the borough to achieve more equity. She also said the budget should focus as much as possible on maintenance and upkeep of existing infrastructure.

The public hearing was closed at 7:11pm.

Motion by **SCOTT**: Advance Ordinance 06-05-142 to a second public hearing on May 23, 2006. It was seconded by **LAPP**.

VOGT said the assembly reviews historical spending and what was requested for the new budget. The assembly can't get into the details. She said that some governments have

performance-based budgeting. The assembly needs to devise ways to get the public thinking about saving funds and providing an incentive to have leftover funds. She suggested a friendly competition between borough departments to see who can save the most money---perhaps offer bonuses. Also, it would be important to promise that the next year's budget would not be automatically reduced as a result of conservation efforts.

The mayor called a brief recess at 7:16. The meeting reconvened at 7:25.

The motion carried unanimously.

8. STAFF REPORTS

A. Borough Manager - The manager summarized his written report that included the following topics:

- Port Chilkoot Dock Repairs
- Recent Washington D.C. Trip
- Water & Sewer Extensions
- Ferry Service
- Current Recruitment Temporary Employees
- Miscellaneous Projects

SMITH said he is concerned about opening up the right-of-way between FAA Road and Small Tracts Road. There is a traffic problem. **VENABLES** said that the borough is not looking to extend road miles, only extending utilities.

SMITH pointed out a concern regarding the heavyweight of the antiquated forklifts being used on the Port Chilkoot Dock. Newer machines are not as heavy. The borough should request that any forklift used in the future should be lightweight. **SHIELDS** said it has already been taken care of.

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

9. COMMITTEE/COMMISSION/BOARD REPORTS

A. Commerce Committee

ROSSMAN said the commerce committee reapproved the 2005 CEDS list and asked for assembly input. The Excursion Inlet survey work is still very delayed but the hope is to have it completed sometime this summer so the borough may

proceed with the municipal land selections there. He also reported that the ice machine is currently being built. **SHIELDS** said the borough sold land out in the Porcupine area and, therefore, it is right to facilitate access. **SCOTT** said an RFP should be put out on the project.

B. Finance & Budget

C. Personnel

D. Government Affairs & Services

E. Planning Commission

The mayor called upon **MENKE**. She spoke regarding the assembly's decision to postpone the Special Conditions Permit code amendment recommended by the Planning Commission. She read from a written document she had provided to the assembly in which she offered additional rationale. **SHIELDS** said it sounds like a minor change, but he believes it is, in fact, a significant change. This letter did not result from a meeting of the Planning Commission. He spoke with Planning Commissioner Rob Goldberg who is not particularly in favor of the amendment. He said the assembly must be careful of piecemeal amendments and should consider a more comprehensive revision of Title 18. He added that the Planning Commission will not be left out of a review of Title 18. **VOGT** said that if the Planning Commission is unanimous in their recommendation, the assembly should give it serious consideration.

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

A. Resolutions - None

B. Ordinances for Introduction

1. Ordinance 06-05-143

An ordinance of the Haines Borough amending Haines Borough Code Title 3 Section 3.80.090(D)(2) to change the sales tax quarterly return due date from the tenth day to the twentieth day of the month.

Motion by LAPP: Introduce Ordinance 06-05-143 and advance it to a first public hearing on 5/23/06. It was seconded by **SCOTT**. The motion carried unanimously.

2. Ordinance 06-05-144

An ordinance of the Haines Borough amending Haines Borough code title 8 section 8.08.020 to require annual written burn permits within the townsite service area, and to stipulate prohibited burnables.

Motion by **SCOTT**: Introduce Ordinance 06-05-144 and advance it to a first public hearing on 5/23/06. It was seconded by **VOGT**. The motion carried unanimously.

ROSSMAN noted the Alaska Department of Natural Resources has burn authority over the rest of the borough.

C. Other New Business

1. Appointment to the Library Board of Trustees

The mayor announced his intention to appoint Ann Marie Palmier to the Library Board of Trustees.

Motion by **SCOTT**: Confirm the appointment of Ann Marie Palmieri to the Library Board of Trustees. It was seconded by **SCOTT**. The motion carried unanimously. The Clerk was instructed to notify Ms. Palmieri.

2. Set Hearing Date for Sales Tax Assessment Appeal

Motion by **SCOTT**: Set Friday, May 19, 2006 at 5:00pm to hear the tax assessment appeal. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

3. Award Contract for Emergency PC Dock Repairs

Motion by **SCOTT**: Award the emergency contract for up to \$75,000 to Southeast Road Builders. It was seconded by **ROSSMAN**.

VOGT expressed concern about the competitive bid procedure being bypassed. **COZZI** explained that the manager is asking the assembly for a waiver per code.

Motion to Amend by **SCOTT**: Waive the competitive bid process in addition to awarding the contract. It was seconded by **LAPP**.

The amendment motion carried unanimously.
The main motion carried unanimously in a roll call vote.

12. SET COMMITTEE MEETING DATES

The borough has received over 100 property assessment appeals, so the Board of Equalization (BOE) needs to take place both 5/22 and 5/23. It will begin at 5:30pm on 5/22, and on 5/23 it will begin at 4:00pm with a dinner break from

6:00 to 6:30. The regular borough assembly meeting is also scheduled on 5/23, and it will convene immediately following the BOE.

13. PUBLIC COMMENTS

Christijan Draper, the news director for KHNS, introduced himself to the assembly.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SHIELDS said the three grocery stores have agreed to help distribute avian flu information brochures on behalf of the HELP committee.

SHIELDS asked **VOGT** if she would accept an appointment to be the assembly's liaison to the Planning Commission. She accepted.

LAPP requested that any emails being sent to more than 3 assembly members also be sent to the borough clerk for posting on the borough's website. All agreed.

SCOTT asked for a prepared written statement from the borough's Chief Fiscal Officer regarding the borough's investments.

SMITH said the road out to Lutak is in extremely poor condition and wondered if the borough could put some pressure on the state to do something about it. He also expressed concern about the continuing "ferry tales" continuing and said the borough needs to demand service.

ROSSMAN informed **SMITH** that the state had a grader out very recently and has improved the condition of Lutak Road.

15. ADJOURNMENT - 8:40pm

Motion by **SMITH**: Adjourn the meeting. It was seconded by **SCOTT**. The motion carried unanimously.

ATTEST:

Fred Shields, Mayor

Julie Cozzi, Borough Clerk