



Haines Borough  
Borough Assembly Meeting #136  
July 8, 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**, Norm **SMITH**, Pete **LAPHAM**, Deborah **VOGT**, and Jerry **LAPP**. **Absent:** Steve **VICK** (excused)

Motion by **VOGT**: Excuse **VICK** from this meeting. It was seconded by **LAPP**. The motion carried unanimously.

**Staff Present:** Julie **COZZI**/Borough Clerk and Acting Manager, Jila **STUART**/Chief Fiscal Officer, Gary **LOWE**/Chief of Police, and Debra **SCHNABEL**/Project Clerk.

**Visitors Present:** Jessica **EDWARDS**/CVN, Lucy **HARRELL**, James **STUDLEY**, Greg **STUCKEY**, Daniel **GONCE**, Alfred **KELLY**, Kelly **LOWE**, Christy **FOWLER**, Nick **TRIMBLE**, Matthew **BORISH**, Helen **TENG**s, Nellie **DALE**, Paula **MARTIN**, Jackie **MARTIN**, Don **TURNER** Jr., George **FIGDOR**, Lee **HEINMILLER**, Carolyn **WEISHAHN**, Scott **SUNDBERG**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

Remove Public Hearing Item 7C - Temsco Permit (VOGT)

Add Old Business Item 10A - Haines Assisted Living (SHIELDS)

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

- \*4. APPROVAL OF MINUTES - 6/24 Regular

5. PUBLIC COMMENTS

**WEISHAHN** asked when the 2008 Heliski Use reports will be released. She also requested a response to her April 25<sup>th</sup> complaint form that reported helicopter flight path deviations. In it, she proposed fines and GPS monitoring systems. **COZZI** responded that the use report is expected to come out by the end of the week. Regarding the deviation allegations, she explained that the heliski permit holders have all denied that they violated the authorized areas on the helicopter map. **LAPHAM** said that the Commerce Committee has been discussing the issue of GPS monitoring.

6. MAYOR'S COMMENTS/REPORT

**SHIELDS** reported that the ice house required emergency repairs (handled in-house) but was up and running in time to sell

\$1,000 worth of ice over the 4<sup>th</sup> of July weekend. Regarding the swimming pool, he said Chester Pools, the original manufacturer of the pool, will be sending one of their engineers very soon to inspect it.

The mayor said the assembly met in special session on July 7<sup>th</sup> to discuss the borough manager candidates and decided to offer the position to Michael Whitaker of Billings, Montana. He has not yet accepted. **SHIELDS** said he checked references, and they were all very good. He asked the assembly if they would feel comfortable hiring the second candidate if Whitaker does not accept the job. He explained that making a contingency decision now could prevent another special meeting. **LAPHAM** said if Whitaker doesn't accept, he would want to know why. **VOGT** said she also checked references and got excellent reports. She is very happy he has been offered the job.

**Motion** by **VOGT**: Offer the borough manager position to John Stein if Michael Whitaker decides not to accept the offer. It was seconded by **SMITH**.

There was discussion about the value of meeting to determine the best course of action should the Whitaker offer be turned down.

**Motion** by **VOGT**: Table the motion. It was seconded by **LAPP**. The motion carried unanimously.

## **7. PUBLIC HEARINGS**

### **A. Ordinance 08-06-184 - first hearing**

**An ordinance of the Haines Borough amending borough code Title 18 Section 18.100.050(A), Preliminary Plat, to require planning commission review of preliminary plats at an earlier stage.**

The mayor opened and closed the public hearing at 6:50pm; there were no comments.

**Motion** by **LAPP**: Advance Ordinance 08-06-184 to a second public hearing on July 22, 2008. It was seconded by **VOGT**. The motion carried unanimously.

### **B. Ordinance 08-06-185 - first hearing**

**An ordinance of the Haines Borough amending the official zoning map to change one parcel of property zoned light commercial to a multiple residential zone.**

The mayor opened the public hearing at 6:51pm. **STUCKEY** spoke in favor of this ordinance.

Hearing no further comments, the mayor closed the public hearing at 6:52.

**Motion** by **VOGT**: Advance Ordinance 08-06-185 to a second public hearing on July 22, 2008. It was seconded by **SMITH**. The motion carried unanimously.

#### **8. STAFF REPORTS**

- \* A. Borough Manager
- 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 July 7<sup>th</sup> specifically regarding Temsco and needed efforts to bring the company into compliance with the borough's code pertaining to permits. The committee briefly discussed sales taxes and recommends going retroactively to January 2008. He said the tours start from Skagway and don't make contact with Haines aside from landing on the two glaciers. Additionally, he referenced Bob Ward's departing memo regarding Haines benefiting from Skagway's tourism economy. The committee recommends issuing Temsco a permit and then negotiate with them regarding the taxes. **VOGT** said there is a question as to whether or not the borough has the power to abate tax. She is not happy about dragging the matter on, but said there have been mixed messages. She hopes it can be settled without getting into a legal battle.

##### **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. Haines Assisted Living (HAL) Facility**

(Added during agenda approval)

**STUDLEY** explained the need for the assembly's support on the HUD 202 program for the five HUD units that would be for the poorest of the poor among those seniors who would be in the

facility. The application amount for these units is 1,049,000. Alaska Housing determined that only 8 units were needed, but HAL believes a minimum of 12 is needed to pay for operating expenses. **SMITH** questioned the discrepancy in the projected cost---The five HUD units are estimated at a significantly lower cost than the others. **HARRELL** explained that the first 8 units would be carrying the full cost of the engineering, heating, central areas, etc. The 5 HUD units are piggy-backing onto that, so the project cost for them is less than the others.

**Motion** by **LAPP**: Approve the mayor to send a letter in support of the *HUD 202* program for the Haines Assisted Living project. It was seconded by **LAPHAM**.

**SMITH** said it is a tremendous amount of money for a few people. He's not knocking the HAL program but is questioning the value for the small number of people it will take care of.

The motion carried 4-1 with **SMITH** opposed.

#### **11. NEW BUSINESS**

**A. Resolutions** - None

**B. Ordinances for Introduction** - None

**C. Other New Business**

##### **1. Young Road Water & Road Improvements Project**

**Motion** by **LAPP**: Award a contract to sole-bidder Southeast Road Builders for \$481,828 for the Young Road Water & Road Improvements project. It was seconded by **OLERUD**. The motion carried unanimously in a roll call vote.

##### **2. Young Road Bolted Steel Water Tank Project**

**Motion** by **LAPHAM**: Award a contract to low-bidder Shearer & Associates in the total amount of \$638,877 to supply, install, & insulate the Young Road Bolted Steel Water Tank and to insulate the Skyline water tank. It was seconded by **LAPP**. The motion carried 4-1 in a roll call vote with **SMITH** opposed.

##### **3. Abatement and/or Demolition of Old School Buildings**

**LAPP** said he would rather the school funds pay for project additives rather than abating and demolishing the old buildings. **OLERUD** doesn't believe the borough should accept the old elementary school building from the school district while they are using it as storage. The primary school has already been accepted, he believes. **SHIELDS** said it costs more to remodel than new construction. He did a walk-through with Bob Ward and Michael Byer and is convinced that both buildings should be demolished. The

borough should head in that direction starting with primary school building abatement. **OLERUD** wants to demolish both buildings. He does not believe it is right for the school district to put a huge liability on the borough taxpayers to assume the cost of abatement/demolition. **SCHNABEL** noted that the borough has a quote to abate the primary school for *demolition*, not for *renovation*. **TURNER** was allowed to speak, and he said the abatement/demolition was in the original school construction bids. If the borough assumes the cost, state or federal money is needed to help defer part of it. **SHIELDS** explained that abatement refers to the asbestos. **SCHNABEL** added that it also includes vinyl tile and gypsum wallboard. **OLERUD** said the school district needs to step up and take some responsibility for this and help out the borough. If the cost comes from the school project funds, it costs the taxpayers only 30% on the dollar as opposed to 100% if it comes out of the borough general fund. **SCHNABEL** asked the assembly to overrule the Oversight & Planning Committee's recommendation, because the abatement and demolition of the old buildings is a part of the project. **VOGT** said she is convinced that both buildings should be demolished.

**Motion** by **VOGT**: Direct the Oversight & Planning Committee to reconsider abatement and perhaps demolish both the primary and elementary buildings as much as possible in an incremental way. It was seconded by **LAPP**.

**SMITH** objected to the gymnasium being destroyed.

**Motion to Amend** by **SMITH**: Amend the motion to exclude the gymnasium from the elementary school demolition. It was seconded by **OLERUD** for the sake of discussion.

**OLERUD** wondered if the gym would stand by itself since there would have to be fire suppression, restrooms, a heating system, etc. **SMITH** said he believes it would cost 2.5 million to build another gym. **VOGT** said she suspects there will not be enough money to demolish the elementary school building at this time anyway.

The amendment motion failed 1-4 with **OLERUD**, **LAPHAM**, **LAPP**, and **VOGT** opposed.

The main motion carried 4-1 with **SMITH** opposed.

**STUDLEY** was allowed to comment. He said the abatement portion could be a lot cheaper than the demolition portion and advised the assembly that some local companies would probably charge

less to demolish them than the abatement experts. He also noted that the borough will need an EPA permit to tear down any old buildings.

#### **4. Sandstrom Subdivision Deed/Platting Issues**

**DALE** said the first Muncaster survey was in 1962 but, at some point, the lot numbers were changed and everything became messed up. She claimed that none of the property owners can get a title because of the confusion. In her opinion, the mistake's origin needs to be determined, and the property owners should not have to bear the expense of correcting it. **J.MARTIN** explained that the borough has different numbers. The owners don't own on paper what they think they own. **P.MARTIN** said she has no reason to doubt her paperwork. **DALE** said it will have to be resurveyed. They may be paying the wrong taxes on their property. **HEINMILLER** said the first subdivision of Muncaster was surveyed when the descriptions were recorded as metes and bounds. The recording happened when the Haines Recording District was located here. He said that there are actually two different subdivisions involved. **VOGT** suggested a referral to the Government Affairs & Services Committee, and the mayor agreed.

#### **12. SET COMMITTEE MEETING DATES**

The Government Affairs and Services Committee will meet on Tuesday, 7/15, at 6:30pm to discuss the Sandstrom Subdivision issue.

#### **13. PUBLIC COMMENTS**

**KELLY** said he is concerned that bringing Bob Ward back for 30 days to train the new manager will mean the borough will be paying for three managers in the month of August (counting former manager Venables' severance pay).

**WEISHAHN** said she would appreciate a written response to her heliskiing complaint. Regarding Temsco, she is concerned that the public process will be circumvented if the attorneys discuss a settlement. She believes that if there is a proposal from the attorneys, it should come to the public as a meeting agenda item. She added that the current borough code won't allow the borough to issue a permit to Temsco; it would require an amendment. Additionally, the helicopter map would require an amendment in such a way that it follows where Temsco plans to land. **LAPHAM** said the Commerce Committee recommends that the Temsco tour permit be very specific and limited to tours that begin in Skagway. **VOGT** disagreed with **WEISHAHN**'s assertion that the current code would not allow a Temsco permit.

**FIGDOR** urged the assembly to act cautiously so as not to circumvent the original intent of the law. It doesn't seem plausible to deny Temsco's permit application, but the original ordinance needs to be honored. He believes that the borough should just reconcile this historic issue rather than sending a message that it is possible to get around the laws. He noted that Kensington Mine had to get a permit from the City and Borough of Juneau even though the mine is located on Federal and/or State land. He doesn't believe Temsco's attorneys are correct in their opinion that a Haines Borough permit is not necessary. **TURNER** asked the borough to work with Temsco, collect tax money from them, and let them operate.

**14. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

**LAPP** said if Whitaker doesn't accept the job, he would feel more comfortable talking about the next step at the next assembly meeting. **VOGT** said if he turns it down, it seems that the borough should go on to the next available candidate. **OLERUD** said he would still prefer to discuss it with the rest of the assembly before proceeding. **LAPHAM** agreed.

**SMITH** said Texas billionaire T. Boone Pickens has proposed to build wind generators all across America. He encouraged the rest of the assembly to check out the website: [www.pickensplan.com](http://www.pickensplan.com).

**15. ADJOURNMENT** - 8:09pm

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

ATTEST:

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Fred Shields, Mayor

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Julie Cozzi, Borough Clerk