


Haines Borough
Borough Assembly Meeting #123
November 20, 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**, Steve **VICK**, Deborah **VOGT**, Norm **SMITH**, and Pete **LAPHAM**.

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

Visitors Present: Jessica **EDWARDS**/CVN, Vince **HANSEN**, Rep. Bill **THOMAS**, James **TURNBULL**, Jerry **ERNY**, Kathleen **MENKE**, Art **JESS**, Liz **MARANTZ-FALVEY**, Greg **STUCKEY**, Don **TURNER III**, and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA**

The following changes to the Consent agenda were requested:

- Remove Item 9E-Planning Commission
- Add two names to the list of board appointees in Item 11C2: Public Safety Commission, Art Jess; and Fire Service Area #3, Keith Brooks.
- remove Item 9I-Tourism Advisory Board

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

- * 4. **APPROVAL OF MINUTES** - 10/23/07 Regular

5. **PUBLIC COMMENTS**

MENKE said she believes that borough code requires the Planning Commission to be given an opportunity to review the legislative priorities and CIP lists. She asked for the administration's plans to comply with that requirement. **SHIELDS** said code does not require that the planning commission weigh in on the legislative priorities, but staff would be happy to provide a copy in the next planning commission meeting packet.

TURNBULL asked the assembly to try to persuade a second airline to come into Juneau because of the high costs and schedule limitations. He also expressed concern about the condition of the townsite roads, signage, and sidewalks; the proposed water and sewer rates; and borough employee holidays. Additionally, he spoke in support of the proposed temporary sales tax exemption on heating fuel.

6. MAYOR'S COMMENTS/REPORT

SHIELDS said that **VICK** attended the Newly-Elected Officials training in Fairbanks in early November, and he asked for his comments. **VICK** said it was rewarding to meet other community officials, and he received excellent training. He recommended that all elected officials attend if given an opportunity.

The mayor said that he attended the Alaska Conference of Mayors (ACoM) in Fairbanks. The hottest topics were transportation and revenue sharing/municipal assistance. He explained the principle behind revenue-sharing, and said it benefits the state to return some of the revenue to the municipalities. PERS/TERS also remains a big issue.

SHIELDS extended an invitation on behalf of the Senior Center for the assembly, manager, and mayor to attend a thanksgiving lunch on November 29th at noon. The seniors are very grateful for the borough's funding assistance on the recent remodeling.

7. PUBLIC HEARINGS

A. Ordinance 07-10-170 - second hearing

An ordinance of the Haines Borough amending Title 2 Section 2.10.040 to clarify procedures for the security and disclosure of executive session recordings.

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

Motion by **LAPHAM**: Adopt Ordinance 07-10-170. It was seconded by **SMITH**. The motion carried unanimously in a roll call vote.

B. Ordinance 07-10-171 - first hearing

An ordinance of the Haines Borough amending Title 3 Section 3.70.040(D)(5) to reflect new ownership of the tax-exempt property dedicated to the Senior Assisted Living Facility.

The mayor opened the public hearing at 6:48pm.

HANSEN took the opportunity to thank the mayor and the assembly for the broad support received for the Haines Assisted Living facility.

Hearing no further comments, the mayor closed the public hearing at 6:49pm.

Motion by **LAPP**: Advance Ordinance 07-10-171 to a second public hearing on December 11, 2007. It was seconded by **LAPHAM**.

Motion to Amend by **LAPP**: Add Lots 5 and 6 to the exempt property description. It was seconded by **VOGT**. The amendment motion carried unanimously.

The main motion carried unanimously.

8. STAFF REPORTS

A. Borough Manager

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

- **WRDA Bill and Boat Harbor Project**
- **AML Conference**
- **Kensington Mine**
- **Road, Water, and Sewer Projects**
- **Mt. Riley Road Electrification**

The manager announced that **COZZI** has been installed as president of the Alaska Association of Municipal Clerks.

VOGT said the planning commission should always review projects like the water tank whether or not there is a variance request involved. She asked for a procedure to be developed to ensure that the review takes place. **THOMAS** was allowed to speak, and he said there is great competition for monies. He cautioned that the borough must make sure any permits, including the planning commission's approval, are in place before seeking funds. **VOGT** clarified that it is not a matter of whether or not the planning commission approves of the water tank project but that they be given a chance to weigh in on the location.

In response to **TURNBULL**'s earlier comments concerning borough employee holidays, **VENABLES** noted that the union-negotiated contract stipulates them.

VENABLES said the CFO and he will be making contact with a Permanent Fund advisor. **VOGT** recommended the assembly meet as a committee-of-the-whole and would like to schedule it in December. **LAPP** suggested waiting until after the holidays since he does not believe there is a rush. **OLERUD** agreed with **LAPP** and said he prefers to meet on the permanent fund topic in January. **VENABLES** said he will check schedules and email dates.

SHIELDS said he made contact with Ken Lowe regarding board and leadership training. Lowe was in Haines about 15 years ago and would love to return. The mayor added that he would like to open it up to anyone in the community who is thinking of a leadership position in the borough along with existing advisory board members and the assembly. He asked if the assembly would be willing to devote one entire Saturday in January, February, or March for this type of training. **LAPHAM** expressed preference for February or March. The other assembly members nodded in agreement.

SMITH asked about the project to apply for Denali Commission grant funds for the harbor. **OLERUD** said that

the Boat Harbor Advisory Committee has discussed this at its last two meetings. The committee has also been communicating with harbor users, especially commercial fishermen. **SMITH** said he is concerned that there is a rush to apply for monies without having a plan or focus. **OLERUD** recommended that **SMITH** attend the next committee meeting scheduled for the next week; that would be a good opportunity for the committee to fill him in on the plan. He said the current basin needs to be improved so the manager is looking for alternative sources of money. The new harbor basin will not be built for several years. There have been several meetings where PND Engineers have presented some very good drawings. He disagreed with **SMITH's** assertion that this is being rushed through. **SHIELDS** asked **VENABLES** to make a report at the December assembly meeting on the Boat Harbor plans.

- * 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 said the Government Affairs & Services Committee met twice to discuss the water-sewer rates. The committee had recommended a 20% rate increase for both water and sewer. Upon further review, she recommends the committee amend its recommendation to increase the sewer rate only by 7%. She distributed a document showing revised calculations.

E. Planning Commission

Motion by **VOGT**: Ask the mayor to appoint a committee to discuss a waterfront path. It was seconded by **VICK** for discussion purposes.

VOGT said the planning commission has recommended an ad-hoc committee to gather information and look at options. **MENKE** was allowed to speak. She said that the planning commission suggested a committee as a way to facilitate collaboration between the borough, the CIA, the affected property owners, and other citizens. **VICK** asked if there is a budget for this committee, and **VOGT** said there are no funds attached to this request.

The motion carried 5-1 with **OLERUD** opposed.

- F. School Board
- G. Chilkat Center Advisory Board
- H. Parks & Recreation Advisory Board
- I. Tourism Advisory Board

VICK asked for clarification on the Tourism Advisory Board's request for strategic planning. SHIELDS wondered if the Sheinburg access study should be utilized instead. VOGT explained that the Sheinburg study was specifically for the waterfront and related tourism issues. The board wants strategic planning to help them effectively advise the assembly on tourism-related matters. OLERUD reminded the assembly that the McDowell Group already did a tourism study that the board should utilize.

- J. Boat Harbor Advisory Committee
- K. Public Safety Commission

10. OLD BUSINESS - None

11. NEW BUSINESS

A. Resolutions

1. Resolution 07-11-113

A resolution of the Haines Borough Assembly adopting an alternative allocation method for the Fiscal Year 2008 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the Northern Southeast Fisheries Management Area.

Motion by VICK: Adopt Resolution 07-11-113. It was seconded by VOGT. The motion carried unanimously in a roll call vote.

2. Resolution 07-11-114

A resolution of the Haines Borough Assembly authorizing a temporary suspension of consumer sales tax on fuel oil or propane purchased for home and business heating within the Haines Borough from December 1, 2007 until February 1, 2008.

Motion by LAPP: Adopt Resolution 07-11-114. It was seconded by SMITH.

SMITH asked what the borough lost in heating fuel tax revenue the last two years. STUART provided the 2006 amount: Approximately \$48,000. SMITH said the fuel costs continue to increase. He believes the tax exemption is a good thing, because "whatever we can do to help everyone, the better off we all are." VOGT disagreed and said she believes it is inequitable. There are people that don't need the help, and there are people who heat with wood

and propane that would need help. The sales tax burden gets shifted to other folks, and she is going to vote against it. **LAPHAM** recalled that at the previous meeting, the assembly was informed that sales tax revenues are down and cutting the mill rate has caused the borough to lose some cushioning. **VENABLES** said that things are still very flat and passage of this resolution would make it tight, but it is probably still doable. **LAPP** observed that the proposed resolution this year provides for one less exemption month. **VICK** said he supports the resolution. **OLERUD** said if the borough is going to do this, they should try to include wood. Rhetorically, he suggested that the exemption should be year-round and should extend to groceries and all other expenses since everything has gone up. "Where do you draw the line?" He said he would vote against this resolution. **ERNY** was allowed to speak. He said the borough must have consistent tax revenue in order to offer consistent services. He believes the tax exemption is a bad idea. **VOGT** offered the idea of some type of low income, hardship exemption. **SMITH** said the assembly should be consistent by adopting this resolution again since it did the last two years. **MENKE** was allowed to speak. She thinks it is a good thing to do for the people who choose to live in Haines during the winter.

The motion carried 4-2 in a roll call vote with **OLERUD** and **VOGT** opposed.

3. Resolution 07-11-115

A resolution of the Haines Borough Assembly requesting changes to the spike fork definition pertaining to moose hunting regulations.

Motion by **LAPHAM**: Adopt Resolution 07-11-115. It was seconded by **SMITH**. The motion carried unanimously in a roll call vote.

4. Resolution 07-11-116

A resolution of the Haines Borough Assembly reaffirming its support of resolution 04-04-042 and its preference for improved ferry service rather than an East Lynn Canal Highway.

Motion by **VICK**: Adopt Resolution 07-11-116. It was seconded by **VOGT**.

SMITH asked **THOMAS** how much weight these resolutions have. **THOMAS** said the legislators do read them, and he recommended that it be sent to all legislators. He said that, according to a recent statewide poll, 79% oppose the road to Juneau. **VOGT** explained that the governor

asked communities to adopt resolutions supporting the road. Regarding the resolution text, she asked that the word "dedicated" be changed to "segregated" in Section 2. (There was no objection to the clerk making the change administratively.)

LAPHAM said he opposes the resolution. He believes the assembly is making a big mistake by not supporting the road. "In this day and age of fossil fuels, a tremendous amount is used in the ferry service. This time of year, most of the ferries are not full. If there was a road it would free up some ferries." He said that the functioning road between Skagway and Whitehorse has more active avalanches than the proposed Juneau road route.

LAPP said he cannot support the resolution as currently written. He does not want to kill the idea of a road period, because he supports the idea of a westside road.

LAPHAM said replacing the ferries would be \$750 million as opposed to the projected road cost of \$350 million.

VICK interjected that, whether or not there is a road, the ferries will have to be replaced. **VOGT** said the borough needs to support the Marine Highway System and should work to find more fuel efficient ways to operate the ferries.

The motion carried 4-3 in a roll call vote with **OLERUD**, **LAPP**, and **LAPHAM** opposed and Mayor **SHIELDS** breaking the tie with an affirmative vote.

5. Resolution 07-11-117

A resolution of the Haines Borough Assembly establishing a water-sewer rate schedule and setting rates, fees, and charges for water and sewer services.

Motion by **VOGT**: Adopt Resolution 07-11-117. It was seconded by **LAPHAM**.

Motion to Amend by **VOGT**: Increase water rate by 20% and the sewer rate by 7%.

VOGT said that the borough has not been including depreciation in the water-sewer rates. The consultants first recommended a 100% depreciation funding but then came back with phased-in depreciation funding. **STUART** said the 7% sewer increase would likely help the borough meet its legal obligations. She noted that the borough has 735 sewer customers. **SHIELDS** said water and sewer is one of the main services that a municipality provides. It costs so much money that it creates an artificial relationship between what the borough charges and the

actual costs. All of this is regulated so we have to operate within parameters. It is an enterprise fund that has to pay for itself. The borough relies heavily on legislative grants. Depreciation would help with things like valve or pipe breaks. **VICK** said he needs more understanding about the 7% sewer increase. He understands the 20% water rate increase. However, there is still a disparity between the commercial and residential accounts (45% of businesses are not metered). **STUART** said the idea of 20% is that it would cover an 18-month period. There may have to be another increase after that. **VOGT** said the rates had not been reviewed for years, and the committee recommends doing that regularly. She also said that the borough might consider looking at the current vacation rates. In reality, a lot of the costs go on even if a person is on vacation or absent for a period of time.

The amendment motion carried 5-1 with **VICK** opposed.

The motion carried 5-1 in a roll call vote with **VICK** opposed.

B. Ordinances for Introduction

1. Ordinance 07-11-172

An ordinance of the Haines Borough amending Haines Borough code Title 6 section 6.08.020 to clarify dog control.

Motion by **LAPP**: Introduce Ordinance 07-11-172 and set it for its first public hearing on December 11, 2007. It was seconded by **OLERUD**.

VOGT did not find any rationale for destroying dogs that attack moose and deer. **OLERUD**, **LAPP**, and **SMITH** each related experiences with dogs harassing wildlife. **VICK** said his dogs have been chased by moose. He doesn't see the need to have the word "destroyed" in the code. **SHIELDS** suggested that the Police Chief prepare a rationale memo for the next meeting. **VOGT** suggested the ordinance language could use some work. "Dogs naturally chase things that run." She did agree that there are situations where they can do damage, and there should be some power to stop them. **OLERUD** said there is a leash law. Dogs are supposed to be under the owner's control. When dogs are allowed to run wild throughout the community, it affects everybody.

The motion carried unanimously.

2. Ordinance 07-11-173

An ordinance of the Haines Borough amending Haines Borough code Title 13 Sections 13.04.045 and 13.08.115 to adjust water and sewer rates, fees, and charges.

Motion by **VOGT**: Introduce Ordinance 07-11-173 and set it for its first public hearing on December 11, 2007. It was seconded by **LAPHAM**. The motion carried unanimously.

C. Other New Business

* 1. Liquor License Renewal - Halsingland

Recommended Motion: The assembly has no objection to a renewal of the liquor license for Halsingland Hotel.

* 2. Advisory Board Appointments

• Planning Commission - 3 year terms

Harriett Brouillette - reappointment
Rob Goldberg - reappointment

• Parks and Recreation Advisory Board - 3 year terms

Judy Ewald - reappointment

• Chilkat Center Advisory Board - 3 year terms

Dan Henry - new appointment

• Museum Board of Trustees - 3 year terms

Mary Jane Valentine - reappointment
Jim Shook - reappointment
Frankie Perry - reappointment

• Library Board of Trustees - 3 year terms

Song Nash - reappointment
Cecily Stern - reappointment
Ann Marie Palmieri - reappointment

• Boat Harbor Advisory Committee - 1 year term

Jim Studley - new appointment

• Historic Dalton Trail RMSA - 3 year terms

John Schnabel - reappointment

• Riverview RMSA - 3 year terms

Scott Visscher - reappointment

• Fire Service Area #3 (Klehini Valley) - 3 year term

Keith Brooks - reappointment

• Public Safety Commission - 3 year terms

Art Jess - reappointment

3. Designate Glacier Bear Drive

Motion by **OLERUD**: Designate as "Glacier Bear Drive" the loop road on the northwest end of the new school connecting Allen Road and Main Street. It was seconded by **LAPHAM**.

LAPP said the stop sign should be moved to a different location. He drives a school bus, and sign visibility is very poor because of overgrown brush. **LAPHAM** explained that the brush is on private property, and the sign is there because of DOT maintenance yard entryways. The manager will look into getting the brush cut back.

The motion carried unanimously.

*** 4. 2007 Snow Removal Contracts**

Eagle Vista Subdivision

Recommended motion: Authorize the borough manager to negotiate with the sole-bidder, Chip's Excavating Services, to provide 2007 snow removal services for the Eagle Vista Subdivision.

5. Request to Purchase Primary School Building

Motion by **LAPP**: Authorize the borough manager to solicit competitive sealed bids for an over-the-counter sale of the old school properties. It was seconded by **LAPHAM**.

Regarding, the Alaska Mountain Guide proposal, **OLERUD** said their intent is to put money into the property both inside and out to make it presentable. **LAPHAM** said it is important that property become taxable. **VICK** asked that the assembly make sure the bid price is not the only consideration. The clerk noted that code requires the assembly to consider many things in addition to price. **THOMAS** suggested that the assembly specify in the request for bids that the intention is for the properties and their uses to be taxable.

The motion carried unanimously.

12. SET COMMITTEE MEETING DATES

The Boat Harbor Advisory Committee will meet on Thursday, November 29th at 2:00pm in the Assembly Chambers.

13. PUBLIC COMMENTS

MARANTZ-FALVEY asked to have a resolution added to the December 11th agenda that would support the establishment of a federal Department of Peace. She offered to provide borough staff with a draft of other city-adopted resolutions. This proposed department would deal with domestic violence and come up with alternatives to conflict, she explained. "The social and financial costs of violence are exorbitant." **VOGT** asked for supporting documentation including a summary of reasons and a list of other communities adopting resolutions of support. Staff will work with **MARANTZ-FALVEY** to prepare the resolution and attachments for the next meeting.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

OLERUD wished everyone a Happy Thanksgiving.

15. ADJOURNMENT - 8:50pm

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

ATTEST:

Fred Shields, Mayor

Julie Cozzi, Borough Clerk