
Haines Borough
Borough Assembly Meeting #155
May 26, 2009
MINUTES

Approved

1. CALL TO ORDER/PLEDGE TO THE FLAG Mayor HILL called the meeting to order at 6:34 p.m. in the Assembly Chambers and led the pledge to the flag.
2. ROLL CALL **Present:** Mayor Jan HILL and Assembly Members Steve VICK, Doug OLERUD, Pete LAPHAM, Norm SMITH and Scott ROSSMAN (via teleconference). **Absent:** Assembly Member Jerry LAPP.

Motion by OLERUD: Excuse LAPP's absence. It was seconded by VICK. It carried unanimously.

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

Visitors Present: Jessica EDWARDS/CVN, Bill KURZ, Janet KURZ, Dave OLERUD, Thom ELY, Leonard DUBBER, Marnie HARTMAN, Les HOESTETLER, Jim TURNBULL, Greg STUCKEY, Heather LENDE, Julia HEINZ and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

Motion by VICK: Approve the Agenda/Consent Agenda. It was seconded by LAPHAM. The motion carried unanimously.

*4. APPROVAL OF MINUTES - 5/12/09 Regular

5. PUBLIC COMMENTS

Dave OLERUD expressed his concerns about the country's and Haines' future. Concerning the local private sector that makes up the tax base, his estimate is that 50% of the town's businesses are not profitable. It worries him, and he believes the government officials should be concerned about it.

ELY spoke about the motorized "4-wheeler" activity on the Chilkat River beaches. He reviewed the Sheinburg report, and it was the wishes of the community that there not be motorized activity there. There used to be signs prohibiting the activity. He spoke to the Police Chief who does not believe there is anything the borough can do about it since it is state land. ELY wants to see the state return the prohibited activity signs and the borough honor the community's wishes in this matter.

B. KURZ said citizen freedoms keep slipping away by more and more ordinances telling people what they can and cannot do.

LENDE echoed ELY's concerns about the motorized activity, fireworks, etc. along the Chilkat River waterfront.

DUBBER said the most important thing for government to be is fair and the Floreske issue concerns him.

TURNBULL thanked the borough manager for getting the culvert installed across Oslund Drive. He said the current problem is that now the road is torn up. In another matter, he said a yield sign at the intersection of Highland and Muncaster should be placed on Muncaster rather than Highland to be more visible for safety reasons. Regarding property values, he said his assessment increased about 37%. He wondered if the borough is going to spend more money or if it will address the debt.

6. MAYOR'S COMMENTS

The mayor announced the good news that District 5 did not have any projects vetoed by the governor from the state budget.

HILL highlighted several events and activities she participated in recently including a tour of the cruise ship Ryndam. She encouraged citizens to take advantage of local tour opportunities as they come up. There are a lot of fun things going on for visitors and it's a shame residents don't take part. She added that cruise visitors got to watch some of the dock flowers being planted and really appreciated that.

She thanked the fire department for responding to the chimney fire at her house and said they do an outstanding job.

HILL informed the audience that she vetoed the assembly's 5/12/09 action concerning the Floreske permit violation matter. The assembly has up to 21 days to take action on the veto, if desired.

7. PUBLIC HEARINGS

A. Addition of Tour Activity - Sockeye Cycle

Mayor HILL opened the public hearing at 6:59pm.

ELY summarized the proposed new tour activity. At this point, he plans to conduct the tour only twice during this season with a maximum group size of eight persons.

Hearing no further comments, the mayor closed the hearing at 7:01pm.

Motion by VICK: Allow this additional tour activity to be added to Sockeye Cycle's 2009 Commercial Tour Permit. It was seconded by ROSSMAN.

ELY said the tour starts out in Juneau and finishes in Skagway. **VICK** asked about sales taxation. **ELY** said only the Haines portion would be borough-taxable. **LAPHAM** supports the tour but has concerns about bike safety since some of the roads along the planned routes do not have a 6-foot shoulder. He asked how **ELY** plans to deal with this. **ELY** said bicycles are considered vehicles and have full use of the driving lane. The company has a guide in the front and, as needed (e.g., if there are more than 6 people), they add a guide in the back. They also use radios and signals. If trucks come along, the bicycles stay put until safe. While riding, they stay to the right side as far as possible and obey all the rules of the road.

The motion carried unanimously in a roll call vote.

B. Ordinance 09-04-206 - 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, 2009 through June 30, 2010.

Mayor **HILL** opened and closed the public hearing at 7:07pm; there were no public comments.

Motion by **VICK**: Advance Ordinance 09-04-206 to a third public hearing on June 9, 2009. It was seconded by **SMITH**.

Motion to Amend by **OLERUD**: Amend by changing the property tax mill rates for FY10 to the *Column C* amounts in the CFO's 5/26 memo to the assembly regarding mill rate options. It was seconded by **VICK**.

Motion to Amend the Amendment by **LAPHAM**: Fund the *Column C* mill rate differences out of budget reserves (\$27,000 less out of Fund 01 and \$31,000 less out of Fund 02.) It was seconded by **VICK**.

The motion to amend the amendment carried unanimously.

The amendment motion carried unanimously.

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

C. Ordinance 09-05-207 - First hearing

An ordinance of the Haines Borough, Alaska, to eliminate personal and business property tax.

Mayor **HILL** opened and closed the public hearing at 7:05pm; there were no public comments.

Motion by **OLERUD**: Advance Ordinance 09-05-207 to a second public hearing on June 9, 2009. It was seconded by **ROSSMAN**.

ROSSMAN spoke in favor of this ordinance and said businesses should not be penalized for purchasing equipment. Eliminating this tax is a fair and balanced thing to do.

VICK does not like the tax either but is concerned about the loss of revenue amounting to \$200,000.

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.

Motion by **OLERUD**: Authorize the borough manager to enter into a Disaster Recovery Assistance Agreement with the Haines Branch of the First National Bank of Alaska. It was seconded by **SMITH**. The motion carried unanimously in a roll call vote.

VICK asked if there is any way to add a safety beeper to the people mover cart and he wondered if it even has a horn on it. The manager will look into it. **SMITH** suggested a flashing light.

OLERUD expressed concern about the manager's email to the Army Corps about the harbor. He believes the manager should have just put Option 4 as chosen by the Boat Harbor Advisory Committee rather than Option 2. He believes the manager's email could cost the borough millions of dollars or cause the borough to end up with something that won't service the fleet. The Corps wants Option 2, but he believes it is a losing deal---more expensive and less space. He believes the manager's email communicates a major change from any previous borough position on the matter, and it worries him greatly. **VICK** asked if there is time to fix it and wondered if there is an alternative other than Option #4 that everyone agrees with. **BOLEN** suspects that if Option #4 is clung to there will never be a new harbor. **VICK** said it's important to have an alternative that everyone agrees with. **OLERUD** said the municipality and harbor committees have worked on this for 8 to 10 years and have reviewed about 30 different options. There is a consensus of the harbor committee members that Option 2 would not accommodate the future needs of the fishing fleet. They would like to keep the main basin design in Option #4, as much as possible, but remove the nose and the causeway. **BOLEN** said Representative Don Young believes this is a problem project. **OLERUD** said the consensus the last couple of years, with feedback from the Corps and the congressional offices, said the way to go forward is to press to get the initial startup funding and not to change the design. The project could then be funded over several

years. The borough has been warned not to make major changes to the plan to avoid having to do a new cost-benefit analysis (the last one took four years). He believes the borough should work with Don Young's office to get the congressman back on board.

ROSSMAN pointed out that the ramp at the boat harbor is very hazardous and slippery and should be addressed, as soon as possible.

OLERUD suggested that the manager meet with the Planning Commission with full details on the Port Chilkoot Dock restroom/pavilion project before any more changes are made. **BOLEN** said the PND engineers recently discovered a 2-foot elevation error in the original survey that affects the tide-line. This means the borough will have to apply for a Corps permit or pull everything back toward the road to get above the high tide-line. He sees it as a major catastrophe and has put the project on hold for now. He would like to take it back to the Waterfront Improvement Commission, Planning Commission, and Tourism Advisory Board. Frustrated, **ROSSMAN** said PND should have known this before getting this far in the process, and they should pay for the problem. **SMITH** agreed. **OLERUD** suggested the Waterfront Improvement Committee be disbanded because the Planning Commission would like to take on that group's task. He recommended that the manager ask the Planning Commission to weigh in on the new developments and offer some ideas for moving forward. **LAPHAM** agreed. **BOLEN** asked the assembly to also take into consideration comments from the Tourism Advisory Board and the tour operators who use the area. **VICK** agreed with **ROSSMAN** that PND should pay for any needed redesign work. **SMITH** wondered if the borough should revisit the Lemcke property across the street if it's still for sale. **OLERUD** said two temporary restroom facilities could be the answer. **LAPHAM** thinks it might be a good idea. The mayor said this issue is going to the Planning Commission.

- *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

ROSSMAN said the committee met on 5/21 with the Chilkoot Indian Association about a problem with the money they received from the Bureau of Indian Affairs (BIA) for roads that they were told could be used to pay for work in the subdivision. At the last minute, the BIA changed its mind, and the CIA has come to the borough for help. There is \$2.4 million available to use for any road work this side of 10-mile. If CIA wanted 1.1 million for water-sewer work, the borough could possibly work out a payment plan to reimburse. The committee is supportive but is unsure how to proceed. LAPHAM referred to borough code and said it could perhaps be taken as payment in lieu of. He will get with the manager to discuss it.

- 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 summarized her written report that was distributed. She announced the free Alaska Craftsman classes that she has arranged for Haines in June. There is a 15-person minimum class size requirement. This group has been conducting these classes since 1987 and has never been to Haines. She encouraged participation. She also reported on the energy conference she recently attended in Anchorage.

N. Service Area Boards**10. OLD BUSINESS - None**

The mayor called a brief recess at 8:29pm. The meeting reconvened at 8:32pm.

11. NEW BUSINESS

- A. Resolutions - None
- B. Ordinances for Introduction
 - 1. ORDINANCE 09-05-208

An ordinance of the Haines Borough amending Title 18 Sections 18.60.010 and 18.70.030, to establish that outhouses and pit privies are not allowed within the townsite and establish guidelines for methods of wastewater and sewage disposal outside of the townsite.

Motion by **OLERUD**: Introduce Ordinance 09-05-208 and set a first public hearing for June 9, 2009. It was seconded by **VICK**. The motion carried unanimously.

2. ORDINANCE 09-05-209

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

Motion by **LAPHAM**: Introduce Ordinance 09-05-209 and set a first public hearing for June 9, 2009. It was seconded by **SMITH**. The motion carried unanimously.

C. Other New Business

1. Memorandum of Agreement - Well & Fit Community Center

Motion by **VICK**: Authorize the borough manager to enter into this Memorandum of Agreement with the Well and Fit Community Center Board. It was seconded by **SMITH**.

BOLEN said he met with the Well and Fit Community Center group to go over the draft agreement. He distributed to the assembly a new draft containing some highlighted amendments resulting from that meeting. **ROSSMAN** said this is a well-intended cause, but he just can't make the taxpayers responsibility for it. He would be more inclined to support it if they found a place that wouldn't cost tons of money to fix up. He wants the primary building to go away so it won't be a costly future liability. **VICK** said he doesn't believe there is another building in town that is ready for this type of program, and he likes the idea of rehabilitating this one. **ROSSMAN** said so many things like this start out benignly (like the skateboard park) but end up being a borough liability. He believes the borough held onto the primary building too long, and there is no doubt in his mind that it will be a problem. The building was built to be temporary and it should just go away. **SMITH** partially agreed but sees this as a positive thing. He doesn't believe it is as derelict as some say and has faith it can be redone. In his opinion, the Human Resource Building should be the building the borough gets rid of. **BOLEN** noted that part of the group's business plan is to lease a portion of the building perhaps to the Chilkat Valley Preschool which would free up the Human Resource Building. There are also other prospective renters. He added that he plans to personally volunteer his labor to help make this happen. He believes it's a pretty good agreement. **OLERUD** said it is a good idea. However, he believes the borough should give the building to the group rather than leasing it so the

borough has no future responsibility. He does not support the agreement in its current form. **ROSSMAN** said the whole idea was to tear down the building and sell the land. He's still against the agreement. **VICK** said this building will be utilized to its fullest from day one. He asked **OLERUD** if he would be open to the borough helping the group to get grant funding and entering into an agreement as long as they took ownership of the building. **OLERUD** said possibly but he wants all questions answered before entering into an agreement.

VICK withdrew his motion with no objection.

Motion by **VICK**: Continue discussion of the Well and Fit Community Center and the Primary Building as a committee-of-the-whole. It was seconded by **SMITH**. The motion carried 5-1 with **LAPHAM** opposed.

Motion by **OLERUD**: Suspend the rules to move Item #14 ahead of the Executive Session in order to accommodate those citizens who would have to leave. It was seconded by **LAPHAM**. The motion carried unanimously.

PUBLIC COMMENTS

STUCKEY took the time to thank the Government Affairs & Services Committee members for their willingness to work with the Chilkoot Indian Association (CIA) on the issues related to Chilkoot Estates Subdivision. Regarding the Well and Fit Community Center, he said the CIA may be able to assist with writing grants. **OLERUD** asked **STUCKEY** if defense bill wording exists yet regarding the tank farm property. **STUCKEY** said it is not yet available, and he took the opportunity to confirm CIA's commitment to following through with the obligations stated in the assembly resolution of support for the tank property transfer.

2. Executive Session - Manager Evaluation

The mayor proposed to go into Executive Session to discuss the borough manager's evaluation:

Motion by **OLERUD**: Move into Executive Session to discuss the borough manager's performance evaluation because holding this discussion in open session would tend to prejudice the reputations of those involved. The motion was seconded by **LAPHAM**. The motion carried unanimously.

The Executive Session began at 9:00pm and lasted for 1 hour and 12 minutes. The mayor reconvened the regular session at 10:12pm.

Motion by **LAPHAM**: Accept the 8-month evaluation of the borough manager and conduct an annual evaluation on September 8, 2009. The motion was seconded by **VICK**. The motion carried 4-1 with **OLERUD** opposed.

12. CORRESPONDENCE - None

13. SET MEETING DATES

The assembly will meet as a committee-of-the-whole on the following dates:

Thursday, 6/4, 6:00pm - Continue FY10 budget work session

Tuesday, 6/9, 5:15pm - Discuss Well & Fit Community Center

14. PUBLIC COMMENTS - Moved ahead of the Executive Session

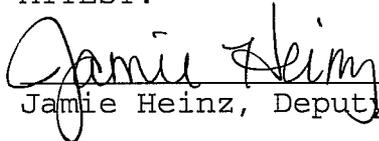
15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

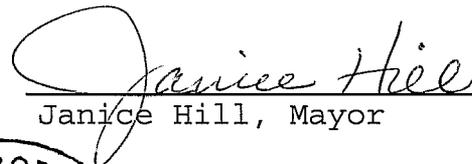
VICK announced that he will be gone during the month of July and miss both assembly meetings.

16. ADJOURNMENT - 10:25pm

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

ATTEST:


Jamie Heinz, Deputy Clerk


Janice Hill, Mayor

