

**Haines Borough**  
**Borough Assembly Meeting #203**  
**June 14, 2011**  
**MINUTES**

**Approved**

- 1. CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor **HILL** called the meeting to order at 6:30 p.m. in the Assembly Chambers and led the pledge to the flag.

**Motion:** **WATERMAN** moved to "designate Steve Ritzinger as the acting clerk for this meeting," and the motion carried unanimously.

**2. ROLL CALL**

**Present:** Mayor Janice **HILL**, and Assembly Members Jerry **LAPP**, Scott **ROSSMAN**, Joanne **WATERMAN**, Steve **VICK** (via telephone), and Daymond **HOFFMAN**.

**Staff Present:** Mark **EARNEST**/Borough Manager, Steve **RITZINGER**/Acting Clerk, Brooks **CHANDLER**/Borough Attorney (via telephone), Gary **LOWE**/Chief of Police, and Tanya **CARLSON**/Tourism Director.

**Visitors Present:** Krista **KIELSMEIER**/CVN, Wayne **HIRSCH**, Roger **MAYNARD**, Jim and Julie **SHOOK**, George and Joan **MCCAMENT**, Carol **TUYNMAN**, Joe **POOR**, 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 – None**

**5. PUBLIC COMMENTS**

Jim **SHOOK** announced that June 14<sup>th</sup>, 2011 is the 236<sup>th</sup> birthday of the United States Army and thanked those who have served to keep our country free. The mayor thanked him for the information.

**HIRSCH** said he submitted a letter of interest for appointment to Seat E and, during the 6/13 special meeting, Assembly Member Hoffman said he is not a viable candidate. He doesn't understand and asked Hoffman for the reasoning behind that statement. Additionally, he wanted to discuss the proposed \$20K cruise passenger study and why it's needed. **HILL** explained that no dialogue takes place during Public Comment.

**POOR** asked the assembly to give guidance to the borough manager regarding two things: 1) to have the borough participate in the Community Calendar and, 2) to complete the project at the site of the old school.

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

Mayor **HILL** said there has been some citizen interest in the assembly looking into removing the dedication of 1% of the sales tax to tourism. She has scheduled that as a discussion topic for the 6/28 meeting agenda.

**7. PUBLIC HEARINGS**

**A. Ordinance 11-05-264 – third 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 and closed the public hearing at 6:40pm; there were no public comments.

**Motion:** **LAPP** moved to "adopt Ordinance 11-05-264," and it was amended to increase the community jails contract revenue from \$117K to \$338K. The motion carried unanimously in a roll call vote.

During discussion, it was noted that the additional revenue enabled the borough to lower the mill rate for FY12, and **LAPP** was thanked for suggesting that reduction. **STUART** said the FY12 budgeted expenditures total \$14,092,000 including non-cash depreciation expense of \$903,390. Without the depreciation, the total is \$13,188,610. This amount includes capital improvement projects.

**B. Ordinance 11-05-265 – second hearing**

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

The mayor opened and closed the public hearing at 6:47pm; there were no public comments.

**Motion:** **WATERMAN** moved to "adopt Ordinance 11-05-265," and the motion carried unanimously in a roll call vote. There was no discussion.

**C. Ordinance 11-05-266** – second hearing

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

The mayor opened and closed the public hearing at 6:48pm; there were no public comments.

**Motion:** **WATERMAN** moved to "adopt Ordinance 11-05-266," and it was amended to allocate \$19,900 to fund a cruise passenger study using a portion of the borough's Commercial Vessel Passenger "Head" Tax monies. The main motion carried unanimously in a roll call vote.

During discussion, **EARNEST** explained this appropriation of funds will be followed by a resolution to authorize a contract for the survey. **HIRSCH** asked what needs to be studied, and **ROSSMAN** also wanted to know. **EARNEST** explained the borough is embarking on an effort to attract additional cruise ship visits to Haines, and the assembly has supported that effort by resolution. It's important to find out what the visitors are looking for---the strengths and weaknesses of Haines as a cruise ship destination. This survey would include both the ships docking in Haines and the Skagway cruise passengers who come over to Haines via the fast ferry. **CARLSON** added that this is one of the investigative tools the borough can use, and many of the other Southeast Alaska communities have done this type of study one or more times. **LAPP** wondered what other projects are planned for the head tax money and whether there is a time limit on using the funds. **EARNEST** said there is no time limit, and the fund balance is approximately \$350K. There are a number of projects the monies may be used for, including a portion of the PC Dock trestle replacement. The projects must have a direct relationship to cruise ship passengers. The benefit of the cruise passenger study outweighs having \$20K less in head tax to use for other things. **EARNEST** went on to say replacing the trestle will likely be a \$2m project, and a bond may be necessary. He said he will send out a memo to the assembly with more information. **LAPP** wondered if the Tourism Department could conduct the survey. **CARLSON** responded that she has no expertise in surveying. It involves a lot more than just asking questions, and the McDowell Group has a lot of experience in this type of survey. They have done most, if not all, of the other cruise passenger surveys in Southeast Alaska. **EARNEST** added that in order to give the cruise companies the information they are used to seeing, it is important to use a professional tool. He strongly supports this study. **VICK** said information and knowledge are power. The surveyors need to be neutral and credible, and he fully supports this.

**D. Ordinance 11-05-267** – second hearing

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

The mayor opened and closed the public hearing at 7:12pm; there were no public comments.

**Motion:** **LAPP** moved to "adopt Ordinance 11-05-267," and the motion carried unanimously in a roll call vote. There was no discussion.

**E. Ordinance 11-05-268** – first hearing

**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.**

The mayor opened and closed the public hearing at 7:14pm; there were no public comments.

**Motion:** **ROSSMAN** moved to "advance Ordinance 11-05-268 to a second public hearing on 6/28/11," 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:

- PC Dock Parking Operating Plan
- Community Jails Contract
- Boat Harbor Expansion Project
- Downtown Revitalization
- Title 16 Rewrite
- Picture Point – National Scenic Byways

Regarding the recent resignation of Brad Maynard, Director of Public Facilities, **EARNEST** acknowledged Maynard's tireless efforts to put together an excellent capital improvements program. He has done a tremendous job. **EARNEST** went on to say he is in the process of recruiting and may hire an interim director. **LAPP** expressed interest in having an exit interview with Maynard and the Personnel Committee.

- \* B. Borough Clerk
- \* C. Chief Fiscal Officer
- \* 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 11-06-281**

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with McDowell Group for \$19,900 to conduct a Haines Cruise Passenger Survey.**

**Motion:** **HOFFMAN** moved to "adopt Resolution 11-06-281," and the motion carried 4-1 in a roll call vote with **ROSSMAN** opposed. There was no discussion.

**2. Resolution 11-06-282**

**A Resolution of the Haines Borough Assembly supporting the Borough's application to host the Alaska Municipal Management Association / Northwest Regional Managers Conference in 2013.**

**Motion:** **LAPP** moved to "adopt Resolution 11-06-282," and the motion carried unanimously in a roll call vote.

During discussion, **EARNEST** said he had an opportunity to meet with the Alaska Municipal League and was told there is an application review committee, and Haines is in the running. **LAPP** said the borough should continue to apply for similar conferences.

**3. Resolution 11-06-283**

**A Resolution of the Haines Borough Assembly adopting the 2011 Comprehensive Economic Development Strategy (CEDs) project list for the Haines Borough.**

**Motion:** **LAPP** moved to "adopt Resolution 11-06-283," and the motion carried unanimously in a roll call vote.

**EARNEST** explained the purpose of the CEDs project list.

**B. Ordinances for Introduction**

**1. Ordinance 11-06-269**

**An Ordinance of the Haines Borough Alaska amending Haines Borough Code Chapter 10.34 to authorize the use of ATVs on streets and highways within the**

borough and allowing use of snow machines on highway shoulders within the borough.

**Motion:** **ROSSMAN** moved to "introduce Ordinance 11-06-269 and set a first public hearing for 6/28/11," and the motion carried unanimously.

During discussion, **WATERMAN** noted that page 2 of the document, item B, limits ATV use in Tlingit Park and the Parade Grounds to certain hours of the day. She believes ATV use should be prohibited in those areas regardless of time of day. She moved to amend to make the use prohibited in those two areas. **EARNEST** is not opposed to that amendment but promised to draft some new language to bring to the 6/28 meeting for consideration. Because of that, the assembly withdrew the amendment motion. **HOFFMAN** said this is about alternative transportation and wondered if electric golf carts and skateboards should be included in the discussion. **EARNEST** believes golf carts might be included, but skateboards should be handled separately. There will be plenty of opportunity to discuss this.

### C. Other New Business

#### 1. Liquor License Transfer – 33-mile Roadhouse

*The Alaska Alcohol Beverage Control (ABC) Board notified the Borough of a pending liquor license transfer to the new owner of 33-mile Roadhouse. The ABC Board's decision was pending local government approval.*

**Motion:** **ROSSMAN** moved that "the Assembly does not object to the transfer of the liquor license to the new owner of 33-mile Roadhouse," and the motion carried unanimously. There was no discussion.

#### 14. PUBLIC COMMENTS was moved to this point.

Jim **SHOOK** offered for assembly members to phone him if they want to discuss the ATV ordinance. He has done a lot of research and work on the topic and is happy to talk with them.

#### 11.C. Other New Business ---continued---

#### 2. 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 another 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 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); and Borough Manager Earnest. The executive session convened at 8:10pm and ended at 8:40pm.

Following the executive session, the mayor stated that the assembly directed the borough attorney to accept the offer from Ms. Hess and will formally accept the offer at a future assembly meeting, hopefully the next one.

#### 12. CORRESPONDENCE

#### 13. SET MEETING DATES

**LAPP** proposed a Personnel Committee meeting to conduct an exit interview with Brad Maynard. **EARNEST** said there are always three sides to every story, and there are many questions about how it would be conducted--- Is it open or closed session? Do other people get to participate? **HILL** said a supervisor usually does an exit interview, but she would have no objection to it being conducted by the Personnel Committee chair. She has never seen an exit interview conducted by a committee.

**LAPP** would like to be present if the manager conducts an exit interview, and it was determined that the mayor should attend, as well.

A Government Affairs & Services Committee meeting will be scheduled during the 6/28 assembly meeting. That committee will consider the Title 16 changes proposed by the Boat Harbor Advisory Committee. **WATERMAN** does not want this to be rushed and wants the committee members to see the edited documents. **EARNEST** said the drafters of the ordinance used red to show the edits and it needs to be converted to the standard format of bold-underline. **WATERMAN** said the documents need to be provided to the committee members ahead of time in preparation for the meeting.

**14. PUBLIC COMMENTS**

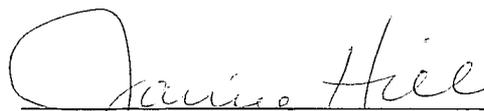
This agenda item was moved ahead of the Executive Session, Item 11C2.

**15. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

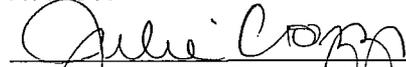
**LAPP** pointed out that Emerson Field needs to be maintained---the grass mowed and some trees pulled. He said the church changed their mind about purchasing a portion of the property, because they were not comfortable with the borough's sale conditions. Therefore, the borough needs to start maintaining the property.

**16. ADJOURNMENT** - 8:50 p.m.

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

  
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Janice Hill, Borough Mayor

ATTEST:

  
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Julie Cozzi, MMC, Borough Clerk

