


Haines Borough
Borough Assembly Meeting #114
June 12, 2007
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 and led the pledge to the flag.
2. ROLL CALL **Present:** Mayor Fred **SHIELDS** and Assembly Members Jerry **LAPP**, Doug **OLERUD**, Pete **LAPHAM**, Deborah **VOGT**, and Scott **ROSSMAN**. **Absent:** Luck **DUNBAR**.

Staff Present: Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, Debra **SCHNABEL**/Contract Project Clerk, and Jerrie **CLARKE**/Museum Director.

Visitors Present: Tom **MORPHET**/CVN, Suzanne **VUILLET-SMITH**, Roger **SCHNABEL**, Floy **MCDOWELL**, Mike **CASE**, Doris **PECK**, Norm **HUGHES**, Don **TURNER Jr.**, Ira **HENRY**, Don **TURNER III**, Ed **MICHINSKI**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

ROSSMAN requested the removal of the BOE minutes from the consent agenda. **VOGT** asked to add New Business item 11C9 - "Assembly & Borough Procedures." There was no objection.

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

4. APPROVAL OF MINUTES* 5/22/07 Regular and 5/24/07 BOE

Motion by **ROSSMAN**: Approve the 5/24/07 BOE minutes. It was seconded by **VOGT**.

ROSSMAN said page three should say "Motion by Rossman" rather than a motion by "Scott."

The motion carried, and the minutes were approved as corrected.

5. PUBLIC COMMENTS

HUGHES made several comments regarding deferred maintenance at the small boat harbor and expressed concern that it is affecting its appearance, safety, and usefulness. He is also frustrated that the ice house is still not working.

VUILLET-SMITH agreed with **HUGHES'** comments. She also expressed concern with an apparent lack of progress on the pool and said she wants to know when it will be open again.

MICHINSKI agreed with **VUILLET-SMITH's** comments about the pool. He also asked the assembly to consider a new pool facility at some time in the future.

6. MAYOR'S COMMENTS/REPORT

Mayor **SHIELDS** said there may be another delay in the Union Street project. About 7 weeks ago, a phone call was made to the state claiming that there are artifacts in the area of the public works shop on Union. That triggered the involvement of the Historic Preservation Office in Anchorage, so the project is stalled waiting for resolution of that issue. The mayor expressed frustration with this delay and explained that the borough needs to have the Union Street project done this year because of the other road work waiting for the state's paving equipment to be in town.

SHIELDS expressed dismay regarding the recent vandalism to the school windows; windows in both the new and old parts were broken. He announced that the borough and the school district will each offer \$1,000 in reward money, so a total \$2,000 will be offered for information leading to a conviction. "The perpetrator must be found."

The mayor read aloud the proclamation he has issued acknowledging the 25th anniversary of the Alaska Chilkat Bald Eagle Preserve.

7. PUBLIC HEARINGS**A. Ordinance 07-05-155 - third hearing**

An ordinance of the Haines Borough providing for the establishment and adoption of the Borough budget for the period July 1, 2007 through June 30, 2008.

The mayor opened and closed the public hearing at 6:52pm; there were no comments.

Motion by OLERUD: Adopt Ordinance 07-05-155. It was seconded by **ROSSMAN**.

Motion by LAPP: Amend the budget as recommended by the mayor and manager in the *FY08 Final Budget Amendment Worksheet* and agreed to by the Committee-of-the-Whole (a net revenue increase of \$147,751 and a boroughwide mill rate reduction of .8 mills from the previous year). The motion was seconded by **ROSSMAN**. The amendment motion carried unanimously.

The main motion carried unanimously in a roll call vote.

The mayor thanked the assembly, manager, and CFO for all of the hard work on the budget, and said he believes it is a good one.

B. Ordinance 07-05-156 - second hearing

An ordinance of the Haines Borough Assembly Haines Borough, Alaska, amending the FY07 Budget to reflect changes in revenue and expenditures.

The mayor opened and closed the public hearing at 7:06pm; there were no comments.

Motion by **OLERUD**: Adopt Ordinance 07-05-156. The motion was seconded by **VOGT**.

Motion by **VOGT**: Amend Ordinance 07-05-156 to add the CIP items recommended by the manager and CFO in the June 12, 2007 memo and agreed to by the Committee-of-the-Whole (a total impact of \$134,697 on Fund 50 and \$20,000 on Fund 40). The motion was seconded by **LAPP**.

The mayor outlined the amendments for the audience. They include improvements to the school track, paying for the replacement of fuel lines at the harbor fuel dock and carpeting at the Senior Center, and a water-sewer acquisition/rate study. **HUGHES** was allowed to speak. He said the fuel dock line replacement invoice should not be paid until it is done right. He believes it is unfinished and, as a harbor user, he is concerned. **VENABLES** promised to look into the situation.

The amendment motion carried unanimously.

The main motion carried unanimously in a roll call vote.

C. Ordinance 07-05-157 - second hearing

An ordinance of the Haines Borough Assembly Haines Borough, Alaska, amending Haines Borough code to move the Disaster Planning and Emergency Response Services code from Title 2 Chapter 2.52 to Title 15 Chapter 15.22.

The mayor opened and closed the public hearing at 7:11pm; there were no comments.

Motion by **LAPP**: Adopt Ordinance 07-05-157. It was seconded by **ROSSMAN**. The motion carried unanimously in a roll call vote.

D. Ordinance 07-05-158 - first hearing

An ordinance of the Haines Borough amending Haines Borough Code Title 18 Section 18.110.010 to add the most recent Haines Coastal Management Plan (HCMP) revision date.

The mayor opened and closed the public hearing at 7:12pm; there were no comments.

Motion by **OLERUD**: Advance Ordinance 07-05-158. It was seconded by **LAPP**. The motion carried unanimously.

E. Ordinance 07-06-159 - introduction & first hearing

An ordinance of the Haines Borough Assembly establishing Mt. Riley Road Electrification Local Improvement District (LID).

Motion by **LAPP**: Introduce Ordinance 07-06-159 and hold the first public hearing at this meeting since it has been duly noticed. It was seconded by **LAPHAM**. The motion carried unanimously.

The mayor opened the public hearing at 7:14pm.

R. SCHNABEL said he has a substantial amount of frontage in the area. He respects the idea of the LID but wants it to be equitable. He questioned the frontage assessment method. He said received a quote from AP&T for a little more than \$2,000 whereas his assessment under the LID would be a little more than \$4,000. His desire is to pull out of the LID and just put the service in himself unless the borough assembly changes to a different method of assessment.

PECK said she is interested in knowing when the borough is coming with the power and said the projected cost looks better than she thought it would be.

Hearing no further comment, the mayor closed the public hearing at 7:25pm.

ROSSMAN reminded the assembly that it selected the frontage method. **D. SCHNABEL** was asked to comment on the methodology. She said there were three options presented to the assembly. Other LID assessment methods were by equal shares like the River Road LID. She noted that the borough will be by far the largest beneficiary of the electrical service.

Motion by **LAPHAM**: Advance Ordinance 07-06-159 to a second public hearing to be held June 26, 2007. It was seconded by **VOGT**.

The assembly requested to be provided once again with the three different assessment methods so they may reconsider them at the second public hearing. **D. SCHNABEL** was asked to explain AP&T's buy-back program. She said the program only comes into play when the property owner calls for secondary service. The LID establishes primary service. When you want electricity to your house or shop or other building, then that hookup qualifies the owner to get 30% off of their monthly bill. Property owners that never hook up to the primary service will never get buy-back. She noted that the buy-back program ends in five years.

The motion carried unanimously.

F. Resolution 07-06-103

A resolution of the Haines Borough Assembly adopting the Haines Borough Coordinated Transportation Plan.

The mayor opened and closed the public hearing at 7:33pm; there were no comments.

Motion by **LAPHAM**: Adopt Resolution 07-06-103. It was seconded by **VOGT**. The motion carried unanimously in a roll call vote.

The mayor called a brief recess at 7:34pm; the meeting reconvened at 7:39pm.

8. STAFF REPORTS

A. Borough Manager

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

- **McGraw Settlement Offer**
- **Yukon Transportation Conference**
- **Big Brothers-Big Sisters**
- **2007 Certified Assessment Roll**
- **Property Acquisition - Pavilion Project**

Addressing concerns raised during the public comment period, **VENABLES** said the new motor installed on the ice house auger is not operating correctly. The electricians are currently working on it, and if the motor is bad a new one will be expedited. The mechanical engineers are onsite installing the new school mechanical system and will next be working on the ventilation system at the pool. The same company is also doing the pipe replacement underneath the pool. That scope of work will depend on what the survey engineers find. The borough expects the pool facility assessment report by June 30th. Until the new mechanical system is in place at the school, there is no way to heat the pool. His best estimate for the pool to be operational is one month. The worst case scenario would be some time in August. **ROSSMAN** said the borough is trying to do this right and it takes time. **SHIELDS** said there is almost 30 years of delayed maintenance and the borough is not going to do that anymore. **HUGHES** was allowed to speak. He said he has a lot of history with the pool. Zincs are imperative; they should be in the bottom. The manager will look into that.

VENABLES said the borough has received a beach monitoring grant from the Alaska Department of Environmental Conservation (DEC). A meeting with DEC representatives is scheduled to take place at 10:00am on Wednesday, June 13th. He invited interested members of the assembly and the public to attend.

VENABLES said he has negotiated, per the assembly's authorization, to acquire the Karn property in Fort Seward as a possible location for the pavilion project. That offer is

contingent on assembly approval. The Tourism Advisory Board and the Planning Commission are advising to build the pavilion at the original site by the PC dock instead. Unless the assembly instructs otherwise, the original site will be used and the borough's offer for the property will be withdrawn. **ROSSMAN** recommended the borough still consider purchasing the Karn property even if the pavilion is not located there. **LAPHAM** asked why the Tourism Advisory Board and Planning Commission recommended against it. **VOGT** said there was a lot of discussion about the need to have restrooms closer to the dock. The planning commission is currently reviewing the recreational access plan that happens to recommend that buildings not be situated on the water side of the road. The pavilion's location is ultimately the assembly's decision. **LAPHAM** said the assembly needs to look ahead to expansion needs in the future. He agreed with **ROSSMAN** that the property should still be purchased, and he believes strong consideration should be given to locating the pavilion there. **VENABLES** said the Planning Commission plans to revisit the pavilion design to make sure it is large enough to accommodate future growth.

VOGT asked about the status of the boat ramp grant, and **VENABLES** said the funding is not currently at risk.

Regarding the harbor maintenance concerns expressed by **HUGHES**, **OLERUD** explained that the Boat Harbor Advisory Committee recently met with the harbormaster and discussed maintenance issues. The ramps and floats that were patched last year broke up because of the hard winter. The harbormaster is investigating better options for repairing them so that they don't have to be patched every year. He is also looking into new floats. **ROSSMAN** said the harbor work needs to be done now rather than continuing to delay it in anticipation of a new boat harbor.

- 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

VOGT summarized the committee's written report of its recent meeting.

Motion by **VOGT**: Authorize the manager to negotiate a contract to determine a valuation of CCWSS and a rate study of the Borough water and sewer utility. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

- 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

11. NEW BUSINESS

- A. Resolutions** - See Item 7F.
- B. Ordinances for Introduction** - See Item 7E.
- C. Other New Business**

***1. Board Appointment - Museum Board**

Explanation/History: J.B. Axsom has requested a mayoral appointment to the Museum Board of Trustees, and the board recommends it (there is currently a vacancy).

2. McGraw Custom Construction

Motion by **OLERUD**: Authorize the borough attorney to accept the offer of McGraw Custom Construction to end the litigation with finality. It was seconded by **VOGT**.

LAPHAM asked if the borough could bar McGraw from bidding on future Haines borough jobs. **SHIELDS** said probably not. He also said the borough could file a motion for reconsideration of the judge's decision, but in the big picture, the borough got a great construction company and a nice project. "Bringing it to finality is the right thing to do." **VOGT** said the borough needs to realize that several attempts were made to settle the lawsuit. Finally, McGraw is agreeing to resolve it and not go any further. **SHIELDS** said the paper will be written so that all parties signing will agree that it is final.

The motion carried unanimously in a roll call vote.

3. Award Contract for Public Works Shop

Motion by **ROSSMAN**: Authorize the borough manager to negotiate a contract with Stickler Construction to construct the public works shop phase II. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

4. Award Contract for Cruise Visitor Shuttle

Motion by **LAPP**: Authorize the borough manager to negotiate a contract with SEABA to provide 2007 shuttle service for the passengers of the large cruise ships. It was seconded by **ROSSMAN**. The motion carried unanimously in a roll call vote.

5. Award Contract for Ice House Refrigeration Services and Maintenance

Motion by **ROSSMAN**: Authorize the borough manager to negotiate a contract with Pacific Marine Mechanical to provide refrigeration and maintenance services for the Haines Harbor Ice House. It was seconded by **LAPHAM**.

VENABLES said there has been a good amount of interest by fishing vessels and a couple of tenders in purchasing ice.

The motion carried unanimously in a roll call vote.

6. Approve Sales Tax Exemption Application - SAGA

Motion by **ROSSMAN**: Approve sales tax exemption application for Southeast Alaska Guidance Association (SAGA). It was seconded by **LAPP**.

VENABLES said this is a very worthwhile organization. **ROSSMAN** said he believes all organizations on the exempt list should be reevaluated every year. **SHIELDS** suggested that a reevaluation should be at the discretion of borough staff who would come up with a recommended procedure/policy for reviewing tax exempt organizations. **LAPHAM** said perhaps a three-year cycle should be used so that one third of the exempted organization would be reviewed each year. **VOGT** asked if there is any way to discover how much these organizations have NOT paid in sales tax. **LAPP** suggested that another option might be to have each exempt organization file a renewal application every year. **SHIELDS** reiterated that he believes it would be best for staff to generate a plan for reviewing the organizations. He does not believe it is necessary to renew every year. **ROSSMAN** said requiring the organizations to renew would put the burden on the organizations rather than staff having added workload. **SHIELDS** said he can see some merit there. **OLERUD** said in reality the borough will not find many organizations out of compliance, and the borough would just be adding burdensome paperwork. Staff will come up with recommendations.

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

7. Approve Sales Tax Exemption Application - Impact Counseling Services

Motion by **LAPP**: Approve sales tax exemption application for Impact Counseling Services. It was seconded by **ROSSMAN**. The motion failed 3-2 in a roll call vote with **VOGT** and **LAPHAM** opposed.

8. Award Contract for Beach Road Forcemain/Willard Street Waterline Engineering Services

Motion by **LAPP**: Authorize the borough manager to negotiate a contract with Carson Dorn, Inc. to design the Beach Road forcemain extension and the Willard Street water line replacement. It was seconded by **ROSSMAN**. The motion carried unanimously in a roll call vote.

9. Borough and Assembly Procedures

VOGT recommended that the assembly develop criteria for excusing assembly member absences. She also asked for criteria to follow when deciding whether or not a sole-source contract is justified. There was no objection, and the Government Affairs & Services Committee was assigned both tasks.

The mayor appointed **LAPHAM** to the Government Affairs & Services Committee while **DUNBAR** is out of town.

12. SET COMMITTEE MEETING DATES

VOGT asked to be excused from the June 26th assembly meeting, because she will be out of town.

The Government Affairs & Services Committee will meet on Tuesday, 7/10, at 6pm prior to the regular assembly meeting. The committee will discuss criteria for excusing assembly member absences and criteria for justifying a sole-source contract.

A Commerce Committee meeting was scheduled for 5:30pm on June 26th to discuss the 2007 Community Economic Development Strategies (CEDS) list.

13. PUBLIC COMMENTS

TURNER thanked the assembly for adopting the FY08 budget and for making the decision to lower taxes.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

ROSSMAN requested a larger allocation of money to the fireworks display. There was no objection to the manager finding some discretionary funds to add to the current budgeted amount.

LAPHAM said the old fuel lines under the dock should be removed for safety reasons. **VENABLES** said the public works crew has plans to take care of that as they have time.

15. ADJOURNMENT - 8:55pm

Motion by **OLERUD**: Adjourn the meeting. It was seconded by **LAPP**. The motion carried unanimously.

Fred Shields, Mayor

ATTEST:

Julie Cozzi, Borough Clerk