

Haines Borough  
Borough Assembly Meeting #244  
April 23, 2013  
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 Debra **SCHNABEL**, Dave **BERRY**, Joanne **WATERMAN**, Jerry **LAPP**, Norman **SMITH**, and Steve **VICK**.

**Staff Present:** Mark **EARNEST**/Borough Manager, Julie **COZZI**/Borough Clerk, Jila **STUART**/Finance Director, Michelle **WEBB**/Deputy Clerk, Simon **FORD**/Acting Chief of Police, Carlos **JIMENEZ**/Director of Public Facilities, Darsie **CULBECK**/Executive Assistant to the Manager, Tanya **CARLSON**/Tourism Director, and Jerrie **CLARKE**/Museum Director.

**Visitors Present:** Karen **GARCIA**/CVN, Margaret **FRIEDENAUER**/KHNS, Bill **KURZ**, Dave **KAMMERER**, J.R. **MYERS**, Roc **AHERNS**, Victoria **MOORE**, Albert **SACKS**, Don **TURNER JR.**, Mike **HARTLEY**, Dick **SOMERVILLE**, and others.

3. **APPROVAL OF AGENDA & CONSENT AGENDA**

The following Items were on the published consent agenda:

- 4 – Approve Assembly Meeting Minutes
- 8B – Fire Department Report
- 9A – Tourism Advisory Board Minutes
- 11A1 – Adoption of Resolution 13-04-456
- 11A2 – Adoption of Resolution 13-04-457
- 11B1 – Introduction of Ordinance 13-04-323
- 11C1 – Liquor License Transfer
- 11C2 – Revised Budget Schedule

**Motion:** **LAPP** moved to "approve the agenda/consent agenda". The agenda, as amended, was approved unanimously.

\* 4. **APPROVAL OF MINUTES** – April 9, 2013 Regular

5. **PUBLIC COMMENTS**

**CLARKE** – The Gross Building windows on Main Street and the Ferry Terminal will feature a Alaska Marine Highway 50<sup>th</sup> Anniversary display. The borough approved \$1000 for this project. The three displays for the Gross Building front windows and displayed at the PC Dock on May 5<sup>th</sup>. She also spoke about her resignation and pending move to a new position with the State of Nevada. She articulated she will return to Haines for the upcoming conference and when the new director is hired to help with the transition. **SCOTT** thanked her for her service.

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

Mayor **SCOTT** said her report is a bit different today.

A. **Proclamation establishing the month of May 2013 as Haines Borough Bike Month**

Mayor **SCOTT** read the proclamation into the record.

**SCOTT** also spoke to the Haines Borough sponsorship of Lemonade Day on May 11<sup>th</sup>. Packs are available at the Borough offices for children who register. She then allowed Mike **HARTLEY** and Dick **SOMERVILLE** of PND Engineers to present.

B. **PND Engineers Slump Update**

**HARTLEY** presented the study results and recommended remedies. The project could total about \$1,770,122 for all improvements. While other concepts have been discussed, it is felt the phased approach is best at this time. **SCOTT** suggested a committee meeting might be helpful to discuss this project. **SMITH** asked how the phased approach would impact development in this area. **HARTLEY** answered there would be minimal affects as the work would be preformed between the lots in the established right-of-way. **SMITH** inquired about the pit in Basin 1 and how it would affect the drainage on Young Road. **HARTLEY** said the pit in Basin 1 would not be modified with the proposed

work. **SCHNABEL** clarified it would be one phase per a year. **SMITH** stated if the Muncaster Road work is going to be done this year then the State of Alaska work in this area could be leveraged into this project. **SCOTT** asked **EARNEST** to explore this possibility. **HARTLEY** pointed out there is still water percolating in this area and recommended that a liner be added to this. **EARNEST** said he would schedule a time to meet with ADOT about this. **SCOTT** asked if PND Engineering had an opportunity to meeting with the family whose home was damaged by the slope movement. **HARTLEY** responded he had spoken to the family. **SCOTT** noted she is looking forward to resolution on this matter.

**C. PND Engineers Portage Cove Harbor Geotech Report**

Two figures were shown, one rubble mound and another steel structure. **HARTLEY** described a number of bore holes were made in different locations. The soil characteristics and soil hardness were discussed. The presence of soft clay is an issue with a rubble mound breakwater. A slope stability analysis was completed. He explained as a breakwater becomes more stable as it ages due to the water leaving the structure over time. Several options for constructing a breakwater were shown in diagrams. This initial analysis led to the recommendation a more complex analysis be conducted to gather information. Other approaches which varied in cost and completion time were also discussed as additive alternatives to the project. He discussed a wick drain system would drain the clay of water more quickly. He recommended that contractors who have worked with this kind of system be consulted by the borough. A steel, permeable wave barrier was then discussed. Due to the high blow counts (soil stiffness) this may be difficult, but this kind of structure has less of a footprint and is easier to obtain permits for. He recommended a cost benefit analysis be performed next.

**VICK** inquired about the timeline for the steel wave barrier option. **HARTLEY** answered approximately 6-8 months total. **SMITH** asked about the life expectancy of these structures and the outfall line cost. **HARLEY** answered the outflow movement cost is unknown and a 50 year design line is normal. **EARNEST** remarked the outflow movement would be in the range of \$200,000. **SCOTT** requested more information about the current breakwater rubble mound. **BERRY** clarified the current breakwater only took one summer to build, but was on top of an existing breakwater which helped increase the strength of the structure. **EARNEST** asked for further explanation regarding the difference in soil profiles and to look at dredging possibilities. **BERRY** reflected he had met with Senator Stevens in 1997 regarding this project.

**7. PUBLIC HEARINGS**

**A. Ordinance 13-03-316 – Second Hearing**

**An Ordinance of the Haines Borough amending Haines Borough Code Section 3.60.160(D) to clarify the wage and bonding requirements for public construction projects and to change the project amount that is subject to minimum wage rates to match the state's increase from \$2,000 to \$25,000.**

Mayor **SCOTT** opened and closed the public hearing at 7:18pm; there were no public comments.

**Motion:** **BERRY** moved to "adopt Ordinance 13-03-316," and the motion carried unanimously. There was no discussion.

**B. Ordinance 13-03-317 – Second Hearing**

**An Ordinance of the Haines Borough amending Borough Code Title 2, Section 2.10.200(B) to remove the requirement for assembly approval in order for a member to participate by teleconference and to clarify cost responsibility.**

Mayor **SCOTT** opened and closed the public hearing at 7:19pm; there were no public comments.

**Motion:** **BERRY** moved to "adopt Ordinance 13-03-317," and the motion carried unanimously.

In discussion, **VICK** asked if the costs of long distance teleconference had been researched, and **SCOTT** explained cost can vary.

**C. Ordinance 13-03-318 – Second Hearing**

**An Ordinance of the Haines Borough amending Borough Code Title 3, Chapter 3.33 to correct the name of the Port Chilkoot Dock Enterprise Fund.**

Mayor **SCOTT** opened and closed the public hearing at 7:21pm; there were no public comments.

**Motion:** **VICK** moved to "adopt Ordinance 13-03-318," and the motion carried unanimously.

**D. Ordinance 13-03-319 – Second Hearing**

**An Ordinance of the Haines Borough amending Borough Code Title 3, Section 3.04.010 to**

**stipulate school district budget submittal and appropriation dates.**

Mayor **SCOTT** opened and closed the public hearing at 7:23pm; there were no public comments.

**Motion:** **BERRY** moved to "adopt Ordinance 13-03-319," and the motion carried unanimously. There was no discussion.

**E. Ordinance 13-03-320 – Second Hearing**

**An Ordinance of the Haines Borough determining whether foreclosed properties deeded to the borough shall be retained for a public purpose or sold.**

Mayor **SCOTT** opened and closed the public hearing at 7:24pm; there were no public comments.

**Motion:** **BERRY** moved to "adopt Ordinance 13-03-320," and it was amended to replace it in its entirety with the proposed substitute ordinance. The motion carried unanimously. There was no discussion.

This item was revisited later in the meeting as assembly member **LAPP** reconsidered his vote on this matter.

**COZZI** clarified a minor error was found. Two properties were incorrectly listed as a land sale and tax foreclosure. The property listed to Lisa Esparza as the last owner of record under the first "Whereas" needs to be the third "Whereas" and the property listed to Marcia Carlisle need to be switched from the third "Whereas" to the first "Whereas".

**WATERMAN** moved to amend the ordinance to correct the listings. The ordinance passed unanimously as further amended.

**F. Ordinance 13-03-321 – Second Hearing**

**An Ordinance of the Haines Borough amending Borough Code Title 7, Section 7.08.010 to discontinue the Fire Service Area #1 Board.**

Mayor **SCOTT** opened and closed the public hearing at 7:25pm; there were no public comments.

**MYERS** said he wished to be here in person to speak to this ordinance. He appreciated the opportunity to serve on this board and he feels that the board was just coming into its own. He wanted to make it clear the board did not have any concerns with particular individuals.

**SCHNABEL** inquired who the members of the board were. **SCOTT** related the membership and reported that during the last fire service area board meeting the issue of retaining this board failed in a vote of 2-2.

**Motion:** **VICK** moved to "adopt Ordinance 13-03-321," and 7.08.010(D)(3) was amended to read:

3. A differential rate of taxation is applicable at a 25 percent reduction for properties within the fire service area based on a response time greater than 40 minutes as determined by the Haines Borough Fire Department. "Response time" is defined as the arrival of a hose from a fire truck to the property as referenced in the pre-fire plan developed by the Haines volunteer fire department. The property owner seeking an exemption shall file a written application to the ~~fire service area board~~ borough manager prior to January 1st of the year the exemption will apply. The ~~service area board~~ assembly shall review exemptions periodically.

The motion as amended carried 5-1 with **SCHNABEL** opposed.

**LAPP** proposed an amendment drafted by the mayor and she described the changes. **SCOTT** described that the assembly would serve as the Fire Service area (FSA) #1 board. The 40 minute response time exemption was described which will result in a 25% reduction of costs. She felt this periodic review would be best coming from the Assembly. The Haines Borough Fire Department would make the travel time determination. **BERRY** inquired where the delineation between Haines Volunteer Fire Department and Klehini Valley Fire Department was, **LAPP** answered 16 mile. **SMITH** asked if inclement weather was factored into the 40 minute time. **AHRENS**, Assistant Fire Chief remarked 3 to 4 homes currently qualified due to road conditions and distance, mostly in the Rutzebeck area.

**SCOTT** read a statement she wrote which reflected the retirement of the board had nothing to do with the personalities of its members. The matter has to do with the functionality of the board.

**SCHNABEL** was intrigued with **MYERS** comments about what things the board could help do. She inquired to **LAPP** as the sponsor of this ordinance if he believed the borough assembly could be as responsive as FSA #1 Board could be. He felt it could be. He said the assembly has served well in the past. **SCHNABEL** commented the FSA #1 board has a bigger jurisdiction than the townsite. **LAPP** voiced this was correct. He feels consolidation may have missed this piece of code.

**LAPP** moved to reconsider his vote on Ordinance 13-03-320. This item was reconsidered. Please

see further amendments to this ordinance above.

**G. Ordinance 13-04-322** – First Hearing

**An Ordinance of the Haines Borough amending Borough Code Title 3, Section 3.72.100 to change the assessment appeal deadline to be in compliance with state law.**

Mayor **SCOTT** opened and closed the public hearing at 7:43pm; there were no public comments.

**Motion:** **BERRY** moved to "advance Ordinance 13-04-322 to a second public hearing on 5/14/13,". The motion carried unanimously. There was no discussion.

**SCOTT** remarked this ordinance will align borough code with state code.

**8. STAFF/FACILITY REPORTS**

**A. Borough Manager – 4/23/13**

**EARNEST** summarized his written report. **EARNEST** expressed his gratitude to **CLARKE** for her service to Haines.

**LAPP** inquired about the parcels from Alaska Division of Natural Resources. He asked if this means the borough would be unable to subdivide them. **EARNEST** articulate he is still researching this matter and will distribute a map and more information regarding these lands. **SMITH** requested details about the Barnett Water Tank surplus wood distribution of small lots to the public. **EARNEST** clarified a public announcement would be made for sale of this wood. **SCHNABEL** asked if the assembly voted on the Card Lock project. **STUART** responded an appropriation was approved by the assembly. **EARNEST** communicated this project is currently on hold. Stringent institutional controls are currently being instituted regarding the harbor fuel deliveries and sales. Also, the contractor for the Card Lock project said there is an alternate fuel management technology which may be a better solution. **SCOTT** expressed the reason for the Card Lock project was to make sure fuel and the funds were fully accounted for and to improve efficiency. **VICK** remarked about the very large stumps on the way to the ferry terminal. **SCOTT** declared this issue is being worked on and the stumps are located on private property. **SCOTT** requested a timeline for interaction with the Army Corps of Engineers. **EARNEST** said he currently doesn't have a timeline on this, but Brad Gillman has seen more progress in this matter than in the last decade. He also stated there is work on this project can be completed while Congress works on the potential funding legislation. **SCOTT** requested a report from Mr. Gilman regarding this matter by the next meeting. **VICK** requested a teleconference with Mr. Gilman as well. **SMITH** queried about the incident from this weekend regarding the helicopter landing in Mosquito Lake area. **SCOTT** clarified this landing was not associated with heliskiing.

**\* B. Haines Fire Department – March 2013 Report**

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

**\* A. Tourism Advisory Board – Minutes of 2/20/13**

**B. Assembly Standing Committee Reports**

**COMMERCE – SCHNABEL** reported a meeting was held, but no action was taken. The towing request for proposal and response was discussed. A phased budget for an impound lot and car recycling center is being investigated by the committee. Interest has been expressed from a local company and the committee will entertain their proposal at their next meeting. A proposed ordinance for solid waste and the timing for severance taxes as a revenue source were also discussed.

**FINANCE – LAPP** said the committee went over items in the FY 13 budget amendment. They recommend assembly discussion of the amendment on the agenda.

**10. UNFINISHED BUSINESS**

**A. Sales Tax Exemption Request – Great Bear Foundation**

*Note: Great Bear Foundation, a 501(c)3 organization, applied for sales tax exemption status as allowed by HBC 3.80.050(13). On 3/26, the assembly postponed consideration of the approval motion until this meeting to provide the borough's finance director with an opportunity to research the. The following motion is already on the table: "approve the request from Great Bear Foundation for sales tax exemption status, and authorize the borough clerk to issue an exemption certificate."*

**Motion:** **WATERMAN** moved to "postpone this request to the May 28<sup>th</sup> meeting to allow additional time to research the pending report from the finance director," and the motion carried unanimously.

In discussion, **STUART** presented that based on the limited research that she has done, the assembly could approve the request as not all activities may qualify for sales tax exemption. The

IRS has clear guidelines about "unrelated income" not substantially related to the primary purpose, even if the activity raises funds for the organization. Borough auditors suggested looking at recent City and Borough of Juneau activity in the matter. She suggested the finance committee discuss this matter.

## 11. **NEW BUSINESS**

### A. Resolutions

\* 1. **Resolution 13-04-456**

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to lease an easement within a borough-owned Right of Way to Albert Sacks.**

*The motion adopted by approval of the consent agenda: "adopt Resolution 13-04-456."*

\* 2. **Resolution 13-04-457**

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a contract change order with Southeast Road Builders, Inc. for the Barnett Drive Bolted Steel Water Tank project for an amount not to exceed \$115,686.43.**

*The motion adopted by approval of the consent agenda: "adopt Resolution 13-04-457."*

### B. Ordinances for Introduction

\* 1. **Ordinance 13-04-323**

**An Ordinance of the Haines Borough, providing for the addition or amendment of specific line items to the FY13 Budget.**

*The motion adopted by approval of the consent agenda: "introduce Ordinance 13-04-323 and set a first public hearing for 5/14/13."*

2. **Ordinance 13-04-324**

**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, 2013 through June 30, 2014 (Fiscal Year 2014).**

**Motion:** LAPP moved to "introduce Ordinance 13-04-324 and set a first public hearing for 5/14/13," and it was amended to strike the assembly chairs from the budget. The motion, as amended, carried unanimously.

During discussion of the amendment, **VICK** reflected in this time of budget constraints such as cutting pool time and staffing levels he felt it was inappropriate to spend money on new chairs. **BERRY** responded the chairs were quite old and he felt they should be replaced. **SCHNABEL** remarked the cuts that **VICK** is concerned about are not yet in place. The amendment vote was 3-3 and Mayor **SCOTT** broke the tie in the affirmative.

**SMITH** moved to take a 5 minute break and the motion carried unanimously.

### C. Other New Business

\* 1. **Liquor License Transfer**

*Note: the Alaska Alcohol Beverage Control Board, prior to its final approval, is giving the local government an opportunity to make a statement, if so desired. Since this is a preexisting liquor license, assembly action is optional.*

\* 2. **Revised Budget Schedule**

*Note: the Mayor added additional Committee of the Whole (C.O.W.) Budget meetings as an outcome of the 4/16/13 Budget C.O.W.*

3. **Early Retirement Incentive Program**

*Note: the mayor requested this topic in response to Assembly Member Vick's request for the opportunity to discuss possible policy statements for assembly consideration for an early retirement incentive program and relating to budget issues.*

**Motion:** **VICK** moved to "direct the manager to research the impact on borough finances and the Fiscal Year 2014 budget of an employee early retirement incentive program and report findings to the assembly before the adoption of the FY 14 budget," and the motion carried 4 to 2.

During discussion, **VICK** recounted other governments and organizations do this. The idea is to offer an incentive to retire early and make it a win-win situation with organization. For example, in a previous C.O.W. meeting a budget saving was identified due to a longer term employee

leaving the Borough. He expressed it would be interesting to look into this with the Union and PERS.

**12. CORRESPONDENCE/REQUESTS** - None

**13. SET MEETING DATES**

- A. Personnel Committee** – Tuesday, 4/30, 4:30pm – Topic(s): Police Department Organization – Location, Assembly Chambers

**EARNEST** described in a previous personnel committee meeting a restructure of the chief position was discussed. This restructure would make the police chief as an employee of the manager instead of an employee of the assembly. Secondly, there has been some staffing discussion regarding a four police officer team versus a five officer team in regards to cost and benefits. The third item would be to move forward with the police chief job announcement and a review of qualifications. **SCHNABEL** wanted to clarify the manager is in charge of the organization chart, and it would be nice know when the assembly is invited to discuss staff organization. **SMITH** asked if code or charter mandates a chief of police.

- B. Commerce Committee** – Tuesday, 5/7, 5:30pm – Topic(s): Misc. Commerce Issues

- C. Board of Equalization** – The Board of Equalization (BOE) is currently scheduled for April 29<sup>th</sup>. The assessor wrote a report thanking and apologizing for his absence during the appeal process. 420 appeals have been logged and 30 claims have been settled. While there are currently no appellants wishing to come before the BOE, there are more appointments scheduled. If there are no appellants then the members of the BOE/assembly will be notified of cancellation. A second BOE meeting will need to be scheduled. **SCOTT** requested if the BOE does not meet on the 29<sup>th</sup>, that the assembly meet as a C.O.W. for the budget. **SCOTT** asked if the group could meet early at 4:30pm for the C.O.W. **STUART** commented amended notices were sent out for Chilkat Lake and the assessor feels it will remedy many of the Chilkat Lake appeals. **SCOTT** clarified the assessor is completing as many reassessments as possible before the 29<sup>th</sup> date. The assembly agreed to meet at 4:30pm with food and coffee provided. **SCHNABEL** voiced her concern about the manpower hours that this appeal process will take. **SCHNABEL** clarified all applicant will have an opportunity to be heard.

- D. SCHNABEL** would like to see a change in the election nomination procedures to have a single slate of candidates. **SCOTT** suggested putting an ordinance on the agenda.

**14. PUBLIC COMMENTS**

**CLARKE** said the budget cuts to the museum were a factor in her decision to leave. She hopes her resignation will allow for a lower paid acting director to return some money to the museum budget.

**15. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

**VICK** appreciated **CLARKE**'s comments and took no negative connotation from them. **SCHNABEL** would like the assembly to engage in a debriefing and review the process which led to the separation of the police chief from the borough. **BERRY** will be gone for the May 14<sup>th</sup> meeting. **EARNEST** will be participating in the bike race on June 15. **LAPP** would counsel caution about the new proposed land manager position. He has heard complaints about building permits taking up to 3 months to process. **SMITH** stated he launched his boat at the Lutak Boat Launch Ramp and ramp material has caused issues. He felt the upcoming lowtide at 8am would be an excellent opportunity to work in this area. He also inquired about how to remove inactive sales tax exempt organizations.

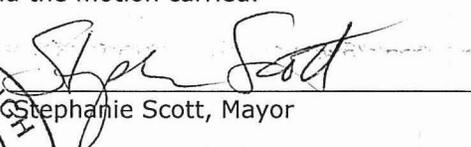
**16. ADJOURNMENT** – 8:51pm

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

ATTEST:

  
Michelle Webb, Deputy Clerk



  
Stephanie Scott, Mayor