


Haines Borough
Borough Assembly Meeting #262
January 28, 2014
MINUTES

Approved

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

2. ROLL CALL

Present: Mayor Stephanie **SCOTT**, and Assembly Members Jerry **LAPP**, Debra **SCHNABEL**, Dave **BERRY**, George **CAMPBELL**, Diana **LAPHAM**, and Joanne **WATERMAN**.

Staff Present: Julie **COZZI**/Interim Borough Manager, Michelle **WEBB**/Interim Clerk, Krista **KIELSMEIER**/Administrative Assistant, Carlos **JIMENEZ**/Director of Public Facilities, Phil **BENNER**/Harbormaster, Jila **STUART**/Finance Director, Patricia **BROWN**/Library Director, Helen **ALTEN**/Museum Director, and Jason **RETTINGER**/Police Officer.

Visitors Present: Karen **GARCIA**/CVN, Margaret **FRIEDENAUER**/KHNS, Bill **KURZ**, Gina **ST. CLAIR**, Daniel **HUMPHREY**, Mike **CASE**, Kyle **GRAY**, Bill **ROSTAD**, Don **TURNER JR.**, Danny **GONCE**, Glenda **GILBERT**, Greg **SCHLACHTER**, Scott **SUNDBERG**, Libby **KURZ**, George **FIGDOR**, Mike **WARD**, Terry **PARDEE**, Roger **SCHNABEL**, and others.

3. APPROVAL OF AGENDA & CONSENT AGENDA

The following Items were on the published consent agenda:

Consent Agenda:

- 4 - Approve Assembly Meeting Minutes
- 8B - Library Director's Report
- 9A - Library Board Minutes
- ~~11A1 - Adoption of Resolution 14-01-531~~
- ~~11B1 - Introduction of Ordinance 14-01-366~~
- 12A - Request for Letter of Support - DIPAC Funding

Motion: **LAPP** moved to "approve the agenda and consent agenda," and it was amended to remove item 6A - Clean Harbor Presentation from the agenda; and the following items were removed from the consent agenda for discussion: 11A1 - Adoption of Resolution 14-01-531, and 11B1 - Introduction of Ordinance 14-01-366. The motion, as amended, carried unanimously.

In discussion, **CAMPBELL** mentioned that he was not an assembly member during the 10/22/13 meeting and was unsure whether he could vote on the approval of the minutes. **SCOTT** answered that it was appropriate. **SCHNABEL** asked if a motion to reconsider (regarding the vote to deny hearing the appeal of Gina St. Clair) should be put on the agenda. It was placed under "Other New Business," before "Confirm Chief of Police Hire."

*** 4. APPROVAL OF MINUTES** - 10/22/13 Regular Meeting and 1/7/14 Special Meeting

5. PUBLIC COMMENTS [Any topics not scheduled for public hearing]

CASE stated the U.S. flag had not been flying over the borough offices for several days and the American Legion could provide a flag, if needed. **COZZI** said the issue had been addressed by the fire department, and the tourism department flag is being borrowed. The previous flag was quite tattered, and the borough ordered a new one.

6. MAYOR'S COMMENTS/REPORT

A. Alaska Power & Telephone (AP&T) Rate Increase

B. Clean Harbor Presentation - *This item removed from the agenda.*

SCOTT stated she contacted the Alaska Marine Highway System regarding the LeConte's breakdown, and they were investigating how long it would take to fix. On Saturday a hiker was lost on the Mount Riley trail and was found. However, she noted this was a repeat

problem. She shared her concern with the Division of Parks. She would like the borough to do something about better marking that trail. **SCOTT** also reported on the Alaska Power & Telephone (AP&T) rate increase. She contacted the borough attorney, who recommended consulting with Thomas Lovas regarding the question of a possible petition to intervene. Resume and client lists for Lovas were provided to assembly members at the meeting. His rate is \$175 per hour, and he agreed to put no more than eight hours into this issue. **SCOTT** said she asked whether this process to intervene has a chance of making a difference in the outcome. She wished to consult with the assembly before moving forward to hire Mr. Lovas. If a petition is to be prepared, time is short; a special meeting may be required. Lovas would recommend whether to proceed with the petition, which would then require the borough attorney 10-20 hours to prepare. **SCOTT** asked whether the assembly would move to authorize that expenditure. The assembly would review the petition at the next regular meeting, on 2/11/14. **CAMPBELL** asked if Mr. Lovas could be hired to do the petition, and **SCOTT** answered no, just consulting. **SCHNABEL** inquired how other communities were responding to the proposed rate increase. **SCOTT** answered that other communities also are considering the question of intervention. **SCHNABEL** stated she was ready to vote in favor of this.

Motion: **BERRY** moved to give "authorization to go forward with the attorney's preparation of the petition if Mr. Lovas recommends that is a reasonable thing to do, that there is probability that it will result in a modification of the rate increase request," and the motion carried unanimously.

In discussion, **LAPHAM** asked the goal of the effort, and **SCOTT** responded it is to intervene on behalf of the customers, and to follow up with testimony. **SCOTT** concluded that with a proposed 18 percent increase in electrical rates, to reduce them by 2 percent would be positive.

7. PUBLIC HEARINGS

A. Ordinance 13-07-339 – Second Hearing

An Ordinance of the Haines Borough amending Borough Code Section 5.18.080 to change the procedure for amending the Commercial Ski Tour Areas Map.

Mayor **SCOTT** opened the public hearing at 6:49pm.

FIGDOR said he appreciated the GAS committee's efforts to have a balanced committee. He said the assembly might need to include an escape valve for scientific studies from the Bureau of Land Management and other significant governmental requests, so the assembly can temporarily amend the map before the map committee meets again. Lynn Canal Conservation's position was that the map should reflect the needs of wildlife, other users, and the interests of residents who live nearby. He suggested looking into issues with committees making their own rules. People attended in the past and were unable to comment. He said perhaps all committees should be required to allow for public comments.

SUNDBERG thanked the assembly for their work. He has some reservations about the language in section I1C. He stated there is other science available, beyond Fish and Game. He recommended that the assembly might amend the ordinance to include the best, newest and most relevant science to the industry. He agreed with **FIGDOR** about being able to make adjustments. He was part of the committee, and the reason they did not allow for public testimony was they had a job to do and were looking to be concise. He would agree that if there is time, they can take public testimony, but comments can bog down the process.

Mayor **SCOTT** closed the public hearing at 6:56pm.

Motion: **CAMPBELL** moved to "adopt Ordinance 13-07-339," and it was amended to add the word "organization," after the word "conservation" in section I1B1, and to include "and Bureau of Land Management personnel" before "in its deliberations" in section I1C and after "ADF&G" in all instances. The motion, as amended, carried 5-1 with **LAPP** opposed.

In discussion, **CAMPBELL** stated that he thought the Bureau of Land Management (BLM) amendment was unnecessary because BLM has its own permitting process. **SCHNABEL** said the purpose of this ordinance is to facilitate a map. She thought the borough had

recently demonstrated how closely aligned the jurisdictions are for reasonable, sensible, coordinated recreational activities. Including BLM would probably save a lot of time, mostly in doing the coordination up front, rather than being reactionary. **LAPHAM** agreed. If BLM were added, it would be up to them whether to participate. **CAMPBELL** asked about the GAS committee's proposal to have the map go to a three-year cycle immediately. **SCOTT** clarified that the policy was not part of this motion or ordinance.

B. Ordinance 13-12-357 – Second Hearing

An Ordinance of the Haines Borough authorizing renewal of a lease of the Human Resources Building with Chilkat Valley Preschool for the purpose of providing preschool educational services.

Mayor **SCOTT** opened and closed the public hearing at 7:05pm; there were no public comments.

Motion: **BERRY** moved to "adopt Ordinance 13-12-357," and it was amended to terminate the lease on June 30, 2014, and to eliminate items 14 (lease renewal) and 15 (termination). The motion, as amended, carried 5-1 with **BERRY** opposed.

In discussion, **CAMPBELL** clarified that the borough would like to dispose of this property. He asked whether the lease should be more in line with the academic year. **SCOTT** stated that a lease could be canceled with appropriate notice. The lessee is aware that the borough wishes to dispose of this property. **WATERMAN** referenced the public facilities report that listed issues with the building to bring it up to code. She felt the borough had been honest with the preschool about intentions for the property. This would be the last time she supports this lease, because there are other priorities for buildings. **BERRY** asked whether they could legally have a lease without an option for renewal or termination. **WATERMAN** suggested the termination right be retained so if the preschool found an alternate location, they would have an opportunity to cancel the lease early. **BERRY** questioned whether the assembly would terminate the lease even if the preschool could not find an alternate location.

C. Ordinance 13-12-358 – Second Hearing

An Ordinance of the Haines Borough amending Borough Code Section 18.80.030 to add setback regulations to the General Use zone and to correct a typographical error to make it consistent with the Section 18.20.020 definition of setback.

Mayor **SCOTT** opened and closed the public hearing at 7:14pm; there were no public comments.

Motion: **BERRY** moved to "adopt Ordinance 13-12-358" and it was amended to replace the word "structures" with "permanent buildings" and remove the phrase "for all uses" on page 3, section C. The motion to adopt and the motion to amend remained on the table.

In discussion, **CAMPBELL** stated the definition of structures includes many things such as utilities, driveways, etc. He believed the intent of the code was for fire safety. He added people often want their utility lines and driveways on property lines. His proposed amendment served a purpose for fire safety while allowing full use of the property. **GONCE**, as a planning commissioner, said he did not believe, typically, utility lines, driveways, curb and gutter are bound by the setbacks. **LAPP** asked if "structures" needed to be removed from the definition section of 18.80.030, as well. **SCOTT** clarified that the amendment was specific to the General Use Zone. **WATERMAN** said she did not see power lines and water and sewer lines as being unable to be in the setback. She questioned whether they were a "structure," by definition. **CAMPBELL** noted many residents in the General Use Zone do not have public utilities, and sometimes a well is near a property line. **WATERMAN** suggested if there were this many questions about it, this ordinance should be held over for another public hearing.

Motion: **WATERMAN** moved to "postpone this until the 2/11/14 meeting," and the motion carried unanimously. This motion superseded the previous motion.

In discussion, **SCHNABEL** committed, as liaison to the planning commission, to work with commissioners and staff before the next assembly meeting. **COZZI** clarified this item would appear under "Unfinished Business" on the 2/11/14 agenda.

D. Ordinance 13-12-359 – Second Hearing

An Ordinance of the Haines Borough amending Borough Code Section 18.100.092 to remove the biennial state inspection requirement for wastewater disposal systems to make this code section consistent with Section 18.60.010(i).

Mayor **SCOTT** opened and closed the public hearing at 7:27pm; there were no public comments.

Motion: **BERRY** moved to "adopt Ordinance 13-12-359," and the motion carried unanimously.

In discussion, **CAMPBELL** related a story where two children died due to a septic tank leakage exposure (not in Haines). He asked if the requirement is removed, was there any way to ensure people take care of their septic tanks. **SCOTT** clarified that this ordinance would remove the requirement for the Department of Environmental Conservation to inspect. **COZZI** added that, in her opinion, the existing code was unenforceable. An ordinance may be forthcoming, after further research, which might require inspections on a regular basis. **CAMPBELL** said he would move to postpone this, since it is a health and safety issue. He said this would be a reminder to bring back another ordinance. **COZZI** responded the new ordinance likely would not be ready by the next meeting. **SCOTT** suggested **CAMPBELL** propose this ordinance be brought back simultaneously with the new ordinance from staff, and **CAMPBELL** so moved. The motion failed, with **LAPHAM**, **LAPP**, **WATERMAN**, and **SCHNABEL** opposed. **SCHNABEL** noted this section of code referred to requirements prior to plat approval. She understood the concept and its value, but said it probably belongs in a policy section.

E. Ordinance 13-12-360 – Second Hearing

An Ordinance of the Haines Borough amending Borough Code Title 18 Sub-Section 18.30.010(A)(2)(c) to change the filing period for Construction Declaration forms.

Mayor **SCOTT** opened and closed the public hearing at 7:34pm; there were no public comments.

Motion: **BERRY** moved to "adopt Ordinance 13-12-360," and it was amended to "change the effective date to May 1, 2014, and to pursue an educational campaign in the interim." The motion, as amended, carried 5-1 with **CAMPBELL** opposed.

In discussion, **CAMPBELL** moved to amend the ordinance to include "within five calendar days" before "commencement of." The motion failed from lack of a second. **SCOTT** said "prior to commencement of construction" was a bit vague. **SCHNABEL** said she would like to see the ordinance worked in tandem with the previous General Use Zone setback issues. She saw them as tied together. At that moment in time, there were no restrictions on construction or development in the General Use Zone, except for the filing of a construction declaration within 60 days. This new regulation would be high impact, so she suggested postponing this until 2/11/14. **LAPP** said he viewed this construction declaration change as a separate issue. **CAMPBELL** stated the point was to keep the tax rolls accurate, but also to check on the new setbacks they were proposing. **SCOTT** broke a 3-3 tie, voting against postponement. **CAMPBELL** said this ordinance was a huge change for the borough, and the assembly had instilled some fairly significant penalties recently. By passing this with no forgiveness and training, the assembly was ensuring many fines in the near future. This especially would be an issue when more people start building. He suggested pushing back the effective date.

F. Ordinance 13-12-361 – Second Hearing

An Ordinance of the Haines Borough amending Borough Code Title 18 Section 18.20.020 to revise the definition of "Agriculture, personal use" and Section 18.30.070 to reduce the fee for permits relating to animal husbandry.

Mayor **SCOTT** opened and closed the public hearing at 7:44pm; there were no public comments.

Motion: LAPHAM moved to "adopt Ordinance 13-12-361," and the motion carried unanimously.

In discussion, **CAMPBELL** asked if there was a limit on the number of dogs or cats people could own. As long as the borough was discussing chickens, not roosters, with the noise and the odor ordinance, why should the assembly care how many chickens someone had? He said dogs can be more of a problem than chickens. **SCOTT** read aloud from planning commission rationale in the packet. **LAPHAM** said she strongly urged the assembly to adopt the ordinance. The fines needed addressing, as far as chickens in the townsite area. She emphasized the assembly did not need to take any more time on this, and should pass the motion.

G. Ordinance 14-01-363 - First Hearing

An Ordinance of the Haines Borough amending Haines Borough Code Sections 2.50.030, 2.56.011, 2.60.055, 2.98.040, 2.100.040, 2.104.040, 2.105.040, 7.04.080, 16.08.010, and 18.30.040 to revise the procedure for filling board, committee, and commission vacancies.

Mayor **SCOTT** opened and closed the public hearing at 7:48pm; there were no public comments.

Motion: BERRY moved to "advance Ordinance 14-01-363 to a second public hearing on 2/11/14," and the motion carried 5-1 with **CAMPBELL** opposed.

H. Ordinance 14-01-365 - First Hearing

An Ordinance of the Haines Borough providing for the addition or amendment of specific line items to the FY14 Budget.

Mayor **SCOTT** opened and closed the public hearing at 7:49pm; there were no public comments.

Motion: LAPP moved to "advance Ordinance 14-01-365 to a second public hearing on 2/11/14," and it was amended to "strike the purchase, delivery, and installation of a sauna at the pool." The motion, as amended, carried unanimously.

In discussion, **LAPP** said there was a finance committee meeting. They agreed to keep all the amendments, except the sauna. The committee thought it was inappropriate to use those appropriations for that. He suggested maybe the funding could be used to better mark Mount Riley. **CAMPBELL** said he would like to remove the harbor dump trailer from the ordinance, as there was no documentation for it. **WATERMAN** responded there had been a cost analysis that showed potential savings. **SCOTT** said documentation would be given to **CAMPBELL**, and he withdrew his motion.

A 5-minute break was given.

8. STAFF/FACILITY REPORTS

A. Interim Borough Manager - 1/14/14 Report

COZZI summarized her written report and added two items. First, she tasked the assistant assessor with getting a current evaluation of the Human Resources Building and land. Staff acknowledged the building had a lot of issues and would likely require asbestos abatement. The value in that property may be the land, and not in the building. She added the borough received some estimates from PND Engineers. The assembly could consider whether to spend extra money to bury power lines. **JIMENEZ** reviewed the three options presented by PND; \$575,000 for a turnkey solution to bury all of the utilities; \$230,000 for burying conduit only, from Main Street to the highway; and \$50,000 to bury fiber optic from the Administration Building to the Public Safety Building, for high-speed connectivity. The current, overall project was an estimated \$1.2 million, with possible add alternates. **SCOTT** said at 95 percent complete design, it was now essential to determine whether to make changes to the project.

Motion: SCHNABEL moved "to direct the staff to include as an added alternative to the advertisement the replacement of all power cable communication lines, and new street lighting along Third Avenue, for this project," and the motion failed, 3-3, with **SCOTT** breaking the tie.

In discussion, **SCHNABEL** explained her motion referred to the first option outlined by **JIMENEZ**. **SCHNABEL** asked the assembly to consider at least the concept that they might be able to bury the lines. **JIMENEZ** said design must be done for an alternate, at an estimated 8-10 percent of the construction cost (about \$57,000). The design would delay the project, but not too much. Existing add alternates for the project include the Administration Building parking lot and an extension at the Senior Center. Both add alternates were outside the budget. They were planned well before **JIMENEZ** became public facilities director. **CAMPBELL** stated if the assembly really wanted underground lines, he would go with option one and two for alternates, in case of partial funding. The wastewater treatment plant was a much higher priority for him, despite a desire for underground power. **JIMENEZ** noted the previous alternates already had been designed. **WATERMAN** said, after discussing Front Street previously, certain areas of town were to be identified as priorities for underground power. She understood the concern from **CAMPBELL** that other projects were important, but there was a time to hold your ground and say it is a priority. There are different funding sources. **BERRY** asked why the assembly would spend money on something they did not have the money to build. **STUART** agreed that there was no funding source for the burying of power lines. **SCHNABEL** clarified the engineering money would design for the possibility of burying lines; bidders would do the detailed calculations and work. These were estimates and were not necessarily what the project was going to cost. **SCHNABEL** said she was willing to spend \$50,000 to at least have something to consider when the bids come in. **JIMENEZ** emphasized there was no deadline on when the previous alternates could be done; if they were not funded with the Third Avenue project, they could be done later with the same design. That was not the case for underground power. **SCOTT** asked about advanced engineering money, and **STUART** responded she would have to look at how much money was encumbered for other projects. The original scope of this project was from the highway to Dalton or Union streets. When the money from the Denali Commission was cut, the scope was reduced. The funding discussion did not have to be about just a parking lot vs. underground lines. **CAMPBELL** stated, long-term, he did not see how the borough was going to have the money to bury power underground; too many things were a high priority.

After the motion failed, **SCHNABEL** said she was very disappointed. **LAPP** added he thought the assembly had committed to bury power lines following discussion of the project on Front Street. **BERRY** stated, regardless of a previous action, there is no additional money for the Third Avenue work. **SCHNABEL** asked the assembly to consider that Permanent funds were available. The assembly could make things happen; they just did not have the will to do it.

Regarding the manager's report, **CAMPBELL** asked about a tourism department report and possibly having department heads submit a report once a month. **COZZI** stated she would request one from tourism.

***B. Haines Borough Public Library – Director's Report of 11/26/2013**

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

***A. Library Board – Minutes of 11/26/13**

B. Assembly Standing Committee Reports

WATERMAN spoke on behalf of the personnel committee, which discussed the organizational chart. The committee asked staff to consider moving the assessor's position over into the finance department. There also was an alternate job description for Darsie Culbeck presented to the committee for consideration. David Sosa would look at these pending the approval of his contract as borough manager. Lastly, the committee discussed action minutes vs. the narrative minutes that currently are produced.

SCHNABEL reported the commerce committee did not meet, but she wanted to give an update on the municipal solid waste survey. Linda Moyer is working with **SCHNABEL** to get the survey on the borough website, which had been a bit delayed due to technology issues.

10. UNFINISHED BUSINESS

11. NEW BUSINESS

A. Resolutions

1. Resolution 14-01-531

A Resolution of the Haines Borough Assembly expressing support for Governor Parnell's proposal to appropriate \$3 billion from the Constitutional budget reserve into the Alaska Retirement Trust Funds in 2015.

Motion: **LAPP** moved to "adopt Resolution 14-01-531," and the motion carried 5-1 with **SCHNABEL** opposed.

The mayor stated that none of the assembly members had a conflict of interest. She pointed out supporting documents about the impact of this proposal. **CAMPBELL** said he had distaste for this, but it was an act of necessity. As distasteful as it was, the governor was trying to fix the problem.

B. Ordinances for Introduction

1. Ordinance 14-01-366

A non code ordinance of the Haines Borough approving the sale to Aspen Management, LLC of Lots 6 and 7 Primary School Subdivision plat No. 2008-21, Haines Recording District, First Judicial District, State of Alaska.

Motion: **BERRY** moved to "introduce Ordinance 14-01-366 and set a first public hearing for 2/11/14." The motion carried unanimously.

In discussion, **CAMPBELL** said he liked most of this ordinance, but there was one little thing missing. He moved to amend the contract to require the property to remain as taxable property, for a minimum of 20 years. The motion failed from lack of a second. **WATERMAN** requested a memo from the assistant assessor's office be posted to the borough website, to see how that price was determined. **SCHNABEL** noted Section 12A referred to any use whatsoever, and asked if it was the assembly's intention to say this must be a hotel. **CAMPBELL** said there must be something to put this on the tax rolls. It is not only a hotel, but the property tax also would help the borough. **LAPP** added that tax exemptions must come before the assembly. **SCOTT** clarified there are some required exemptions. Also, the assistant assessor is working to correct some properties that may not have been properly classified. **BERRY** stated he was satisfied with the language in section 9, referring to construction of a hotel on the property, with a value of at least \$3 million.

C. Other New Business

Motion: **CAMPBELL** moved to "reconsider the vote to deny hearing the appeal of Gina St. Clair," and the motion carried unanimously.

In discussion, **CAMPBELL** stated his previous vote was about not meeting deadlines, and he now believed there was no deadline missed for St. Clair's appeal. Code referred to working days, which would not include weekends and holidays.

Motion: **BERRY** moved to "grant Gina St. Clair a rehearing of the planning commission's decision to take place at the regularly scheduled assembly meeting; the appellant has met the burden of proof, and there may be a solution available that the assembly has the power to enact that was not available to the planning commission," and it was amended to change the hearing date to 2/11/14. The motion, as amended, carried unanimously.

In discussion, **SCOTT** mentioned the Government Affairs and Services committee meeting was scheduled for 2/4/14, regarding the issue of utilities in the Moose Lane/Sunshine area of Piedad Road. **COZZI** noted Sunshine was redundant, because residents already had utilities, so the meeting should focus on Moose Lane. **STUART** clarified that Moose Lane property owners should be contacted to attend the meeting. **COZZI** asked about possibly delaying the GAS committee meeting until after the St. Clair hearing. **BERRY** responded, as chair, he was fine with delaying it. **SCHNABEL** said it seemed the committee meeting should be first, so the assembly could hear from the neighborhood.

1. Confirm Chief of Police Hire

Motion: **CAMPBELL** moved to "confirm the manager's decision to hire Richard Crays as chief of police for the Haines Borough," and the motion carried unanimously.

In discussion, **CAMPBELL** stated that he was in support; it had been reported to him that there was no reason not to hire this candidate. **SCOTT** said extensive background checks were completed. **COZZI** shared several statements from references who had interacted with the candidate. All the references were positive. Crays' wife was very excited about moving to Haines. **COZZI** added that the other candidate, William Musser, also was well qualified. She said Crays would be available within 3-4 weeks, after giving notice.

2. Tanani Bay Sewer Outfall System

Motion: **CAMPBELL** moved to "refer the topic of responsibility for the Tanani Bay sewer outfall system to the Government Affairs and Services Committee," and the motion carried unanimously.

In discussion, **CAMPBELL** asked if there is any past paperwork the assembly could get their hands on. **COZZI** said yes, and there was a lot of information to go over and explain in committee.

3. Harbor Breakwater Decision

Motion: **LAPP** moved to "accept the PHAC recommendation of a partially penetrating wave barrier design" and the motion carried 4-2 with **BERRY** and **CAMPBELL** opposed.

In discussion, **BERRY** asked about the cost of maintenance of a wave barrier system. **JIMENEZ** referred to a PND Engineers document that outlined the costs of maintenance. **BERRY** said the longer the facility is out on the water, the more expensive the maintenance was going to be. He asked if PND gave a local rock source as an option. **JIMENEZ** responded he believed they looked at the local source and determined it was not an option. **SCOTT** said Roger Schnabel tested his rock and had some preliminary results. **CAMPBELL** stated the borough had its own local rock source. There would be cost savings and a shorter haul. This was a 50-year commitment. Nowhere had anyone presented operational costs with 50 new slips, shoveling the snow, etc. **LAPHAM** said during the winter, many sport fishermen and gillnetters take their boats out of Haines. The harbormaster and members from PHAC had spent many years on this. **TURNER** remarked that, to his knowledge, the borough rock source had not been investigated. **WATERMAN** stated **BENNER** called a port in Washington that had used the proposed option for 20 years, gathering information about maintenance. Last week, **WATERMAN** was ready to argue for the rubble mound, but harbor users were concerned about financing the interior work. If all the funding were used for the rubble mound, there would be nothing left for the inside. Due to the length of this project, the state offer to bond could disappear. The borough still needed permitting from the Army Corps of Engineers. **WATERMAN** said she believed this was the best decision, at this time. **BENNER** spoke to the history of the breakwater and said all engineering pointed to a possible failure due to poor soil stability with the wick drains. People worked through the process for the last 10-15 years. Even if the committee decided it would like to have a rubble mound breakwater with wick drains, the borough did not have the money to do it. **BENNER** stated that very little maintenance had been done on the like facility in Washington. **SCOTT** agreed with this choice. Wave barriers were increasingly common and accepted. **TURNER** said all would like a rubble mound, but it came down to money. The people he had spoken with do not want to put the rubble mound in, without infrastructure. **SCOTT** noted this was just a selection of a concept, and a contract for engineering would come before the assembly later. **CAMPBELL** clarified cost estimates with **BENNER**, and dredging was a major expense.

4. Executive Session – Update on Manager Contract Negotiations

Motion: **CAMPBELL** moved to "go into executive session as allowed by AS 44.62.310(b)(2) to discuss the contract negotiations of David Sosa (and Richard Crays); this matter qualifies for

executive session because it contains 'matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity'; the applicants have been provided with an opportunity to request a public discussion; and the assembly requests Interim Borough Manager Julie Cozzi to join the assembly in this session," and it carried 5-1 with **SCHNABEL** opposed.

The assembly went into executive session.

The assembly came out of executive session.

Motion: WATERMAN moved to "extend the meeting up to 20 minutes," and the motion carried 5-1 with **LAPP** opposed.

Motion: WATERMAN moved to "approve the contract at \$98,000, a three-year contract, with a 3.5 percent pay increase on the subsequent two years," and the motion carried unanimously.

In discussion, **SCOTT** remarked that Sosa had accepted these terms. **WATERMAN** thanked **COZZI** and **SCOTT** for negotiating with Sosa.

Motion: LAPP moved to "approve up to \$10,000 in travel expenses for Mr. Sosa," and the motion carried unanimously.

In discussion, **SCOTT** said Sosa provided an itemized list of travel expenses. **WATERMAN** stated she appreciated Sosa coming here before his wife and daughter, and that travel costs would be shared by the Marines.

Motion: WATERMAN moved to "authorize the interim manager to negotiate (with Mr. Crays) no higher than \$73,000," and the motion carried 5-1 with **CAMPBELL** opposed.

12. CORRESPONDENCE/REQUESTS

***A. Request for Letter of Support:** Port and Harbor Advisory Committee request for funds from Douglas Island Pink and Chum (DIPAC).

13. SET MEETING DATES

A. Government Affairs and Services Committee – Thursday, 2/6/14, 5:30pm – Purpose: Consider the planning commission recommendation #1, "The borough should develop a policy that would allow for the municipality to participate in the extension of water and sewer mains. This policy would include a mechanism to recoup this investment over time as new connections are initiated."

Tuesday, 2/11/14, 5:30pm – Purpose: Discuss Tanani Bay Sewer System (assigned to the GAS committee during the 1/28/14 assembly meeting); Ordinance 13-10-352 regarding revision and clarification of water and sewer service procedures; and Ordinance 14-01-364 regarding the allowance of an assembly approved exception to the contract or sale limit to a borough officer or employee.

B. Board of Equalization Training – Monday, 3/3/14 – Purpose: State of Alaska Assessor, Steve Van Sant, will conduct Board of Equalization training.

C. Joint School Board and Borough Assembly Meeting – Tuesday, 3/4/14 – Purpose: Annual meeting mandated by Charter Sec. 7.04 to discuss and coordinate financial planning, capital improvement needs, the six-year capital improvement plan, and other matters of mutual concern.

D. Committee-of-the-Whole – Monday, 2/10/14, Noon-4pm – Purpose: Pre-budget workshop with manager and department heads.

E. Committee-of-the-Whole – Wednesday, 2/26/14, 5:15pm – Purpose: Set local assembly legislative priorities for FY15.

14. PUBLIC COMMENTS

STUART stated an advisory board for utilities would be a good idea; it would take pressure from the GAS committee. It would include experts well-versed in the issues, and was an idea of the mayor. Also, she wished the borough could make some sort of plan about what streets

were priorities, regarding whether to bury lines, to pave or chip coat, etc., There would be a document to reference when making decisions. **STUART** thanked **COZZI** for her leadership.

15. ASSEMBLY COMMENTS

SCOTT said a citizen told her she was so pleased with the maintenance of the roads. People were working hard to prepare for the next snow.

WATERMAN commented she was very pleased with where the borough was at in filling positions. She wanted to say how much respect she has for Simon Ford as interim chief, and him saying he wanted a chief he could learn from.

CAMPBELL said, as an assembly, they needed to come up with priorities about power lines, sewers, etc., to give staff good direction.

16. ADJOURNMENT - 10:26pm

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



Stephanie Scott, Mayor

ATTEST:



Michelle Webb, Interim Borough Clerk

