



Haines Borough
Borough Assembly Meeting #134
June 10, 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**, Deborah **VOGT**, and Jerry **LAPP**.

Staff Present: Bob **WARD**/Interim Borough Manager, Julie **COZZI**/Borough Clerk, Lori **STEPANSKY**/Tourism Director, Jila **STUART**/Chief Fiscal Officer, Gary **LOWE**/Chief of Police, and Debra **SCHNABEL**/Project Clerk.

Visitors Present: Jessica **EDWARDS**/CVN, Mike **WARD**, Darsie **CULBECK**, Sean **GAFFNEY**, Jason **GAFFNEY**, Norm **BLANK**, Jan **HILL**, Don and Karen **HESS**, Dave **OLERUD**, Mike **CASE**, Dan **WACKERMAN**, Dan **EGOLF**, Jane **WEAGANT**, John **NOWAK**, Thom **ELY**, Scott **TEAL**, Greg **STUCKEY**, Bart **HENDERSON**, Georgia **GIACOBBE**, Jennifer **NORTON**, Kelly **LOWE**, Stephanie **SCOTT**, Suzanne **SANDS**, Leonard **DUBBER**, Frank **HOLMES**, Thom **ELY**, Pam **RANGLES**, Joel **TELFORD**, Art **JESS**, Al **KELLY**, Vince **HANSEN**, Jim **STUDLEY**, Andrea **THOMAS**, Scott **THIELE**, Tom **MCGUIRE**, Dr. J. **BOWMAN**, John **WINGE**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

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

4. APPROVAL OF MINUTES - 5/27 Regular

5. PUBLIC COMMENTS

D.HESS read a statement appealing to the assembly to consider waiving berthing fees for the cruise ships to entice them to come to Haines. He said a lot of the Haines economy depends on the cruise ship traffic.

WACKERMAN informed the assembly that he is developing a hydrogen fuel production facility called "The Alaska New Energy Project." He is looking for the assembly's support for development and funding through the Alaska Energy Authority.

M.WARD asked if Haines is getting any of the sales tax money from the tourists coming over from Skagway. **SHIELDS** said Haines is. He went on to explain that the two communities have different tax structures. These differences are currently being worked out. Both communities want their fair share, but a business can/should only be taxed once.

ELY said the deadline for comments to the forest service regarding the Temsco Meade landing request is May 12. He believes that company has been operating within the Haines Borough without a permit for many years. The borough needs to inform the forest service that they should not issue a permit until local permitting laws have been complied with.

SCOTT said it is now time to return the AEA energy maps for analysis, but she does not know what course to take. **SHIELDS** suggested that she bring them in to the borough office and they will be sent off with a cover letter.

NOWAK asked the borough to consider removing the sales tax on heating fuel and reducing the sales tax on gasoline to a flat amount. He believes this would help the local economy since there are a lot of people on fixed incomes.

KELLY said there is no performance clause in the energy resolution and he believes there should be.

HENDERSON added to the comments by **D.HESS**. The prices of diesel have gone up over 75 cents/gallon since the season began. The net affect is that it makes tours in Haines more expensive for people to buy out of Skagway. So as the price of fuel goes up, the tour numbers go down. He said if Haines loses that pipeline of business coming out of Skagway, the local tour operators will have to shrink or shut down. A large volume of available tours is necessary to entice the cruise lines to come to Haines. He's concerned that Haines would lose the ships it currently has. Relying on visitors coming from Skagway is not sustainable for many more years. Four cruise ships a week in Haines within the next couple of years is the tipping point, in his opinion. Tourism is definitely one of the kingpins of the local economy. "The loss of Chilkat Cruises was very unfortunate. The community needs to pay attention to this."

6. MAYOR'S COMMENTS/REPORT

SHIELDS introduced Gary **LOWE** the new Chief of Police and his wife, Kelly. He announced a public welcome reception on Saturday, May 14, 3-5pm, at the Visitor Center.

Friday, May 13 is the application deadline for the borough manager position. The assembly members will familiarize themselves with the applications prior to the May 17 Committee-of-the-Whole meeting to shortlist the candidates.

The mayor said he received a request from a citizen to put an action item on the agenda. It asked assembly to consider rescinding the motion to terminate the manager. **SHIELDS** went on to explain that the borough manager is an at-will employee who

may be terminated with or without notice. The borough assembly chose to act without notice. The borough attorney has agreed that the assembly operated correctly within its purview.

7. PUBLIC HEARINGS

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

S.GAFFNEY thanked the assembly and community for taking more time to consider AMG's request. He said the company is committed to addressing the challenges and concerns raised during the last public hearing. He reiterated that they are basically asking to continue the bus tours that Chilkat Cruises was already conducting in those locations.

The mayor opened the public hearing at 7:09pm.

M.WARD said he is against cruise ship customers impacting the freshwater fisheries. He would like to see it limited to the saltwater on the Chilkoot side, because he believes the freshwater fishing is in jeopardy.

K.HESS supports the activities. She does not believe catch and release fishing will impact the resources.

HENDERSON said the proposal has a lot of merit, especially the bus tours. There has always been a market for them. With Chilkat Cruises closing, AMG is offering to pick up those tour activities.

ELY said a fishing tour on the Chilkoot River is inappropriate in his opinion. There's already so much going on out there.

Dave OLERUD stated that Haines doesn't really have bus tours inside the town anymore since the closure of Chilkat Cruises. The Bald Eagle Foundation is really hurting right now and needs the income those bus tours bring.

TEAL said he opposes all of the requested tours. He is concerned about impacts to the quality of life for the local residents.

T.MCGUIRE said he believes AMG is very professional and admirable, but the assembly should look at encouraging tours to take place in locations other than the Chilkoot River Corridor.

EGOLF proposed a moratorium on any new tours in the Chilkoot River Corridor area until there is a planning body established.

STUCKEY said it is not right for a local government to

prevent the AMG business from growing because of the government's failure to act. Most of AMG's tours are to replace the tours that were lost when Chilkat Cruises closed. They are very professional and have been working closely with the Chilkoot River Corridor planning group.

BLANK spoke against the proposed tour and fishing activities.

STEPANSKY said the visitor center gets a lot of requests for fishing, especially fly-fishing. A lot of people on their own in their own cars are part of the congestion. She sees this as a good company offering to fill a niche. AMG has shown nothing but a desire to be a part of the solution. She definitely supports it and would prefer to have someone to refer interested visitors to than just sending them to a tackle shop to go out on their own.

S.GAFFNEY responded to the bus parking concerns. He said the first campground spot will be renovated for three buses. It would take parking impact out of the current parking area and they would also be out of view.

The mayor called a brief recess at 7:30pm; the meeting reconvened at 7:46pm.

Motion by **LAPP**: Approve the new commercial bus tour route one activity as requested by Alaska Mountain Guides and authorize the Clerk to add them to their 2008 permit. It was seconded by **VICK**. The motion carried unanimously.

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

VOGT said the Chilkoot Lake part is problematic and she does not support it. **OLERUD** said these bus tours were operated by Chilkat Cruises, and continuing this with a different operator will not add to the congestion out there. **VICK** said he doesn't support it. **SMITH** said he is distraught about the Chilkoot River Corridor area and said it is a sacred historical place to the native citizens. **TELFORD** was called upon, and he said State Parks does not currently have a permit limit, and they have a non-competitive process. He agreed there are problems in that area; there is not enough room for everyone to do everything they want to do. He stated that the tour operators are an issue but are not the problem.

The motion carried 4-3 with **VICK**, **VOGT**, and **SMITH** opposed and **SHIELDS** breaking the tie in the affirmative. The mayor stipulated that it must come up for review next year before the assembly.

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

SMITH said he discussed this particular tour route with **J.GAFFNEY**. It stipulated an 18-mile stop, but there is no public pull-out there. He believes the stop should be at the 19-mile slide area instead. **J.GAFFNEY** agreed.

The motion carried unanimously.

Motion by **OLERUD**: Approve the new commercial fishing tour activity along the Chilkat River as requested by Alaska Mountain Guides and authorize the Clerk to add it to their 2008 permit. It was seconded by **LAPP**.

OLERUD asked **S.GAFFNEY** if AMG is marketing the fishing to the cruise ships or if it's just being offered to existing clients coming into town. **S.GAFFNEY** said it is for the existing customers. **OLERUD** suggested that if the company wants to offer it to the cruise ships, they have to come back to the assembly. This would provide an opportunity to judge the impacts on the smaller numbers. **M.WARD** asked if the Upper Lynn Canal Fish & Game Advisory Committee had been consulted. [No] **SHIELDS** recommended that they look at it next year. **SMITH** said he received citizen comments opposed to the fishing tours. He read aloud the comments he received from John Katzeek. He went on to lament how much the local fisheries are being impacted by nonlocals. **OLERUD** said this is a resource that the borough shares with the rest of the country. Out of town people can go out fishing on their own for a day by renting a car and getting tackle. He added that it would be better to have a guide. Whether or not this permit is granted, there will still be people going out fishing. He reiterated that it would be better to go out with experienced guides.

Motion to amend by **VICK**: This approval should include a requirement to return to the assembly next year with input from the Upper Lynn Canal Fish & Game Advisory Board. It was seconded by **OLERUD**. The amendment motion carried unanimously.

The main motion carried 5-1 with **SMITH** opposed.

Motion by **OLERUD**: Approve the new commercial fishing tour activity along the Chilkoot River as requested by Alaska Mountain Guides and authorize the Clerk to add it to their 2008 permit. Permit renewal will require a return to the assembly with input from the Upper Lynn Canal Fish & Game Advisory Board. It was seconded by **LAPHAM**. The motion failed 1-5 with **LAPHAM, SMITH, LAPP, VICK, and VOGT** opposed.

Motion by **OLERUD**: Approve the new commercial fishing tour activity along the Chilkoot Lake as requested by Alaska Mountain Guides and authorize the Clerk to add it to their 2008 permit. Permit renewal will require a return to the assembly with input from the Upper Lynn Canal Fish & Game Advisory Board. It was seconded by **LAPP**. The motion failed 3-4 with **VICK**, **SMITH**, and **VOGT** opposed, and **SHIELDS** breaking the tie in the negative.

Motion by **VOGT**: Approve the new commercial fishing tour activity in the Lynn Canal as requested by Alaska Mountain Guides and authorize the Clerk to add it to their 2008 permit. Permit renewal will require a return to the assembly with input from the Upper Lynn Canal Fish & Game Advisory Board. It was seconded by **OLERUD**. The motion carried 5-1 with **SMITH** opposed.

B. Ordinance 08-05-182 - second 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 8:10pm; there were no comments.

Motion by **LAPHAM**: Adopt Ordinance 08-05-182. It was seconded by **VOGT**. The motion carried unanimously in a roll call vote.

C. Ordinance 08-05-183 - first 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 8:12pm; there were no comments.

Motion by **LAPHAM**: Advance Ordinance 08-05-183 to a second public hearing on June 24, 2008. It was seconded by **VOGT**. The motion carried unanimously.

8. STAFF REPORTS

A. Borough Manager

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

- **Young Road/Water Tank Projects**
- **Street Paving**
- **Visitor Pavilion Project**
- **Borough Manager Search**
- **Director of Public Facilities**
- **Recommendations and Comments regarding Agenda Items**

K.HESS suggested that the visitor pavilion be located on the dock. **SHIELDS** asked if the Tourism Advisory Board (TAB)

should look at that suggestion. **B.WARD** recommended that both the TAB and Planning Commission look at the idea. He noted that in the next year a trestle replacement is planned. **VOGT** said she is philosophically opposed to the idea of placing the pavilion right on the dock. **LAPHAM** suggested buying the property across the street for the restrooms.

Regarding the Director of Public Facilities (DPF) position, **B.WARD** said the borough received no qualified applicants as a result of the second advertising attempt. There are some big complicated projects on the horizon that will require an engineer to keep an eye on the contractor and on the engineering firm. He went on to comment that an overall evaluation of the borough's pay scale needs to happen in order to keep the good people the borough already has and to attract qualified people for the open positions. **VOGT** said she supports advertising the DPF position with a higher "dependent on experience" wage. There was no objection to advertising the position again.

- * 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
- * L. Waterfront Improvement Committee

The mayor called a brief recess at 8:40pm; the meeting reconvened at 8:48pm.

10. OLD BUSINESS - None

11. NEW BUSINESS

A. Resolutions

1. Resolution 08-06-123

An resolution of the Haines Borough Assembly appointing an ad-hoc energy and sustainability commission and

authorizing the borough manager to contract an energy and sustainability coordinator to assist the borough in maintaining and ensuring energy security.

Motion by **VICK**: Adopt Resolution 08-06-123. It was seconded by **VOGT**.

Motion to Amend by **VICK**: Add subsection d(1) in Section 4, as follows:

The borough manager shall hire an energy rater to conduct an energy audit on three borough facilities, as selected by the Energy and Sustainability Commission, not to exceed \$1,000 per facility.

The amendment motion was seconded by **VOGT**.

OLERUD suggested just hiring someone to do energy audits on all of the borough's buildings as opposed to having an energy coordinator. **B.WARD** suggested that a better place for the amendment text would be to add it as subsection G under Section 3.

Motion to Amend the Amendment by **VICK**: Put the energy audit text as subsection G under Section 3. It was seconded by **LAPHAM**. The motion to amend the amendment carried unanimously.

LAPHAM asked why only three buildings. **VICK** said he just wanted to get it started with the three worst buildings.

The amendment motion carried 4-2 with **LAPP** and **OLERUD** opposed.

VICK said there is funding out there, and the borough just has to get in line for it.

Motion to amendment by **LAPHAM**: Change Section 1 as follows:

Section 1. ~~Supports~~ Agrees to the development and implementation of action plans to reduce energy consumption for all borough facilities and activities;

It was seconded by **VICK**. The motion to amend carried unanimously.

LAPHAM said he would like to make certain the contractor answers to the manager who will then report to the assembly. There should be some collaborative effort that goes on between the assembly and the commission. **B.WARD** does not believe that the manager would be giving direction in a vacuum without communicating with the commission and assembly. It is not necessary for all of the details to be ironed out in the resolution. The contract can contain more specifics. **LAPHAM** said the resolution is still not tight enough to make him comfortable. He would like to see wood heat added as

something to look at immediately. **VICK** said he met with **DUBBER** about wood heat and believes that wood is included in the term "alternative energy." **WACKERMAN** was allowed to speak, and he would like the resolution to also include electric heating systems. **SCHNABEL** asked if the assembly sees this as a mechanism for taking immediate action to solve the existing problems as opposed to developing another study requiring a grant writer after the year to look for funds. **OLERUD** said he would rather spend the money on insulating the water plant. The borough already knows about many problems, and the money needs to go to solve those. He believes the resolution is too open-ended and he is against it. **VICK** said without an energy audit, the borough will not be eligible for AEA funds to fix problems. **VOGT** believes this resolution is an action plan that the borough needs to get going on.

Motion to Amend by **VOGT**: Add the following to Section 2:

Section 2. ~~Appoints~~ **Requests the mayor to appoint** a nine-member ad-hoc Energy and Sustainability Commission...

Make the following change to Section 2(D):

d. To provide a ~~biannual~~ "energy consumption" assessments. The assessments shall be included in a **quarterly** reports provided to the assembly and the public.

It was seconded by **LAPHAM**. The amendment motion carried 5-1 with **OLERUD** opposed.

Motion to Amend by **VICK**: Add the following to Section 4(b):

b. Investigate the transfer to an alternative energy heating system, **including bio-mass**.

It was seconded by **SMITH**. The amendment motion carried unanimously.

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

2. Resolution 08-06-124

An resolution of the Haines Borough Assembly asking the State of Alaska to provide funding to support bear monitor staffing and establish a management plan for the Chilkoot River Corridor.

Motion by **VOGT**: Adopt Resolution 08-06-124. It was seconded by **SMITH**.

RANGLES briefly summarized resolution. **VOGT** recommended amendments.

Motion to Amend by **VOGT**: Add the following text pertaining to *bear crossings* to the resolution:

WHEREAS, community members and fish and game biologists have talked for years about the desirability of designated crossings for bears on the road, which would allow the bears uninterrupted access to the river without encountering people; and

WHEREAS, it is possible that bear crossings could be established immediately even before a management plan is developed; and

WHEREAS, bear crossings would be an immediate way to minimize bear-human contact,

And, add the following text pertaining to the *agency in charge*:

WHEREAS, a single state agency should have the responsibility to develop a management plan for the corridor,

[resolved]...“We also request funding for the State Division of Parks to create the Chilkoot special management area, develop a management plan, and implement the plan.

The amendment motion was seconded by **VICK**.

SMITH said he doesn't want to end up having to pay to get into his own park. **VOGT** said the model in mind is like the Kenai River special use district. It's important to have one agency in charge in that area, not four. **SMITH** expressed discomfort with the idea and asked if the Chilkoot River Corridor Committee representatives present could give their opinions. **EGOLF** said none of the user groups would be charged or impacted. He believes State Parks is the best choice to take the lead. **BLANK** said regardless of the lead agency, decisions will be made in a community forum. He said the idea doesn't scare him. **S.GAFFNEY** said it is the only possible way. There has to be a homogenous entity with one lead agency. **RANGLES** said with all of the stakeholders, it would be impossible for one agency to take over.

The amendment motion carried unanimously.

Motion to Amend by **VOGT**: Move forward with asking for bear crossings to be installed as soon as possible by adding the following text to the resolution:

BE IT FURTHER RESOLVED that the assembly requests that the State Department of Transportation and the State Department of Fish and Game meet and explore whether bear crossing can be immediately implemented, and if so, where they should go.

The motion was seconded by **SMITH**. The amendment motion carried 5-1 with **OLERUD** opposed.

The main motion carried unanimously in a roll call vote.

B. Ordinances for Introduction - None

C. Other New Business**1. Second-Hand Smoke - Haines Partnership for Healthy Living**

BOWMAN narrated a PowerPoint presentation regarding second-hand smoke that included the results of a January 2008 household survey. He said that SEARHC will be bringing a proposal to the assembly in the near future.

2. Bald Eagle Foundation Eagle Mew/Raptor Center

Dave OLERUD appreciates the assistance he got from Robert Venables and Rep. Thomas in getting the \$375K legislative grant for the American Bald Eagle Foundation (ABEF). He would like to have some understanding of how a pass-through grant works. **B.WARD** said the state is channeling the money through the borough. He spoke with the CFO about it, and functionally speaking, now that the appropriations have been approved by the Governor's office, the borough should be receiving requests for project descriptions on the grant (with input from the foundation). After that, the borough waits for the grant money; it does not usually become available until sometime after July 1st. He advised that it's often incumbent on the borough to offer upfront money and then seek reimbursement from the state. **VOGT** said if there are any costs involved with handling this grant, the borough should recoup that. **SMITH** said the borough usually charges an administrative fee for handling grant monies. **LAPP** agreed and said the norm has been about 1%. **SHIELDS** agreed that the borough incurs costs. **Dave OLERUD** expressed frustration with the bureaucracy delaying the receipt of funds to the foundation. **SHIELDS** said the development plan first needs to be presented by ABEF. **B.WARD** said the approved grant documents have to be in hand before any upfront money may be given to the ABEF. He added that it's probably the most time-consuming portion of the granting process. **OLERUD** said the ABEF needs to know what the administrative costs will be before they can complete their development plan. He noted that there were some earlier discussions that this would be a complete pass-through without an administrative fee attached. **SHIELDS** said it's probably not right for the borough to incur costs without recouping them. **B.WARD** said 1-2% would be the maximum. He offered to have a conversation with Rep. Thomas and the granting agency to see if they could appropriate directly to ABEF. **VOGT** suggested that the borough manager confer with the CFO on the project administration costs. **SMITH** commented that the borough might consider donating the administration fee to the ABEF.

3. Board Appointment - Planning Commission

Motion by **OLERUD**: Confirm the mayor's appointment of Andy Hedden to the Planning Commission. It was seconded by **VOGT**. The motion carried unanimously.

4. Hire Library Director

Motion by **OLERUD**: Confirm the hire of Nanette Miller as the new Library Director at step four. It was seconded by **VICK**. The motion carried unanimously.

5. Animal Control Services Contract - HARK

B.WARD said the Haines Animal Rescue Kennel (HARK) representatives made a compelling argument for more money to continue to provide the same level of service. They don't want the euthanasia part included in the contract but still plan to continue the service. They also don't have the funding to pay someone for 24-hour on-call animal control service. The police department can cover when HARK is not available. One thing they won't do is try to secure a vicious animal.

Motion by **LAPP**: Approve the amended HARK contract. It was seconded by **SMITH**.

SMITH asked if the new Chief of Police is ready to take this on. He believes this is a backwards step and questioned that the police department really understands what they would be getting back into. **GIACOBBE** explained that HARK has to pay an employee for all down time and to pay for a cell phone for the 24/7 on-call service. There would be nothing to prevent the police department from contacting HARK to come out and deal with it. HARK operates 7:00am to 7:00pm seven days a week. **OLERUD** asked what the new chief thinks. **LOWE** said he is obviously brand new to the community but the police department will do what it can to help reduce expenses.

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

12. SET COMMITTEE MEETING DATES

June 17, 6:30pm the assembly will meet as a committee-of-the-whole to short-list borough manager applicants. **VICK** said he will be gone but may call in to participate via teleconference.

13. PUBLIC COMMENTS

K.HESS clarified that the request to waive berthing fees is for the 2009 cruise ship season.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SHIELDS said recommendations will be brought to the assembly with a fiscal note.

B.WARD gave an update on Temsco. They are currently operating on the Meade Glacier, and he informed them that he will resurrect the permitting process. **SMITH** reminded the assembly that this is not just an issue of permitting but of sales tax, as well. **VOGT** recommended that the borough inform the Forest Service that we will be reviewing the permit process.

LAPHAM asked **HESS** and **HENDERSON** if there is any wiggle room for a reduced fee (like half-price) that would still entice them the cruise ships as opposed to charging nothing.[They will consider it.] The manager was asked to provide information on the current docking fees for the next meeting.

VICK said he may be absent from the June 24th meeting and will also miss both meetings in July for job-related reasons. He asked to be excused.

15. ADJOURNMENT - 10:28pm

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

ATTEST:

Fred Shields, Mayor

Julie Cozzi, Borough Clerk