


Haines Borough
Borough Assembly Meeting #202
May 24, 2011
MINUTES

Draft

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 Janice **HILL**, and Assembly Members Jerry **LAPP**, Scott **ROSSMAN**, Joanne **WATERMAN**, Steve **VICK**, and Daymond **HOFFMAN**.

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

Visitors Present: Krista **KIELSMEIER**/CVN, Tara **BICKNELL**/KHNS, Roger **MAYNARD**/Haines News, David **BUTTON**, Ray, Beckie, and Alexandria **CHAPIN**, Jim and Julie **SHOOK**, Lenise **HENDERSON FONTENOT**, Keith **KAISER**, Stan **JONES**, Sally **MCGUIRE**, Karen **HESS**, Melissa **SNELL**, Danny **GONCE**, Patty **CAMPBELL**, John and B. Lynn **NOWAK**, Brad **RYAN**, Joe **PARNELL**, Don **TURNER Jr.**, Kim **LARSEN**, Nick and Kamla **TRIMBLE**, Glenda **GILBERT**, and others.

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

Motion: **LAPP** moved to "approve the Agenda/Consent Agenda," and the motion carried unanimously.

* 4. **APPROVAL OF MINUTES** – Regular: 5/10/11 BOE: 5/9/11

5. **PUBLIC COMMENTS**

B.CHAPIN introduced Alexandria Chapin and Autumn Gross as two of the AK History Day winners. She explained that the group of five girls has been working hard to raise money and would appreciate a donation from the Haines Borough. About \$4,000 has been raised, thus far. **R.CHAPIN** said he has been the educator of these girls since kindergarten, and they will represent the town well.

PARNELL reiterated his request from earlier assembly meetings that the borough pay the \$3,000 to enable the public to have Sunday open gym at the school. There are about 30 individuals interested in playing basketball. When they play on Tuesdays and Thursdays evenings, they only get to play side court but on Sunday it would be full court. There will be fees charged, and he would personally make sure they are collected and remitted to the borough.

KAISER, JONES, TURNER, and Jim **SHOOK** spoke in support of Karen Hess being reimbursed for attorney fees and would like to see the assembly appoint her to the Seat E vacancy.

CLARKE encouraged the assembly to support the AK History Day students and said it's wonderful that in Haines, academics gets as much PR as sports does. **HENDERSON FONTENOT** said her twin boys went to History Day twice and were significantly impacted by the experience. **CLARKE** added that teacher Lisa Andrieson deserves kudos for her work with the History Day students.

BUTTON said he appreciates the manager and borough assembly allowing Joe Poor to plant the apple trees. He also mentioned that this is bicycle month and encouraged everyone to ride their bikes.

MCGUIRE is working on a citizen's initiative to repeal the 1% tourism tax. It's been costing between 1/3 and 1/2 million dollars each year for about 20 years, and a lot of people are getting tired of paying the tax. In most places in Alaska, there is no sales tax, and Haines is on the high end of those who have it. The assembly should take the lead on this so it doesn't have to be done by initiative. She asked the mayor to put it on an assembly agenda.

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

The mayor reminded that school will soon be out along with it being bicycle season, and asked people to please watch for children of all ages.

HILL read aloud the Governor's press release about Dr. Walter Soboloff who died at the age of 102. Throughout her term, she has spoken of the need for treating each other with respect. Dr. Soboloff worked with many elders to instill traditional Tlingit values, and one of the most important parts was a sense of humor. She encouraged everyone not to take themselves so seriously.

She said she is looking forward to greeting the first cruise ship and driving the people mover cart. The

borough staff and Southeast Road Builders have worked very hard to get the dock facility ready. A special celebration and official grand-opening will be scheduled for a future cruise ship day.

7. PUBLIC HEARINGS

A. Ordinance 11-04-260 – second hearing

An Ordinance of the Haines Borough amending Haines Borough Code Chapter 2.105 to re-establish the Parks and Recreation Advisory Board as the Parks and Recreation Advisory Committee and to clarify the Committee's purpose.

The mayor opened and closed the public hearing at 6:57pm; there were no public comments.

Motion: WATERMAN moved to "adopt Ordinance 11-04-260," and the motion carried unanimously in a roll call vote. There was no discussion.

B. Ordinance 11-04-261 – second hearing

An Ordinance of the Haines Borough amending Haines Borough Code Title 3 to authorize enterprise funds for the Lutak Dock and the Portage Cove Dock.

The mayor opened and closed the public hearing at 6:58pm; there were no public comments.

Motion: LAPP moved to "adopt Ordinance 11-04-261," and the motion carried unanimously in a roll call vote. There was no discussion.

C. Ordinance 11-04-262 – second hearing

An Ordinance of the Haines Borough amending Haines Borough Code Sections 18.70.030(B)(3) and 18.70.030(B)(4) to prohibit heliports in the Mud Bay Planning/Zoning District.

The mayor opened and closed the public hearing at 7:00pm; there were no public comments.

Motion: WATERMAN moved to "adopt Ordinance 11-04-262," and the motion carried 4-1 in a roll call vote with LAPP opposed. There was no discussion.

D. Ordinance 11-04-263 – second hearing

An Ordinance of the Haines Borough amending Haines Borough Code Title 13, Sewer System, Section 13.08.230 to add a summertime sprinkler allowance for metered residential customers.

The mayor opened and closed the public hearing at 7:02pm.

Motion: LAPP moved to "adopt Ordinance 11-04-263," and the motion carried unanimously in a roll call vote. There was no discussion.

E. Ordinance 11-04-264 – 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, 2011 through June 30, 2012.

The mayor opened the public hearing at 7:05 pm.

B.CHAPIN was happy to see a committee recommendation to fully fund the Lynn Canal Counseling and appreciated their efforts.

RYAN talked about the After School forest programs and made a pitch for full funding at the amount requested by Takshanuk Watershed Council even though the committee recommended a lower amount. He said he tried to keep the budget down.

Hearing no further comments, the mayor closed the public hearing at 7:11.

Motion: LAPP moved to "advance Ordinance 11-04-264 to a third public hearing on 6/14/11," and the manager's FY12 budget was amended, as follows:

- 1. To appropriate an additional \$7,000 of funds to the Haines Borough Public Library.*
- 2. To remove the Alaska Coastal Management Plan grant from the budget (the State has not funded this program in FY12).*
- 3. To anticipate an additional \$47,900 in federal secure school forest receipts.*
- 4. To grant funding requests to community organizations per the recommendation of the mayor's working group.*

5. Split the cost of the health insurance premium increase (\$200 per employee) with the borough paying 60% and the employee 40%.

During discussion, **EARNEST** explained the proposed amendments, including the committee's recommendations for community funding grants. He also pointed out an additional memo provided during this meeting about an increase to employee health insurance by \$200 per employee per month. The union agreement says any increase will be split 50-50 between the borough and the employee, and this will be an extra \$26K for the borough. **STUART** noted that in the past, the assembly has from time to time opted to absorb part of the employee amount to reduce the shock. **LAPP** asked if the borough has investigated other insurance options. **EARNEST** said yes. There is a provision in the current union contract that allows the borough to go with something else if it's comparable. But what is comparable? Essentially, from a practical standpoint, it would have to be acceptable to the Union. **STUART** said the borough is eligible to participate in the State's Aetna program as a political subdivision, but they are expecting a 30-50% increase next year. **VICK** wondered if the assembly wants to soften the burden. **EARNEST** noted it would be a transitional step. Perhaps it can be revisited next year. For the lower paid employees, this is a disproportionate increase. **ROSSMAN** believes 50% is fair. That's all the borough is obligated to pay, and there are people footing the bill who don't have any health insurance, including him. **LAPP** believes it should be left at the 50/50 for now, but if the union wants to talk about it, he might go for a 60/40. **WATERMAN** has empathy for the employees who all of a sudden will have an extra \$100/month out of their paychecks, but agrees with **ROSSMAN** that there are many people in the community who don't have insurance at all. **HOFFMAN** sees both sides, as well.

The main motion carried unanimously to send Ordinance 11-04-264 to a third public hearing on 6/14/11.

F. Ordinance 11-05-265 – second hearing

An Ordinance of the Haines Borough amending amending Haines Borough Code Chapter 3.20, to repeal the 1974 General Obligation Water Bond Fund.

Mayor **HILL** opened and closed public hearing at 7:51pm; there were no public comments.

Motion: **WATERMAN** moved to "advance Ordinance 11-05-265 to a second public hearing on 6/14/11," and the motion carried unanimously. There was no discussion.

G. Ordinance 11-05-266

An Ordinance of the Haines Borough providing for the addition or amendment of specific line items to the FY11 Budget.

Mayor **HILL** opened and closed public hearing at 7:53pm; there were no public comments.

Motion: **LAPP** moved to "advance Ordinance 11-05-266 to a second public hearing on 6/14/11," and it was amended to add a \$1,000 donation for the AK History Day winners, and to add the following, as outlined in the 5/19/11 memo to the assembly:

- 1. To change the scope of an \$80,000 FY10 capital appropriation from "Administration Building Roof Repair" to "Administration Building Repairs" to include projects in addition to roof repair.*
- 2. To appropriate funds from the passenger vessel tax revenue to purchase 10 green plastic resin park benches.*
- 3. To appropriate \$11,162 (50% from public works and 50% from the passenger vessel tax revenue) to purchase 10 bear resistant trash cans.*
- 4. To re-allocate funds to pay a temporary employee to perform deferred maintenance work on borough facilities.*
- 5. To appropriate funds to perform tide land surveys and produce revised plats at Portage Cove and Letnikof Cove in order to transfer ownership of tidelands from the State of Alaska to the Haines Borough.*
- 6. To appropriate \$3,900 for the manager's pay increase including salary and burden effective on his 1 year anniversary date as authorized on May 10th by the Borough Assembly.*
- 7. To appropriate an additional \$90,000 in 35% matching funds for a grant from the State of Alaska for demolition of the former elementary & primary school buildings for a total of \$412,500.*
- 8. To accept and appropriate \$399,590 in additional funds from the State of Alaska DEED for demolition of the elementary school building.*

During discussion, **LAPP** said the Finance Committee reviewed the proposed amendments and recommends them.

The main motion carried unanimously to advance Ordinance 11-05-266 to a second public hearing on 6/14/11.

H. Ordinance 11-05-267

An Ordinance of the Haines Borough authorizing the manager to accept loans from the Alaska Department of Environmental Conservation for water system improvements.

Mayor **HILL** opened and closed public hearing at 7:56pm; there were no public comments.

Motion: **WATERMAN** moved to "advance Ordinance 11-05-267 to a second public hearing on 6/14/11," and the motion carried unanimously. There was no discussion.

8. STAFF REPORTS

A. Borough Manager

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

- Haines Area FY 2012 Capital Projects & Supplemental Operating Summary
- Beach Road Widening and Front Street Intersection Improvements
- Heliskiing Work Group Meeting
- Haines Highway United States Bicycle Route Designation
- Haines Borough Main Street ROW Issues

HOFFMAN suggested that the chain link fence the borough has to remove from the State's ROW might be good for surrounding a hockey rink. **VICK** wondered if the borough should revisit the idea of the land swap with Delta Western in light of the AK-DOT plans for fixing the "Y." He also asked for an update regarding the CIA loan. **STUART** said it will take about five years to recoup the total amount. It involves fairly complicated accounting that includes keeping track of maintenance being done on the IRR roads. **VICK** commented that the newly-planted apple trees are great but might be bear attractants if they are not harvested. **HOFFMAN** really likes the picnic tables at the beach. He asked for an update on the programming for the old school building. **EARNEST** informed that MRV has been asked to finish the first project scoping portion of it. It is moving forward but he will report more next meeting.

EARNEST asked **HENDERSON FONTENOT** to update the assembly on the Downtown Revitalization efforts. She distributed a list of 20 points that came from the MRV group and explained the borough manager asked her to chair a committee to deal with the downtown revitalization plans. A core group of a dozen people meet about every 3 weeks and are working with the MRV plan. Several things are currently in the works. They are starting a mural program and trying to get into the Comprehensive Plan update process. The buy local campaign was in April, and they made a long list of deferred maintenance issues. There are some items that are not possible until AK-DOT issues are addressed. This group is informal and doesn't really have any power. The assembly may at some point choose to change the group to more of an official one. **VICK** would like this topic to be on an upcoming agenda to discuss whether or not the group should be taken to the next level. **HENDERSON FONTENOT** believes the group is ready to move to that next level otherwise some momentum might be lost. **VICK** reminded that MRV informed the assembly this project is a decade-long process. **HENDERSON FONTENOT** said most of the committee members are prepared for the long haul.

*** B. Borough Clerk**

C. Chief Fiscal Officer

STUART summarized her written report on the first three quarters of the current fiscal year.

*** D. Chief of Police**

*** E. Museum**

*** F. Library**

*** G. Chilkat Center**

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
- * M. Ad-Hoc Boards & Committees

10. **UNFINISHED BUSINESS** - None

11. **NEW BUSINESS**

A. Resolutions

1. **Resolution 11-05-279**

A Resolution of the Haines Borough Assembly supporting development of an "Alaska Backroads" marketing Concept.

Motion: VICK moved to "adopt Resolution 11-05-279," and it was amended to change the *Now, Therefore, be it Resolved* statement to read as follows:

***NOW, THEREFORE, BE IT RESOLVED,** that the Haines Borough Assembly officially designates its support of the "Alaska Backroads" marketing concept to a cruise line and will waive the dockage fee for the first year for the first cruise ship that accepts this itinerary.*

The motion carried unanimously in a roll call vote.

2. **Resolution 11-05-280**

A Resolution of the Haines Borough Assembly Haines Borough Assembly authorizing the manager to execute a contract extension and change order with Southeast Road Builders, Inc. for the Lily Lake Transmission Line Upgrade project to add an emergency generator and control panel for an amount not to exceed \$198,375.

Motion: WATERMAN moved to "adopt Resolution 11-05-280," and the motion carried unanimously in a roll call vote.

During discussion, ROSSMAN raised a concern that this should have gone out to bid. EARNEST asked for an opportunity to confer with the Director of Public Facilities regarding the reasons for extending the contract (he was at a worksite during the meeting).

Motion: VICK moved to "postpone the resolution to a point later in this meeting following the manager's return," and the motion carried unanimously.

B. Ordinances for Introduction

1. **Ordinance 11-05-268**

An Ordinance of the Haines Borough Alaska, amending Haines Borough Code Section 15.04.010 to adopt the most recent edition of International Fire Code.

Motion: ROSSMAN moved to "introduce Ordinance 11-05-268 and set a first public hearing for 6/14/11," and the motion carried unanimously. There was no discussion.

C. Other New Business

1. **Request for Donation – AK History Day Winners**

This item was addressed during item 7G; the assembly authorized \$1,000

2. **ATV Use on Borough Streets and Roads - Discussion**

LAPP believes this is ideal for short trips along borough roads. Many communities around the country are moving in this direction. LOWE said Jim SHOOK brought the well-thought-out draft language to him. He is neutral at this time. There are a lot of good points, but he has questions, too. HOFFMAN said the underlying purpose seems to be to allow alternate forms of transportation to save money and reduce the carbon footprint. The scope could be broadened to consider electric golf carts, skateboards, skis, and public transportation. Jim SHOOK said he has not had one person tell him this is not a good idea, and he has spoken to many people and distributed the draft all around the community. WATERMAN and VICK support the idea and would like to have the Borough Attorney's opinion in addition to the

Chief's. **LAPP** and **ROSSMAN** asked for an ordinance to be introduced for next meeting, if possible. **EARNEST** said the ordinance to be introduced would include any changes recommended by the Borough Attorney and Chief.

Item 11C2 – Resolution 11-05-280

The assembly returned to this postponed agenda item. **EARNEST** explained a retroactive contract extension is needed because the work was not completed for reasons that were not the contractor's fault, including bears, bad weather and being reassigned to the PC Dock project. The extension should have taken place prior to expiration of the contract but was missed. The work needs to get done.

The motion to adopt Resolution 11-05-280 carried 4-1 in a roll call vote with **ROSSMAN** opposed.

3. Executive Session – Hess vs. Borough

The mayor and manager requested the assembly to, by motion, move into executive session in order to discuss and provide direction to the borough manager regarding a settlement offer received from Hess' attorney. This matter qualified for executive session because discussion in the open would clearly have had an adverse effect on the finances of the Haines Borough and/or tend to prejudice the reputations of those involved.

Motion: **LAPP** moved to "go into executive session to discuss the settlement offer presented by Hess' attorney and provide direction to the borough attorney regarding the settlement offer for this specific legal matter, as allowed by Alaska Statute 44.62.310(b) and Haines Borough Charter Section 18.03(B); the borough manager and borough clerk are requested to attend. The motion carried 4-1 with **ROSSMAN** opposed.

Present: Mayor Hill; Assembly Members Lapp, Waterman, Vick, Rossman, and Hoffman; Borough Attorney Brooks Chandler (via telephone); Borough Manager Earnest; and Borough Clerk Cozzi. The executive session convened at 9:05pm and ended at 9:55pm.

HILL said the assembly met with the borough attorney and gave him direction on how to proceed with the settlement offer.

4. Assembly Seat E Vacancy

The assembly's options for filling the vacancy were outlined. It was noted that there are presently two letters of interest for appointment.

Motion: **WATERMAN** moved to "fill Assembly Seat E by appointment to serve until the regular election in October, letters of interest will be invited and must be received in the clerk's office no later than 5pm, 6/8, and the appointment will be made at a special meeting at 6pm on 6/13." The motion carried unanimously.

12. CORRESPONDENCE

A. Letter of Interest re. Assembly Seat E – Hess

13. SET MEETING DATES

A Special Meeting was scheduled for Monday, 6/13, 6:00pm, to make the Assembly Seat E appointment. **VICK** will call in.

A Heliskiing Work Group will be scheduled as soon as possible. It was agreed that 6/2 would be an initial target date with the manager contacting members regarding availability.

14. PUBLIC COMMENTS - None

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

VICK said he will be out of town June 6th through the 28th, but will try to phone into the meetings.

16. ADJOURNMENT – 10:12 p.m.

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

Janice Hill, Borough Mayor

ATTEST:

Julie Cozzi, MMC, Borough Clerk