

Haines Borough
Borough Assembly Meeting #198
March 22, 2011

MINUTES

Approved

1. **CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor **HILL** called the meeting to order at 6:30 p.m. at the Haines Public Library and led the pledge to the flag.

2. **ROLL CALL**

Present: Mayor Jan **HILL**, and Assembly Members Jerry **LAPP**, Scott **ROSSMAN**, Joanne **WATERMAN** (participating by phone), Steve **VICK**, and Daymond **HOFFMAN**. **Absent:** Assembly Member Greg **GOODMAN**.

Motion: **VICK** moved to "excuse Assembly Member **GOODMAN** from this meeting," and the motion carried unanimously.

Staff Present: Mark **EARNEST**/Borough Manager, Julie **COZZI**, MMC/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, Tanya **CARLSON**/Tourism Director, Ed **BARRETT**/Harbormaster, and Gary **LOWE**/Chief of Police.

Visitors Present: Krista **KIELSMEIER**/CVN, Debra **SCHNABEL**, Deborah **VOGT**, Libby **KURZ**, Zbigniew **ROZBICKI**, Sean **GAFFNEY**, Scott **SUNDBERG**, Tom **HALL**, Judy **BEAUCHEMIN-HALL**, Lauren **GEORGELOS**, Anne **HANSEN**, Ron **JACKSON**, Matthew **BORISH**, Kent **MCBRIDE**, Roger **MAYNARD**, Glenda **GILBERT**, Bruce **GILBERT**, Zach **TARLETON**, Christy **FOWLER**, Nick **TRIMBLE**, Paul **NELSON**, and others.

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

Motion: **LAPP** moved to "approve the Agenda/Consent Agenda," and it was amended to move Item 10B (Executive Session for the borough manager evaluation) and combine it with Item 11C3, and to move Item 14 (public comments) ahead of the combined Executive Session. The motion carried unanimously.

* 4. **APPROVAL OF MINUTES** – Regular: 3/8/11

5. **PUBLIC COMMENTS**

ROZBICKI read a written statement that was distributed to the assembly members. The Chamber is concerned about deferred maintenance and has officially requested that the borough manager establish a firm deadline for the completion and release of facility evaluations of all borough facilities and infrastructure.

BORISH is opposed to a third heliskiing permit for safety reasons. There seems to be a notion that there is plenty of terrain to accommodate a third operator, but that is not the case. With the loss of the BLM land, it is an even smaller area than usual. Also, avalanches are a real danger. There is a real threat of being killed or injured. It's a very dynamic process to choose safe skiing routes. Having another operation come in will be dangerous.

HALL read a written statement he distributed to the assembly members. He is opposed to any borough support for Acme Transfer's RCA application to provide garbage pickup service in Haines.

GAFFNEY thanked the assembly for their time and consideration of AMG's permit application. They will strive to raise standards in all ways.

TRIMBLE opposes the borough issuing a third heliskiing permit. Adding a third company will bring more helicopters. He also cannot comprehend how AMG would be satisfied with a small number of skier days. No one ever asked the industry how things actually operate. This season has brought out every conceivable issue that could come up. They are competing for small amounts of snow and flying all over each other.

NELSON spoke regarding the issue of garbage service. The State of Alaska has not renewed the Community Waste Solutions (CWS) landfill permit because of problems with it. He believes his company, Acme Transfer, has a better solution than CWS because it doesn't involve burying garbage in the ground.

SUNDBERG said this has been the toughest heliskiing season he can remember. Areas all the way to Valdez are suffering this year. It's a disaster. The "pie" fluctuates. He believes it would be premature to issue a third permit. SEABA is not a large corporation. It's tough. There is limited area and limited days. He asked the assembly not to approve a third permit.

TARLETON, pilot for SEABA, asked the assembly to keep in mind the safety aspect when considering this permit application. It is hard to communicate pilot to pilot when they are communicating with the guides and keeping an eye on the skiers who are on the ground. Mountainous terrain is difficult to operate in, anyway.

BEAUCHEMIN-HALL clarified that Community Waste Solutions composts garbage as opposed to just burying it in the ground as claimed in a previous comment. Their permit is in order and will be issued shortly. They are in compliance with State regulations.

6. **MAYOR'S REPORT/COMMENTS**

Mayor **HILL** briefly reported on her participation in the Southeast Conference Mid-Session Summit and some of the Redistricting Board meetings. She made a special presentation to Borough Police Officer Cassandra McEwen who has completed her training and is now a certified police officer. She congratulated her on her professionalism and dedication.

The mayor announced that on Friday, 3/25, Representative Don Young will be in Haines. He will be the speaker at the Chamber of Commerce luncheon. The borough plans to showcase some of the projects and give him a tour of the library, museum, waterfront project, port facilities, school campus, etc. A contingent from the Municipality of Skagway may be here, as well, and the borough is planning to share Representative Young's time with them so they have an opportunity to meet with him about their issues.

7. **PUBLIC HEARINGS**

A. **Ordinance 11-02-253** – second hearing

An Ordinance of the Haines Borough Assembly amending Haines Borough Code 7.08.090 to clarify and expand the boundaries of the Letnikof Estates Road Maintenance Service Area to include Tract A, Port. USS 1242.

The mayor opened and closed the public hearing at 7:06pm; there were no public comments.

Motion: **LAPP** moved to "adopt Ordinance 11-02-253," and the motion carried unanimously in a roll call vote. No discussion.

B. **Ordinance 11-02-255** – second hearing

An Ordinance of the Haines Borough Assembly amending the port of Haines Terminal Tariff No. 3 to increase demurrage, dockage and wharfage rates.

The mayor opened the public hearing at 7:08pm.

ROZBICKI said this will be an increased tax mostly on the shoulders of the year-round residents. Raising the rates will be passed on to the businesses. It's possible that raising the rate might reduce the amount of freight coming into Haines. He urged very close scrutiny to avoid hardship on the public and businesses, especially restaurants.

GILBERT said the dock rates have been changed six times since 1994. The proposed amendment is getting closer to one she could live with.

SUNDBERG wondered if there is additional freight going across the dock. If so, he supports this increase. If not, he doesn't.

NELSON wondered if the gravel rate is staying the same. He is concerned about this ordinance, and doesn't understand why the borough has to raise taxes.

TENGs FOWLER spoke against the rate increases.

Hearing no further public comments, the mayor closed the public hearing at 7:15pm.

Motion: **VICK** moved to "advance Ordinance 11-02-255 to a third public hearing on 4/12/11," and the ordinance was amended by replacing it with Substitute Ordinance #1 prepared by the borough manager. The motion carried unanimously.

During discussion, **LAPP** said the Commerce Committee recommends the manager's proposed substitute ordinance. The committee met and the public attended and had an opportunity to speak to this matter. He said he talked to some of the fuel drivers who told him some of the trucks were pulling out before the rates were raised because Delta Western's costs were higher. **VICK** said there is deferred maintenance that needs to be addressed. He observed that the Chamber of Commerce letter is about getting up to speed with facility maintenance, and that is what this does. The money invested here brings a lot back to the community. The dock facilities have to be expanded, upgraded, and maintained. The dock needs to be suitable for more business. Rates of other municipalities are

higher. The fact is that the borough has neglected to raise the rates, and we are heading toward losing our dock. We have to catch up to the times. This is a broader picture than just passing a buck on to the consumer. The amount is pennies. **EARNEST** said he has had numerous discussions with AML/Lynden. He attempted to put the Lutak tariff into perspective for the audience. It's about 1 to 2% of the total freight bill, an increase of \$1.50 per ton. It would take ten one-pound cans of peaches to equal one cent. That is a relatively small price tag, but what it represents to the borough is an ability to use the rates to upgrade and expand to generate additional revenue. The borough recognizes the economic climate. The borough is a partner with the business community because so much of our revenue is sales tax, and strong efforts are going into trying to increase commerce. For example, the mayor and he will be traveling to Whitehorse, trade associations, etc. to try to increase dock usage. He had numerous discussions with Delta Western about the fuel rates, and the company headquarters felt comfortable with the rates. It was less than what the borough needed for that facility, but he agreed with what Delta Western felt comfortable with. He is partnering with the companies and communicating with the Chamber of Commerce and business leaders to try to find that balance to be responsible but not injure the community. **HOFFMAN** believes the conversations have been constructive, and the substitute ordinance reflects compromises. **ROSSMAN** asked if it really needs an accelerated pace of 10% for five years. **EARNEST** said Anchorage is currently \$4.50 a ton and the borough is proposing \$3.50. Haines is comparable with other communities. This is a minimal annual increase of 1/100th cent per pound. About \$60K a year is currently generated and this rate increase would represent an additional \$40K. At the end of the five years, it would be up to about \$150K. An enterprise fund would ultimately generate \$250K a year to insure the borough has the resources and wherewithal to take care of the facility for future generations.

C. Ordinance 11-02-256 – second hearing

An Ordinance of the Haines Borough Assembly providing for the addition or amendment of the FY11 budget.

The mayor opened and closed the public hearing at 7:33pm; there were no public comments.

Motion: **LAPP** moved to "adopt Ordinance 11-02-256," and the motion carried unanimously in a roll call vote. There was no discussion.

D. Ordinance 11-02-257 – second hearing

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 18 to add heliports to the list of uses requiring a conditional use permit in the General Use planning/zoning district.

The mayor opened the public hearing at 7:34pm.

SUNDBERG asked the assembly to send this to committee to examine more closely the impacts and to develop parameters for the planning commission to use when considering a heliport conditional use (CU) permit. Criteria are important since there is no precedent.

Hearing no further comments, the mayor closed the public hearing at 7:36pm.

Motion: **VICK** moved to "adopt Ordinance 11-02-257," and the motion carried 4-1 with **ROSSMAN** opposed. There was no discussion.

E. Ordinance 11-03-258 – first hearing

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Section 2.84.160 to add director of public facilities to the list of positions eligible to accrue executive leave in lieu of overtime compensation and to clarify the accrual start date.

The mayor opened and closed the public hearing at 7:39pm; there were no public comments.

Motion: **LAPP** moved to "advance Ordinance 11-03-258 to a second public hearing on 4/12/11," and the motion carried unanimously.

During discussion, **VICK** said he would support including the harbormaster in this ordinance in the future as well as getting that position out of the union.

8. STAFF REPORTS

A. Borough Manager

The manager summarized his written report that included the following items:

- FY 2012 Federal Priorities
- Lutak Dock Tariff

- PC Dock Tariff – Fast Ferry
- Garbage Contract
- KCIBR Update
- Chilkoot Lumber Company vs Haines Borough Settlement Agreement

VICK said the Government Affairs & Services Committee discussed options for garbage services during its recent meeting. The borough cannot prevent other businesses from operating. The Committee and the manager recommend Option #5 as outlined in the manager's report. They also recommend sending a letter to the RCA saying the borough supports another company being permitted to operate.

Motion: **VICK** moved "not to put out an RFP for our [the townsite's] waste disposal, and write a letter to the RCA supporting the expansion of Acme Transfer's waste disposal service area," and the motion carried unanimously.

During discussion, **EARNEST** said the borough is moving away from contracting with one entity for exclusive rights to provide garbage pickup service within the townsite. The assembly expressed support for the idea of another company being permitted to operate within the townsite as is currently the case in the area outside of the townsite. They acknowledged that the competition would split the available customer base and, thereby, possibly cause an increase in rates. For its own waste collection, the borough would put out a competitive Request for Proposals.

- * B. Borough Clerk
- * C. Chief Fiscal Officer
- * D. Chief of Police
- * E. Museum
- * F. Library
- * G. Chilkat Center
- H. Other
 1. Senior Citizens Center, Inc.

VOGT summarized the written report provided in the meeting packet, highlighting the ways Senior Citizens Center, Inc. uses the borough-owned building. She encouraged the manager to update the old building use/maintenance agreement.

9. COMMITTEE/COMMISSION/BOARD REPORTS

- A. Commerce Committee
- B. Finance & Budget
- C. Personnel & 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. Service Area Boards
 1. Historic Dalton Trail RMSA Board
 2. Fire Service Area #3 Board (Klehini Valley)
 3. Letnikof Estates RMSA Board
- M. Ad-Hoc Boards & Committees
 1. Wayfinding/Signage Presentation

SCHNABEL gave a PowerPoint presentation about the signage project and showed some of the sign concepts and several of the issues being considered. Alaska DOT&PF will be very helpful to the borough since they have experience with the Juneau and Ketchikan pedestrian signage.

10. OLD BUSINESS

A. Heliskiing Permit – Alaska Mountain Guides

Note: Alaska Mountain Guides (AMG) applied for a 2011 Commercial Tour Permit to operate Helicopter Skiing Programs within the Borough. AMG is looking to offer two programs: 1) Educational

Courses: Helicopter skiing/snowboarding leadership & guide training courses, and 2) Guided Helicopter Skiing: Day programs: A public hearing was held on 12/14, and following discussion, the assembly postponed further consideration until the Heliskiing Work Group had finished its work. Written public comments were included in the meeting packet.

Motion: **HOFFMAN** moved to "Authorize the borough clerk to process the Alaska Mountain Guide application and, if everything is in order, issue a 2011 heliskiing permit," and the motion carried unanimously.

During discussion, **GAFFNEY** explained AMG is interested in training and education along with recreational heliskiing. **ROSSMAN** observed it is late in the 2011 season and asked the manager how many days would be allocated. **EARNEST** responded the skier day allocation reserved for a third permit, at this point, is the 200 days AMG requested in their application. **GAFFNEY** said being able to briefly operate in Haines this season even on a limited basis would help them in their marketing efforts in *Outside Magazine*. At a minimum, they need to be able to do the filming and shooting to get marketing images. Given the loss of the BLM areas and the poor weather conditions, they plan to minimize use as much as possible this year to keep impacts down for the other operators. He believes they can run a viable good program with 200 days. He reiterated AMG's respect for the community and the other operators in minimizing their impacts this season. In light of that, he hopes that this current scaling back would not be held against them for future allocations. **VICK** asked if the AMG business plan allows for a maximum number of 600 skier days. **GAFFNEY** reiterated that 200 days works for them. Regarding safety, he said AMG staff is now up to 40 EMTs, and by the end of the summer, that number will be closer to 70. The EMT level of training is required for all of their heliski leaders. He personally received his level 3 avalanche certification and has a substantial background in American Avalanche Association standards. **HOFFMAN** asked about the other operators' safety concerns with adding a third permittee and wondered if it is just a safety issue this year. **BORISH** responded that now with the new ordinance, the backcountry users have the potential to cause even more limitation. Guide training is very different from actual heliskiing operations. He believes it's a genuine safety concern. **ROSSMAN** asked the manager to write a letter to the State or BLM to hurry the state selection process along. **EARNEST** said the current EIS has impacted the BLM land. It is scheduled to run for another 5 or 6 months. BLM made an administrative decision to not approve any permits for activity on BLM land during that time. He believes it will not be an issue next season. **HOFFMAN** said for a few years, the assembly has been told it needs to support the heliskiing industry. This AMG application puts them now in a strange place with the existing companies expressing opposition. This is definitely a new page and a new chapter. The communication level has really increased between the two permittees, and he has full confidence that it will continue. He believes a third operator can work. **WATERMAN** agreed and said it is confusing to be in this position with the two existing companies. She asked specifically during the first Heliskiing Work Group meetings, how many companies this valley could support, and the operators said three. **ROSSMAN** supports this third permit. **LAPP** said he has seen times when five helicopters were operating, and it worked. **VICK** agreed that there is a mixed message. AMG has proven they are a good company.

B. Executive Session - Borough Manager's Evaluation

During approval of the agenda, this item was moved and combined with Item 11C3.

11. NEW BUSINESS

A. Resolutions

1. Resolution 11-03-265

A Resolution of the Haines Borough Assembly Supporting the Reauthorization and Extension of the Secure Rural Schools and Communities Self-Determination Act.

Motion: **LAPP** moved to "adopt Resolution 11-03-265," and the motion carried unanimously in a roll call vote. There was no discussion.

2. Resolution 11-03-266

Haines Borough Assembly authorizing the Borough Manager to enter into an agreement with Henricksen Constructors for the Barnett Pump Station Replacement Project for an amount not to exceed \$225,000.

Motion: **WATERMAN** moved to "adopt Resolution 11-03-266," and the motion carried unanimously in a roll call vote.

VICK asked for an overview of the water and sewer plan in the near future. **EARNEST** said it is being put together along with buildings, streets, and utilities.

3. Resolution 11-03-267

A Resolution of the Haines Borough Assembly calling on the State of Alaska Redistricting Board to maintain the Haines Borough in a House district that is "a relatively integrated socio-economic area" and not a part of the City and Borough of Juneau.

Motion: **VICK** moved to "adopt Resolution 11-03-267," and the motion carried unanimously in a roll call vote.

During discussion, the assembly talked about the importance of sending a loud and clear message that Haines is rural and does not want to be a part of Juneau. One assembly member wondered if Haines ends up in the Juneau district whether we would be "punished" for opposing it, and the mayor and manager did not believe that would happen. **EARNEST** explained that March 31st is the deadline for initial comments, which this resolution will communicate. After that deadline, redistricting plan options will come out, and that will be the time Skagway and Haines will consider a joint resolution.

B. Ordinances for Introduction

1. Ordinance 11-03-259

An Ordinance of the Haines Borough amending Haines Borough Code Title 18 changing relief from the building separation requirement from a variance to a conditional use permit and requiring elevation drawings to be submitted with land use permit applications.

Motion: **LAPP** moved to "introduce Ordinance 11-03-259 and set a first public hearing for 4/12/11," and the motion carried unanimously. There was no discussion.

C. Other New Business

1. Amend a Previously Adopted Resolution – 10-12-251 (Federal Priorities)

Motion: **HOFFMAN** moved to "amend Resolution 10-12-251 adopted at the December 14, 2010 meeting by inserting the following additional 2011 federal priorities:

- Nukdik Point - \$500,000 (negotiated land acquisition);
- Historic Dalton Trail National Registry Designation; and
- Secure Schools funding.

The motion carried 4-1 in a roll call vote with **LAPP** opposed.

During discussion, **LAPP** asked if the list is in order of priority and whether the school funding should be ahead of Nukdik Point. **EARNEST** assured that position will not make a difference with Secure Schools but may matter with Nukdik Point since that is a specific project. He understands the concern but would leave the order of the list the way it is.

2. Approve 2011 Assembly Meeting & Agenda Schedule

Motion: **VICK** moved to "approve the 2011 Haines Borough Assembly Meeting and Agenda Schedule," and the motion carried unanimously.

During a very brief discussion, **EARNEST** noted there will occasionally be bonafide emergencies that will be exceptions to the agenda schedule, but that should be rare.

PUBLIC COMMENTS – Moved ahead of the Executive Session during approval of the agenda.

NELSON thanked the assembly members and mayor for the time they put into community service. He wondered what will happen with the sludge and was told it will be addressed at another Government Affairs & Services Committee meeting. He offered that the City of Fairbanks has been composting its sludge and selling it.

ROZBICKI announced the Chamber of Commerce will be launching a campaign in April to encourage people to shop locally. He asked the manager to make attempts at getting out-of-town contractors to buy materials locally for borough projects, as much as possible.

3. EXECUTIVE SESSION – Chilkoot Lumber Co. Lawsuit and Manager Evaluation

Note: During approval of the agenda, the executive session to discuss the manager evaluation was moved from Unfinished Business and combined with the executive session to discuss the Chilkoot Lumber Company lawsuit. The manager waived his right to request that his evaluation be discussed in open session.

Motion: LAPP moved to "move into executive session to discuss the Chilkoot Lumber Company lawsuit and provide direction to the borough attorney; and to discuss the borough manager's performance evaluation. Discussion in open session would clearly have an adverse effect on the finances of the Haines Borough and/or tend to prejudice the reputations of those involved, therefore this matter qualifies for executive session, as allowed by AS 44.62.310(C)(1 & 2) and Haines Borough Charter Section 18.03(B)." The motion carried unanimously.

Present: Mayor Hill; Assembly Members Lapp, Waterman (via teleconference), Vick, Rossman, and Hoffman. The borough manager, chief fiscal officer, and borough clerk were requested to attend the Chilkoot Lumber Company portion of the session. The borough manager was called back into the executive session during the last part of the manager evaluation portion.

The executive session convened at 9:28pm and ended at 10:18pm.

The following motion was made upon entering into regular session:

Motion: LAPP moved to "authorize the borough manager to enter into the settlement agreement and related documents with Chilkoot Lumber Company as recommended by the borough attorney," and the motion carried unanimously in a roll call vote.

12. CORRESPONDENCE - None

13. SET MEETING DATES

The assembly approved the proposed FY12 Budget Meeting Schedule with one change: the 4/5 meeting will take place at the Public Library.

The following additional meetings were scheduled:

- 4/12/11 - 5:30pm - Assembly Committee of the Whole - Topic: Ordinance 11-02-254 regarding mobile home registration.
- 4/4/11 - 5:30pm - Government Affairs & Services Committee - Topics: Municipal Solid Waste and Sludge.

HOFFMAN would like the assembly to examine in committee the use of computer tablets or notebooks to reduce staff time, paper, toner, etc. This discussion will likely take place during the budget meetings.

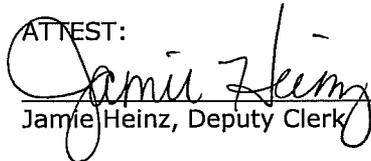
14. PUBLIC COMMENTS - Moved ahead of Item 11C3 during approval of the agenda.

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS - None

16. ADJOURNMENT - 10:31 p.m.

Motion: LAPP moved to "adjourn the meeting," and the motion carried unanimously.


Jerry Lapp, Deputy Mayor

ATTEST:

Jamie Heinz, Deputy Clerk



...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...

...the ... of ...
...the ... of ...
...the ... of ...