

  
**Haines Borough**  
**Borough Assembly Meeting #162**  
**September 8, 2009**  
**MINUTES**

**Approved**

1. **CALL TO ORDER/PLEDGE TO THE FLAG** Mayor **HILL** 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 Jan **HILL** and Assembly Members Jerry **LAPP**, Pete **LAPHAM**, Douglas **OLERUD**, Norman **SMITH**, Scott **ROSSMAN** and Steve **VICK**.

**Staff Present:** Tom **BOLEN**/Borough Manager, Julie **COZZI**/Borough Clerk, Brad **MAYNARD**/Director of Public Facilities, Jila **STUART**/Chief Fiscal Officer, Kristine **REEVES**/Museum Aide-Custodian, Debra **SCHNABEL**/Project Clerk, Gary **LOWE**/Chief of Police, and Stephanie **SCOTT**.

**Visitors Present:** Jessica **EDWARDS**/CVN, Art **JESS**, Bill and Libby **KURZ**, Kevin **REEVES**, Matthew **BORON**, James and Barbara **PUCKETT**, Gary **LIDHOLM**, Alan **HEINRICH**, Pamela **RANGLES**, Dave **PAHL**, Jack **WENNER**, Ray and Beckie **CHAPIN**, Roc and Diann **AHRENS**, Vince **HANSEN**, Janet **KURZ**, and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA**

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

- \*4. **APPROVAL OF MINUTES** - Regular: 8/25/09

5. **PUBLIC COMMENTS**

**Kevin REEVES** spoke strongly in favor of the borough acquiring the Crystal Cathedrals water system. He is one of the residents within that system and finds the water very unacceptable and extremely expensive.

**BORON** agreed and asked the borough to purchase it. He is very frustrated and displeased. The residents were forced into this system, and the regulatory commission should never have let it happen. For almost ten years, the cost has been \$130 minimum per month for metered, "horrible" water. For the past eight years, the residents have asked the government to do something about it to no avail.

**PUCKETT** said the city lost that jurisdiction several years ago, and this is an opportune time to get it back.

**RANGLES** said there are a lot of residents within that system that share the same opinion, and she asked the assembly to look seriously into acquiring it.

**Kevin REEVES** added that the homes have been assessed at certain values which look correct on paper but, in reality, homes don't sell because of the inferior water utility.

**6. MAYOR'S COMMENTS**

**HILL** recounted the recent historic totem pole-raising event at the public library. She encouraged everyone to check it out. It is a "story pole" that begins with the first library started many years ago by the Haines Women's Club.

Next week is Southeast Conference in Haines, and there are about two-hundred people registered. She encouraged everyone to be sure to welcome the visitors who will be in town for the 3 days. The meetings will take place in the Karl Ward gymnasium at the High School.

Sunday, 9/13, from 9 to 5, will be a passport fair in the assembly chambers. She encouraged participation.

**7. PUBLIC HEARINGS**

**A. Ordinance 09-08-213 - Second Hearing**

**An ordinance of the Haines Borough amending Haines Borough Code 3.70.040(D) to include the Lynn Canal Counseling Services Property in the list of tax-exempted properties.**

Mayor **HILL** opened the public hearing at 6:42pm.

**B.CHAPIN** asked when the tax exemption would become effective and asked for consideration of refunding the tax one-half payment already made this year. **STUART** believes it applies to the taxability as of 1/1/09 but also believes the assembly has the discretion.

Hearing no further comments, **HILL** closed the public hearing at 6:44pm.

**Motion** by **LAPHAM**: Adopt Ordinance 09-08-213. It was seconded by **LAPP**.

**LAPP** asked the timeframe for building on the property.

**B.CHAPIN** expects within two years.

The motion carried unanimously in a roll call vote.

**B. Ordinance 09-08-215 - Second Hearing**

**An ordinance of the Haines Borough amending Haines Borough Code Title 7 to change the process for expanding or reducing road maintenance service area boundaries.**

Mayor **HILL** opened and closed the public hearing at 6:46pm; there were no comments.

**Motion** by **LAPP**: Adopt Ordinance 09-08-215. It was seconded by **ROSSMAN**. The motion carried unanimously in a roll call vote.

**C. Ordinance 09-08-216** - First Hearing

**An ordinance of the Haines Borough amending Haines Borough Code Title 2 Section 2.12.050 to update the form of ordinances.**

Mayor **HILL** opened and closed the public hearing at 6:48pm; there were no comments.

**Motion** by **LAPHAM**: Advance Ordinance 09-08-216 to a second public hearing on September 22, 2009. It was seconded by **LAPP**. 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** explained that he would like the borough to apply to the federal government to become a passport acceptance facility. He believes this will be a good service the borough can provide for the community and does not expect it to take an unmanageable amount of staff time. Three employees would be trained. He asked for assembly approval.

**Motion** by **LAPHAM**: The borough should apply to become a passport acceptance facility. It was seconded by **VICK**. The motion carried unanimously in a roll call vote.

**VICK** said public ownership of the "Picture Point" property would be important for future generations, and he'd like to see the appraisal information and a map showing the property. **BOLEN** offered to get it to the assembly ASAP rather than waiting for the next regular meeting, but **ROSSMAN** said it would be fine to get it at the next meeting unless it becomes available earlier. In that event, it could be put in the assembly's mailboxes. There was no objection to that idea.

**BOLEN** announcement completion of the paving for the phase one street improvements, and he publicly thanked Rep. Bill Thomas for getting legislative funding for that project. **VICK** asked the manager to explain the problem he heard about with the FAA Road curbing. **BOLEN** said the contractor put in curbing using the wrong profile. The borough could have made them rip it out and redo it, but the paving would have been delayed until next summer. The contractor

provided an alternative solution that took care of the drainage problem. The fix cost the contractor 3 inches of additional asphalt along with a two-year extended warranty.

In his report, the manager said he is drafting an RFP for demolition of the old primary and elementary school buildings, and asked for the assembly's input.

**Motion** by **ROSSMAN**: Proceed to completely demolish the former primary and elementary school buildings. It was seconded by **LAPHAM**.

**ROSSMAN** wants to take the whole thing down including the gymnasium. **BOLEN** believes the gymnasium portion of the elementary school should be retained and possibly retrofitted.

**Motion to Amend** by **LAPHAM**: Retain the elementary school gymnasium for the time being. It was seconded by **SMITH**. It carried 4-2 with **OLERUD** and **ROSSMAN** opposed.

The main motion carried unanimously in a roll call vote.

**BOLEN** has implemented a task order process for assigning new tasks to professional contractors who are on retainer for consistency and efficiency. He is issuing one of the new task orders to PND for \$9,370 to engineer a drainage solution behind the school/pool. **LAPP** said the school project Oversight & Planning Committee met recently and recommended part of the leftover project money be allocated to pay for that drainage fix. **BOLEN** said that is his understanding, as well. He does not believe the problem is as difficult and costly to address as has been projected. At any rate, his desire is that the school project funds will pay for the engineering and construction portions of that project. There was no objection expressed.

**VICK** is concerned about the Chilkat Center's extremely large 5,000 gallon fuel tank from the standpoint of cost as well as the potential for a large leak. He wondered if it would be possible to replace it with a newer and smaller one. **MAYNARD** acknowledged that it is a consideration but the reality is that both small and large fuel leaks cause the same amount of havoc. His recommendation is to look at all the underground tanks in the borough and establish a replacement schedule. He explained that an underground tank is closed out by either pulling it out of the ground for disposal or cutting the top off and filling it with something like sand.

**B. Borough Clerk**

**COZZI** explained that per the assembly's request, she collected examples from other municipalities that had successfully campaigned for exemption from the state's financial disclosure reporting requirements. She wondered if 1 to 3 assembly members would be willing to have some ideas bounced off of them. Time is of the essence and should not wait for the next assembly meeting. **LAPHAM**, **VICK**, and **OLERUD** volunteered to provide feedback on advertising/educational materials regarding ballot proposition #2, as needed.

**C. Chief Fiscal Officer**

**STUART** summarized her written financial report. **ROSSMAN** said the borough really needs to put land on the market.

- \*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
- M. Energy & Sustainability Commission - Annual Report/Recommendations

**SCOTT** noted that there are 8 recommendations included in the commission's report, and she suggested a committee-of-the-whole meeting to review and consider them---perhaps preceding the next regular assembly meeting. **LAPHAM** liked the idea, and **HILL** agreed saying this deserves more quality discussion time. **ROSSMAN** asked if the borough is going to get the LED lights down at the harbor. **BOLEN** said they are in Haines and it's just a matter of getting somebody to switch them out. **VICK** asked the status of the LED street lights. **BOLEN** said they have not yet been ordered, and he does not believe money has been identified for them. **SCOTT** said an odd thing about the state-maintained streets is that lights can be completely removed yet cannot be switched out to LED. **OLERUD** asked if

the electrical contractor could put the LED lights in at the harbor. **BOLEN** said the intent was for them to go only on F Float but PND is now interested in putting some on one of the floats in the new section.

**\* N. Service Area Boards**

10. OLD BUSINESS - None

11. NEW BUSINESS

**A. Resolutions**

**1. Resolution 09-09-169**

A resolution of the Haines Borough Assembly appointing election officials for the regular Election to be held October 6, 2009, and establishing the wages.

Motion by **LAPP**: Adopt Resolution 09-09-169. It was seconded by **ROSSMAN**. The motion carried unanimously in a roll call vote.

**2. Resolution 09-09-170**

A resolution of the Borough Assembly of the Haines Borough, Alaska, supporting the implementation of transportation strategies.

Motion by **LAPHAM**: Adopt Resolution 09-09-170. It was seconded by **ROSSMAN**. The motion carried unanimously in a roll call vote.

**B. Ordinances for Introduction**

**1. Ordinance 09-09-217**

An ordinance of the Haines Borough amending Borough Code Title 2 to update the general agenda order for regular Borough Assembly meetings.

Motion by **LAPHAM**: Introduce Ordinance 09-09-217 and set a first public hearing for September 22, 2009. It was seconded by **LAPP**. The motion carried unanimously.

**C. Other New Business**

**1. Riverview Drive Road Maintenance**

**BOLEN** explained that Riverview Drive is outside of the townsite service area and is in terrible shape. He is all for doing something about it, but the issue is how to pay for it. **LAPP** noted that the Tongass timber money is for both schools and roads, and he doesn't understand why some of that money can't be used for fixing that road. Additionally, he believes the \$30K budgeted in the FY10 CIP for area-wide roads assessment would be better spent on repairs to them. He proposed that Public Facilities staff could be tasked with conducting an assessment. **ROSSMAN** observed that CIP money can be spent on some of the area-wide roads, because taxpayers outside of the Townsite Service Area are contributing to that fund. **LAPP**

said the least that could be done is to get a grader in there this fall to cut and smooth it out, and perhaps a couple of loads of gravel to fill in the worse spots. Next year, a long term fix could be addressed. **BOLEN** asked how to proceed. **STUART** suggested there could be a budget amendment.

**Motion** by **LAPP**: Change the \$30K budgeted FY10 CIP line item name from "area-wide roads assessment" to "area-wide roads maintenance and repair." It was seconded by **ROSSMAN**.

**OLERUD** asked what the borough's response is going to be when the other RMSAs come to the borough asking for their roads to be fixed. He agreed that Riverview Drive needs to be taken care of but would like to have a better idea of the projected cost before allocating money. **BOLEN** noted that the reason for the \$30K budget for a roads assessment was to answer that very question. He admitted that a Letnikof RMSA resident complained recently about similar road conditions. **OLERUD** said there is not enough CIP money to take care of maintenance and repair. He also noted that the Letnikof RMSA roads are not very old. **ROSSMAN** agreed with **OLERUD** but suggested that the borough put out an RFP to get all of the main RMSA roads graded this fall, including Four Winds, Riverview Drive, Eagle Bluff, Corrina Drive, and Letnikof Drive.

**Motion to Amend** by **ROSSMAN**: Solicit proposals or estimates to get all of the borough's RMSA roads graded this fall. It was seconded by **VICK**.

**LAPHAM** believes it would possibly be well under \$10K. **VICK** would like the manager to come to the assembly with some type of in-house road condition assessment. **ROSSMAN** volunteered to go with **MAYNARD** to look at the roads.

The amendment motion carried unanimously.

The main motion carried unanimously in a roll call vote.

## **2. Equipment Purchase - Police Department**

**Motion** by **LAPHAM**: Authorize the manager purchase radar and video equipment totaling \$17,870. It was seconded by **ROSSMAN**.

One of the police officers applied for the grant funds and was commended by the assembly for taking the initiative.

The motion carried unanimously in a roll call vote.

## **3. Waiver of Timely Application for Senior Property Tax Exemption**

**Motion** by **LAPHAM**: Waive timely application for the 2009 Senior Citizen Property Tax Exemption Program for Barbara Murphy. It was seconded by **VICK**. The motion carried unanimously in a roll call vote.

**4. Sales Tax Exemption Request - St. Lucy's Senior Living**

**Motion** by **OLERUD**: Approve the request from St. Lucy's Senior Living for sales tax exemption status for the designated housing for low-income elderly persons. It was seconded by **LAPP**.

**HANSEN** explained that the HUD wing will house low-income residents who are over 62. HUD requirements made it necessary for the Haines Assisted Living facility (HAL) to form a separate non-profit entity for that portion of the facility. This new entity will keep separate books and lease the HUD section from HAL.

The motion carried unanimously in a roll call vote.

**5. Janitorial Services Contract**

**Motion** by **ROSSMAN**: Authorize the manager to execute a contract with Machineworks (Ike Lorentz) to provide janitorial services for the borough administration and public safety buildings for \$13,760. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

**6. Lily Lake Design Services**

**Motion** by **LAPP**: Authorize the Borough Manager to execute an amendment to the professional services contract with Carson Dorn, Inc. to provide engineering design services for the Lily Lake Raw Water Transmission Line replacement for an amount not to exceed \$30,000. It was seconded by **LAPHAM**.

**ROSSMAN** asked what it would cost the borough to have an on-staff engineer. **BOLEN** said a problem is that the engineering workload would be more than one individual could handle, and a single person rarely possesses the full range of project expertise that would be required. **OLERUD** said former borough manager Marco Pignalberi was aggressively looking at a water source at 4-mile, and he would like that effort resumed.

The motion carried unanimously in a roll call vote.

**Agenda Item 14, Public Comments**, was moved ahead because of the Executive Session.

**WENNER** suggested including the engineering design in the Lily Lake water project so that the grant would pay for it. **JESS** believes there are other ways to get better water and agreed with **OLERUD** that 4-mile should be looked at.

**7. Executive Session**

The mayor proposed to go into Executive Session to discuss the following issues:

- 1) Chilkoot Lumber Company litigation,
- 2) Crystal Cathedrals water system acquisition, and
- 3) The borough manager's performance evaluation.

**Motion** by **LAPP**: Move into Executive Session to discuss **1)** the Chilkoot Lumber Company litigation due to attorney-client privilege, **2)** the possible acquisition of the Crystal Cathedrals water system because discussion in open session would clearly have an adverse affect on the borough's finances, and **3)** 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 **OLERUD**.

**ROSSMAN** requested **STUART**, **COZZI**, and **BOLEN** remain in the room. There was no objection.

The motion carried unanimously.

The mayor called a 5-minute break at 8:45pm.

The Executive Session began at 8:50pm, and the regular session reconvened at 10:12pm. (1 hour and 22 minutes)

**Motion** by **ROSSMAN**: Postpone the manager's performance evaluation to the 9/22 meeting. The motion was seconded by **VICK**.

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

**12. CORRESPONDENCE** - None

**13. SET MEETING DATES**

A Committee-of-the-Whole meeting was scheduled for 9/22 at 5:30pm to discuss/consider the recommendations presented by the Energy & Sustainability Commission in their report.

The assembly was reminded of the Committee-of-the-Whole meeting scheduled for Thursday, 9/24, 6:00pm to discuss borough investments with Alaska Permanent Capital Management. The mayor will pay for pizza out of her discretionary fund.

**14. PUBLIC COMMENTS** - moved ahead of the Executive Session.

**15. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

**16. ADJOURNMENT** - 10:16pm

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

ATTEST:

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Janice Hill, Mayor

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Julie Cozzi, Borough Clerk