

Haines Borough  
Borough Assembly Meeting #165  
October 27, 2009

MINUTES

Approved

- 1. CALL TO ORDER/PLEDGE TO THE FLAG:** Deputy Mayor **LAPP** (appointed presiding officer by the mayor) called the meeting to order at 7:02 p.m. in the Assembly Chambers and led the pledge to the flag.
- 2. ASSEMBLY SEAT A ELECTION RECERTIFICATION/SWEAR IN NEW ASSEMBLY MEMBERS/ROLL CALL**

**WARD** said the attorney has reservations about swearing in **LIDHOLM** just in case the Hoffman Supporters take this to the litigation level. **VICK** believes **LIDHOLM** should be sworn into office. **ROSSMAN** agreed. **SMITH** expressed amazement that this would even be an issue. **VOGT** said she is very torn and believes the assembly made a mistake tonight. She would not like the precedent to remain on the books but is reluctant to obstruct the assembly's proceedings. She does not have an objection to **LIDHOLM** being seated as long as she can have the assurance a court can still rule whether or not tonight's actions were legal which she believes are not.

**Motion** by **ROSSMAN**: Administer the oath of office to **LIDHOLM** at this meeting. It was seconded by **WATERMAN**.

**WARD** explained the attorney's reasons. The proceedings may not end here. It doesn't mean it's right or wrong. **WATERMAN** said the assembly has come to a decision, and **LIDHOLM** should be sworn in to keep the process moving. **OLERUD** said he doesn't mind moving on, but he understands that a swearing in might limit the Hoffman supporters' legal options. **VOGT** said the code says there is 10 days to file following certification.

**WATERMAN** called for the question, and **SMITH** objected. The presiding officer (deputy mayor) called for a vote on whether or not to continue debate. The vote failed, and the debate did not continue.

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

**COZZI** read the following Borough Assembly Seat A election recount/canvass results into the record:

HOSTETLER	ELECTION	<u>48</u>	RECOUNT DIFF	<u>-1</u>	CANVASS	<u>0</u>	TOTAL	<u>47</u>
LIDHOLM	ELECTION	<u>438</u>	RECOUNT DIFF	<u>+1</u>	CANVASS	<u>0</u>	TOTAL	<u>439</u>
MENKE	ELECTION	<u>111</u>	RECOUNT DIFF	<u>+0</u>	CANVASS	<u>0</u>	TOTAL	<u>111</u>
WRITE-IN HOFFMAN	ELECTION	<u>433</u>	RECOUNT DIFF	<u>+4</u>	CANVASS	<u>0</u>	TOTAL	<u>437</u>
WRITE IN OTHER	ELECTION	<u>9</u>	RECOUNT DIFF	<u>-4</u>	CANVASS	<u>0</u>	TOTAL	<u>5</u>

**Motion** by **OLERUD**: Certify the results of the 2009 Assembly Seat A election recount/canvass. It was seconded by **ROSSMAN**. The motion carried 5-1 in a roll call vote with **SMITH** opposed.

**COZZI** administered the oath of office to **WATERMAN** and **LIDHOLM**. Additionally, new police officer Donald McIntire was introduced and sworn in by the clerk.

**ROLL CALL: Present:** Mayor Janice **HILL** (via teleconference), Deputy Mayor Jerry **LAPP**, and Assembly Members Joanne **WATERMAN**, Gary **LIDHOLM**, Norman **SMITH**, Scott **ROSSMAN** and Steve **VICK**.

**Staff Present:** Bob **WARD**/Interim Borough Manager, Julie **COZZI**/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, Brad **MAYNARD**/Director of Public Facilities, and Gary **LOWE**/Chief of Police.

**Visitors Present:** Jessica **EDWARDS**/CVN, Bill and Libby **KURZ**, Janet **KURZ**, Don **TURNER III**, Dick **SOMERVILLE**/PND, Mr. **RASMUSSEN**/PND, Deborah **VOGT**, Dan **HARRINGTON**, Leonard **DUBBER**, Kevin **REEVES**, Marty **REMUND**, Ralph and Stacey **VIGILANTE**, Bill **ROSTAD**, John **WINGE**, Roger and Barbara **MAYNARD**, Danny **GONCE**, and others.

**2. APPROVAL OF AGENDA & CONSENT AGENDA**

The following agenda changes were requested:

**WARD** recommended removing the Executive Session from the agenda on the advice of the borough attorney because the notice wording was not clear enough. He recommends a special meeting to conduct this executive session along with discussing the borough manager recruitment process. The notice has to be more specific to show that it legally qualifies for executive session.

**Motion** by **ROSSMAN**: Approve the Agenda/Consent Agenda, as amended. It was seconded by **VICK**.

**SMITH** objected to removing the executive session.

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

**\* 3. APPROVAL OF MINUTES – Regular: 10/13 Canvass: 10/13**

**4. PUBLIC COMMENTS**

**TURNER III** believes it's ridiculous to have a 15 mph speed limit on FAA Road. In the borough's comprehensive plan, it's listed as an arterial road. Also, the former manager did not change it with code authority. He would like the Chief of Police to weigh in on the appropriate speed limit for that section of road.

**B.KURZ** thanked **COZZI** for the fair and open way that she conducted the assembly seat A recount.

Bill **ROSTAD** said he lives on Lutak Road and is concerned about the state's planned 50 mph speed limit. He would like a safety zone to be created because there are many driveways, bicyclists, children, etc.

**6. MAYOR'S COMMENTS**

**HILL** welcomed **WATERMAN** and **LIDHOLM** to the assembly and thanked Doug Olerud and Pete Lapham for their service. Additionally, she congratulated the new police officer, Don McIntire to the Haines Borough Police Department.

**7. PUBLIC HEARINGS**

**A. Ordinance 09-10-218 – First Hearing**

**An ordinance of the Haines Borough, providing for the addition or amendment of specific line items to the FY10 budget.**

Deputy Mayor **LAPP** opened and closed the public hearing at 6:35pm; there were no comments.

**Motion** by **SMITH**: Advance Ordinance 09-10-218 to a second public hearing on November 10, 2009. It was seconded by **ROSSMAN**.

**LAPP** said the Finance Committee met prior to this meeting to review the ordinance, and they recommend it.

The motion carried unanimously.

**8. STAFF REPORTS**

**A. Borough Manager**

**WARD** summarized his written report provided during the meeting covering the following topics:

- ✓ Assessor position
- ✓ Staff meetings
- ✓ Port Chilkoot Dock Restrooms
- ✓ Municipal Election Issues
- ✓ Portage Cove Harbor

- ✓ Speed Limit Adjustments
- ✓ CIA/Borough Agreement re. Chilkoot Estates Subdivision
- ✓ Borough Manager Search
- ✓ USDA/USFS/EDA Projects Needs & Economic Diversity Concerns

Additionally, in response to a question from **ROSSMAN, WARD** updated the assembly on three issues related to the Chilkoot Indian Association: 1) Tank farm property (there is not yet a memorandum of understanding in place but this is being developed concurrently with working with the Department of Defense on the transfer documents); 2) Chilkoot Estates Subdivision water-sewer system financing issue; and 3) Chilkoot Estates low-income housing and a request for tax-exemption (CIA will bring this request to the assembly at the next meeting).

**WARD** said the renovated harbor is beautiful, and the "keys" will be turned over to the borough in a few days. There will be some type of "photo op" planned. **LAPP** asked if the safety ladders had been installed on the new floats. Sitka found that it is virtually impossible to get back up from the water without them. He had brought this issue up during the second meeting in September and former manager Bolen was going to look into it. **B.MAYNARD** will look into the matter.

Regarding the USDA/USFS/EDA project list, **ROSSMAN** asked that much-needed improvements to Third Avenue between Haines Highway and Union Street be added. It's a main thoroughfare. **WARD** said if there are other questions or ideas, they should be directed to **B.MAYNARD** or him no later than Thursday afternoon.

- \* **B. Borough Clerk**
- \* **C. Chief Fiscal Officer**

**STUART** distributed a 3-year Sales Tax Revenue Comparison report. It shows a spike in sales tax revenue in 2008 due in part to the higher fuel prices and higher sales tax revenues in tourism & transportation. **SMITH** would like the "All Other Sales & Services" category to be broken out more so it isn't such a large catch-all. **WARD** noted that there are confidentiality laws that prevent too much of a breakdown. For example, if there is a sub-category that involves only two businesses---such as firewood cutting---then one business would easily know how much the competitor makes. Or if there is only one business, then everyone knows. **WATERMAN** asked **STUART** if she likes the new accounting system, and **STUART** said she likes it so far. **ROSSMAN** told her to keep up the good work. **STUART** told **SMITH** that some of the main "other" categories are utilities, fuel sales, communications, contractors, accountants, and professional services,

- \* **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**
- \* **N. Service Area Boards**

10. **OLD BUSINESS** - None

11. **NEW BUSINESS**

**A. Resolutions**

1. **Resolution 09-10-175**

A resolution of the Haines Borough Assembly adopting an alternative allocation method for the Fiscal Year 2010 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the Northern Southeast Fisheries Management Area.

**Motion** by **WATERMAN**: Adopt Resolution 09-10-175. It was seconded by **ROSSMAN**. The motion carried unanimously in a roll call vote.

**B. Ordinances for Introduction** - None

**C. Other New Business**

1. **PND Projects – Discussion Item**

**WARD** reminded the assembly that they had instructed PND Engineers to proceed with Army Corps permitting for Concept 5 of the PC Dock waterfront project. Subsequent to that, the Department of Transportation (AK-DOT) came forward saying it involves their property, and they have issues with the plans. Therefore, Concepts 6 and 7 were developed to address those concerns. Additionally, some citizens have expressed concerns about the size of restrooms and the potential loss of beach access. In the new concepts, snow removal has also been taken into consideration. Today, he met with Gregg Johnson, a member of the Tourism Advisory Board, **B.MAYNARD**, and Dick Somerville (PND) to go over the current information. Concept 7 keeps the buses and pedestrian activity on the water side.

**SOMERVILLE** introduced **RASMUSSEN**, an associate engineer working on this project for the borough. He said that, after the debate in July, PND was directed to work on permitting for Concept 5. They met with AK-DOT and other agencies. They verified that AK-DOT owns property that makes changes necessary. This is their jurisdiction, so they had input on Concept 5 and will not allow it. Former manager Bolen also asked PND to look at trestle repairs as a possible part of the project.

**WATERMAN** asked how much the larger restroom would cost. **SOMERVILLE** said \$270K. **VICK** said doing this type of project and settling for the prefab restroom facility seems odd. **SMITH** asked how much beach will be filled in. **SOMERVILLE** said roughly 35 feet in Concepts 5 and 6. Concept 7 is about 45 feet. **ROSSMAN** asked **LIDHOLM**'s and **WATERMAN**'s thoughts on the project. **LIDHOLM** said this is the first he has seen this level of detail. **WATERMAN** likes Concept 7 best for safety reasons and easier bus maneuvering. **WARD** said now that this project has been brought to AK-DOT's attention, the borough will be required to put in a median regardless. He noted that Concept 5 has a pavilion. Concepts 6 and 7 both have 10 bus parking spaces. The pavilion is not part of those concepts, so 2 spaces could be removed to make room for it. **VICK** likes the idea of a pavilion but wondered if a large awning could instead be added to the restroom building. **SMITH** asked the chances of the Army Corps issuing the needed permits. **SOMERVILLE** believes the chances are good, because they will likely recognize the uses as appropriate. **SMITH** believes the locals will object to the beach being filled in. **VICK** suggested that the Concept 7 bus spaces 9 & 10 could be removed and thereby reduce the footprint and the cost. **SOMERVILLE** said if the pavilion is wanted at some time, the most likely spot would be where parking stalls 1 & 2 are. Also, there would not be a huge savings---perhaps \$50K as an estimate. **ROSSMAN** asked if PND is still in pursuit of Corps permits. [yes]

**Motion** by **ROSSMAN**: Pursue the needed permitting for Concept 7. It was seconded by **LAPP**.

**LIDHOLM** asked the next step. **SOMERVILLE** said they would go after the AK-DOT driveway and encroachment permits along with the federal permitting. The estimated time for that process is six months. **LAPP** said once the permits are secured, the assembly will be able to decide when to proceed with the project. **SOMERVILLE** said that everything could be poised and ready for construction beginning in fall of 2010. **ROSSMAN** believes

the construction could continue through the winter months. **SMITH** asked how long it would likely take during the fall and winter. **SOMERVILLE** estimated 4 months.

The motion carried unanimously in a roll call vote.

## 2. Picture Point – Discussion Item

**ROSSMAN** said the state has constructed a large pull-out adjacent to the road. If the purpose is pull-outs and the view of town, he's not sure why the additional area would be needed. With the remaining width, he's not sure much development could take place anyway. **VICK** said he went by there and does not believe the new pull-out is all that big. He pointed out that Picture Point is a major snow storage area. Also, a private individual could buy the property and build structures that would obstruct the view. The borough should buy it and sell the portions not needed, because it's a local treasure. **ROSSMAN** said the borough has a lot of land, and perhaps the Narada Trust would trade existing land of an equal value. **VICK** said it depends on the reason it is being sold. **LAPP** said the people who own it might think it is worth much more than the assessed value.

**Motion** by **VICK**: Make an offer to buy the property from the Narada Trust for the \$585K appraisal amount. It was seconded by **SMITH** for the sake of discussion.

**VICK** believes it's worth subdividing, and he thinks the borough could recoup at least a quarter of the cost. **LAPP** said he would like the manager to contact them to get a firm asking price. **VICK** removed his motion with **SMITH**'s concurrence.

**Motion** by **VICK**: Direct the manager to contact the Narada Trust to investigate the options for acquiring the Picture Point property including finding out the selling price and whether or not a land trade would be acceptable. It was seconded by **LAPP**. The motion carried unanimously.

## 3. Lutak Road & FAA Road Speed Limits – Discussion Item

Regarding the Lutak Road speed limit, **WARD** explained his conversation with AK-DOT. **LAPP** suggested that the manager write a letter asking AK-DOT to put in a no-passing zone. **WATERMAN** also wondered if the state loans out a "speed alert" gun. This might help to make the public aware of their speed. Additionally, asking the police to monitor speeding and issue speeding tickets might help. **VICK** said he concurs with the citizen request for a lower speed limit. He also wondered about signage that could alert people. **LAPP** said perhaps a "double-fine" sign for speeders. **SMITH** suggested that if a speed study is done it should take place during peak season. **WATERMAN** said one study is just with rubber tubes across the road. It measures the number of cars and how many are breaking the speed limit but doesn't take into consideration driveways, etc. **LIDHOLM** said the new roadway was designed for 55 mph hour and it was lowered to 50 mph. A speed study carries the risk of having the speed increased. The manager will write to AK-DOT and request various signs including "45 mph", "double-fine", and "no-passing."

Regarding the FAA Road speed limit behind the Fort, **WARD** said there is some demand for speed limit consistency. He said there are three other residential roads posted at 15 mph: 1) Lynnview in one direction and 25 mph in the other; 2) Piedad Road is 15 mph; and 3) Helms Loop is 15 mph which is basically a one-lane gravel road. FAA Road is a nice straight stretch of road within standards for the road surface. It was not within the purview of the former manager to make the decision to decrease the speed limit. Also, it is a major thoroughfare, and he's not sure it warrants the 15 mph. He is going to proceed with changing the speed limit back to what it was. In the absence of another traffic study, he doesn't believe there is justification for any other action. It's a residential road, and most of the other roads in the Fort area are 25 mph.

**Motion** by **ROSSMAN**: Change the speed limit on the section of FAA Road behind the Fort to 20 mph as a compromise for 90 days. It was seconded by **VICK** for discussion.

**LIDHOLM** agreed that consistency is important. **SMITH** said he lives there, and it was originally designated as an alley. It has been recently upgraded. The residents back out

into the roadway. It contains elderly residents, a handicapped child, and is a national landmark. He would like the people who are disgruntled with the 15 mph speed limit to talk with the residents who signed the petition. He's the one who had the stop signs put in ten years ago. At that time, the road surface was upgraded to chipcoat. There is a lot of traffic along that road including garbage trucks, dump trucks, fire trucks, etc. He agreed that it is a thoroughfare. His suggestion is to make another access point for the residents of FAA road, possibly Kathleen Drive. There is borough property on Mt. Riley Road, and it is a growing area. He believes it will be a speedway during the peak of summer. The purpose of the reduced speed limit is to deter the speeders. There is a problem on the road in the spring and summer. The residents want it to be safe. He implored the assembly members to talk with the residents. It's only 1/10<sup>th</sup> of a mile long. He believes it's a neighborhood first and a roadway second. Until the access is changed to the upper end of FAA road, the speed limit should be at 15 mph.

**VICK** pointed out that people walk out their doors right into the roadway. **SMITH** said he has been observing people obeying the speed limit. **VICK** asked if it is possible to have a seasonal speed limit. **WARD** is unsure. **ROSSMAN** clarified that it is supposed to be 25 mph so the assembly would be technically lowering the speed limit if it passes this motion.

The motion carried 4-3 in a roll call vote with **WATERMAN**, **VICK**, and **SMITH** opposed and the mayor breaking the tie in the affirmative.

**Motion** by **SMITH**: Direct the interim manager to investigate the development of an alternative access road, for example Kathleen Drive, in order to alleviate potential traffic problems on FAA Road. It was seconded by **LAPP**. The motion carried unanimously.

4. Executive Session (removed during Agenda approval)

12. CORRESPONDENCE - None

13. SET MEETING DATES

Tuesday, 11/3, at 6:00pm - Special Meeting to discuss Borough Manager candidates and hold an executive session to discuss Tom Bolen potential litigation.

14. PUBLIC COMMENTS - None

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

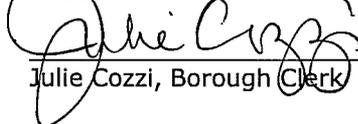
**HILL** thanked **WARD** for working with the borough as an interim manager.

**VICK** said he is happy to hear that the two new assembly members are attending the Newly Elected Officials training. He wants to know if the borough is liable for the two letters written to Chilkoot Lumber Company by former manager Venables. He has concerns and has asked three times for a discussion with the borough attorney in executive session. He is frustrated and dismayed that his questions are not being answered. **LAPP** asked if **VICK** read the Venables affidavit. **VICK** said he did, but it did not answer his questions. He wants to know if the borough is somehow liable for the potential fraudulent behavior by a former employee. **LAPP** doesn't believe it needs to be in executive session. He could submit his question to the borough attorney and get a response that way. **SMITH** agreed with **VICK**. **ROSSMAN** said it wouldn't hurt to have another executive session soon for a general update on the Chilkoot Lumber Company and Crystal Cathedrals Water System issues.

16. ADJOURNMENT - 9:55pm

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

ATTEST:

  
Julie Cozzi, Borough Clerk



  
Jerry Lapp, Deputy Mayor