


Haines Borough
Borough Assembly Meeting #163
September 22, 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 Jerry LAPP, Pete LAPHAM, Douglas OLERUD, Norman SMITH, Scott ROSSMAN and Steve VICK.

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

Visitors Present: Jessica EDWARDS/CVN, Bill and Libby KURZ, Adam PATTERSON, Tim SHIELDS, Kelly LOWE, Greg STUCKEY, Daymond HOFFMAN, Patty CAMPBELL, Janet KURZ, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

The following agenda changes were requested:

- Remove Crystal Cathedrals Water System Acquisition and place it as part of the manager's report in 8A.
- Remove Picture Point from the Executive Session and place it under New Business as 11C3.
- Add Alaska State Park Grant Letter of Support as New Business Item 11C4.
- Renumber the Executive Session to New Business Item 11C5.
- Remove Energy & Sustainability Commission Report from the consent agenda.

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

*4. APPROVAL OF MINUTES - Regular: 9/8/09

5. PUBLIC COMMENTS - None

6. MAYOR'S COMMENTS

HILL said she spoke to Mrs. Andrieson's 8th Grade class about local government. Talking to young people about public service makes an official really stop and think.

She recounted the success of the recent Southeast Conference annual meeting that brought 219 registrants to Haines. The main topic was energy among a variety of other issues. One important highlight was a joint meeting/public hearing of the state Senate and House energy and resource committees. It was an honor to have those esteemed people in Haines to deal with that

important issue. Additionally, Governor Parnell honored us by visiting to talk about various issues of importance to the community. Throughout the conference, students were allowed to come and go to the sessions. The mayor got to dance in regalia with the Chilkat Dancers. All in all it was a huge success. Many wonderful comments were heard and the only complaint was that the bus service left on time. Many local people had a part in putting the event together including the cheerleaders, the wrestling team, John Wurst, Dean Olsen, and Bill Stacy. There was quite a bit of backbreaking work involved, but Haines did a good job of putting out the welcome mat. **HILL** said Haines really needs to get serious about a convention center for hosting conferences.

The mayor said the borough received a nice note from the Library in appreciation for the support of the totem pole and the raising ceremony, including the in-kind dirt work.

7. PUBLIC HEARINGS

A. Ordinance 09-08-216 - Second 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 6:50pm; there were no comments.

Motion by **VICK**: Adopt Ordinance 09-08-216. It was seconded by **LAPP**. The motion carried unanimously in a roll call vote.

B. Ordinance 09-09-217 - First Hearing

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

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

Motion by **LAPHAM**: Advance Ordinance 09-09-217 to a second public hearing on October 13, 2009. It was seconded by **VICK**. The motion carried unanimously.

8. STAFF REPORTS

A. Borough Manager

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

Crystal Cathedrals Water System Acquisition (added to the manager's report during approval of the agenda). **BOLEN** distributed a draft letter addressed to the property owner. The borough attorney is reviewing it. He noted that the borough got an extension on the original offer deadline. All

the documents show that the sale of the property would not pull debt along with it, and the actual divorce settlement documents show CCWS as having no debt. If there is hidden debt, the borough would be able to back out of the deal. **SMITH** asked if the Regulatory Commission is aware of the process. **BOLEN** responded yes and said they seem positive toward it. **OLERUD** asked if the draft letter will be held until attorney approval. **BOLEN** said the attorney is generally okay with the letter but is double-checking a few things.

Motion by **OLERUD**: Direct the manager to submit the offer letter to purchase the Crystal Cathedrals Water System from owner Vicky Cox contingent upon borough attorney approval. It was seconded by **VICK**.

SMITH asked what happens if Floreske exercises his first right of refusal. **BOLEN** believes the deal will be over at that point. However, his understanding is that there will be a timeframe for Floreske to show Cox the money. If that lapses, she would be free to entertain the borough's offer.

BOLEN recognized the tourism director and her staff for their outstanding assistance with the Southeast Conference meeting in Haines.

There are four LED lights installed on F Float at the harbor, and he encouraged everyone to have a look. The plan is to order a fifth one. **LAPP** said Sitka put the same kinds of floats in and found there is a safety issue. If someone falls from one of them, it is impossible to get back up since they sit higher. Sitka solved the problem by installing ladders. **BOLEN** believes this potential problem has already been addressed but will double-check.

BOLEN added that the old floats became the property of the project contractor. A deal was struck with resident Ed Lapeyri, and the contractor towed them for him. Apparently there was a problem with them breaking loose and causing a problem. He clarified for the assembly that the borough holds no liability in this since the floats were no longer borough property.

OLERUD asked what **BOLEN** said the borough would do with the \$19 million grant that **BOLEN** submitted for Lutak Dock. He wondered if land acquisition would be an allowed expenditure. **BOLEN** said the borough has some time to make decisions on what the funds would be used for. He stressed that the grant application is a long shot and he was somewhat sticking his neck out.

SMITH referenced the Mosquito Lake School boiler system information in the Director of Public Facilities report. He asked for clarification. **BOLEN** said bids came in the \$160K range in response to the RFP and significantly exceeded the school District's project budget. He asked an acquaintance to look at the plans and was advised that it could be done for around \$100K. The project has been put off until next year since school is already in session.

LAPP asked for an update on the RMSA road grading project. **BOLEN** said that the Director of Public Facilities is preparing the documents and the request for quotes should be out very soon. **LAPP** asked that the Mosquito Lake School parking lot be added to the job. He also wondered if any of it could be done by the Public Works crew. **STUART** said as long as there was another source of money paying for that work, Public Works could do it. It definitely cannot be paid for with townsite service area funds.

***B. Borough Clerk**

C. Chief Fiscal Officer

STUART summarized the Fiscal Year 2009 year-end report. Revenues were 103% of budget and expenditures were 93%. Most of the increase was due to sales tax being 12% over budget, and most of the savings in expenses were primarily for projects budgeted in 2009 that will happen in 2010, e.g. the match for the E-911 console, the match for the wood heat study, and the borough's match for the Young Road water tank work. Salaries and wages were under budget primarily due to vacancies in some positions. **ROSSMAN** asked if the sales tax spike was due to the high cost of fuel last fall and winter. **STUART** said she will be working on an analysis of the financial data but also must be cognizant of the confidentiality of sales tax information. **OLERUD** asked for a rough idea of project money not expended. **STUART** said \$209K.

***D. Chief of Police**

***E. Museum**

***F. Library**

***G. Chilkat Center**

9. COMMITTEE/COMMISSION/BOARD REPORTS

A. Commerce Committee

B. Finance & Budget

C. Personnel and Labor Relations

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 said during the Southeast Conference, she learned of the concept of a community energy profile. Skagway hired an intern to go house to house to gather information about fuel and energy use and sources, and she's working at getting an intern for Haines. She observed that conservation can be achieved by somebody taking responsibility and making even seemingly minor changes. For example, KHNS took the initiative to switch Chilkat Center light bulbs to the energy efficient type, and a significant drop in electricity use was achieved. She distributed the borough's municipal energy bill. BOLEN brought up the \$50K energy grant. He explained that it was earmarked to replace florescent lighting at the pool and solve the metering problem underneath it. The federal government came back saying pools are not an eligible facility, so the grant application has been redone to go for an energy audit of the Public Safety Building (PSB). SCOTT said the Energy & Sustainability Commission recommended this after meeting with the Director of Public Facilities. The PSB is the second largest building in the Haines Borough with the school being the largest. The draft RFP for the energy audit stipulates a public presentation of the findings and recommendations.

The mayor called a brief recess at 7:40pm. The meeting reconvened at 7:45pm.

***N. Service Area Boards**

10. OLD BUSINESS - None

11. NEW BUSINESS

A. Resolutions

1. Resolution 09-09-171

A resolution of the Haines Borough Assembly, designating the distribution of \$20,000 in conservation funds for Sawmill Creek fish habitat restoration held by Southeast Alaska Land Trust to Takshanuk Watershed Council (TWC), and for related purposes.

Motion by VICK: Adopt Resolution 09-09-171. It was seconded by ROSSMAN.

ROSSMAN asked where the property is. BOLEN responded that it is about 2 acres at Sixth and Dalton. SHIELDS was called upon, and he said the land owner wants the

assessed value. The Takshanuk Watershed Council (TWC) is committed to purchasing it and plans to have fundraisers. He further explained that there was a restoration project in 2003 on this property with the owner's permission. The \$20K was originally intended for purchasing the property, and the Land Trust needs the borough's permission to release it to TWC for use as a down payment. A branch of Sawmill Creek runs through this land, and AK-DOT has plans to rearrange their maintenance yard as part of a long term effort to restore the property. TWC would like to build the education program on that property as an outdoor lab only one-block from the school. **LAPHAM** asked **SHIELDS** if TWC will return the funds to the borough if they are not able to come up with the rest of the purchase price. **SHIELDS** is confident that TWC can come up with the money. It's a six-year payment plan, but he believes it can be paid off within two years. **ROSSMAN** asked why the borough put this money in the land trust in 2003. **OLERUD** explained that at that time, the borough was unsuccessful negotiating an acceptable price with the owner. There are strings attached to the money as explained in the MOA, and it had to be set aside as a way to secure the funds. **SMITH** believes TWC's proposal is a good one. **STUART** asked what TWC's asset disposition plan is in the event of dissolution. **SHIELDS** was unsure. **OLERUD** said perhaps the borough could be given right of first refusal for the purchase contract remainder. **BOLEN** suggested TWC might grant the parcel to the borough to be used perpetually as a conservation easement. **VICK** asked if there is a deadline. [ASAP.] **VICK** doesn't have a problem with the idea but suggested postponement until the next meeting to look more into it. **BOLEN** disagreed saying the only borough involvement is whether or not to instruct the Land Trust to release the funds to TWC. **SHIELDS** reiterated that the educational value of the property is the biggest consideration. TWC will do the remainder of the fund-raising and the administration. Arranging for it go back to the borough if TWC dissolves is entirely reasonable. **VICK** asked if the borough can legally put strings on the release of the funds. **BOLEN** said he will ask the attorney and then include instructions to the Land Trust. **OLERUD** suggested adoption of the resolution and asked for an agreement to be on file at the borough stating that in the event TWC dissolves, the property would come back to the borough for continued use as an educational conserve.

The motion carried unanimously in a roll call vote.

SHIELDS thanked the assembly for their continued strong support of the TWC educational programs.

B. Ordinances for Introduction - None

C. Other New Business

1. Excursion Inlet Survey Work

Motion by **SMITH**: Authorize the manager to execute a contract with Lounsbury & Associates to provide Excursion Inlet land survey work for an amount not to exceed \$140,000. It was seconded by **ROSSMAN**.

SMITH expressed concerns with all three bids and noted that the low bidder stated a review of the records was necessary and may result in a revised bid. **LAPP** echoed the concern. **BOLEN** said the low-bidder is the only one who "came clean" and admitted that the dollar amount could change. He viewed it as the only logical approach and explained that this firm has a lot of experience in this type of municipal survey work. He added that they have been around for a long time and have a good reputation. He doesn't have a worry about it, but if a revised bid came in higher, the assembly could opt to reject it. **SMITH** wondered if a cap should be put on it. **ROSSMAN** said he understands this because survey work is not like a construction project where most elements are known up front. **OLERUD** asked if Kean & Associates was notified of the missing rate sheet. [No.] **ROSSMAN** asked if the borough will still be able to benefit from the preliminary work costing \$13K if the assembly ends up rejecting an updated bid for the actual work. **BOLEN** said any work produced under contract with the borough would become the borough's property. He suggested an initial contract for only the \$13K portion. **LAPP** asked if this would be fair to the other bidders. **BOLEN** said the borough has a lot of discretion in professional services contracts. No one voiced opposition to the idea of issuing an initial Notice to Proceed for only the preliminary work.

The motion carried 5-1 in a roll call vote with **OLERUD** opposed.

2. Establish Local Financial Reporting Form

Motion by **LAPP**: Approve the new local financial disclosure reporting form as developed by the borough clerk. It was seconded by **LAPHAM**.

LAPHAM responded to the clerk's memo asking the assembly to consider two form elements---dependent names and domestic partners. He believes it should be sufficient to list dependent genders and ages rather than names on the

first page. **ROSSMAN** said he is against including domestic partner information.

Motion to Amend by **LAPHAM**: Require only gender and age for dependents on the first page and remove the requirement to include domestic partner information. It was seconded by **ROSSMAN**.

LAPP suggested that reporting the number of dependents should be sufficient.

LAPHAM and **ROSSMAN** agreed and withdrew their motion.

Motion to Amend by **LAPP**: Require only the number of dependents and remove the requirement to report domestic partner income. It was seconded by **LAPHAM**.

OLERUD observed that the form has several places where dependent names must be listed as associated with income. **ROSSMAN** said no dependent names should be listed throughout the form.

Motion to Amend the Amendment by **ROSSMAN**: Remove the requirement for dependent names to be listed anywhere in the form. It was seconded by **VICK**.

VICK suggested a way to format the form might be to have filers just circle "spouse" or "dependent", etc. That idea was well-received.

The motion to amend the amendment carried unanimously in a roll call vote.

The amendment motion carried unanimously.

The main motion carried unanimously in a roll call vote.

3. Picture Point Property Acquisition

BOLEN explained the subject property appraisal. **LAPP** said he does not support the purchase because the borough already has too much land. **ROSSMAN** does not believe the whole parcel needs to be purchased, and he suggested that the owners be asked if they would be willing to subdivide out the pull-out portion. He also noted his great disdain for any suggestion of eminent domain in the process. **VICK** agreed that the borough should purchase the pull-out portions, and if the owner is not willing to do that, the borough could buy the whole thing and subdivide it. He wondered where the money would come from for the purchase. **BOLEN** clarified that he is not proposing the purchase. He is simply bringing it to the assembly because it's been requested. No sales price exists to his knowledge, and funds have not been identified for the purchase. **SMITH**

noted that the property was the former city dump. It was cleaned up and moved, because it was realized that the property has value. He has been approached by many citizens asking the borough to purchase it. The public should own it, so he will vote for acquisition. He agreed with **LAPP** that the borough should put some of its other land on the market such as that on Mt. Riley Road. **LAPHAM** agreed with **ROSSMAN** that the borough should try to purchase just the pull-out portion. He pointed out that this is a snow dump area during the winter months. **ROSSMAN** said he noticed that Southeast Road Builders is currently doing work there and raising it up. It looks like there will be plenty of pull-out within the public domain of the right-of-way, so in his opinion, Picture Point may already be preserved. **OLERUD** observed that the last time the borough bought property, the understanding was that the old school property would be sold to defray the cost. That never happened. He will not support the purchase unless it is only the pull-out portions.

Motion by **VICK**: Direct the manager to write a letter to the Narada Trust to ask if they would be willing to subdivide the property commonly known as "Picture Point" and offer a sales price to the borough for the pull-outs. It was seconded by **SMITH**. The motion carried 5-1 in a roll call vote with **LAPP** opposed.

4. Alaska State Parks Grant Letter of Support

VICK distributed a draft letter of support for the effort by the Haines State Parks office to get grant funding from the Alaska Department of Natural Resources for trail-grooming equipment. The borough's support would strengthen their chances of getting the grant. Equipment would include snowmobiles. Groomed trails would open up the area for more multi-purpose use in the winter months.

Motion by **VICK**: Direct the mayor to write a letter in support of the effort by Alaska State Parks in Haines to obtain grant funding for snow mobiles and grooming equipment for the Haines area. It was seconded by **OLERUD**. The motion carried unanimously.

Motion to Reconsider by **ROSSMAN**: Reconsider the motion under New Business Item 11C3 regarding Picture Point. It was seconded by **VICK**. The motion carried 5-1 with **LAPP** opposed. This placed that motion once again before the assembly.

BOLEN reiterated the potential for the borough to acquire the pull-outs for \$1.00, and he asked if the assembly has any interest in holding off on the motion. **VICK** said the borough should proceed, and **ROSSMAN** agreed. **SMITH** wants the borough to make its own offer as stated in the motion.

The reconsidered motion carried once again 5-1 in a roll call vote with **LAPP** opposed.

Item 14, Public Comments, was moved ahead of the Executive Session with no member of the public making a comment.

5. Executive Session

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

Motion by **LAPP**: 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. No other topics will be discussed. It was seconded by **SMITH**. The motion carried unanimously.

The mayor called a recess at 8:50pm.

The Executive Session began at 9:05pm, and the regular session reconvened at 11:15pm. (2 hours and 10 minutes)

Motion by **VICK**: Renew the manager's contract for one year. It was seconded by **ROSSMAN**. The motion failed 3-4 in a roll call vote with **OLERUD**, **LAPHAM**, and **LAPP** opposed and the mayor breaking the tie in the negative.

Motion by **VICK**: "Retain the manager on a non-contractual basis as interim manager until hire of a new manager, dismissal by the assembly, or his own decision to leave the position." It was seconded by **SMITH**. The motion carried 4-2 in a roll call vote with **OLERUD** and **LAPHAM** opposed.

12. CORRESPONDENCE - None

13. SET MEETING DATES

The October 6th Haines Borough General Election Canvass was scheduled for 5:30pm on October 13, 2009. The regular assembly meeting will follow.

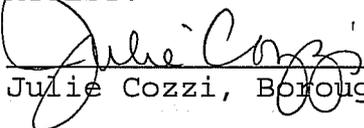
14. PUBLIC COMMENTS - moved ahead of the Executive Session.

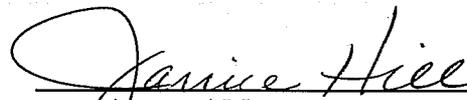
15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

16. ADJOURNMENT - 11:23pm

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

ATTEST:


Julie Cozzi, Borough Clerk


Janice Hill, Mayor

