

Haines Borough
Borough Assembly Meeting #119
September 11, 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**, Pete **LAPHAM**, Doug **OLERUD**, Scott **ROSSMAN**, Deborah **VOGT**, and Donnie **TURNER**.

Staff Present: Robert **VENABLES**/Borough Manager and Julie **COZZI**/Borough Clerk.

Visitors Present: Tom **MORPHET**/CVN, Dave **BUTTON**, Chris **SCHELB**, Jan **HILL**, Greg **STUCKEY**, Danny **GONCE**, Ted and Anastasia **WILEY**, J. Robert and Carol **DUIS**, Jack **SMITH**, Madeleine **SHIELDS**, John and Erma **SCHNABEL**, Vince **HANSEN**, Robert **WHITCOMB**, Rob **GOLDBERG**, Duane **WILSON**, Paul **WILSON** Jr., Lynda **WALKER**, Don **TURNER** Jr., and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

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

4. APPROVAL OF MINUTES* 8/28/07 Regular

5. PUBLIC COMMENTS

BUTTON requested that the mayor call for a moment of silence in remembrance of September 11, 2001. **SHIELDS** agreed and asked all persons present to silently reflect upon those tragic events. **BUTTON** continued by saying he would like to contribute to the Haines economy. He operates a business in Skagway and pays taxes there but spends his money in Haines. He said recently he was pulled over by the police and ticketed for not having a rear bumper and license plate. He paid the \$450 fine to the magistrate who told him that the money goes towards the maintenance of the roads. He said he feels good about contributing to the Haines economy by getting a ticket.

TURNER, Jr. spoke in favor of the borough's support for the Chilkoot Indian Association's efforts to acquire the tank farm property.

6. MAYOR'S COMMENTS/REPORT

SHIELDS said that General Peabody, Colonel Wilson, and engineers for the Army Corps recently toured the Haines

facilities. It was a very good visit and bodes well for the harbor expansion project.

The Southeast Conference annual meeting will be next week in Skagway. Last week in Skagway was the Klondike Road Race. Two ferries went to Skagway for that event and both bypassed Haines. The mayor called the AMHS commissioner to discuss his concerns about the ferry schedule and encourage him to attend Southeast Conference.

The mayor said he has been giving a great deal of thought to the tank farm issue. He believes the best interest of the whole borough is for municipal ownership.

7. PUBLIC HEARINGS

A. Ordinance 07-08-162 - second hearing

An ordinance of the Haines Borough amending Title 16 Chapter 16 to remove the harbor fees and payments from the code and to reference an assembly-approved harbor fee schedule.

The mayor opened and closed the public hearing at 6:42pm; there were no comments.

Motion by LAPP: Adopt Ordinance 07-08-162. It was seconded by **LAPHAM**. The motion carried unanimously in a roll call vote.

B. Ordinance 07-08-163 - second hearing

An ordinance of the Haines Borough amending Title 3 Sections 3.60.080, 3.60.170, and 3.60.180 to update purchasing limits and clarify procedural requirements.

The mayor opened and closed the public hearing at 6:45pm; there were no comments.

Motion by LAPP: Adopt Ordinance 07-08-163. It was seconded by **TURNER**. The motion carried unanimously in a roll call vote.

C. Ordinance 07-08-164 - second hearing

An ordinance of the Haines Borough amending Title 3 Chapters 3.08 and 3.24 to clarify Permanent Fund Investments.

The mayor opened and closed the public hearing at 6:47pm; there were no comments.

Motion by LAPHAM: Adopt Ordinance 07-08-164. It was seconded by **VOGT**.

Motion to Amend by VOGT: Amend Section 3-24-050(C)(7) by inserting "subject to the percentage limitation in paragraph 5 of this section." It was seconded by **LAPP**. The amendment motion carried 5 to 1 with **OLERUD** opposed.

OLERUD believes this ordinance is a big mistake. He does not believe that staff has the expertise and time to handle the borough's investments. He is concerned that this change will cause financial problems in the future. **VOGT** explained that the assembly will simply review the borough's investment strategy once a year. **VENABLES** said the borough has had an outdated investment strategy. It will still be vital to have good money managers watching over the borough's investments, but the assembly will be more aware with an annual review. **LAPP** asked if the borough's investments will still be in one place or scattered all over. **VOGT** said the custodial requirements have not been changed. The code requires a bonded custodian of the funds.

The main motion carried 5 to 1 in a roll call vote with **OLERUD** opposed.

D. Ordinance 07-08-165 - second hearing

An ordinance of the Haines Borough providing for the addition or amendment of specific line items to the FY08 budget.

The mayor opened and closed the public hearing at 6:55pm; there were no comments.

Motion by **LAPP**: Adopt Ordinance 07-08-165. It was seconded by **VOGT**. The motion carried unanimously in a roll call vote.

E. Ordinance 07-08-166 - second hearing

An ordinance of the borough assembly of the Haines Borough, Alaska, authorizing the lease of borough property to Alaska Power & Telephone for a communications tower.

The mayor opened and closed the public hearing at 6:51pm; there were no comments.

Motion by **LAPP**: Adopt Ordinance 07-08-166. It was seconded by **LAPHAM**. The motion carried unanimously in a roll call vote. The lease will be issued.

F. Ordinance 07-08-167 - first hearing

An ordinance of the Haines Borough amending Title 10 Chapter 44 to increase parking fines to match the recently increased parking fines in the Alaska Administrative Code (13 AAC 02.340).

The mayor opened and closed the public hearing at 6:58pm; there were no comments.

Motion by **LAPP**: Advance Ordinance 07-08-167 to its second public hearing on September 25, 2007. It was seconded by **LAPHAM**.

ROSSMAN doesn't understand why this ordinance is necessary. He believes it is not fair to the public. **BUTTON** was allowed to speak and said Ketchikan charges \$50 for a parking fine and Skagway charges \$25. He believes the ordinance is a good idea, because the fines go to pay for road maintenance.

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

G. Resolution 07-08-108 - second hearing

A resolution of the Haines Borough assembly in support of the Chilkoot Indian Association receiving ownership of the United States Army tank farm property located in Haines, Alaska.

The mayor opened the public hearing at 7:02pm.

GOLDBERG spoke as a private citizen rather than as a planning commissioner. He believes that if the CIA doesn't acquire the property, there could be more bitterness in the native community. On the other hand, if the borough does not get the property, there could be opportunities lost. The tank farm property is really the only level property out there, and the borough will need staging areas in conjunction with the Lutak Dock. In the spirit of cooperation, he recommended a joint venture to gain property from the federal government since a cooperative bid would be attractive. Once the title is conveyed, the CIA and borough could develop a profit sharing plan together. If that didn't work out, the property could be divided and each entity would be free to come up with its own development plan.

WALKER does not support the borough "giving up" the property and said there is a very valuable water supply in that area that should not be ignored.

P. **WILSON** said the property rightfully belongs to the natives. The tribe wants to acquire the land and then work on a joint venture. They will pay taxes to the borough.

A. **WILEY**, an archeologist, said she personally looked at the property and there are seven traditional cultural landmarks on it. The borough should be aware of the complexity of these sacred and ceremonial places and the potential headaches of acquiring this property.

J. **SCHNABEL** does not believe it would be in the best interest of the borough to complicate the port authority for dock users. It would be a big mistake to give up the opportunity for the borough to acquire this land. All citizens should share in its benefits.

WHITCOMB noted that the resolution speaks to a short-term commitment: 2010. The CIA has an opportunity to fast track the property surplus. He recommends that the borough approve the resolution and, if the CIA is not successful, the borough may take steps to acquire it.

Motion by **LAPP**: Adopt Resolution 07-08-108. It was seconded by **ROSSMAN**.

Motion to Amend by **OLERUD**: Add the following section to the resolution: "BE IT FURTHER RESOLVED THAT the Haines Borough and the Chilkoot Indian Association shall work together to develop a Memorandum of Agreement that will include the Tribe's development plan for the tank farm property as well as reasonable parcels of land to be conveyed to the Haines Borough that will include rights-of-way, utility corridors, and water rights. It was seconded by **ROSSMAN**.

STUCKEY said the CIA was willing to address the borough's desire for certain language. He finds the amendment unnecessary but has no objection to it.

The amendment motion carried unanimously.

LAPP said he is in favor of the resolution so that the CIA can take the lead on this. **ROSSMAN** supports it and will leave feeling very good about voting for it. **VOGT** said she still has many unanswered questions but believes it is in the borough's interest to move forward hand in hand with the CIA. She plans to support it even though it has not been an easy decision for her. **LAPHAM** believes that government is an inefficient business operator, and there is more potential for the CIA to acquire the funding necessary to develop this property. **TURNER** said the CIA has agreed to pay taxes and help support non-profit organizations. He doesn't believe the borough is giving away anything and he believes that the CIA will do a good job. **OLERUD** said that borough efforts to acquire the property through normal channels would take 10 to 15 years because the feds would first wait for the other portion to be cleaned. He believes this is a positive step forward for the borough and the CIA. Working together on this project will bring positive things to the community in a quicker timeframe.

The main motion carried unanimously in a roll call vote.

The mayor called a brief recess at 7:32pm. The meeting reconvened at 7:39pm.

H. Resolution 07-09-109

A resolution of the Haines Borough Assembly to authorize participation in the Community Development Block Grant (CDBG) program and approve a cooperative agreement by and between the Haines Borough and Haines Assisted Living, Inc. to apply for \$850,000 in CDBG funds for a senior assisted living facility.

HANSEN explained that the CDBG is a complicated federal grant program. Examples of previously-funded projects are shelters, water-sewer systems, clinics, solid waste systems, etc. The program is intended to benefit either low to moderate income communities or a specific targeted group like the homeless, battered, elderly, etc. For a community to be classified as "low to moderate," 51% of the population must be at that income level. Haines is presently at 47.2% and therefore does not generally qualify for the CDBG funds. However, a targeted group, like the elderly needing living assistance, can qualify.

The mayor opened the public hearing at 7:45pm. He asked if any member of the public has an alternative proposal for the assembly's consideration. There were none proposed.

HANSEN thanked the assembly for its support for the Senior Assisted Living facility and assistance in continuing to move it forward. He said this CDBG grant is a critical component in the facility funding plan.

HILL spoke as a Haines resident, President of the SEARHC Board of Directors, and Chair of the Chilkoot Indian Association and said she strongly supports this resolution.

Hearing no further comments, the mayor closed the public hearing at 7:50pm.

Motion by **LAPHAM**: Adopt Resolution 07-09-109. It was seconded by **TURNER**. The motion carried unanimously in a roll call vote.

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

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

- Pool Update
- Coast Guard Inspection
- Right-of-Way Development
- Professional Engineering Services proposals
- Army Corps visit

VENABLES said after the pool is filled with water, over 2,000 lbs of salt must be added and the Department of Environment Conservation must give its stamp of approval. He hopes the pool will be open by the end of September barring anymore unexpected problems.

ROSSMAN said he wants to make a motion to approve the Strawbridge right-of-way (ROW) development request. He does not believe there is any reason why a platted ROW cannot be used to access a parcel of land since that is the purpose of a ROW. He does not want the assembly to set a precedent by denying that right. **SHIELDS** said Title 12 requires assembly approval for any construction, remodeling, etc. on a borough road or right-of-way. The permit was revoked because the assembly did not give specific approval by motion during the September 14th meeting. "Tacit approval" will not be allowed in future assembly meetings. The mayor added that he was informed that there would be an injunction filed if the driveway was constructed. **VENABLES** said Strawbridge is proceeding with developing his driveway on private property. **TURNER, ROSSMAN,** and **LAPHAM** all expressed their understanding that the manager had asked for assembly approval and no opposition was voiced. **LAPP** said he asked the mayor during that meeting if there should be a motion and was told it was not necessary. **VOGT** said she primarily objects because the issue was not listed on the agenda. It was also not clear to her that the permit would be issued the next day.

Motion by **OLERUD**: Direct the manager to prepare a permit for assembly approval at the next meeting regarding the Strawbridge request to build a driveway along borough right-of-way. It was seconded by **LAPP**.

VOGT reiterated that her issue is public notice. An action item should be listed on the agenda and not just within the manager's report. **OLERUD** said it surprises him that the objecting property owners don't look at their land plat to see that there is a legal platted right-of-way. **TURNER** asked if the assembly could possibly deny access to a person's property through a platted right-of-way. He said this has now created a potential planning problem since Strawbridge now plans to build a private driveway right beside the borough right-of-way.

The motion carried unanimously.

LAPHAM said he does not appreciate the way this situation was handled. He left the September 14th meeting with the understanding that the assembly had approved the permit

only to find out from some citizens that it was revoked. He ended up with "egg on his face" and believes the assembly should have been kept in the communication loop.

- 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

- A. Borough Organization Chart

Motion by **LAPP**: Adopt the proposed borough organization chart as presented by the manager. It was seconded by **OLERUD**.

VENABLES noted the significant change is the assimilation of the public facilities departments. This is an opportunity to strengthen the structure of the organization and provide more efficiency and oversight with a Public Facilities Director position (currently the school project manager position). The new organization structure will be phased in after the school project is complete. He said that much of the position will be funded with grant monies. **VOGT** spoke in favor of it and said there has been a lot of discussion about the borough's facilities and infrastructure needing attention. She thanked **ROSSMAN** for his adamancy that the borough maintain it's assets as opposed to crisis response.

The motion carried unanimously in a roll call vote.

A brief recess occurred between 8:17pm and 8:24pm.

11. NEW BUSINESS

- A. Resolutions

***1. Resolution 07-09-110**

A resolution of the borough assembly of the Haines Borough, Alaska, appointing election officials for the regular election to be held October 2, 2007, and establishing wages for same.

The mayor read the resolution aloud as required by code. It was adopted during approval of the consent agenda.

2. Resolution 07-09-111

A resolution of the borough assembly of the Haines Borough, Alaska, authorizing the borough manager to negotiate terms by which certain borough land adjacent to Lutak Road may be conveyed to the State of Alaska, Department of Transportation and Public Facilities.

Motion by **LAPHAM**: Adopt Resolution 07-09-111. It was seconded by **LAPP**.

TURNER asked why it is being done this way. He wondered if it would be better to negotiate first with the state and then have a proposal brought to the assembly for consideration. **VENABLES** agreed but said, in this situation, the state needs this resolution to help them secure the federal funding (Shakwak funds) they need for the project.

The motion carried unanimously in a roll call vote.

B. Ordinances for Introduction

1. Ordinance 07-09-168

An ordinance of the Haines Borough allowing the mayor and assembly to enroll in the borough's medical insurance plan with the borough paying the premiums.

Motion by **LAPP**: Introduce Ordinance 07-09-168 and set it for its first public hearing on September 25, 2007. It was seconded by **LAPP**. The motion carried unanimously.

C. Other New Business

1. Award Contract for IT/Computer Support Services

Motion by **LAPHAM**: Authorize the borough manager to negotiate a contract with Kingfisher Consulting to provide IT/Computer Support Services for the borough. It was seconded by **TURNER**. The motion carried unanimously in a roll call vote.

12. SET COMMITTEE MEETING DATES

The Election Canvass will take place on Tuesday, October 9, 2007 at 5:30pm prior to the regular assembly meeting. The clerk will provide notification if the time should be adjusted based on actual numbers of uncounted ballots.

The Personnel Committee will meet Monday, September 24th at

6:30pm. The topics: manager's goals and the clerk's contract.

The assembly will meet as a Committee-of-the-Whole on September 25th at 6:00pm prior to the regular meeting. The topic: Professional Engineering Services proposals.

13. PUBLIC COMMENTS

MORPHET said he traveled around the state last summer including five communities that have substantial bicycle trails: Girdwood, Houston, Tok, Hope, and Talkeetna. He suggested that with the Peak Oil issue and the expansion of Lutak Road, it might be a good time to look into the possibility of a bike trail between town and the ferry terminal. **OLERUD** asked the borough manager to check into it. **SHIELDS** said the state was proposing to build to state standards as opposed to federal highway standards which require greater widths, and the borough said no. He added that maintenance is a big issue with bike trails. **LAPHAM** agreed and gave the eagle preserve trail as an example of maintenance difficulty, especially in the winter. **LAPP** noted that that trail is also fairly overgrown with vegetation.

HILL thanked the assembly for its support of the tank farm resolution. She assured the members that the CIA plans to do a fine job on this and to work hard to help the community.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

LAPHAM said people get frustrated that the pool has not opened as quickly as hoped but, even with all the delays, it will be a better facility than we have had. He noted that the borough doesn't have a crystal ball. It is a 30-year-old facility with a lot of problems, and he believes the borough is doing the best it can.

VOGT said she would prefer hearing about project delays from the manager rather than from the media.

LAPP suggested that new employees come to an assembly meeting so they can meet them. He also said he would like to see the borough conduct a land sale in spring 2008.

15. ADJOURNMENT - 8:52pm

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

Fred Shields, Mayor

ATTEST:

Julie Cozzi, Borough Clerk