

Haines Borough  
Borough Assembly Meeting #222  
April 24, 2012  
MINUTES

Approved

1. **CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor **SCOTT** called the meeting to order at 6:32 p.m. in the Assembly Chambers and led the pledge to the flag.

2. **ROLL CALL**

**Present:** Mayor Stephanie **SCOTT** and Assembly Members Jerry **LAPP**, Norman **SMITH**, Steve **VICK**, Debra **SCHNABEL**, Joanne **WATERMAN**, and Daymond **HOFFMAN**.

**Staff Present:** Julie **COZZI**/Borough Clerk, Gary **LOWE**/Chief of Police, Phil **BENNER**/Harbormaster, Tanya **CARLSON**/Tourism Director, Brian **LEMCKE**/Director of Public Facilities, and Jerrie **CLARKE**/Museum Director.

**Visitors Present:** Krista **KIELSMEIER**/CVN, Margaret **FRIEDENAUER**/KHNS, Bill **KURZ**, Darsie **CULBECK**, Jim **STUDLEY**, Daniel **GONCE**, Don and Karen **HESS**, Suzy **WATERHOUSE**, Jerry **ERNY**, Gene **STRONG**, Larry **BECK**, John **FLORESKE**, Norman **HUGHES**, and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA** (Items with the \*asterisk are on the consent agenda)

**Motion:** **LAPP** moved to "approve the Agenda/Consent Agenda," and it was amended to remove 11C3-Items for Future Assembly Meetings, add Harbormaster Appointment as a new item 11C3, remove item 9E1-Historic Dalton Trail RMSA Board from the consent agenda, add under item 6-Mayor's Comments the appointment of an assembly liaison to the Museum Board of Trustees, and move item 11C2-Comments on Walker Lake Hydroelectric Project up in the agenda to follow item 6-Mayor's Comments. The motion carried unanimously.

\* 4. **APPROVAL OF MINUTES** – None

5. **PUBLIC COMMENTS**

**ERNY** said he would like the assembly to recognize citizens as investors rather than a "community cash cow." The municipality should be operated as a business. The government continues to grow, and he believes it was arrogant for the manager to recommend a mill rate increase. He asked the assembly to please take the time to address this by cutting staff, cutting a project, doing whatever is needed. He wants to pay taxes but not for superfluous things that don't serve the entire community. Additionally, he hopes the community will support the Southern Energy hydroelectric power project at Walker Lake.

**BECK** and **STRONG**, board members for IPEC and THREA, asked the assembly to give their approval for THREA to operate within the borough just as the 3<sup>rd</sup> class borough did and not to approve the Southern Energy hydroelectric power project until determinations have been made on permits. They recognized the efforts of Southern Energy, but said THREA has been on this project for longer and believe they can better serve the users. A consenting letter of support to Federal Energy Regulatory Commission (FERC) is not mandatory but is encouraged, and they would appreciate it.

**D. and K.HESS** are in favor of Southern Energy's request for assembly support of their proposed hydroelectric power project. They are tired of paying 61 cents per kilowatt hour. Southern Energy has done a lot of work on this and has been successful in other hydroelectric projects. John Floreske's expertise has been proven. **KURZ** echoed the comments.

**STUDLEY** said the borough has previously endorsed hydroelectric projects. The borough doesn't have to comment on the proposed Walker Lake project but does have an opportunity to do so, and he would like to see that happen.

**GONCE** said Alaska Power and Telephone has recently gone through the FERC application period on the Connelly Lake project, and they support people that would apply for other projects. There is a little concern with the applicants, but he believes all the details should be fleshed out before making comments.

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

Mayor **SCOTT** distributed Progress Report #2 on the assembly's 2012-2013 Strategic Goals she prepared for the assembly. It included a report of the communication subcommittee's recent meeting. She informed that any question the assembly wants on the October election ballot must be introduced no later than the July 10<sup>th</sup> assembly meeting. Adam Balloch is refurbishing the whale totem on a voluntary basis, and it is much appreciated. May is "bike month" and it has become a tradition for the mayor to issue a proclamation which she has done. She read it aloud. Additionally, she read aloud a proclamation she issued recognizing the Haines Elks Lodge.

**11C2. Comments on Walker Lake Hydroelectric Project** (moved to this point during approval of the agenda)

**WATERMAN** said the assembly should not be put in a position of choosing between two applicants, Southern Energy and THREA. It is not the assembly's role. FERC can make that decision through its own permitting process. She made a motion that the borough should send to FERC the assembly resolution on file that supports hydroelectric projects. **LAPP** said the assembly needs to start showing some support for private enterprise. All Southern Energy asked for is support for a FERC study of a hydroelectric project on Walker Lake. **WATERMAN** agreed as long as it is not perceived to be the assembly supporting one entity over another. The assembly supports hydroelectric power. **VICK** agreed with **WATERMAN**'s comments. **SCHNABEL** said to advance a previously-adopted resolution is fine, but she would like to see the borough weigh in even more with its concerns about having to select a company or choose the methodology for developing hydroelectric power. Energy is a regulated activity, and she agreed it is FERC's job to make permitting determinations. The assembly should clearly put it back in their lap and suggested perhaps a cover letter explaining the assembly generally supports hydroelectric development but has no interest in supporting one applicant over another. **SMITH** said if it was a case of just hard numbers, a decision might be easier, but to just say that one company is better than the other is FERC's job. It would be great if the borough could have cheaper power for everybody. **LAPP** asked if the assembly could pass a motion supporting hydroelectric power on Walker Lake rather than delaying the issue and all agreed to vote down the motion on the floor rather than try to amend it, so it failed unanimously.

**Motion:** **WATERMAN** moved to "support a Walker Lake Hydroelectric power project, however the support is accompanied by an expectation that the applicant will examine impacts on fish habitat and inquire about the possible impact on snow cat commercial operations should the project require year round access to Walker Lake," and it was seconded. The motion carried unanimously.

**WATERMAN** said her motion takes the borough out of the equation of supporting one company over the other and expresses various aspects the assembly would like FERC to consider for any permit application. **HOFFMAN** moved to amend the motion to add the impacts/effects on fish habitat in the Little Salmon River, including flow studies of diverting and releasing water into Little Salmon River, effects of salmon and trout spawning and rearing, and effects of road building and rebuilding. **LAPP** said he doesn't believe the amendment is necessary. It's his understanding AK-Fish & Game already weighed in on Little Salmon River impacts and didn't see a problem. The amendment failed with everyone but **HOFFMAN** opposed. **SCHNABEL** asked if the assembly's message of support for hydroelectric power projects could be written by the mayor, and the mayor agreed. There was no assembly objection.

**7. PUBLIC HEARINGS**

**A. Ordinance 12-04-284 - First Hearing**

**An Ordinance of the Haines Borough Assembly amending Haines Borough Code Chapter 18.100 Section 18.100.050(A) to revise procedures for plats.**

Mayor **SCOTT** opened and closed the public hearing at 7:10 pm; there were no public comments.

**Motion:** **LAPP** moved to "advance Ordinance 12-04-284 to a second public hearing on 5/8/12," and it was amended to strike "made" and change "approved" to "preapproved" in the third sentence, strike "Any" and "(as determined by the borough manager)" from the fourth sentence. The motion, as amended, carried unanimously.

**SCHNABEL** said she would like the ordinance to be as objective as possible and suggested changing it to say that the manager would preapprove "minor" changes. **WATERMAN** said it is up to the manager to preapprove any proposed changes he feels comfortable with, and if any are significant enough in his opinion to refer back to the planning commission, he should be free to do that. Being too specific in the ordinance might limit his ability to do that. It was clarified that any plat approved by the planning commission is signed by both the commission chair and the mayor.

**B. Ordinance 12-04-285 - First Hearing**

**An Ordinance of the Haines Borough Assembly repealing Haines Borough Code Chapter 2.54 Department of Economic Development and amending Section 2.84.160 to remove the Economic Development Director from the list of department directors eligible for Executive Leave.**

Mayor **SCOTT** opened and closed the public hearing at 7:20 pm; there were no public comments.

**Motion:** **WATERMAN** moved to "advance Ordinance 12-04-285 to a second public hearing on 5/8/12," and it carried unanimously. There was no discussion.

**8. STAFF/FACILITY REPORTS**

**A. Borough Manager - 4/24 Report**

**SMITH** asked for a status update on the junk car clean-up. **CULBECK** explained a scrap metal barge will soon be at the old Chilkoot Lumber Company property. In theory, they will take all cars free of charge without the liquids having to be removed, although there will be some cost to those residents who need to bring a vehicle in from the bush. A media push to inform the public is planned. **LAPP** asked if the borough could assist in getting vehicles. **CULBECK** responded it is being considered, including the idea of a central repository. The goal is to make it as easy and inexpensive, as possible. **BECK** said he's been manager at the Chilkoot Lumber Company since it was a mill and cautioned that there needs to be some sort of organization in control of the collection. In his experience, people come in the middle of the night and pile things up at the gate and drain oil right onto the ground.

★ **B. Chilkat Center – 3/2012**

**9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES**

**A. Assembly Committees**

- ★ **1. Committee of the Whole**
- 2. Commerce Committee**
- 3. Finance & Budget**
- 4. Personnel & Labor Relations**
- 5. Government Affairs & Services**

★ **B. Planning Commission**

★ **C. School Board**

★ **D. Advisory Boards**

**E. Service Area Boards**

**1. Historic Dalton Trail RMSA Board – Approved minutes 3/2012 and the following four action requests:**

1. Submit an application on behalf of the Historic Dalton Trail onto the National Historic Trail Register and make this a priority for the borough's lobbyist. **SCHNABEL** explained the U.S. Department of the Interior conducted an investigation into this and determined it does not qualify. She said she provided documentation to the mayor.
2. Maintain current funding levels for RMSA zones. The mayor noted that, to-date, the funding is the same.
3. Include placement of up to 200 yards of  $\frac{3}{4}$  minus as added-alternate to 2012 Porcupine Road construction project. **LEMCKE** said he sees no harm in including this as an added alternate. Whatever funding becomes available will determine if it can happen. There was no objection.
4. Investigate possible use of the Klehini Bridge (or other alternatives) for limited access to Chilkat Lake. **SCOTT** suggested the planning commission investigate access to Chilkat Lake. She explained the RMSA Board has its eyes on the existing bridge after it is replaced by the state. **WATERMAN** said she would think the request should come from the Lake residents rather than the RMSA Board, and they could approach the planning commission. She added that she is against the idea. That bridge has become expensive for the state to maintain, and she can't see the borough taking on the expense of maintenance especially in a remote location. **SCOTT** said the borough needs to respond to the request. It's not just about the Klehini Bridge; it's about access to Chilkat Lake. **WATERMAN** said that section of the river changes all the time, and enforcement of limited vehicle access would be impossible. **SCHNABEL** said she doesn't believe the assembly needs to look at this as a borough project. If the RMSA Board believes it would be a good idea, it should be turned back to them. **VICK** wondered about liability, and **SCOTT** said that question should be part of their decision-making matrix.

**Motion:** **SCHNABEL** moved that "the mayor communicate to the RMSA Board that the assembly has no objection to this project and remind them that they will have to tax themselves for it," and it was seconded. The motion carried unanimously.

★ **F. Ad Hoc Boards & Committees**

**10. UNFINISHED BUSINESS**

**A. Resolution 12-04-350**

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a contract with Northern Construction, Inc. to provide Maintenance Sand materials to the Borough.**

*NOTE: The motion to adopt this resolution was postponed to this meeting on 4/10/12 for the purpose of determining the source for the materials. That information was provided in the meeting packet, and there was no discussion.*

The motion on the table to adopt Resolution 12-04-350 carried unanimously in a roll call vote.

## **11. NEW BUSINESS**

### **A. Resolutions**

#### **1. Resolution 12-04-352**

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a purchase order for Kendall Ford of Wasilla to purchase a pickup for an amount not to exceed \$19,995.**

There were no public comments.

**Motion: WATERMAN** moved to "adopt Resolution 12-04-352," and it carried unanimously in a roll call vote.

**SMITH** asked what the harbor department currently uses for a vehicle. **BENNER** responded there is one pickup safe to drive. **LEMCKE** said the other harbor pickup was used when it was purchased 6 years ago and has definitely been well-used. A good second pickup is important with all the work at Lutak and Letnikof. He added this is the first time the borough has had access to the state's purchasing program. It is a brand new ¾-ton diesel pickup that could be equipped with a plow, if necessary. **WATERMAN** suggested reconsideration of a spray-in bed, because she has it and hates it. **LEMCKE** said the pickup is a.

### **B. Ordinances for Introduction**

#### **1. Ordinance 12-04-286**

**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, 2012 through June 30, 2013.**

There were no public comments.

**Motion: LAPP** moved to "introduce Ordinance 12-04-286 and set a first public hearing for 5/8/12," and the motion carried unanimously. There was no discussion.

#### **2. Ordinance 12-04-287**

**An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 2 Section 2.10.250 clarifying the procedure for filling a vacancy occurring in the Borough Assembly.**

**Motion: VICK** moved to "introduce Ordinance 12-04-287 and set a first public hearing for 5/8/12," and it was amended by accepting the substitute ordinance prepared by the clerk's office which was subsequently amended to insert 'roll call' between 'by' and 'vote' in the first sentence of 2.10.200(A). The motion, as amended, carried unanimously.

During discussion, **SCHNABEL** spoke against requiring a roll call vote in order to fill a vacancy. It is an unnecessary stress factor for her. **WATERMAN** wondered if the words "by a majority of its remaining members" should be inserted in part B following the word "appoint." **LAPP** believes the wording is intended to mean the assembly would appoint only enough additional members to get to a quorum. **SCHNABEL** opined that the substitute ordinance does a sufficient job of clarifying without adding additional words to part B. However, the clerk will review it and let the assembly know if additional wording is recommended.

### **C. Other New Business**

#### **1. Mayoral Appointments**

*Note: Appointment requests were received from Tara Bicknell & Kerry Cohen for vacancies on the Chilkat Center Advisory Board (CCAB), and from Fred Gray, Bart Henderson, and Mike Mackowiak for vacancies on the Port and Harbor Advisory Committee. After review, the CCAB and PHAC recommended appointment of all applicants, and the Mayor announced her intention to follow those recommendations. She sought assembly confirmation.*

**Motion: HOFFMAN** moved to "confirm the Mayor's appointments of Kerry Cohen and Tara Bicknell to the Chilkat Center Advisory Board, and Fred Gray, Bart Henderson and Mike Mackowiak to the Port and Harbor Advisory Committee," and it was seconded. The motion carried 5-1 with **WATERMAN** opposed. There was no discussion.

Additionally, **SCOTT** announced her appointment of **SCHNABEL** as assembly liaison to the Museum Board of Trustees. She thanked her for her willingness to take that position.

2. **Comments on Walker Lake Hydroelectric Project** (moved ahead of Item 6-Mayor's Comments during approval of the agenda)
3. **Harbormaster Appointment** (added during approval of the agenda)

**Motion:** **VICK** moved to "confirm the hire of Phil Benner as harbormaster," and it was seconded. The motion carried unanimously in a roll call vote. There was no discussion.

## 12. **CORRESPONDENCE/REQUESTS**

### A. **Letter re. Fireworks** – Tourism Advisory Board

**SCOTT** noted the manager's report states there will indeed be a fireworks display this year.

## 13. **SET MEETING DATES**

- A. Finance Committee Meeting – Thursday, 4/26, 5:30pm – Purpose: Discuss vehicle tax.
- B. Joint Meeting of Finance and Government Affairs & Services Committees – Thursday, 4/26, 6:30pm – Purpose: Discuss major/minor maintenance for school district facilities.
- C. Commerce Committee Meeting – Wednesday, 5/2, 5:30pm – Purpose: Various commerce-related issues (note: this is the regular standing meeting)
- D. "Communication" Subcommittee Meeting – Monday, 4/30, 3:30pm

## 14. **PUBLIC COMMENTS**

**STUDLEY** suggested that if the new harbor happens, the assembly should consider naming it after Representative Bill Thomas

**HUGHES** asked if the FY13 harbor budget has come to the assembly yet, and **SCOTT** said it is scheduled for May 1<sup>st</sup> at 5:30pm.

**CULBECK** said he is really excited about many things happening. Often there is fault found at what the borough is not doing well. He suggested pushing the positive to help educate the public about the good things going on. Look for the positive and broadcast it out there.

**STRONG** thanked the assembly for their consideration of hydroelectric for the upper valley.

## 15. **ANNOUNCEMENTS/ASSEMBLY COMMENTS**

**SMITH** commended the newly-appointed harbormaster for installing the launch ramps at Letnikof prior to May 1<sup>st</sup>. He would like to see public works paint the curbs and crosswalks prior to the first cruise ship coming to town.

**LAPP** thanked **CULBECK** for his work on the junk vehicle program. Regarding curb and crosswalk painting, he noted that Main Street will soon be under construction.

**HOFFMAN** believes putting the APOC exemption question on the 2012 ballot should be a higher priority strategic goal than going with a slate of candidates when voting for assembly positions.

**SCHNABEL** said the annual community clean-up is coming soon. She encouraged the assembly members to begin now to pick up trash and litter, and she plans to make sure she has a trash bag when leaving her house. It would be good to demonstrate to the community that no one is above picking up trash.

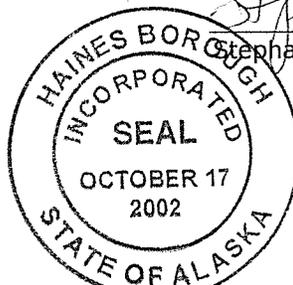
**VICK** said he likes seeing the streets being swept. Also, he likes that the whale totem is being painted. The Fogcutter is paying for the paint, and the painter is a Fogcutter employee volunteering his time.

## 16. **ADJOURNMENT** – 8:28 p.m.

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

ATTEST

  
Julie Cozzi, MMC, Borough Clerk



  
Stephanie Scott, Mayor