



Haines Borough
Borough Assembly Meeting #133
May 27, 2008
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 Doug **OLERUD**, Steve **VICK**, Norm **SMITH**, Pete **LAPHAM** and Deborah **VOGT**. **Absent:** Assembly Member Jerry **LAPP** (excused by unanimous motion made by **VOGT** and seconded by **LAPHAM**.)

Staff Present: Bob **WARD**/Interim Borough Manager, Julie **COZZI**/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, and Jerrie **CLARKE**/Museum Director.

Visitors Present: Jessica **EDWARDS**/CVN, Floy **MCDOWELL**, Daymond **HOFFMAN**, Joe **POOR**, Dave **BUTTON**, Al **KELLY**, Frank **HOLMES**, Mike **CASE**, James **STUDLEY**, Dan **EGOLF**, Darsie **CULBECK**, Nick **TRIMBLE**, Matthew **BORISH**, Tom and Sally **MCGUIRE**, Sean **GAFFNEY**, Jason **GAFFNEY**, Danny **GONCE**, Denny **TEAL**, Vince **HANSEN**, Heather **LENDE**, Emily **SEWARD**, Greg **STUCKEY**, Leonard **DUBBER**, Michael **BYER**/School Superintendent, Shane **HORTON**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

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

4. APPROVAL OF MINUTES - NONE SUBMITTED

5. PUBLIC COMMENTS

CASE said it is important to make sure that the borough manager position is advertised as the borough's chief administrative officer.

POOR said the community is outraged about the firing of the former borough manager. He believes that Robert's Rules of Order have been violated at the past two meetings as well as the state's Open Meetings Act. He requested that the assembly at the next meeting consider a motion to rescind the firing in order to bring this discussion into the public arena.

6. MAYOR'S COMMENTS/REPORT

SHIELDS said that Senator Lisa Murkowski was in Haines over the Memorial Day weekend and attended the beer festival. She had a great time and even expressed interest in owning property in Haines.

The mayor said the Empress of the North has offered dinner with the captain on Sunday, June 1st, and there is room for two assembly members. He encouraged those interested to contact the tourism director.

SHIELDS encouraged the assembly and citizens to attend a meeting on May 28th at 1:00pm at the Bald Eagle Foundation to discuss the Chilkoot River Corridor situation.

7. PUBLIC HEARINGS

A. Commercial Tour Permit - Alaska Mountain Guides (AMG)

The mayor opened the public hearing at 6:40pm.

S.MCGUIRE, EGOLF, T.MCGUIRE all expressed concern about the proposed new tour activities taking place in the Chilkoot River Corridor because of the congestion problems and the bear situation.

MCDOWELL stated her objection to the proposed fishing at Chilkat Lake. As a resident of that road maintenance service area, her tax dollars are providing good road surfaces for commercial users, and she doesn't like the potential for increased traffic. She questioned the 12-hour 7-day/week plan and said it seems extravagant to her.

S.GAFFNEY responded to the Chilkoot River Corridor concerns. His company has been discussing impact mitigation with State Parks and Forestry. There are also some possibilities for storing equipment out there to reduce the traffic. The fishing would be guided catch and release, and the guide-to-guest ratio would be very close in order to best manage area impacts. He asked for the assembly's support and said he believes AMG can do a good job of addressing the concerns. He added that he plans to attend the Chilkoot River Corridor meeting on May 28th.

HOLMES said he would like to have a better understanding of the number of tours, capacity, etc.

HORTON said he hears frequent complaints about the Chilkoot Park day use area being taken up by commercial groups and also about the kayaks being in the way. The day use area should be made available to the public once again.

BUTTON suggested that this is a minor problem. One solution would be to expand what is there and wondered about adding a road on the other side of the river.

S.GAFFNEY said the expected capacity this season is 200. At this time, it would be limited to independent visitors or

existing AMG tour or climbing school guests. There is no connection to the cruise ships, but they would like to pursue that avenue in the future and, if so, would return to the assembly. Regarding the kayak issues, he acknowledged that there have been problems with the kayak operation previously operated by another company, but AMG is determined to change that. In fact, AMG's previous kayak portion has never garnered complaints. He reiterated that AMG has been actively discussing with State Parks different ways to increase parking and minimize impacts.

Hearing no further comments, the mayor closed the public hearing.

OLERUD asked if there is a conflict of interest since he is in the business of selling fishing tackle. The mayor ruled that there is no conflict.

Motion by **OLERUD**: Approve the new commercial tour activities as requested by Alaska Mountain Guides and authorize the Clerk to add them to their 2008 permit. It was seconded by **SMITH**.

OLERUD asked about the planned timeframes for the different waterways. **S.GAFFNEY** said that part of the reason for including the different locations is because those are the places their guests inquire about. AMG would like to have the flexibility of both salt-water and fresh-water locations. If the Chilkoot River Corridor is shoulder-to-shoulder, they would frankly want to utilize other areas to give their guests a better experience and to spread the impacts around as much as possible. The company is looking at a maximum guide-to-guest ratio of 1:6 but will strive for even less than that. Barbless fly fishing is their primary focus, but if there are other techniques or approaches that could support their program, they are open to them. **OLERUD** said he likes the idea that a company wants to do this. Fly fishermen are typically more concerned about fish health. He doesn't believe there will be much impact this first year, and there could be a condition for an annual review of this particular permit.

Motion to Amend by **OLERUD**: If approved, this would come before the assembly for an annual review. It was seconded by **VOGT**.

VOGT said the activities sound very high-quality. It seems unfair to allow the companies that are already operating in the Chilkoot River Corridor to have an exclusive right to use it without letting new activities in.

The amendment motion carried unanimously.

VOGT expressed concern specifically about increased fishing in

the Chilkoot River Corridor because of congestion and on the Chilkat because the king salmon are stressed in that area. **VICK** said AMG is very responsible and has an eye for minimizing impact. However, the Chilkoot River Corridor is chaotic and if there is a good management plan in place there he would be more willing to permit the proposed activities. His preference would be for the Chilkoot River Corridor and the Chilkat to be removed from the proposed activity locations. **OLERUD** responded to **VOGT**'s concerns and said that the Chilkat would not be open to king salmon sport fishing anyway. Also 100 people fishing over the season using catch and release would not have much impact. **LAPHAM** asked **S.GAFFNEY** when the fishing tours would begin, and he responded that they hope to begin operating this summer since they already have a number of their guests asking for fishing opportunities. **LAPHAM** asked **S.GAFFNEY** to clarify the number of tours planned. **S.GAFFNEY** said there are no numbers at this time. It's hard for them to know when the folks are going to want to do fishing, so that's why they wanted to have latitude for timing, frequency, and location. In reality, there will likely be weeks when there is no one fishing and no tours. **VOGT** asked if **S.GAFFNEY** would be comfortable if the assembly put a capacity condition on the permit approval. **S.GAFFNEY** was fine with that and hoped for an opportunity to show the residents that they will do a good job of managing the impacts. **J.GAFFNEY** said a total for the season would be best. AMG has not promoted the fishing tours, but the visitor center receives inquiries from visitors regarding fly fishing.

Motion to amend by **VOGT**: Restrict the number of fishing tours in the Chilkoot River Corridor to 32 for the season. There was no second so the motion died.

OLERUD said number of guests would be better than number of tours. **SHIELDS** said it does not sound like large numbers. If it is the wish of the assembly to approve this permit, there will be an annual review.

Motion to amend by **VICK**: Remove the Chilkoot River Corridor portions of the activity request. It was seconded by **VOGT**.

OLERUD said he cannot vote for the amendment because there is no management in the Chilkoot River Corridor. He added that there are irresponsible people out there creating the problems, and here is a company planning to make sure it's done right. He has visitors frequently asking for someone to take them fishing. "This is the best kind of fishing activity we can have in that area."

The motion failed with **OLERUD** and **LAPHAM** opposed.

Motion to amend by **VOGT**: Restrict the fishing to fly-fishing only. There was no second so the motion died.

SMITH said the main focus of the discussion has been on fishing in the Chilkoot River Corridor. Bus tours with different routes have also been requested. He believes the activity descriptions are too broad, and the assembly needs more information.

The main motion failed 2-3 in a roll call vote with **VICK**, **VOGT**, and **SMITH** opposed.

B. Ordinance 08-05-181 - second 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, 2008 through June 30, 2009.

The mayor opened and closed the public hearing at 7:40pm; there were no comments.

Motion by **LAPHAM**: Adopt Ordinance 08-05-181. It was seconded by **VICK**.

STUART summarized the following recommended amendments that resulted from the budget work sessions and the finance committee meeting:

Remove Assembly Health Insurance: Fund 01=\$1,000

Add Community Funding Requests/Increase Fair request by \$3,000:

Fund 01=54,500; Fund 02=7,500; Fund 20=20,000; Fund 23=10,500

Increase School Appropriation - Fund 01=175,000

Increase Fuel Expense: Fund 01=12,753; Fund 02=10,026; Fund 20=266;

Fund 23=133; Fund 25=400; Fund 90=3,933; Fund 91=7,466

Remove Cruise Shuttle from Tourism: Fund 23=<10,000>

Increase Permanent Fund Xfer to 2%: Fund 01=<28,000>; Fund 97=28,000

Add CDBG for Assisted Living Project to Fund 42 <850,000>;850,000

Increase FD#1 mills: Fund 25=<7,259>

Assessment reinspection project: Fund 01=50,000

Manager's salary increase: Fund 01=32,664

Purchase Public Works hand tools: Fund 02=15,000

Convert A/R Clerk to full-time: Fund 01=16,998

Additional Public Works labor: Fund 02=8,190

Motion to amend by **LAPHAM**: Amend the FY09 budget as recommended. It was seconded by **VOGT**.

Motion to amend the amendment by **VOGT**: Pay off the Port Chilkoot Dock bond with the cruise ship impact dollars coming from the legislature (estimated at 1.4 million). It was seconded by **SMITH**.

SMITH said the borough should explore purchasing the old Chilkat Cruises dock. **OLERUD** said he supports paying off the bond but is opposed to removing the Chilkat Cruises dock from private ownership.

The motion to amend the amendment carried unanimously.

OLERUD asked if the amendments will cause a general fund budget deficit. [yes] He asked if the finance committee discussed where to trim in order to offset that deficit, because he is not interested in voting for a budget like this. **WARD** said that there is currently a fund balance of about 4 million in unspent tax money. He believes those dollars should be carried forward to cover the extraordinary expenses. **OLERUD** said it's just in the last couple of years that the borough has passed a positive balance, and he is not comfortable with spending that much reserve money in one budget cycle. He asked why the school district needs additional money. **BYER** cited increases in insurance and the cost of living. He said he needs to get contracts in place for teachers and classified staff. **SHIELDS** noted that if the secure schools funding comes through, the additional funds would not be entirely passed through to the school district. **OLERUD** commented that it is a very valid expense, but the borough has known for the past several years that the secure schools funding would likely be coming to an end. "We have continued to spend the money, and no changes have been made to deal with the projected shortfall." He recommended that everyone come to the next meeting with ideas for trimming the budget. **STUART** clarified that the \$175,000 school appropriation increase still represents a reduction to what is ordinarily spent. **VICK** asked for an explanation of the \$50,000 assessment project amendment. **WARD** explained that this appropriation is for the initial phase involving field work. He noted that the state assessor does not expect the borough to finish this project in one single effort, because it would be financially and functionally difficult. However, the project does need to be implemented this year. One option is to hire a contractor for field work in the spring, and another is to hire people in-house and train them to do the field work. After the field work, the data must be added to the borough's database. He added that it's somewhat problematic to have a different person doing the field work than the one updating the database. He would have preferred to have a plan identified, but in light of the fact that the budget needs to be adopted, this amount was the closest estimate for phase one. **VOGT** believes that the assessment project will yield significantly more revenue than the borough will expend.

The amendment motion carried 4-1 with **OLERUD** opposed.

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

C. Ordinance 08-05-182 - first hearing

An ordinance of the Haines Borough amending borough code Title 18 Section 18.70.010 to clarify the official zoning map.

The mayor opened and closed the public hearing at 8:15pm; there were no comments.

Motion by VICK: Advance Ordinance 08-05-183 to a second public hearing on June 10, 2008. It was seconded by **SMITH**. The motion carried unanimously.

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

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

- **Manager Replacement**
- **Road Paving Project**
- **FY09 Budget**
- **FY08 Budget Closeout**
- **Misc. Projects including the Visitor Pavilion, Young Road Waterline and Tank, and Delta Western Fuel Dock Lease**

* **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**

LAPHAM said the committee met on May 15th and discussed helicopter flight paths, and penalties for violations. They also considered the idea of special one- or two-day exception permits for filming crews and whether the assembly could approve them as opposed to an amendment to the helicopter map. The committee is gathering more information on all of the issues before it is ready to make recommendations.

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**

* **L. Waterfront Improvement Committee**

10. OLD BUSINESS

A. Energy and Sustainability Commission

VICK said he adjusted the draft resolution to change the proposed staff position to a contractor. He does not believe that existing borough staff can take on energy conservation management duties. He said there are currently a couple of residents that are volunteering, but the hours required to maintain the program would cause volunteer burnout, and volunteers also don't represent the borough. "This isn't just energy and conservation. It is an economic issue, and it's not a phase." He encouraged the assembly to try his proposal. **VOGT** said monthly reports should be required of the contractor. **COZZI** advised that a permanent commission cannot be created by resolution. **SHIELDS** offered that an ad-hoc commission may be considered at this time and adopted by resolution. He asked **VICK** to provide the clerk with revised text for a formal resolution to be introduced at the June 10th meeting. **DUBBER** was allowed to speak to the issue. He said he was a member of the Energy Task Force and that group spent a year "beating around the bush." He is concerned that a new energy commission would have the same problem. **VICK** agreed that the borough is not doing anything, and his intention is for this proposed commission and contractor to start accomplishing objectives. **SHIELDS** suggested that **DUBBER** get together with **VICK** to help work on the resolution language. **HOFFMAN** was allowed to speak and said he was also on the Energy Task Force. He asked the assembly to please get something going on alternative energy. **SMITH** asked about turning off street lights to conserve energy. **GONCE**, representing AP&T, said the borough currently pays for the vast majority of the street lights in town. It would be up to the borough to weigh the public's safety/quality of life versus energy conservation. He estimated that turning off lights would take a two-man line crew at each individual light (about \$220 each). **SMITH** said it might be worthwhile to shut-off 10% of the lights. He also wondered if the borough should consider more energy efficient bulbs.

11. NEW BUSINESS

A. Resolutions - None

B. Ordinances for Introduction

1. Ordinance 08-05-183

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

Motion by **VOGT**: Introduce Ordinance 08-05-183 and advance it to a first public hearing on June 10, 2008. It was seconded by **SMITH**. The motion carried unanimously.

C. Other New Business

1. Board Appointment - Tourism Advisory Board

Motion by **OLERUD**: Confirm the mayor's appointment of Gregg Johnson to the Tourism Advisory Board. It was seconded by **VOGT**. The motion carried unanimously.

2. New Manager Hire, Procedures, and Pay

WARD said the borough code stipulates an advertising minimum of one week. An increased salary is important in order to attract the caliber of candidates desired by the assembly. "The old notion that lifestyle is worth an additional 10% wage does not necessarily hold water for a professional position." He doesn't believe that the borough would necessarily be compelled to go through a very extensive search, because two very qualified individuals have already expressed interest. He noted that July 1st is the latest he can serve as interim manager because of other commitments, but he believes it is very possible to have a hire by that time. **VOGT** disagreed with the "Open Until Filled" deadline on the current advertisement. **WARD** agreed that a specified deadline date is important. He added that there should also be a hiring committee in place a head of time. **SHIELDS** suggested a deadline of Friday, June 6th. **OLERUD** countered with June 13th. **SHIELDS** agreed, and there was no objection. **SHIELDS** said he would like the assembly to review the applicants as a committee of the whole and shortlist for interviews. **VOGT** said checking references would be very important. **WARD** said that references may be checked on any applications as they come in. **VOGT** asked for reference checking protocol. **WARD** said it is essential to talk to people who are not on an applicant's reference list. If the person is a former municipal manager, the mayor should be calling someone on the council/assembly to talk about styles, etc. It should be understood by the applicants that references will be checked outside of the reference lists. **VICK** asked if background checks will be done on every applicant. **WARD** said that should only be done on the short-listed candidates, and the police department can do that on their system. **SHIELDS** said assembly members can check references, if desired. A log will go with each application so that calls are not duplicated.

3. Haines Assisted Living Facility CDBG Grant Signatories

WARD does not believe it would be prudent for him to be one of the signers of this grant since he will not be in the manager position long-term. In fact, he suggested that it is good for the mayor to sign contracts and grants as a general rule. **SMITH** said he is concerned about the borough's fiscal liability when signing this \$850K grant for the Haines Assisted Living Facility in the event the project doesn't work out. **VOGT** said the borough attorney should be available to anyone who is asked to sign. **OLERUD** suggested the borough clerk. **WARD** said he is not sure this is something the assembly should bestow upon the clerk. **HANSEN** explained that these funds are for senior citizens, and the building has to be used for those citizens for 20 years. He acknowledged that the borough does have a liability, but the assembly has been informed of that fact all along. He apologized if it was not clear. He said regular reporting is required and will include project updates. **SMITH** said it is an important project, and he asked **STUDLEY** about the clean-up in light of the fact that the legislature did not provide the money to pay for it. **STUDLEY** explained that the clean-up of the old A&P building site it is a project separate from the Assisted Living Facility. There is no contamination that will affect the construction site, and they do not believe it will affect the development. **HANSEN** said typically the mayor is the first signatory and then the treasurer. **STUART** clarified that there are different levels of signature authority.

Motion by **LAPHAM**: The mayor, manager, and chief fiscal officer shall be the signatories for the CDBG grant. It was seconded by **VOGT**. The motion carried unanimously.

4. Street Paving Projects - Discussion & Direction

WARD said the paving plans are progressing toward a late summer or early fall timeline. The goal is to get as much paving done as possible while the state paving equipment is mobilized in the area. **PND** does not believe it is realistic to add additional streets to the list given the window of time available this season. On the other hand, the assembly could add sidewalks, gutters, and curbs back into the project for the streets that are on the list by supplementing the project with additional dollars. He cautioned that the more complicated the project gets, the more difficult it would be to piggy-back onto the state's project. **OLERUD** noted that there will be a paving plant in the area for the next two years. He does not believe that

most of the streets on the list need sidewalks, curbs, and gutters. In fact, he thinks it would make it more difficult for snow removal. He would like to just see the project move forward as is. **SMITH** said that Third Avenue should be on the current project list because of the library and borough administration buildings. **LAPHAM** said he would not like to see curbs and sidewalks but rather widened shoulders for walking and cycling. **VOGT** agreed and, as an example, said the community needs a place to walk along First Avenue because of the seniors and the clinic. **WARD** said the borough has a storm drain system and it would be difficult to retrofit to add sidewalks, curbs, and gutters. **LAPHAM** interjected that the borough needs to make sure all culverts are newly installed. **WARD** said as a cost-saving measure, the 35% submittal was eliminated. The assembly agreed that it is important to add it back in as opposed to waiting for the 65% submittal. **SMITH** believes the town needs more sidewalks. **OLERUD** agreed with him but said not necessarily the streets that are scheduled for paving this year. **SHIELDS** asked **WARD** to check with PND about getting a 35% submittal.

5. Port Chilkoot Dock Pavilion Project

The mayor distributed drawings for the pavilion. **WARD** said there are no Army Corps permits in place, so it is unlikely that the project will happen this year. **OLERUD** asked if the site has been reviewed by the Planning Commission. [Not yet.] **VOGT** suggested a joint meeting with the Planning Commission and the Boat Harbor Advisory Committee. **SMITH** recommended an additional stall in the women's restroom. **SHIELDS** asked **WARD** to request cost estimates and ask for an additional women's stall. No assembly action was taken.

Motion to Reconsider by **VICK**: Reconsider the following motion:

Approve the new commercial tour activities as requested by Alaska Mountain Guides and require an annual review by the borough assembly. It was seconded by **VOGT**. The motion carried 4-1 with **SMITH** opposed, and the motion was once again on the table for deliberation.

S.GAFFNEY asked for at least two bus tours for Sundays for the Empress of the North dockings.

Motion to Amend by **VICK**: Approve only the bus tour portion of the Alaska Mountain Guide activity request and limit it to two tours on Sundays for the Empress of the North. It was seconded by **OLERUD**.

Motion to Amend the Amendment by **VOGT**: Temporarily approve the bus tours for the next two Sundays and revisit on June 10th. There was no second and the motion died.

OLERUD said two trips one day a week is not going to cause that much impact.

Motion to Amend the Amendment by **VICK**: Buses must be limited to the 24-passenger model when in the Chilkoot River Corridor. There was no second and the motion died.

The amendment motion carried unanimously.
The main motion carried unanimously in a roll call vote.

Final approved motion:

Approve only the bus tour portion of the new commercial tour activities requested by Alaska Mountain Guides limiting it to two tours on Sundays for the Empress of the North, and require an annual review by the borough assembly.

12. SET COMMITTEE MEETING DATES

June 17th, 6:30pm - Committee-of-the-Whole meeting to short-list borough manager applications

June 5th, 9:00am - Personnel Committee meeting to review applications for the Director of Public Facilities

13. PUBLIC COMMENTS

STUCKEY encouraged the borough to work with the Chilkoot Indian Association on alternative energy. **SHIELDS** asked him to meet with **VICK**.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

VICK announced that he may not be able to attend the June 24th meeting because of vacation plans.

15. ADJOURNMENT - 10:17pm

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

ATTEST:

Fred Shields, Mayor

Julie Cozzi, Borough Clerk