

Haines Borough
Borough Assembly Meeting #96
June 13, 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**, and Deborah **VOGT**. **Absent:** Assembly Member Luck **DUNBAR**.

Staff Present: Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, Dan **COLEMAN**/Library Director, and Linda **MOYER**/Library Education Coordinator.

Visitors Present: Bonnie **HEDRICK**/CVN, Christijan **DRAPER**/KHNS, Don **TURNER** III, Liz **HEYWOOD**/Library Board Chair, David **BUTTON**, and Diane **LACOURSE**.

3. APPROVAL OF AGENDA & CONSENT AGENDA

The following agenda amendments were recommended, and there was no objection:

- 1) remove Item 11C3-Executive Session regarding the special tax assessment hearing from the agenda and continue it to the July 11, 2006 meeting,
- 2) transpose Item 11C2-Executive Session regarding the Eco Orca appeal decision and Item 11C3-Amend school project preconstruction contract, and
- 3) remove the manager's report from the consent agenda.

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

4. APPROVAL OF MINUTES* May 23, 2006 Regular

5. PUBLIC COMMENTS

LACOURSE distributed documentation outlining various observances of helicopter activities that she believes are in violation of the borough code. She said she wants to bring it to the assembly's attention so that they have an opportunity to take any necessary actions prior to permit renewal time next year. She asked the assembly to consider requiring the company to report take off and landing sites. The mayor noted that the manager is drafting a response letter to Alaska Heliskiing's explanation of the alleged permit violations.

6. **MAYOR'S COMMENTS/REPORT**

SHIELDS announced that the Haines Borough received notice that McGraw Construction has withdrawn its Superior Court motion to halt the school project.

6. **PUBLIC HEARINGS**

A. **Ordinance 06-05-142** - Third 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.

Mayor **SHIELDS** opened and closed the public hearing at 6:40pm; there were no comments.

Motion by **LAPP**: Adopt Ordinance 06-05-142. It was seconded by **SCOTT**.

The manager summarized the mill rates and said that the townsite service area total mill rate is 13.13. The assembly reviewed the budget and mill rate summaries and discussed them at length including **SCOTT**'s desire to lower the mill rate in the townsite service area and to have a borough-wide mill rate that is no higher than the budgeted expenditures. **STUART** noted that there is more debt service this year than last year. **VENABLES** added that the borough refinanced its old debt and is making smaller payments. The total townsite service area mill rate, though high, is actually less than what was anticipated. The new school debt has certainly affected it. He pointed out that there is less of a budget deficit in this year's budget than the previous year. **ROSSMAN** asked for the total budget amount.

Motion by **SCOTT**: Remove the Port Chilkoot Dock debt payment out of the Capital Improvement Projects (CIP) Fund to reduce the debt service by approximately 1 mill. It was seconded by **SMITH** for the sake of discussion.

SMITH disagreed with the motion and said he does not see how it solves anything. The debt must still be paid. **SHIELDS** said the CIP funds in question are needed for road improvements. He said the motion amounts to deficit spending. **SCOTT** said the CIP money is not budgeted and should be as opposed to being available for whatever the administration chooses to spend it on. It should be spent specifically to reduce the mill rate. **SHIELDS** pointed out that the CIP money can only be spent if the assembly appropriates it; it is not an administrative decision. The plan has been to use the unearmarked \$500,000 CIP monies for road improvements when the state paving crews come to town.

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

Motion by **SCOTT**: Amend the borough-wide mill rate from 6.23 to 6.0 mills. It was seconded by **LAPP**.

SHIELDS said \$8,127,350 is the total borough FY07 budget being considered for adoption this evening. That amount includes the school project and overall has a projected surplus of only \$28,000. **ROSSMAN** said he can live with the budget as it is and will not vote for the amendment.

The motion failed 3-2 with **SMITH** and **ROSSMAN** opposed.

The main motion carried 4-1 in a roll call vote with **SCOTT** opposed, and the FY07 budget was adopted.

B. Ordinance 06-05-143 - second hearing

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.

Mayor **SHIELDS** opened and closed the public hearing at 7:21pm; there were no comments.

Motion by **LAPP**: Adopt Ordinance 06-05-143. It was seconded by **SMITH**. The motion carried unanimously in a roll call vote.

C. Ordinance 06-05-144 - second hearing

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.

Mayor **SHIELDS** opened the public hearing at 7:22pm.

TURNER said he supports the staff amendments to the ordinance.

The public hearing was closed at 6:43pm.

Motion by **ROSSMAN**: Adopt Ordinance 06-05-144. It was seconded by **LAPP**.

Motion by **ROSSMAN**: Amend the ordinance as recommended by staff but strike "of the fire department" in point #5. It was seconded by **VOGT**. The amendment motion carried unanimously.

SMITH said the ordinance should include commercial and individual categories to address unique issues. He believes staff should generate the list of prohibited burnables, and it should be a part of the code. **VOGT** said that the list of prohibited burnables will be a part of the annual written permit. **SHIELDS** wondered if the ordinance is ready for adoption given **SMITH**'s concerns. **LAPP** and **ROSSMAN** said this ordinance is a good start and should be adopted.

The motion carried 4-1 in a roll call vote with **SMITH** opposed.

8. STAFF REPORTS**A. Borough Manager**

VENABLES summarized his written report including the following topics:

- School Construction Project
- SEARHC Drainage Project
- Small Boat Harbor Workshop June 22-23
- Natural Gas Pipeline
- Land Sales Contracts
- Construction Activity in Town
- Lily Lake Water Rights

SMITH said in the 1970s during the construction of the oil pipeline, Haines was appropriated only \$160,000 to fund project impacts to the community. Haines ended up being greatly impacted, and it was not nearly enough money. He wondered how the projected gas pipeline impact monies were derived. He said that Haines will surely be a funnel during the project, and the borders will likely be plugged. Regarding the land sales contracts, **SMITH** offered kudos to the staff for their efforts.

ROSSMAN asked what the procedure is for land sale contract breaches, and said he wants to see the borough stay on top of it so that people do not have an opportunity to get so delinquent in the future. **VENABLES** assured the assembly that land sales contracts will be regularly monitored.

- 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**
- B. Finance & Budget**
- C. Personnel**
- D. Government Affairs & Services**
- 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

A. Resolutions - None

B. Ordinances for Introduction - None

C. Other Business

1. Award Contract for Water-Sewer Engineering Services

Motion by **ROSSMAN**: Award the Young Road Water Tank & Lines Engineering Services contract to Carson Dorn per the submittal bid of \$68K. It was seconded by **LAPP**.

SMITH cautioned the assembly that these types of projects have a tendency to end up costing more than expected. He cited as an example a \$608,000 grant-funded water tank that ended up costing the former City of Haines approximately \$1.2 million and was ultimately the reason the water rates were raised to \$65.10. He announced that he will oppose any further increases to the water or sewer rates as long as he is on the assembly. He believes the community can no longer afford to pay increased rates. **ROSSMAN** said he believes the water-sewer rates should increase. He noted that he is not on the municipality's water system but has to subsidize that system's water users.

The motion carried unanimously in a roll call vote.

2. Amendment to the School Project Pre-Construction Services Contract to Allow for Site Excavation Services

Motion by **LAPP**: Authorize the Manager to enter into an amendment to the Borough's contract with Dawson Construction allowing Dawson to subcontract for site excavation and associated civil work using a competitive bid process for the School Project in advance of the time that pre-construction services are completed. It was seconded by **VOGT**. The motion carried unanimously in a roll call vote.

3. Eco Orca Permit Denial Appeal Decision - Executive Session

Motion by **VOGT**: Go into Executive Session to discuss the Eco Orca decision as a quasi-judicial body. It was seconded by **LAPP**. The motion carried unanimously.

The assembly was in Executive Session from 8:02pm until 8:14pm when the regular session reconvened.

Motion by **SCOTT**: Affirm the borough manager's decision to uphold the denial of Eco Orca's commercial tour permit and adopt draft decision #2 with the addition of "which was" after *tour boat* on page four. The motion carried unanimously (5-0) in a roll call vote. The written decision is now a public document.

12. SET COMMITTEE MEETING DATES - None

13. PUBLIC COMMENTS - None

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SMITH called the assembly's attention to Old Business in the 6/5/06 draft minutes of the Parks and Rec Board. That board was approached about assuming caretaking responsibilities for the federal forest service cabin in the Katzehin area. **SMITH** believes it might be an opportunity for the borough in light of the planned road route from Juneau to the Katzehin. He believes it could be a golden opportunity and would not likely cost much to maintain. He encouraged the administration to pursue it. There was no objection raised.

SCOTT said she is working on the idea of limiting the hours of operation in the local bars. She made up a survey that was sent to all 17 alcohol distribution licenses within the Haines Borough including the winery and holders of dormant licenses and has received two of them back. The police chief has put together statistics that show the relationship between alcohol-related incidents and the time-of-day. She added that she doesn't personally believe that every person that goes to a bar has a drinking problem. Additionally, she distributed information about a "legal limit keychain" and said she is inquiring into the possibility of having them made available for local purchase through SEARHC.

VOGT said since the five borough officers are assembly-appointed, the assembly should have an opportunity to review their resumes to learn more about them and to also have some means of evaluating each one's performance. **SHIELDS** said this topic will be on the next agenda. **VOGT** also said that she has been looking into funding for historic preservation and has found some possibilities.

LAPP complemented the mayor on how he runs the assembly meetings. Everyone agreed.

15. ADJOURNMENT - 8:32pm

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

ATTEST:

Fred Shields, Mayor

Julie Cozzi, Borough Clerk