


Haines Borough
Borough Assembly Meeting #116
July 17, 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**, Scott **ROSSMAN**, and Deborah **VOGT**. **Absent:** Luck **DUNBAR**.

Staff Present: Robert **VENABLES**/Borough Manager, Julie **COZZI**/Borough Clerk, and Bob **BLASCO**/Borough Attorney.

Visitors Present: Tom **MORPHET**/CVN, Mike **CASE**, Don **TURNER III**, Dave **BERRY Jr.**, Greg **SCHLACHTER**, Marnie **HARTMAN**, Emily **ZIMBRICH**, Bruce **MESSERSCHMIDT**, Danny **GONCE**, Dave **BUTTON**, Libby **KURZ**, Bill **KURZ**, Jan **HOTZE**, Michelle **DRUCKER** (via telephone), and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA**
SHIELDS requested that agenda item 11CA - Assembly Seat C Vacancy become item 6A. There was no objection.

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

4. **APPROVAL OF MINUTES*** 6/26/07 Regular
5. **PUBLIC COMMENTS**

Mike **CASE** asked the assembly not to use the same vacancy appointment method used the last time even though he believes that appointee has worked out very well.

Former resident **KURZ** is visiting after being gone for a long time and said he appreciates how good things look.

DRUCKER asked the assembly to help her get sewer service to her home on Muncaster Road.

6. **MAYOR'S COMMENTS/REPORT**
SHIELDS recognized former Mayors Dave **BERRY** and Mike **CASE**, and former residents Bill and Libby **KURZ**. He also introduced Borough Attorney, Bob **BLASCO**.

SHIELDS said the manager and he had a recent opportunity to meet with Senator Lisa Murkowski in Skagway along with the new Skagway mayor, Tom Cochran.

The mayor said that Cheetah Learning Center gave him six

copies of a book called "Boom Town" to share with the Haines community. He offered to loan them out to interested people to read and pass on.

SHIELDS read aloud a letter from the manager addressed to State Fish & Game expressing the borough's concern that the state is not providing a Chilkoot River Corridor bear monitor this year. The assembly had no objection to the letter being sent.

A. Assembly Seat C Vacancy

Motion by **OLERUD**: Accept Luck Dunbar's resignation from the borough assembly and declare Seat C vacant. It was seconded by **LAPP**. The motion carried unanimously.

VOGT expressed appreciation for Dunbar's service to the community as an assembly member and thanked him for his gracious willingness to resign since he cannot participate in meetings.

The mayor said three individuals had submitted letters of interest in the appointment, and he asked each candidate to speak.

BERRY said he was a councilman for 13 years and mayor for two years in the previous City. He also served on the consolidation committee. He has given his life to this community as a volunteer, coach, and civil servant. Whether or not he gets appointed this evening, he plans to run for office in October. He said the assembly needs to protect the residents and visitors. With his experience, he can hit the ground running.

TURNER said he was an assembly candidate in the October 2006 election, and he plans to run in October again. He has lived in Haines his entire life and would like to serve on the assembly.

SCHLACTER said he has been a Haines Borough resident for about 2-1/2 years and is a business owner. He is on the Chamber of Commerce Board of Directors and the Parks and Recreation Advisory Board. Additionally, he is a soccer coach.

VOGT requested that each of the candidates speak to the major issues they believe the borough is currently facing and to comment on the budget.

BERRY said when the consolidation happened, there was so much attention given to the transition that not enough has been given to finding additional revenue streams for the

community (funding to the community eventually makes its way to the borough). One major issue is the high cost of power. As long as he has lived in Haines, there have been potential residents and businesses that do feasibility studies. When they find out how expensive the power is, they are discouraged from coming.

TURNER said the borough's taxes are among the highest in Southeast, but he believes the assembly has done a good and fair job with the budget. He would like to see 5 cruise ships a week, a more positive business atmosphere, and lower taxes.

SCHLACTER said his focus is entrepreneurships and making Haines a better business environment.

The mayor explained that the assembly would take a secret straw poll. Each assembly was to write one of the candidates' names on a sheet of paper and hand to the clerk for tallying. If there was not a clear winner, the candidate with the fewest "votes" would drop off and another straw poll would be conducted with the remaining two candidates until a winner was determined.

Straw Poll #1: Turner - 2, Berry - 2, Schlachter -1
(Schlachter dropped from consideration)
Straw Poll #2: Turner - 2, Berry - 3
Straw Poll #3: Turner - 3, Berry - 2
Straw Poll #4: Turner - 3, Berry - 2

BERRY graciously withdrew his name from consideration in order to expedite the appointment process. He reiterated his commitment to run for an assembly seat in the October 2007 Election.

Motion by **VOGT**: Appoint Don "Donnie" **TURNER III** to fill Seat C until the October 2, 2007 Municipal Election. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

TURNER III took the oath of office administered by the clerk.

7. PUBLIC HEARINGS

A. Application for New Commercial Tour - ECO ORCA LTD

David Button of Eco Orca Ltd has applied for a 2007 Commercial Tour Permit in order to conduct Zodiac Wildlife Tours originating from and/or occurring within the Haines Borough.

SHIELDS said his understanding is that the permit application is incomplete, and he asked the clerk to

explain the missing items. The mayor said his recommendation is to hold the public hearing but delay action until it is complete.

Motion by **VOGT**: That the assembly take action this evening and deny the application.

The mayor called a recess at 7:09pm during which he met with **VOGT** and **BLASCO**. The meeting reconvened at 7:24pm.

SHIELDS asked **BUTTON** when he could make the application complete. **BUTTON** said he believed it could be resolved within a couple of days.

VOGT withdrew her motion.

ROSSMAN told **BUTTON** that if he withdraws his Supreme Court appeal he is willing to give him a permit.

SHIELDS advised the assembly that because **BUTTON** is in litigation with the borough, any action the assembly takes stands the chance of future scrutiny. Therefore, it is very important that **BUTTON** be given a fair shake, and even though in their minds they may connect this new application with past action, it's important that the assembly review the application on its own merits. **LAPP** would like to delay the action until the next assembly meeting since all of the information is not available yet. **VOGT** said **BUTTON** has appealed the 2005 permit denial to the Supreme Court because it is his right. He does come to the assembly with a history, but his pending appeal should not be grounds for denying his application.

Motion by **VOGT**: When the clerk determines Mr. Button's application is complete, the matter is to be placed on the agenda for the assembly's consideration. It was seconded by **LAPHAM**. The motion carried unanimously.

SHIELDS informed **BUTTON** that the clerk will schedule another public hearing when she determines his application is complete.

8. STAFF REPORTS

A. Borough Manager

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

- **DOT Projects and Ferry Schedule**
- **Governor Budget Vetoes - Pool Repairs & Beach Road Forcemain**
- **Senator Murkowski Vist**
- **Harbor News**
- **Pool Update**

- **Misc. Project Updates**

VENABLES said he would appreciate a motion this evening to proceed with pool repairs and he will bring a budget amendment ordinance to the assembly to move the funds from the CIP Fund.

Motion by ROSSMAN: Authorize the borough manager to proceed with up to \$100,000 for pool repairs. It was seconded by **VOGT**. The motion carried unanimously.

ROSSMAN said he took the time to walk the small boat harbor docks and floats and confirmed that the condition is indeed bad. He recommends total replacement.

VOGT asked about the deferred harbor maintenance monies. **VENABLES** said the harbor maintenance plan is currently being worked on by the Boat Harbor Advisory Committee. The Army Corps of Engineers will be in Haines on August 2nd & 3rd to discuss the harbor. After that meeting, the borough will go to the state to request grant monies that are dedicated for harbor maintenance.

- 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

1. **Resolution 07-07-105**

A resolution of the Haines Borough Assembly authorizing application to the Dept. of Parks and Recreation for funding of the Dalton Trail Tsirku Bridge Project and providing for the required matching funds.

Motion by **LAPP**: Adopt resolution 07-07-105. It was seconded by **LAPHAM**. The motion carried unanimously in a roll call vote.

B. Ordinances for Introduction

1. Ordinance 07-07-160

An ordinance of the Haines Borough amending Haines Borough Code Title 7 Sections 7.08.010-040 and Title 3 Chapters 3.31-33 to consolidate Fire Service Areas 1, 2, and 4 pursuant to a vote of the people at the October 2, 2007 Regular Municipal Election.

Motion by **OLERUD**: Introduce Ordinance 07-07-160 and advance it to a first public hearing on 8/14. It was seconded by **ROSSMAN**. The motion carried unanimously.

C. Other New Business

1. Assembly Seat C Vacancy - This item was moved to Item 6A.

2. Impact Counseling - Sales Tax Exemption Request

ZIMBRICH said she received state non-profit status in September 2006 and IRS non-profit status in June 2007. She primarily provides counseling services to people with mental health issues and limited funds.

Motion by **OLERUD**: Rescind the 6/12/07 action that denied the sales tax exemption request by Impact Counseling. It was seconded by **ROSSMAN**.

LAPHAM asked if the people pay their own fees. **ZIMBRICH** said she works on a sliding fee scale and has not yet acquired Medicare or Medicaid status. **LAPHAM** asked if the sales tax exemption would only be for client billings. **ZIMBRICH** said if the business grows, she would utilize the exemption status for purchases, as well. **VOGT** said she believes the fairest tax system is one in which everybody pays and her policy is to deny exemption requests. **LAPP** said he believes it is primarily a medical service so he believes it should be tax exempt. **ZIMBRICH** said it has to be a doctor-run office in order to be truly medical but would like to be treated the same as Lynn Canal Counseling.

The motion to rescind carried 5-1 with **VOGT** opposed.

Motion by **OLERUD**: Award borough sales tax exemption status to Impact Counseling. It was seconded by **LAPP**. The motion carried 5-1 in a roll call vote with **VOGT** opposed.

3. Obsolete/Surplus Items for Auction

The borough has not had a public auction since 2002 and has scheduled one for September 29, 2007. There are many nonworking, unusable, or obsolete items that need to be disposed of. Per HBC 14.24.030, unless excepted

from public auction under HBC 14.24.020, personal [borough] property shall not be included for sale in a public auction or otherwise sold without having first been declared surplus or obsolete by the assembly.

Motion by **OLERUD**: Accept the clerk's recommended list of surplus/obsolete items including the additional list of administration items for an auction to be held on September 29, 2007. It was seconded by **LAPP**.

LAPP asked about a motorcycle that he believes should be included on the list. **VENABLES** offered to check with the Chief of Police and report to the assembly at the next meeting for possible consideration as a special auction item. The assembly accepted that idea.

The motion carried unanimously.

4. AP&T Lease Application - Review of Appraisal

Alaska Power & Telephone (AP&T) has submitted an application to lease borough land in order to install a communications tower. The current step in the application process requires the assembly to review the assessor's land appraisal and to determine any limitations, reservations, requirements, or special conditions to be included in the lease. The actual lease will eventually come before the assembly for approval by non-code ordinance following a public hearing. The hearing must be noticed first for 30 days.

Motion by **OLERUD**: Accept the \$50,000 appraisal value and schedule the public hearing regarding the lease for August 28, 2007. It was seconded by **VOGT**. The motion carried unanimously.

5. Borough Manager Contract

SHIELDS said the Personnel Committee recommends the proposed contract except for the salary and contract term. He suggested a mid-summer review of the manager's performance on August 28th and delay the contract consideration to that date, as well. He asked the assembly to review the proposed contract in the meantime. There was no objection.

12. SET COMMITTEE MEETING DATES

A Committee-of-the-Whole was scheduled for August 7th at 6:00pm to discuss the condition of the Lutak Dock, the proposed Charter amendment regarding the Permanent Fund, criteria for sole-source contracting, and criteria for excusing assembly member absences.

13. PUBLIC COMMENTS - None

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

OLERUD asked to be excused from the August 14th meeting.

Motion by **VOGT**: Excuse **OLERUD**'s absence. It was seconded by **ROSSMAN**. The motion carried unanimously.

VOGT said she doesn't understand why things look the way they do and stressed the importance of repairing the borough's roads and facilities.

TURNER said he is on the Planning Commission and would like to remain there until the October Election. If he gets elected to the assembly, he will retire from the Planning Commission. There was no objection.

SHIELDS said he erred in not exhorting the assembly to prudence regarding Button's application. **ROSSMAN** said he believes an "executive session" was held improperly during the recess attended by **BLASCO**, **SHIELDS**, and **VOGT**.

15. ADJOURNMENT - 7:30pm

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

Fred Shields, Mayor

ATTEST:

Julie Cozzi, Borough Clerk