
Haines Borough
Borough Assembly Meeting #227
July 10, 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, Jila **STUART**/Chief Fiscal Officer, Jerrie **CLARKE**/Museum Director, Patricia **BROWN**/Library Director, and Darsie **CULBECK**/Special Projects Consultant.

Visitors Present: Tom **MORPHET**/CVN, Bill **KURZ**, Daniel **GONCE**, Lucy **SOUTHERN**, Peter **GOLL**, Dan **HENRY**, Gerard **GARLAND**, Patty **KERMOIAN**, Joe **POOR**, Glen **MARTIN**/AP&T, Robert **LOWDEN**, 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 items 11A9, 11C1, and 11C2 to follow mayor's comments (11C1 first, followed by 11A9, and then 11C2). The amended motion carried unanimously.

* 4. **APPROVAL OF MINUTES** – None

5. **PUBLIC COMMENTS**

SOUTHERN strongly urged the assembly to recommend the integrated licensing process for Connelly Lake because the issue is complex and controversial.

HOLLE said he has watched the heliski industry for the past 14 years and has been frustrated. This is an industry that he believes pushes for more and more and does not play by the rules. It's now clear from the GPS data that they don't. The borough has never done punitive measures to stem the "bad" behavior. He thinks the manager made some good suggestions for tightening up the GPS reporting process. A fine or subtracting skier days is not going to mean anything. He would favor suspending the permit. On another topic, he supports an ILP process for the Connelly Lake Hydro project.

KERMOIAN said FERC now uses the IFP process as its default. AP&T applied for the TLP process. She supports hydroelectric power but the Connelly Lake area requires close scrutiny. She asked the assembly to go on record supporting the ILP.

GARLAND applauded AP&T for their efforts to increase hydro power. Still, he recommends the ILP since it's a complex, controversial issue. He doesn't understand why Schube Lake is not being considered as a viable alternative. On a different topic---wood heat---if the costs of environmental consequences are included, it might make fossil fuels less desirable as opposed to wood heat.

GOLL spoke in favor of a viable alternative to Connelly Lake---a site that won't generate fuss. He supports an ILP process and believes the community would applaud the assembly for recommending it.

LOWDEN said he's paying too much for water and sewer rates. He's being double-charged on his duplex and can't afford it. The borough seems to be in the real estate business. He asked them to save some money instead of spending it. He also disagrees with the water-sewer "vacation rate" because the year round residents make up the difference.

POOR said the seniors represent about 30 percent of the Haines population. A 3% increase on water rates is unacceptable. In the last week, he has talked with six different seniors/property owners and they are all getting to the point where they are ready to leave Haines. He asked the assembly to please refrain from adding costs to those on fixed incomes.

MARTIN, representing AP&T, explained the reasons for requesting a TLP process. They would be willing to hold as many public meetings as desired by the community to discuss the project throughout the process. There is only one major issue---what will happen to the fish habitat. From their point of view, this is not complex, but it will require thorough study. Hydro projects take a long time to develop. Construction would begin in 2017 or 2018 at the earliest. Haines would have to rely on diesel if the submarine cable was compromised, and it would take months to repair or replace. The TLP process is more cost effective. Costs can get passed along to the consumers.

6. MAYOR'S COMMENTS/REPORT

Mayor **SCOTT** led a moment of silence in memory of fisherman Richard Boyce who perished on July 4th while fishing. She then thanked the community for all of the Independence Day activities.

It was decided that a borough employee will be recognized the first meeting of each month. In June, it was Assistant Harbormaster Joe Parnell. For July, Facilities Maintenance Technician Ed Bryant was recognized for his hard work and dedication. He is dependable and often goes above and beyond.

11C1. Licensing Process for the Connelly Lake Hydroelectric Project (moved to this point during approval of the agenda)

Motion: VICK moved to "recommend that the Federal Energy Regulatory Commission utilize the Integrated Licensing Process for the Connelly Lake Hydroelectric Project," and the motion carried 4-2 with **WATERMAN** and **LAPP** opposed.

During the discussion, **SCHNABEL** said for her it is not so much the number of public meetings but the quality of science and the best study results. **SMITH** doesn't believe there will be enough power for the community even if Connelly Lake is developed. **WATERMAN** said the assembly's role since the beginning is to emphasize what the borough wants to have studied. It's not necessarily the assembly's role to convince FERC to go one way or another. The assembly does need to stress how important the studies are so all the information is there. She is not sure she is willing to give a vote to either process but rather restating how important and vital that watershed is to the community. **SCOTT** said the comments FERC is currently accepting have to do with the processes. There is a big difference between the two (the traditional licensing process and the integrated licensing process). She read from her memo attached to the agenda bill explaining them. **LAPP** agreed with **WATERMAN**. The assembly should restate the desired studies but not request one process over the other. **VICK** spoke in support of the ILP. It would assure dispute resolutions and better studies. **HOFFMAN** is happy to support the ILP. He apologized to AP&T if it is less flexible and more costly. He believes Schube Lake should be in the conversation since it's not controversial. **SCHNABEL** said the assembly will have an opportunity to weigh in on the draft permitting plan. Her recollection is that the assembly said they want Schube Lake to be looked at during the studies. **SCOTT** said the first decision that FERC will make is regarding the licensing process. **SMITH** said he doesn't believe this community is ready to trade the fisheries for cheap power. **MARTIN** said AP&T did a separate study on Schube Lake and it can be found on AP&T's website, although it is not a final report.

11A9. Resolution 12-07-385 (moved to this point during approval of the agenda)

A Resolution of the Haines Borough Assembly implementing a temporary surcharge to harbor moorage for waste.

There were no public comments.

Motion: SMITH moved to "adopt Resolution 12-07-385," and the motion failed 2-4 in a roll call vote with **HOFFMAN, VICK, SMITH,** and **LAPP** opposed.

During the discussion, **SMITH** said this is bad timing with the other increases the public has faced,. He believes it was a fluke that the harbor received a huge garbage bill. Targeting the user groups at the harbor is unfair. The proposal should be presented to the Port and Harbor Advisory Committee. **SCHNABEL** said currently the harbor dumpster is supported by three different funds---users of harbor, tourism fund, and public works. Use of the harbor right now is primarily the fishermen, and she believes it is reasonable to ask those who are generating the larger volume of garbage to contribute to a higher rate. She has a high respect for fishermen. That's not the point. The point is they are the only industry that has a public subsidy to take care of their garbage. The harbor fees are not covering the entire garbage disposal. Her proposal is \$45 in total for the three months in the summer. **LAPP** does not care for this and wondered if some of the raw fish tax might be used for it. **EARNEST** said the General Fund is supporting the harbor where the enterprise funds are not covering it. Historically, raw fish tax has been used to offset community impacts of fish processing, but there is nothing dictated by state law. The harbor solid waste expense has gone up significantly. Rather than the users paying for part of that increase, the general taxpayer is asked to pay for it. Either way, it's a tax. **SCHNABEL** said when the assembly creates the budget; assumptions are made. The assembly had allowed for the increased garbage disposal rates but the usage has been greater than assumed. She clarified that her proposal is an assessment as opposed to a tax. **VICK** observed that the water and sewer enterprise funds are also not paying for themselves. **WATERMAN** said the resolution does not say how long the temporary surcharge would last. She made an amendment motion to insert "2012" after "July, August, and September" in both instances in the resolution, and the motion carried 4-2 with **HOFFMAN** and **SMITH** opposed. **SMITH** said the

enterprise funds have never paid for themselves, because there aren't enough users. He still believes the high garbage cost is an anomaly. If it proves to be a regular occurrence, he would be more likely to support this type of extra charge.

11C2. 2011-12 Season End Heli-ski Report (moved to this point during approval of the agenda)

EARNEST said it has come to his attention that Takshanuk Watershed Council's report may have inadvertently omitted some information. If that is the case, there will be an amended report very soon. He has some recommendations regarding improvement of GPS reporting and possibly collecting user fees (so much per skier day, etc.) to help defray the borough's costs in dealing with this.

7. PUBLIC HEARINGS

A. Ordinance 12-06-294– First 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 and closed the public hearing at 7:54pm; there were no public comments.

Motion: **LAPP** moved to "advance Ordinance 12-06-294 to a second public hearing on 7/24/12," and it was amended to incorporate the following additional amendments recommended by the borough manager in a 7/3/12 memo:

- appropriate \$55,000 from the sewer enterprise fund to replace an undersized 4" sewer main on West Fair Drive with an 8" sewer main;
- appropriate \$25,000 from the townsite service area fund to pay the Borough's deductible to repair fire damage to the public works shop;
- appropriate \$12,500 from the townsite service area fund for the purchase and installation of 16 LED street lights;
- appropriate \$1,000 from the areawide general fund for a communications training for the Borough Assembly;
- accept and appropriate a grant from the US Rural Development Administration which will assist with the purchase and installation of an e911 system for the Haines Borough's dispatch (this amendment also appropriates funds for a 54% (\$82,218) local match from the townsite service area fund, the fire fund, and the medical service area fund; and
- reduce property tax projections based on the final, certified tax roll.

The amended motion carried unanimously.

During the discussion, **LAPP** said the Finance Committee met prior to this meeting to consider all of the proposed budget amendments. The committee recommended all amendments except the following one because additional information is needed by the tourism director who is currently out of town: *to appropriate \$2,000 from the areawide general fund for a contribution to Southeast Conference for the 50th Anniversary Commemoration of the Alaska Marine Highway.*

SCHNABEL asked if a cost analysis has been done regarding the borough operating its own sludge composting shed. **EARNEST** said the future of sludge composting is unknown but it's important to accept the grant funds so they are in reserve in case the borough ends up moving forward. The assembly does not need to decide at this time whether to actually build and operate a shed.

B. Ordinance 12-05-290 – Second Hearing

An Ordinance of the Haines Borough Assembly placing on the October 2, 2012 Election ballot the adoption of Haines Borough Financial Disclosure Laws and the question of exemption from the Alaska Public Official Financial Disclosure law (AS 39.50).

Mayor **SCOTT** opened and closed the public hearing at 8:03pm; there were no public comments.

Motion: **WATERMAN** moved to "adopt Ordinance 12-05-290," and the motion carried unanimously in a roll call vote. There was no discussion.

8. STAFF/FACILITY REPORTS

A. Borough Manager – 7/10 Report

EARNEST summarized his written report. **SMITH** does not want the borough to negotiate with the Elks to purchase the building, because it's not worth it. **EARNEST** said that is not the direction the borough is headed. He added that recommendations for property disposal will be moving through the planning commission. **SCHNABEL** said she was not satisfied with the direction the assembly gave

during the previous meeting regarding the Elks property. She wants to ensure the school district is held accountable to explain its position. She also asked if an Executive Assistant had been hired. **EARNEST** responded he is conducting interviews and expects to announce his decision this week.

* **B. Sheldon Museum** – *May 2012 staff report & board meeting minutes*

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**

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

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

A. Resolutions

1. Resolution 12-07-377

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into an agreement with Stickler Construction Company for repairs to the Public Works Shop for an estimated amount of \$50,000.

There were no public comments.

Motion: **WATERMAN** moved to "adopt Resolution 12-07-377," and the motion carried unanimously in a roll call vote. There was no discussion.

2. Resolution 12-07-378

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a professional services agreement with HDR Alaska, Inc. to prepare a Screenings Compactor-Washer Design for the Wastewater Treatment Plant and provide services during installation for an amount not to exceed \$14,670.

There were no public comments.

Motion: **WATERMAN** moved to "adopt Resolution 12-07-378," and the motion carried unanimously in a roll call vote. There was no discussion.

3. Resolution 12-07-379

A Resolution of the Haines Borough Assembly accepting a Fiscal Year 2013 Designated Legislative Grant in the amount of \$2,380,000 for the purpose of Port Chilkoot Cruise Ship Dock Improvements and authorizing the borough manager to enter into a grant agreement with the Department of Commerce, Community, and Economic Development.

There were no public comments.

Motion: **WATERMAN** moved to "adopt Resolution 12-07-379," and the motion carried unanimously in a roll call vote.

During a brief discussion, **SMITH** asked if this includes installation of security cameras. **EARNEST** said that is a different grant, although this grant might involve some. **SMITH** just wanted to make sure cameras installed by one grant aren't then removed by another.

4. Resolution 12-07-380

A Resolution of the Haines Borough Assembly accepting a Fiscal Year 2013 Designated Legislative Grant in the amount of \$60,000 for the purpose of designing and constructing a Sludge Composting Shed and authorizing the borough manager to enter into a grant agreement with the Department of Commerce, Community, and Economic Development.

There were no public comments.

Motion: WATERMAN moved to "adopt Resolution 12-07-380," and it was seconded. The motion carried unanimously in a roll call vote.

During a brief discussion, **SCHNABEL** wanted to make sure the borough won't be penalized if the grant is not used.. **EARNEST** said the borough has five years to expend the grant and there is no penalty for not using the funds during that time. Additionally, grant extensions may be requested. **SMITH** said he would not like a sludge composting shed to be constructed on Community Waste Solutions' property.

5. Resolution 12-07-381

A Resolution of the Haines Borough Assembly accepting a Fiscal Year 2013 Designated Legislative Grant in the amount of \$250,000 for the purpose of Haines High School Gymnasium Renovations and authorizing the borough manager to enter into a grant agreement with the Department of Commerce, Community, and Economic Development.

There were no public comments.

Motion: WATERMAN moved to "adopt Resolution 12-07-381," and the motion carried unanimously in a roll call vote. There was no discussion.

6. Resolution 12-07-382

A Resolution of the Haines Borough Assembly accepting a Fiscal Year 2013 Designated Legislative Grant in the amount of \$400,000 for the purpose of purchasing a road grader and authorizing the borough manager to enter into a grant agreement with the Department of Commerce, Community, and Economic Development.

There were no public comments.

Motion: WATERMAN moved to "adopt Resolution 12-07-382," and the motion carried unanimously in a roll call vote. There was no discussion.

7. Resolution 12-07-383

A Resolution of the Haines Borough Assembly accepting a Fiscal Year 2013 Designated Legislative Grant in the amount of \$15,000,000 for the purpose of Haines Boat Harbor Upgrades and authorizing the borough manager to enter into a grant agreement with the Department of Commerce, Community, and Economic Development.

There were no public comments.

Motion: WATERMAN moved to "adopt Resolution 12-07-383," and the resolution was amended to change the amount from \$15m to \$4.5m. The amended motion carried unanimously in a roll call vote. There was no discussion.

8. Resolution 12-07-384

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a purchase order with NC Machinery of Anchorage to purchase a Caterpillar 160H grader for an amount not to exceed \$397,063.

GONCE applauded the assembly for working toward newer and better equipment.

Motion: WATERMAN moved to "adopt Resolution 12-07-384," and it was seconded. The motion carried unanimously in a roll call vote.

During a very brief discussion, **LAPP** asked if this went out to bid. **EARNEST** said the borough went through the state's procurement process, specifically a preferred vendors list.

9. Resolution 12-07-385 (moved to follow Item 6-Mayor's Comments during approval of the agenda)

10. Resolution 12-07-386

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a professional services agreement with ENVIRON International Corporation to provide an Excursion Inlet Hydroelectric Power Reconnaissance Study in two separate phases for a total amount not to exceed \$101,115.

There were no public comments.

Motion: WATERMAN moved to "adopt Resolution 12-07-386," and it was seconded. The motion carried unanimously in a roll call vote. There was no discussion.

B. Ordinances for Introduction

1. Ordinance 12-07-295

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.

Motion: LAPP moved to "introduce Ordinance 12-07-295 and schedule a first public hearing for 7/24/12," and it was seconded. The motion carried unanimously. There was no discussion.

2. Ordinance 12-07-296

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.

Motion: SCHNABEL moved to "introduce Ordinance 12-07-296 and schedule a first public hearing for 7/24/12," and it was seconded. The motion carried unanimously.

3. Ordinance 12-07-297

An Ordinance of the Haines Borough adopting a new water-sewer rate schedule to set rates, fees and charges for water and sewer services.

Motion: SCHNABEL moved to "introduce Ordinance 12-07-297 and schedule a first public hearing for 7/24/12," and it was seconded.

SMITH recommended this be referred to committee to enable more public input. He made the statement that Haines has the highest water-sewer rates in Southeast Alaska.

Motion to Refer to Committee: SMITH moved to "refer this ordinance to the Government Affairs & Services Committee," and it carried 4-2 with **SCHNABEL** and **WATERMAN** opposed. Therefore, the ordinance was not introduced or scheduled for a public hearing.

C. Other New Business (the following two items were moved to follow Item 6-Mayor's Comments during approval of the agenda)

- 1. Licensing Process for the Connely Lake Hydroelectric Project**
- 2. 2011-12 Season End Heli-ski Report**

12. CORRESPONDENCE/REQUESTS

- * **A. Safe Routes to Schools Letters - FYI**
- * **B. Community Report - Washington DC Lobbyists**

13. SET MEETING DATES

- A. Commerce Committee** - Wednesday, 7/18, 5:30pm - Purpose: Commerce-related matters.
- B. Government Affairs & Services Committee** - Tuesday, 7/17, 5:30pm - Purpose: Water-Sewer Rates (proposed Ordinance 12-07-297).

14. PUBLIC COMMENTS - None

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

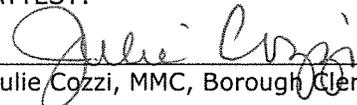
SCHNABEL said Haines residents are not paying the highest water-sewer rates in Southeast.

SCOTT said the tourism director informed her that the Alaska Tourism Industry Association (ATIA) conference will be held in Haines next May.

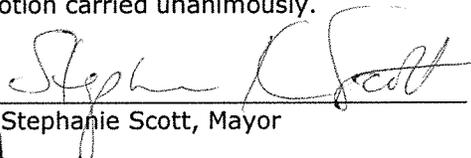
16. ADJOURNMENT - 8:48 p.m.

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

ATTEST:


Julie Cozzi, MMC, Borough Clerk




Stephanie Scott, Mayor