


Haines Borough
Borough Assembly Meeting #228
July 24, 2012
MINUTES

Approved

- 1. CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor **SCOTT** 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 Stephanie **SCOTT** and Assembly Members Joanne **WATERMAN**, Jerry **LAPP**, Norman **SMITH**, Steve **VICK**, Debra **SCHNABEL**, and Daymond **HOFFMAN**.

Staff Present: Mark **EARNEST**/Borough Manager, Julie **COZZI**/Borough Clerk, Jerrie **CLARKE**/Museum Director, and Darsie **CULBECK**/Executive Assistant to the Manager.

Visitors Present: Tom **MORPHET**/CVN, Bill and Libby **KURZ**, Dan **HENRY**, Gerard **GARLAND**, Kristy **LEGASSIE**, Leslie **WHITTINGTON**, Joan **SNYDER**, Georgia **H AISLER**, Sally **SMITH**/Senator Begich Representative, Doris **WARD**, Bob and Sally **LIX**, Betty **EWING-DEWITT**, Anne **HANSEN**, Dave **BERRY**, Jack **WENNER**, Lenise **FONTENOT**, Larry **ZENE**, Annette **SMITH**, 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 move item 12A to 11C5. The amended motion carried unanimously.
- * **4. APPROVAL OF MINUTES** – Regular: 6/12, 6/26, 7/10
- 5. PUBLIC COMMENTS**

GARLAND lives on Skyline Drive, and the dust in that area is intolerable. The 17 homes on Skyline are very close to the road, and great clouds of dust settle on everything. It really hammers a vehicle to drive on the washboarding on the road, as well, and is also hard on bicycles. There's a lot of traffic up and down the road, both residents and visitors. It's time to pave those two roads. On another topic, he said the odor at the landfill is unbelievably bad, the whole facility is in need of a big upgrade.

A.SMITH said she is a member of the newly-formed Foundation for the Chilkat Center for the Arts. The inaugural event on 7/13 was a big success. One of the purposes of the gathering was to introduce the new Foundation and also show off the Center. The food was great, the show was wonderful. The purpose of the Foundation is to work with the borough to further the interests of the Center. They hope to get a strategic planning session going soon. The Chilkat Center has a lot of community support.

HEWING-DEWITT said she doesn't understand why the sidewalk in front of her house was removed, and she would like to see it put back in. The tourists have to walk around in the street.

WAGNER spoke in support of the borough helping with the senior meals. **WENNER** also supports it.

S.SMITH, representing Senator Mark Begich, said she was visiting Haines today. "This is a great town."
- 6. MAYOR'S COMMENTS/REPORT**

Mayor **SCOTT** recounted the recent assembly communications workshop. She also spoke of the issue of heating with wood. There is a battle of engineers presently going on. Meanwhile, wood- and pellet-fired boilers are being installed all around us. She proposed to the Alaska Energy Authority to let the borough use the remaining \$60K in grant funds to test the assumptions. She has invited interested persons to attend an informal wind energy interest group meeting on 8/2, 10am, in the assembly chambers. There is continuing interest in hydro, and she has been invited to attend a meeting on 8/10 in Skagway.
- 7. PUBLIC HEARINGS**
 - A. Ordinance 12-06-294** – Second Hearing

An Ordinance of the Haines Borough Assembly providing for the addition or amendment of specific line items to the FY13 budget.

Mayor **SCOTT** opened the public hearing at 6:48pm.

MORPHET asked for an explanation of what this amendment ordinance does, and the mayor read the agenda bill summary.

Hearing no further comments, the mayor closed the public hearing at 6:52pm.

Motion: LAPP moved to "adopt Ordinance 12-06-294," and it was amended to appropriate \$1,500 from the areawide general fund for an educational campaign promoting a ballot initiative to adopt a Haines Borough Financial Disclosure Law and to exempt Haines from the Alaska Public official Disclosure Law.

The amended motion carried unanimously in a roll call vote.

B. Ordinance 12-07-295 – First Hearing

An Ordinance of the Haines Borough authorizing the issuance and sale to the Alaska Municipal Bond Bank of a sewer revenue refunding bond of the Borough in a principal amount not to exceed \$1,400,000 to refund an outstanding sewer revenue bond of the City of Haines; authorizing the date, form and terms of the refunding bond and a plan of refunding; and providing the terms under which the Borough may issue future sewer revenue bonds on a parity with the refunding bond.

Mayor **SCOTT** opened and closed the public hearing at 6:56pm; there were no public comments.

Motion: WATERMAN moved to "advance Ordinance 12-07-295 to a second public hearing on 8/14/12," and the motion carried unanimously. There was no discussion.

C. Ordinance 12-07-296 – First Hearing

An Ordinance of the Haines Borough repealing Ordinance 08-09-189 and amending Borough Code Title 2 to add Section 2.06.035 to establish a Local Financial Disclosure Requirement and Process and add applicable definitions to Title 2 Section 2.990.010.

Mayor **SCOTT** opened the public hearing at 6:59pm.

BERRY said after going through the paperwork required to file for office, he had to call APOC and he got conflicting information. Some of the information they requested is none of their business.

MORPHET said because of the way this is written, the \$5K could be cumulative and as such a way to get around the law.

KURZ said he believes the committee did a good job working this out.

Hearing no further comments, the mayor closed the public hearing at 7:03pm.

Motion: LAPP moved to "advance Ordinance 12-07-296 to a second public hearing on 8/14/12," and the motion carried unanimously.

Mayor **SCOTT** said she discussed this proposed law with several people in the community who find the APOC requirements to be a barrier to serving in office, and this does not reduce that. She is concerned that should this local law be adopted, it might not meet the need for people to feel like their privacy is not being invaded. Regardless of what is filed with APOC, an elected official is still required to declare conflicts of interest. She doesn't review APOC forms prior to meetings. It's still the member's responsibility to disclose. **VICK** said these laws were put in for a purpose. If there is not at least some type of disclosure form, it's just trust. **LAPP** said it would make the community feel more at ease if there is a local reporting procedure. **HOFFMAN** asked the clerk if people ask to see the reports, and **COZZI** responded that it is extremely rare. **WATERMAN** suggested that people who have talked with the mayor should come to the assembly and make some suggestions for changes. This proposed local procedure is in some ways less than what APOC requires and in some ways more.

8. STAFF/FACILITY REPORTS

A. Borough Manager – 7/24 Report

EARNEST summarized his written report. He said work is proceeding on the Port Development Master Plan. Northern Economics is interviewing a number of potential users of the Haines facility. A written update will be available very soon. Regarding the Excursion Inlet (EXI) hydro study, there is a team from Environ International who will soon be at the site. The project has been in the works since the borough met with the EXI community and Ocean Beauty a couple of years ago. This was one of the projects that came out of that visit. Ocean Beauty contributed a significant amount of money toward this study. The study will include finding out where the fish are and whether or not that information would preclude development of hydro.

WATERMAN asked about the potential of a gravel pit across the road from the ferry terminal. **EARNEST** said Federal Highways prevents that from being part of the AK-DOT ferry land transaction. The issues need to remain separate but may be negotiated concurrently. He noted the borough has received less than half of its land entitlement (as spelled out in state law). That will be used as one of the arguments to acquire the gravel pit land.

SMITH asked how much money has been spent to get the new planning & zoning technician III.

EARNEST said the borough spends a fair amount of money on staff training. What this individual brings is a Master's Degree in planning, and that is very valuable to the borough. This was a very carefully made decision. This individual stood out so profoundly, a decision was made to proceed down this path knowing there would be questions and objections. He has no doubt this was the right decision for the borough.

SCHNABEL asked if the borough is issuing an RFP for a wood-pellet-fired boiler for the Public Safety Building. **CULBECK** said it's not quite a done deal. **SCHNABEL** said the assembly authorized the purchase of an oil-fired burner two or three meetings ago, so that action is out there. She asked who will make the decision. Mayor? Manager? Assembly? **EARNEST** said it goes without saying that everyone wants to make the best decision, and he has no issue with coming back to the assembly. There may be some timing considerations, but he would like it to be well-vetted and well-analyzed. **SCOTT** said there are some grant fund expenditure deadlines to consider.

* **B. Chilkat Center** – June 2012 Facility Report

* **C. Sheldon Museum** – June 2012 Facility Report and 6/14/12 Board Meeting Minutes

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

A. Assembly Committees

1. Committee of the Whole
2. Commerce Committee

SCHNABEL said the committee discussed the borough's involvement with cost of living issues and decided it might be more involved in comment periods. Solid waste disposal and resource severance tax are two additional topics currently on the committee's plate.

3. Finance & Budget
4. Personnel & Labor Relations
5. Government Affairs & Services - Manager & CFO Comments re. 7/17 meeting

VICK said there will be another committee meeting to continue the discussion about the water-sewer rates. There are questions including whether to continue subsidizing and how much.

* **B. Planning Commission** – Approved minutes: 6/14 Regular, 6/21 Special

* **C. School Board**

* **D. Advisory Boards**

* **E. Service Area Boards**

* **F. Ad Hoc Boards & Committees**

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

A. Resolutions

1. Resolution 12-07-387

A Resolution of the Haines Borough Assembly designating the acquisition of State of Alaska, Department of Environmental Conservation (ADEC) grant funds for the project entitled *Haines Asbestos Cement Pipe Replacement* as the number one local state funding priority for fiscal year 2014 and authorizing the Borough Manager to apply to the ADEC for a loan from the Alaska Drinking Water Fund for Muncaster Road asbestos cement pipe replacement.

There were no public comments.

Motion: LAPP moved to "adopt Resolution 12-07-387," and the motion carried unanimously in a roll call vote.

There was no discussion, but the manager explained the project and why it's so important. This does not affect the borough's legislative priorities. The intent is to apply for the grant, and this will give the borough a significant number of bonus points on consideration during application evaluation. There are also health issues. **SMITH** asked if the project will proceed without the grant funding. **EARNEST** said he would recommend proceeding under the loan agreement.

2. Resolution 12-07-388

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a professional services agreement with Chilkat Environmental to conduct an Alaska Department of Environmental Conservation approved work plan to characterize two diesel contaminated UST sites at the former Haines Borough Elementary and

Primary School Sites with an estimated cost of \$17,850.

There were no public comments.

Motion: VICK moved to "adopt Resolution 12-07-388," and the motion carried unanimously in a roll call vote.

SMITH thought this was already done. **EARNEST** explained this is new work that has been discussed with ADEC. Contamination has been identified at two sites. The characterization is discovering where the contaminants are, how much, and if they're moving. There will likely be residual restrictions on future use of those sites. This will develop the plan for the clean-up. **EARNEST** said the borough will be working closely with ADEC. There may be additional work required, so this is an estimate. The work will be monitored very closely.

3. Resolution 12-07-389

A Resolution of the Haines Borough Assembly authorizing the manager to execute a contract change order with North Pacific Erectors, Inc. for the High School Gymnasium Floor Replacement project to add additional asbestos abatement and associated repairs to the project for an amount not to exceed \$159,479.00.

There were no public comments.

Motion: WATERMAN moved to "adopt Resolution 12-07-389," and the motion carried unanimously in a roll call vote.

SCHNABEL supports the motion but pointed out this is one of those projects that did not come from any statement of community need. When you start undoing construction with asbestos, it becomes very expensive. The amount of money budgeted may not even be adequate. The language of the resolution talks about associated repairs. There is an element of the change order that is not associated with the abatement. If that is true, that part of the project should not be allowed to be undertaken until the asbestos is abated. **EARNEST** said he will pass on the comments. This is a school-directed effort, and the Director of Public Facilities has been assisting with project facilitation.

4. Resolution 12-07-390

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with McCool Carlson Green in the amount of \$36,984 to provide consulting services in support of the Haines Community Facility Master Plan – Phase I.

There were no public comments.

Motion: VICK moved to "adopt Resolution 12-07-390," and it was seconded. The motion carried 5-1 in a roll call vote with **SCHNABEL** opposed.

During discussion, **SCHNABEL** said she is somewhat hesitant to bring this resolution forward. She favors the first contract. There's confusion in the language about whether a facility master plan is being created or a community facility condition analysis and critical needs assessment. **EARNEST** explained this is a descriptive title of what phase I is. It's still under the overall general topic of a facility master plan. **SCHNABEL** said she needs to know the end goal. **EARNEST** said the project has not changed. **SCHNABEL** is concerned about the stakeholder interviews. **SCOTT** reminded that this is a recommendation of the committee. **SCHNABEL** has a different philosophy about how the facility master plan should be developed. **EARNEST** said this is intended to be the best approach looking at the overall life cycle of a facility and maintenance issues and building replacement costs over a decades-long period. **FONTENOT** explained her role in this process is the community visioning part. What the public thinks and feels is an important part of how we build our future. If this is done really well, it can help solve a lot of problems we spend a lot of time on. She's hoping to do it more efficiently and less expensively than someone from outside of Haines. **LAPP** said he thinks we will get what we need. **SCHNABEL** asked what facilities will be looked at, and **EARNEST** said the core focus is on general governmental buildings: the pool, borough administration building, public safety building, human resource building, visitor center, chilkat center, museum, and library. The enterprise funds have their own programs and are somewhat independent.

5. Resolution 12-07-391

A Resolution of the Haines Borough Assembly objecting to the August 1, 2012 Implementation of the Environmental Protection Agency's (EPA) Emission Control Area Rule.

There were no public comments.

Motion: **LAPP** moved to "adopt Resolution 12-07-391," and the motion carried 5-1 in a roll call vote with **VICK** opposed.

HOFFMAN asked if we are asking that the standards be relaxed. **SCOTT** said there are some alternatives that could be allowed, such as additional scrubbers on the cruise ship. **EARNEST** said this resolution also supports the State of Alaska's lawsuit. **SCOTT** pointed out the extensive set of attachments to the agenda bill that explain some of the alternatives. **VICK** said there is not enough information here for him to make a decision. It seems one-sided. **SMITH** believes the price of everything would go up. **SCOTT** responded that Haines freight arrives on the barges. The real problem is in 2015 when the standard drops even further. The cruise ships say it will increase the cost of travel for coming into the Inside Passage and could mean fewer passengers. **LAPP** said Anchorage is estimating an increase of 30% on goods, and that will trickle down to Haines. **SCOTT** said science has not been uniformly applied. The Skagway assembly adopted a similar resolution even though they already have pollution issues. There are alternatives for cruise ships rather than a different fuel source. The cruise ships are being asked to use something that doesn't even exist yet. That's an example of leading by regulation. **VICK** sees this as putting dollars over health and pollution and he doesn't support it.

B. Ordinances for Introduction

1. Ordinance 12-07-298

An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 2, Sections 2.10.030, 2.10.200, and 2.12.110 to clarify the borough assembly consent agenda and to provide the option of including resolutions.

Motion: **LAPP** moved to "introduce Ordinance 12-07-298 and schedule a first public hearing for 8/14/12," and the motion carried unanimously. There was no discussion. **COZZI** said she plans to bring an agenda mock-up to the next meeting. It was questioned whether a code change to the order of business would be necessary. [No.]

2. Ordinance 12-07-299

An Ordinance of the Haines Borough Assembly approving the sale to the State of Alaska, Department of Transportation and Public Facilities ("AKDOT&PF") of Parcel 3, Parcel E-4 and Parcel TCE-4 as described and identified by AKDOT&PF for the Haines Ferry Terminal Improvements project (state project #68433).

Motion: **WATERMAN** moved to "introduce Ordinance 12-07-299 and schedule a first public hearing for 7/31/12," and the motion carried unanimously. There was no discussion.

3. Ordinance 12-07-300

An Ordinance of the Haines Borough, Providing for the Addition or Amendment of Specific Line Items to the FY13 Budget.

Motion: **LAPP** moved to "introduce Ordinance 12-07-300 and schedule a first public hearing for 8/14/12, after consideration by the Finance Committee" and the motion carried unanimously.

SCHNABEL asked if people in the audience could speak to this, and there was no objection. **WARD** said she hopes the lunches can be four days a week rather than only three. She goes more for the association with other people but the food is excellent, too. **WENNER** said four days a week was a standard practice, but some of the funding disappeared. **S.LIX** noted this program also includes home-delivered meals. **SCOTT** said in the draft comprehensive plan, there are several goals and objectives that relate to the senior population. **VICK** supports this and would like more information about the efforts to sustain it.

Motion: **SMITH** moved to "recess for 5 minutes," and the motion carried unanimously.

C. Other New Business

1. Request for Reconsideration – Ordinance 12-07-290 (Financial Disclosure)

Ordinance 12-07-290 was unanimously adopted on 7/10. While preparing it for codification, the clerk discovered an error in the ballot language: It references Ordinance 08-09-189 which will be repealed when Ordinance 12-07-296 is adopted on 8/14. The clerk's recommendation was to reconsider the motion to adopt and then postpone it to the 8/14 meeting when it could be amended to replace "Ordinance 08-09-189" with "Ordinance 12-07-296."

Motion to Reconsider: **VICK** moved to "reconsider the 7/10/12 motion to adopt Ordinance 12-07-290," and

it was seconded. This carried unanimously, so the motion to adopt the ordinance was back on the table.

Motion to Postpone to a Time Certain: **VICK** moved to "postpone to the 8/14/12 meeting when it may be amended, as needed," and the motion carried unanimously.

2. Request for Reconsideration – Resolution 12-07-383 (Boat Harbor Grant)

Resolution 12-07-383 was unanimously adopted on 7/10. The resolution was presented to the assembly with \$15m as the amount of the boat harbor upgrades grant. Prior to adoption, the assembly amended it to change the amount to \$4.5m. There are actually two different grants, and on 6/26/12, the assembly had already adopted Resolution 12-06-375 accepting the \$4.5m harbor grant. Resolution 12-07-383 was intended for the \$15m grant, and the clerk's recommendation was to reconsider the motion to adopt and then vote it down. Not only are there now two resolutions accepting the same \$4.5m grant, but apparently it was premature to accept the \$15m grant because it is contingent upon state voter approval of a bond in November. Should that be approved, a new resolution will be brought forward for the assembly's consideration.

Motion to Reconsider: **WATERMAN** moved to "reconsider the 7/10/12 motion to adopt Resolution 12-07-383," and it was seconded. This carried unanimously, so the motion to adopt the resolution was back on the table.

The motion to adopt Resolution 12-07-383 failed unanimously in a roll call vote.

3. Renaming of the Community Center RFQ Selection Committee and Project Title

The Community Center RFQ Selection Committee has been working on the facility planning process and is very interested in continuing under a new title and project scope. The borough manager recommends this and requests assembly authorization.

Motion: **VICK** moved to "change the name of the Community Center RFQ Steering Committee to 'Borough Facility Master Plan Steering Committee,' and expand the project scope to encompass a Borough Facility Master Plan," and it was amended to add a Chamber of Commerce member to the group. The amended motion carried 4-2 with **SMITH** and **SCHNABEL** opposed.

During discussion, **VICK** spoke in favor of the motion. The group already has a diverse membership, but at the last meeting a suggestion was made to add a member of the Chamber of Commerce. **VICK** moved to amend the motion to that affect. **SMITH** suggested adding a member of the Tourism Advisory Board and offered a secondary amendment motion that failed. The amendment motion did pass with **SMITH** and **SCHNABEL** opposed. **SCHNABEL** is not in support of the entire concept. She is somewhat sympathetic with how the administration is moving forward but is dismayed to learn that the core focus of the effort does not include those facilities that have enterprise funds. They are subsidized by the General Fund in many instances, and looking at the future funding requirements this borough will need, it concerns her to not include ports, water, sewer, distribution systems, and other ancillary facilities. A facilities master plan must include all facilities. Additionally, to take a community advisory group that started with a specific interest and expand it to this purpose is not right. **SMITH** asked the manager to reiterate why the enterprise funds are not included. **EARNEST** said this is the first phase. It will eventually incorporate all borough facilities. There are already other entities looking at the current and needed facilities in the enterprise funds, such as an update to the water-sewer master plan. They will all be merged eventually. **SCHNABEL** said her understanding is that **FONTENOT** will no longer be on the committee but become a facilitator. **EARNEST** said he discussed this with **FONTENOT**, and the recommendation is that she temporarily step down from the committee during the facilitation portion of the project. He recommends keeping her as a member of the committee, and the mayor said she will consider that.

*** 4. Endorsement of the CIA's Application for Rural Business Opportunity Grant**

The Chilkoot Indian Association (CIA) is initiating a program to encourage and develop agricultural pursuits in the Chilkat Valley. They are applying for a USDA Rural Business Opportunity Grant that will help fund technical training and planning efforts to augment the larger agricultural vision. The CIA has asked for borough endorsement of their application. The mayor prepared a letter of support and sought assembly concurrence which she received by approval of the consent agenda

11C(5) Fast Ferry and Klukwan Dock

[This item was added during approval of the agenda and was pulled from item 12A Correspondence.]

SCOTT said passenger cruise tax monies cannot be used to subsidize the fast ferry. **CULBECK**

said Hess is looking into other funding possibilities. **SCHNABEL** asked how it was determined that the passenger cruise tax would not be allowed. **SCOTT** explained it was after a review of State Statutes. **SMITH** said there are many other businesses in town that could use a subsidy, and he wondered where you draw the line with interference into private enterprise. **SCOTT** suggested if the Commerce Committee wants to examine this topic, she is not opposed. **VICK** recalled that the question of purchasing the Klukwan Dock has come before the assembly previously. Perhaps it should be considered separate from the fast ferry issue. **SCOTT** said this also could be discussed by the Commerce Committee. **EARNEST** said the administration has worked with the harbormaster to identify possibilities and will put something together that would help the discussion.

12. CORRESPONDENCE/REQUESTS

A. Fast Ferry and Klukwan Dock - Karen Hess [this was moved to 11C5 during agenda approval]

13. SET MEETING DATES

- A. Committee of the Whole - Tuesday, 8/21, 5:30pm - Purpose: Discuss heliskiing.
- B. Special Meeting - Tuesday, 7/31, 6:30pm - Purpose: Called by the mayor
- C. Finance Committee - Tuesday, 7/31, 6:00pm - Purpose: review new FY13 budget amendment ord.
- D. Government Affairs & Services Committee - Thursday, 8/2, 5:30pm, water-sewer
- E. Commerce Committee - Thursday, 8/2, 4:30pm, Commerce-related matters
- F. Wind Energy Interest Group - Thursday, 8/1, 10:00am

14. PUBLIC COMMENTS

WENNER wondered if Karen Hess had approached the AK-DOT regarding transportation between Skagway and Haines.

B.KURZ said he is installing a pellet stove at his house. His research shows that biomass operates at 25% of the pollution factor of natural gas.

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

SMITH said transitions can be hard, and he's finding the borough email procedure cumbersome. **VICK** offered his assistance.

WATERMAN explained that the acronym UST stands for underground storage tank. She suggested the borough facilities department instigate a program to test the USTs before they become LUSTs (leaking underground storage tanks).

LAPP thanked Sally Smith, Senator Begich's assistant, for visiting Haines and attending this meeting.

HOFFMAN suggested a better term for the educational campaign planned for the financial disclosure ballot question would be "informational campaign," and all agreed.

SCHNABEL said facilities field trips should start up again if everyone is willing. She suggested condensing them into 3 or 4 facility visits in a day, and the manager will come up with a proposal. A joint workshop with the planning commission has not yet been scheduled, and she is still interested in seeing that happen. She suggested the assembly dedicate some time before the end of the year to settle the manager selection matrix. **SCOTT** suggested the personnel committee take that on, and **WATERMAN** said she would be happy to. **VICK** would like to see the personnel committee meet more often.

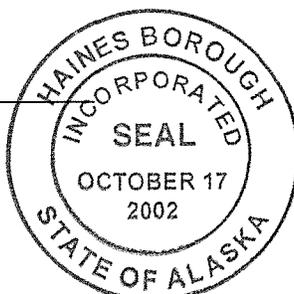
VICK said the CIA's Chilkoot Estates neighborhood is beautiful.

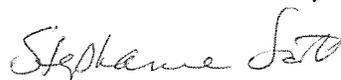
16. ADJOURNMENT - 9:38 p.m.

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

ATTEST:


Julie Cozzi, MMC, Borough Clerk




Stephanie Scott, Mayor