



Haines Borough
Borough Assembly Meeting #150
March 10, 2009
MINUTES

Approved

1. CALL TO ORDER/PLEDGE TO THE FLAG Mayor HILL called the meeting to order at 6:35 p.m. in the Assembly Chambers and led the pledge to the flag.

2. ROLL CALL Present: Mayor Jan HILL and Assembly Members Scott ROSSMAN, Jerry LAPP, Doug OLERUD, Steve VICK, and Norm SMITH.

Absent: Assembly Member Pete LAPHAM.

Motion by OLERUD: Excuse Assembly Member Lapham's absence. It was seconded by VICK. The motion carried unanimously.

Staff Present: Tom BOLEN/Borough Manager, Julie COZZI/Borough Clerk, Jila STUART/Chief Fiscal Officer, Lori STEPANSKY/Tourism Director, Stephanie SCOTT/ESC Coordinator, and Gary LOWE/Chief of Police.

Visitors Present: Jessica EDWARDS/CVN, Tara BICKNELL/KHNS, Chris and Peggy SCHELB, Stan and Ady MILOS, Ronnie HAUSER, Patty CAMPBELL, Bud STEWART, Greg STUCKEY, Danny GONCE, Adam PATTERSON, Leonard DUBBER, Duck and Karen HESS, Roger MAYNARD, Heather LENDE, Michael AHMUTY, Al JUDSON, Nick TRIMBLE, Bill and Libby KURZ, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

Motion by LAPP: Approve the Agenda/Consent Agenda, as amended. It was seconded by OLERUD.

LAPP requested that Item 10A-Temsco Executive Session be moved under New Business to become Item 11C4 for the convenience of the public.

The motion carried unanimously.

* 4. APPROVAL OF MINUTES - 2/10/09 Regular

5. PUBLIC COMMENTS

Several citizens spoke in favor of the assembly adopting Resolution 09-03-151 including D.HESS, K.HESS, MAYNARD, TRIMBLE, A.MILOS, C.SHELB, AHMUTY, P.SHELB, STEWART, CAMPBELL, HAUSER, STUCKEY.

STUCKEY also recounted recent meetings with the U.S. Dept. of Defense concerning ownership transfer of the tank farm property. He said it is currently in the defense bill. He was informed that the property is years away from the actual conveyance because of the environmental clean-up. ROSSMAN asked

if the portion already cleaned up could be conveyed sooner. **STUCKEY** said it is his understanding that the Secretary of Defense is determined to convey it as a single parcel. **BOLEN** suggested that the assembly might consider a resolution to encourage the government to accelerate the clean-up process. It would clearly be in the borough's benefit to have it more quickly. **STUCKEY** liked the idea, and **VICK** expressed support for such a resolution.

6. MAYOR'S COMMENTS/REPORT

The mayor said she had an opportunity to speak at recent museum brown bag luncheon at the museum. She also attended the Energy Fair and found it to be well attended and well put together. She announced that AP&T had displayed a sample LED light outside of the assembly chambers for the evening, and she encouraged everyone to check it out following the meeting.

HILL announced that she has been appointed to the Southeast Conference Board. The manager and she will attend the Southeast Conference Mid-Session Summit next week in Juneau.

7. PUBLIC HEARINGS

A. Ordinance 09-01-197 - second hearing

An ordinance of the Haines Borough amending Title 18 to increase the time allowed for final plat submission, and to simplify the road construction requirements for a final plat.

Mayor **HILL** opened and closed the public hearing at 6:47pm; there were no public comments.

Motion by **OLERUD**: Adopt Ordinance 09-01-197. It was seconded by **ROSSMAN**. The main motion carried unanimously in a roll call vote.

C. Ordinance 09-01-198 - second hearing

An ordinance of the Haines Borough amending Title 3 to allow road maintenance service areas to voluntarily request taxation that exceeds the one-percent tax cap in order to maintain or obtain services.

Mayor **HILL** opened and closed the public hearing at 6:49pm; there were no public comments.

Motion by **OLERUD**: Adopt Ordinance 09-01-198. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

D. Ordinance 09-02-199 - first hearing

An ordinance of the Haines Borough amending borough code section 2.12.030 to allow a minimum of one public hearing for adoption of an ordinance.

Mayor **HILL** opened and closed the public hearing at 6:51pm; there were no public comments.

Motion by **LAPP**: Advance Ordinance 09-02-199 to a second public hearing on March 24, 2009. It was seconded by **VICK**.

VICK wanted to make sure the assembly is still able to have additional public hearings. [yes] **SMITH** said he does not like it. **BOLEN** explained that the borough often hears complaints that the wheels of government turn slowly. It's an effort to streamline the process a bit when considering uncontroversial "housekeeping-type" ordinances. The public will let the assembly know when more public discussion is needed.

The motion failed unanimously.

Motion by **ROSSMAN**: Ask staff to draft an ordinance to allow introduction and first public hearing on an ordinance when expediency is needed and appropriate.

OLERUD said he only wants that to happen in emergencies or for housekeeping ordinances and not as a matter of course.

The motion carried unanimously.

8. STAFF REPORTS

A. Borough Manager

The manager summarized his written report that provided an update on various projects, activities, and departmental issues.

BOLEN said the borough received four attorney proposals and asked how the assembly wishes to proceed in the selection of a new borough attorney. The assembly agreed to schedule a committee-of-the-whole meeting to review them.

The manager announced that the union has agreed that the Director of Public Facilities will be exempt from the union.

SMITH spoke at length regarding Resolution 09-03-151 expressing his concerns. The mayor reminded him that this is an agenda item and perhaps his comments might be best saved for that point in the agenda.

Motion by **LAPP**: Confirm the manager's decision to hire Bradley Maynard as an employee for the Director of Public Facilities & Capital Improvements. It was seconded by **ROSSMAN**.

VICK asked if Maynard has the ability to manage all of the projects facing the borough. **BOLEN** said he has a strong work history in facilities and capital projects. His references are excellent and he has the necessary project management and computer skills. **ROSSMAN** commented that this is long overdue. **OLERUD** said it might be wise to come up with an employment contract for him since he will be exempt from the bargaining unit.

- * 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

LAPP reported on the 3/9 committee meeting. He went over the committee's recommended changes to the ordinance up for introduction at this meeting. Staff provided a revised ordinance, and the committee recommends it.

C. Personnel

OLERUD reported on the 3/10 committee meeting. The committee considered proposed contracts for the other three borough officers---Chief of Police, Chief Fiscal Officer, and Borough Clerk---and will be recommending approval of all three employment agreements at the next assembly meeting. The proposed contracts will be in the meeting packet.

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

M. Energy & Sustainability Commission

SCOTT explained that it would cost approximately \$234K to switch all street lights to LED. That amount includes an estimate for installation. She added that this would save the borough about \$27K in energy costs. The borough now uses 100-watt and 250-watt standard street lights. The sample LED light outside the chambers is the equivalent of a 100-watt light. AP&T and the borough's Lands Department are collaborating on an electronic map of the light locations. Additionally, **SCOTT** explained that she was asked to submit an emergency plan and has run into some snags. She has asked the borough manager for an extension so that it is deeply reviewed by the police department, fire chief, Delta Western, AP&T, and the planning commission. She believes it is very important to take the extra time to make sure the key players have reviewed it.

N. Service Area Boards

The mayor explained the Historic Dalton Trail RMSA Board's request for assembly support for an application of the Historic Dalton Trail onto the National Historic Trail Register.

Motion by **OLERUD**: The assembly supports the application of the Historic Dalton Trail onto the National Historic Trail Register. It was seconded by **LAPP**.

BOLEN suggested a resolution at the next meeting and all agreed. **ROSSMAN** asked about the commercial fee issue noted in the meeting minutes for the RMSA. The clerk read the code 7.08.050(D) stating that the Historic Dalton Trail RMSA Board **shall** develop a commercial fee schedule. **ROSSMAN** said he doesn't have a problem paying a fee since he uses the roads a lot, but he would like to know how the amounts will be determined. The manager will look into this.

The motion carried unanimously.

10. OLD BUSINESS

A. Temsco - Executive Session - Moved to Item 11C4 during approval of the agenda.

11. NEW BUSINESS

A. Resolutions

1. Resolution 09-03-151

A resolution of the Haines Borough Assembly urging the State of Alaska Legislature to modify the current state standards governing the discharge of cruise ship waste water to reflect fair standards based on scientific evidence, and for related purposes.

Motion by **OLERUD**: Adopt Resolution 09-03-151. It was seconded by **LAPP**.

OLERUD said he phoned a friend who used to work for AK-DEC and now does consultant work on this type of thing. There is currently no technology to allow the cruise ships to meet the wastewater standards by 2010. He observed that if Haines sold water to a cruise ship and they dumped it over the side, they would be in violation of their permits. He does not believe it's fair to require them to do something that is currently impossible. He likes the shore-based wastewater idea, as well, but realizes that there is no way the borough could come up with that by 2010. **SMITH** questioned the accuracy of much of the information provided by ATIA as rationale for the resolution. **BOLEN** attempted to shed a little more light on it and agreed that the packet information may be

misleading. Cruise ships are discharging effluent far exceeding the quality of the Haines discharge. The municipality is selling water to the cruise ships and actually creating some of the problem. **LAPP** said all of the cities in Alaska depend on the cruise ship industry. All have a stake in this. Bus tours travel from the ports of call to these other locales. **SMITH** said he believes that HB 134 is a step backward, and he cannot support the resolution. He believes it would be easier for the State of Alaska to enforce the 2006 voter initiative to make the ships tow the line. He is in favor of the cruise ships being granted an extension. **OLERUD** asked if **SMITH** believes that AK-DEC has the ability to manage this and wondered again how the borough can ask the cruise ships to have that kind of a standard when Haines is hugely dumping minerals in the water. He made an effort to explain that the cruise ships will not be given free reign. The resolution is simply asking the legislature to allow DEC to manage this like they manage every deli, grocery store, restaurant, smokery, etc. He finds the inspections and permits are extremely thorough. **OLERUD** sees it as a double-standard to insist that the cruise ships follow a standard that the borough doesn't follow, especially one that exceeds current technology. **VICK** expressed concerns about the resolution including the fact that it says nothing about DEC anywhere in the text. **SMITH** asked who wrote the resolution, and the manager said it was ATIA. **K.HESS** explained that ATIA (Alaska Travel Industry Association) is a state-wide organization. The sample resolution was actually drafted by the golden circle chapter of ATIA---Haines, Skagway, and Whitehorse. **VICK** said Alaskans voted for these regulations, and he's really uncomfortable about overturning something that was the will of the people. Cruise ship visits are already going down. He believes the push behind the resolution is primarily to get more cruise ships to Haines. It's possible that the Lynn Canal could become a mixing zone if the standards are taken away. He has talked with several people both for and against. He believes if the borough wants to increase tourism, time should be spent on other more important issues. **OLERUD** said he has not been lobbied by anyone on this issue. He added that an economic base needs to be created in order to make things happen in town although he's not looking at it on just an economic level. He really believes DEC does an excellent job of managing the state's resources. In his opinion, most people had no

idea what wastewater restrictions were going to be placed on the cruise ships; voters passed it but the facts were buried beneath the "let's get money" part.

SMITH said the compliance can be extended rather than relaxing the standards.

Motion by **ROSSMAN**: Motion to table the resolution. It was seconded by **LAPP**. It carried 4-1 with **VICK** opposed.

2. Resolution 09-03-152

A resolution of the Haines Borough Assembly authorizing the commitment of local matching funds for the Wood Heat Feasibility Study Grant offer, and for related purposes.

Motion by **ROSSMAN**: Adopt Resolution 09-03-152. It was seconded by **SMITH**.

VICK asked how the borough will work with the engineer. **BOLEN** said the project will be developed into a scope of work that would likely include public meetings. If the Energy & Sustainability Commission has suggestions, they should provide those to him. **ROSSMAN** said there are specific things he would also like to have an opportunity to suggest. **LAPP** asked the timeline for the feasibility study completion date since the grant deadline ends June 30th. **BOLEN** said the study would not be completed by then, and he is working with the Juneau Economic Development Corporation (JEDC) to extend that deadline. He said the borough must have a resolution in place before receiving the grant offer.

The motion carried unanimously in a roll call vote.

3. Resolution 09-03-153

A resolution of the Haines Borough Assembly setting the dates of the 2009 Board of Equalization.

Motion by **VICK**: Adopt Resolution 09-03-153. It was seconded by **SMITH**. The motion carried unanimously in a roll call vote.

4. Resolution 09-03-154

A resolution of the Haines Borough Assembly endorsing a list of Haines projects for the FY10 STIP project nomination process, and for related purposes.

Motion by **OLERUD**: Adopt Resolution 09-03-154. It was seconded by **LAPP**.

SMITH asked the manager if the Letnikof ramp was on the previous STIP list. **BOLEN** did not believe so but added that the ramp has already been funded. **ROSSMAN** asked if any of the projects on the list would be eligible for the stimulus money should it make its way to the state. **BOLEN**

said that money would go to two places: the governor's budget and any other projects that support the development of the gas pipeline. Lutak Dock expansion could fall under that second one. Portage Cove harbor improvements are on there in three different elements. All of those were not on the old list but they needed to be defined for the purposes of possible funding. **SMITH** asked what the Second Avenue sidewalk project is. **BOLEN** said he believes it is meant to be an eastside Haines Highway sidewalk going from the PC Dock and leading to Second Avenue. **OLERUD** explained that it's actually intended to add curbs and gutters on the section of Second Avenue leading to Mud Bay Road at the top of the hill.

The motion carried unanimously in a roll call vote.

B. Ordinances for Introduction

1. Ordinance 09-02-200

An ordinance of the Haines Borough providing for the addition or amendment of specific line items to the FY09 budget.

Motion by **LAPP**: Introduce Ordinance 09-02-199 and set a first public hearing for March 24, 2009. It was seconded by **ROSSMAN**.

ROSSMAN asked **LAPP** to explain the e-911 system. **LAPP** said it could be put on as a tariff of \$1.00/month on the telephone bills and that money would be turned over to the municipality each month to be split between fire, medical, and the general fund. **SMITH** clarified that the tariff could be negotiated as it's not set in stone. **OLERUD** assumed that the condition for the elementary school building will cost \$55K. **BOLEN** said yes. He explained that he was originally going to save this item until the next budget cycle, but the finance committee requested it to be added to this ordinance. **OLERUD** said a study was already done. **BOLEN** said when you're trying to justify building a new school you certainly want a report to say the old facility is no longer feasible. He believes that the previous analysis may not be a fair one to go by. **OLERUD** suggested that one of the former maintenance people could take him on a two-hour tour and convince the manager to tear down the building. **VICK** asked for an explanation of the requested amount to remodel the borough administration building. **BOLEN** said in general the borough administration building is not functional. **VICK** asked if there will be any retrofitting of lighting and heating. **BOLEN** said the lights have already been switched out to efficient ones. He does not plan any other changes besides remodeling work

spaces. **VICK** asked if there are other things that should be addressed at the same time. **BOLEN** said there is a leaky roof problem, but money is already set aside for that repair. His recommendation is to change the roof from flat to slanting. **ROSSMAN** asked how the remodeling can take place with minimal impact to staff work. **BOLEN** believes it can be done one office at a time to lessen the impact. **LAPP** said he brought up the idea of possibly using the old elementary school for government offices. He would rather spend money on that than a remodel of the administration building. **OLERUD** said he looked at it recently when things were being cleaned out and, considering the poor condition of the building and the costs to upgrade to ADA requirements, it would be cheaper in the long run to tear it completely down and build new. The borough should build new office space rather than rehabilitate a 30 to 50-year-old building. **ROSSMAN** agreed with **OLERUD** 100% and wants it torn down. **OLERUD** said he'd rather go with his gut feeling than pay a consultant \$55K to report the same thing. **VICK** wondered if the borough could do it in-house by possibly using the new Public Facilities Director and maybe even Les Hostetler of Dawson Construction. **BOLEN** agreed to locate the original school condition survey. He will also ask Les Hoestetler and Brad Maynard to go over the building with him.

Motion to Amend by **VICK**: Amend the Revised Ordinance 09-01-200 to eliminate 18 the \$55K to fund an building condition survey. It was seconded by **LAPP**. The motion carried unanimously.

OLERUD suggested that this information be available in time for one of the April meetings. There was no objection.

The main motion carried unanimously.

C. Other New Business

1. Advisory Board Appointments

Mayor **HILL** announced her appointment recommendations and sought the assembly's confirmation.

Motion by **OLERUD**: Confirm the mayor's appointments as follows:

Energy & Sustainability Commission - Bud Stewart
Fire Service Area #3 Board - Robert Venables
Riverview RMSA Board - Dave Pahl

It was seconded by **LAPP**. The motion carried unanimously.

2. Jail Laundry Service Contract

Motion by **OLERUD**: Authorize the manager to negotiate a contract with Grimes Cleaning Services to provide jail laundry services. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

3. Library Professional Services Agreement

Motion by **OLERUD**: Authorize a professional services agreement with Ann Myren, as recommended by the Library Board of Trustees, to provide certain management services until a new library director is hired. It was seconded by **VICK**.

LAPP questioned the compensation thinking it is too much. **BOLEN** said Myren's normal consulting rate is \$70/hour but she offered to give the borough a reduced rate of \$42/hour. **LENDE** explained that it is the same rate as the current pay rate for the library director position including benefits.

The motion carried unanimously in a roll call vote.

4. Temsco - Executive Session - Moved from Item 10A during approval of the agenda.

The mayor called a brief recess. Following that the assembly moved public comments ahead of the Executive Session and the mayor opened a public comment period.

JUDSON spoke against Resolution 09-03-151 and, hearing no further public comments, the mayor moved on to entertain a motion to go into Executive Session.

Motion by **LAPP**: Move into Executive Session to discuss the Temsco agreement because holding this discussion in open session may adversely affect the finances of the Haines Borough. It was seconded by **SMITH**. The motion carried unanimously.

The executive session began at 9:25 and ended at 9:38 for a total of 12 minutes. The mayor reconvened the regular session and called for a motion.

Motion by **OLERUD**: Direct the mayor to sign the final agreement with Temsco and send it on for their signature. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

12. CORRESPONDENCE

A. REQUEST FOR SALES TAX CODE CHANGE - Dan Hart

B. FY09 FOREST RECEIPTS PAYMENT - DCCED

C. CHANGES IN GRANTMAKING STRATEGY - Rasmuson Foundation

The assembly made no comments and took no action regarding the correspondence.

13. SET MEETING DATES

The assembly will meet as a committee-of-the-whole on March 24th at 5:30pm to discuss the borough attorney proposals.

The planned committee-of-the-whole meeting with the library and museum has been postponed until a future time. One idea was to wait until the new library director is onboard.

14. PUBLIC COMMENTS

This section was moved ahead of the Executive Session in Item 11C4 for the convenience of the public.

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

OLERUD requested that the borough manager get some information regarding what it would cost the borough to switch its current water treatment plant to one employing the same standards the cruise ships are being required to meet. Additionally, he would like to know how that would affect the water-sewer rates. He asked for the information by the next meeting.

16. ADJOURNMENT - 9:44pm

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

ATTEST:

Janice Hill, Mayor

Julie Cozzi, Borough Clerk