



Haines Borough
Borough Assembly Meeting #137
July 22, 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 **SMITH**: Excuse **VICK** from this meeting. It was seconded by **VOGT**. The motion carried unanimously.

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

Visitors Present: Daniel **GONCE**, Alfred **KELLY**, Joe **POOR**, Dan **WACKERMAN**, Stephanie **SCOTT**, Jack **WENNER**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

Add New Business Item 11C6 - Sales Tax Relief (**SHIELDS**)

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

- *4. APPROVAL OF MINUTES - 7/8 Regular, 7/7 Special, 7/14 Special

5. PUBLIC COMMENTS

POOR said the assembly is obligated to maintain the public's facilities but no policies have been established for staff to attend to and no funding has been identified. He believes the officials owe the community an apology. He encouraged the assembly to make an effort to hire a manager that has the skills to deal with the deferred maintenance. He suggested a bonus or incentive program to encourage employees to save money and resources. **SHIELDS** responded by saying this particular assembly has been actively working to reverse the neglect of the past including establishing an Energy Commission.

6. MAYOR'S COMMENTS/REPORT

SHIELDS brought up the crosswalk issue along Haines Highway to the school. He suggested that the borough paint a crosswalk, call it one, and let the state deal with it. **SMITH** said when he served on the former City Council, the issue of crosswalks was brought up but there was extreme opposition from the state. It's a serious safety issue, and he believes the borough should put a crosswalk wherever it wants. **LAPHAM** agreed that it is a real safety concern. He doesn't have a problem with putting in crosswalks, but he does have an issue with putting one in a 35

mph zone. **VOGT** asked if the borough can change the speed limit. **LAPHAM** responded that the state has usually been receptive to local government requests for this type of thing. **SHIELDS** said he will meet with the school safety committee.

SHIELDS informed the assembly that Otto Towing has submitted a \$20K bill to the borough for towing and storage of abandoned vehicles over the past 12 months. The borough needs a towing company, so the problem needs to be resolved. Also, the borough should take steps to bring a barge in to remove scrap cars and other scrap metal. **LOWE** said the towing storage fees are limited to 60 days by state law. **OLERUD** asked if the borough has been billed by Otto before and wondered why the bill was submitted so late. **VOGT** suggested that the borough might go after PFD garnishment for the registered vehicle owners. **SMITH** said he will never vote to pay a towing bill.

Regarding Temsco, **SHIELDS** said he talked with the borough attorney who has been trying to make contact with Temsco's attorney in an effort to move the situation forward. He has yet to get a call back. Yesterday, the mayor spoke with the company owner and explained that the situation is more tenuous if they don't come to the table to get a permit. The hope is to find a way to resolve this between the two parties without expensive attorney involvement. **VOGT** said she is inclined to give them a permit but at some point they need to come to the table. If they don't, there needs to be consequences. **SMITH** added that if the borough doesn't enforce the code which requires a permit, it will set a bad precedent. It's a slap in the face to those who are complying with the permitting laws. **SHIELDS** said that, as of yesterday, Temsco and the borough are talking. He believes it is still negotiable.

7. PUBLIC HEARINGS

A. Ordinance 08-06-184 - second 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 6:58pm; there were no comments.

Motion by LAPP: Adopt Ordinance 08-06-184. It was seconded by **VOGT**. The motion carried unanimously in a roll call vote.

B. Ordinance 08-06-185 - second 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 and closed the public hearing at 7:02pm; there were no comments.

Motion by **VOGT**: Adopt Ordinance 08-06-185. It was seconded by **SMITH** for the sake of discussion.

SMITH expressed disappointment that no one from the planning commission or Chilkoot Indian Association is present at this meeting. He said he has heard that the construction company that was developing the new subdivision has been dissolved. He cannot support the rezoning at this point because it appears that the project won't happen anytime in the near future. Unless there's a change in CIA's approach or another construction company gets involved, it should stay the way it is. **LAPHAM** said there's nothing that precludes a road through commercial property. **VOGT** clarified that this is the Port Chilkoot Company property adjoining the CIA parcel. The commission has already approved this rezoning request. The subdivision may be built by someone else, but it is part of the total plan and should be addressed as a package.

The motion failed 1-4 in a roll call vote with **OLERUD**, **LAPP**, **LAPHAM**, and **SMITH** opposed.

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
- B. Finance & Budget
- C. Personnel
- D. Government Affairs & Services

VOGT said the committee met regarding the Sandstrom Subdivision platting and deed confusion. One of the property owners, Tony Tengs, is trying to figure out the discrepancies, but it is out of the borough's hands.

- 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

11. NEW BUSINESS

A. Resolutions

1. Resolution 08-07-127

A resolution of the Haines Borough Assembly readopting the water-sewer rate schedule to remove duplicate fees and to include metered commercial rates authorized by code.

Motion by **LAPHAM**: Adopt Resolution 08-07-127. It was seconded by **VOGT**.

VOGT said that Ira Henry called concerning the Chisel Building. He raised the point that he is paying twice for water. If he's paying for metered usage, he shouldn't have to also pay for each apartment. **SMITH** said there are also numerous households that use more water than the small businesses, so the pricing structure needs to be addressed. He explained that back in the seventies, there were water meters put in everywhere, but over the years they haven't been maintained.

The motion carried unanimously in a roll call vote.

2. Resolution 08-07-128

A resolution of the Haines Borough Assembly authorizing and designating certain persons to sign and endorse checks pertaining to certain bank accounts.

Motion by **LAPP**: Adopt Resolution 08-07-128. It was seconded by **LAPHAM**. The motion carried unanimously in a roll call vote.

3. Resolution 08-07-129

A resolution of the Haines Borough Assembly authorizing the mayor, deputy mayor, chief fiscal officer, and borough clerk as signatories for the borough's security cash accounts and investments.

Motion by **LAPHAM**: Adopt Resolution 08-07-129. It was seconded by **VOGT**. The motion carried unanimously in a roll call vote.

B. Ordinances for Introduction - None

C. Other New Business

1. Authorize Pool Repair Contract

Motion by **LAPP**: Accept the proposal from Dawson Construction, Inc. for repair of the pool in the amount of \$120,353 and order the project to begin immediately. It was seconded by **LAPHAM**.

OLERUD asked how much money has been spent on pool repairs so far. **SCHNABEL** said approximately \$300K in CIP and grant money of which \$119K remains.

The motion carried unanimously in a roll call vote.

2. Energy & Sustainability Commission Appointments

The mayor said every applicant is well qualified. He recommends appointing Heddon, Hanson, Gonce, Lidholm, Wackerman, Kirkpatrick, Aronson, Holmes, and Moody with Steve Vick as the assembly liaison.

Motion by **VOGT**: Confirm the mayor's recommended appointments to the new Energy & Sustainability Commission. It was seconded by **LAPP** for discussion purposes.

VOGT said the borough is very fortunate that so many high-caliber people applied. **LAPHAM** said Dubber should be appointed because he has done a lot of research and background study regarding biofuel, wood, and pellets. **SHIELDS** said it wasn't easy to narrow down since all applicants are great. He believes Dubber will participate anyway. **LAPP** said he would prefer Dubber rather than Kirkpatrick. **SMITH** asked why all applicants can't be appointed. **OLERUD** said the resolution stipulated a 9-member commission; a 13-member group would be difficult to manage.

Motion to amend by **OLERUD**: Amend mayor's appointment recommendations by appointing Dubber rather than Kirkpatrick. It was seconded by **LAPHAM**. The amendment motion carried 4-1 with **VOGT** opposed.

The main motion carried unanimously in a roll call vote.

3. Tsirku River Bridge Contract Award

Motion by **LAPP**: Award a contract to Paul Simpson for construction of a seasonal bridge for the Tsirku River and adopt the financing plan to provide the local match. It was seconded by **OLERUD**.

SCHNABEL explained that this is primarily funded by a recreational trails grant because it is an area-wide recreational facility. The Historic Dalton Trail RMSA Board also recognizes that it is a means of winter access for residents in the Subzone 2 area (Chilkat Lake). The previous bridge collapsed after 30 years of use. Time is of the essence because ordering of the material has to take place immediately for this bridge to be completed and installed by the end of October, when it is historically needed. The original project cost was \$62K but it is now a \$75K project. She noted that the borough is receiving the entire reimbursable \$50K grant provided that a borough match of \$12K is also spent. The State of Alaska will own the bridge, because they own whatever they pay more than \$5K for, but they're happy to let the borough have it. Subzone 2 residents understand that they will be responsible for installing and uninstalling the bridge every year as they always have. A

representative of this subzone will propose an annual budget to hire a loader to install the bridge, and the residents will be taxed accordingly.

The motion carried unanimously in a roll call vote.

4. Set a Hearing Date for the Mt.Riley LID Assessment Roll

Motion by **VOGT**: Schedule a Hearing for August 12, 2008 on the Mt. Riley Road Electrification LID assessment roll as required by code. It was seconded by **LAPP**. The motion carried unanimously.

5. Purchase Waterfront Property Across from PC Dock

SMITH believes the issue of restrooms for the cruise passengers has gotten out of hand. He believes the \$230K asking price for the property is too high. **OLERUD** said the borough should not have any interest in acquiring new land because it isn't maintaining the property it currently has. **VOGT** said she believes it would be a nice piece of property for the borough to own, although the price seems high to her, as well. **SCHNABEL** informed that the person with first rights to purchase the parcel declined. It is a very strategic property. She encouraged the borough to put the price aside for a moment and think about how the property could help with tourism management on the dock and servicing the things that go along with it. Although it may seem like the asking price is high, cruise ship head tax may likely handle the down-payment. The community would not be paying for the property; the cruise ship money would. **SHIELDS** agreed with **SCHNABEL**'s point. As long as the borough is inviting cruise ship people to visit Haines, the municipality should consider that restrooms, an interpretive center, and storage for the people-mover are important. **OLERUD** disagreed saying that there are so many projects in this community that have been neglected. The cruise ship money should be spent on existing assets to increase the community's appearance and desirability. That property should be purchased by someone else to keep it on the tax roll. The borough needs to concentrate on caring for existing facilities and fairly compensating borough employees. **VOGT** reminded that the cruise ship money can only be spent on very specific things. **LAPHAM** said there is still a possibility of reducing the scope of the visitor pavilion and locating it right next to the dock on the waterside. **SMITH** said if the borough purchases this tiny parcel for the asking price, it will not sit well with the other property owners since it will raise property assessments.

6. Sales Tax Relief (added during agenda approval)

OLERUD suggested that the assembly make a concerted effort to

address fuel tax relief. The problem he has had with it in the past is that it hasn't been included in the budget and is always done after many people have already filled up their tanks for the winter. **VOGT** said she doesn't care for sales tax relief for petroleum products, because the situation isn't likely to change. She's concerned that this will give the message that the borough prefers those who use heating fuel or drive gas-guzzling vehicles. If the public initiative is successful, services will be reduced; the assembly needs to inform the public of the consequences. **LAPP** agreed saying it will boil down to eliminating or reducing services. **LAPHAM** said that although he supported the temporary fuel sales tax suspensions in the past, he has some doubts about this being the right thing to do. He noted that the borough's fuel costs have skyrocketed, as well, and he wondered if there might be some middle-ground where a reduced rate for a certain period of time would work. The reality is that if the public gives less tax money, it will affect services, and these are not easy decisions for the assembly to make. **OLERUD** said in the past, he has usually voted against the fuel tax holiday. The cost of the fuel oil is escalating at a faster rate than other fuels. He suggested a certain amount---perhaps a flat rate---per gallon. **KELLY** was allowed to speak. He pointed out that the main sponsor of the petition effort, John Nowak, initially asked for consideration of a flat tax rate on fuel. The assembly should seriously consider it. **SHIELDS** suggested that the finance committee look at the whole issue. **SMITH** said the topic of fuel sales tax relief should be on the next assembly agenda. **LAPP** said the topic will definitely be addressed at the next finance committee meeting. In preparation for that meeting, the acting manager was asked to work with the CFO to prepare various scenarios with fiscal notes, including what the borough is currently paying for fuel and anticipating for the future. **SHIELDS** agreed and suggested that the initiative sponsors be present at the committee meeting, as well.

12. SET COMMITTEE MEETING DATES

The Finance Committee will meet Monday, August 4th, at 10:00am to discuss proposed amendments to the FY09 Budget and the issue of sales tax relief.

13. PUBLIC COMMENTS

WACKERMAN suggested that the public needs to be educated to know what their energy alternatives are. He is proud to sit on the new commission that can help provide some of that education.

14. ANNOUNCEMENTS/ASSEMBLY COMMENTS

VOGT requested that the 8/12 agenda include a review of the Permanent Fund investment strategy along with staff recommendations.

15. ADJOURNMENT - 8:42pm

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

ATTEST:

Fred Shields, Mayor

Julie Cozzi, Borough Clerk