



City of Hoonah

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COMMITTEE AS A WHOLE

June 7, 2018 at 7:00pm

In Council Chambers

Agenda:

I. Call to Order—7:00 pm

II. Roll Call— A. Wilson, absent, J. Murray-present, S. McConnell-present, E. Phillips-absent, S. Savland-present, G. Skaflestad-present. Mayor Byers, Administrator Gray, and members of the community also present.

III. Agenda Revisions—none

IV. Items of Business:

a) City Lobbyist Introduction — Administrator Gray introduced Larry Markley.

Discussion: Larry Markley introduced himself and explained that he had been to Hoonah before and worked under Mayor Windy Skaflestad. He's lived in Alaska for 48 years, and worked all over the state. He feels comfortable working for Hoonah, but needs to get up to speed. He works mostly with the Alaska delegation. He goes to both Juneau and Washington. He will be the liaison that we need and keep us posted through Dennis. Councilmember McConnell asked if, as he drives around does he see projects here that he's advocated for. Mr. Markley responded that there are definitely improvements in the park, and residential areas, and in the preparation of city lots. Councilmember Savland asked what the difference is in percentage of federal and state funding and how much time he stays in DC. Councilmember Murray asked if the increase in price of oil is going to encourage the state to spend more next year. Markley replied that if it continues to increase, yes he thinks it will. If there is a lot more revenue coming in, how can they not spend more on the capitol budget? He assured us that he will keep us informed.

1. Public Comment—None

b) Open Burn Ordinance —Discussion: Administrator Gray looked at Juneau's ordinance on open burning. Councilmember McConnell asked where in the code should we put the penalty and fine process? Administrator Gray said we could kind of copy Juneau's fine law. Councilmember McConnell said that maybe we should clarify what is said in the ordinance. Councilmember Skaflestad requested to omit sentence E after the first sentence. Councilmember Murray asked how the police are notified that a permit has been distributed to a resident. Councilmember Skaflestad explained that it's up to the Administration to get this information to the police. Councilmember Savland asked that if we implement this ordinance, would it be a written permit? Administrator Gray explained that yes, it would be for large brush fire. Council member Savland said that we are addressing this problem so that we don't have the fire department coming to our houses unnecessarily. He feels that the burn permits shouldn't be for a month long, just a few days or a week at the most if there is going

to be a timeline, and then be renewed if needed. Councilmember Skaflestad said that he feels the fire chief should be the one to make the determination about handing out permits depending on the weather, dryness of grass etc. Councilmember Savland explained that at this point, he doesn't feel ready to move this ordinance to council. Councilmember McConnell wants to add a couple of items like burn barrels in the wording. Lt. Bill clarified that all they are trying to avoid is going on a fire call when it was just a false alarm.

1. Public Comment— Harold Houston shared how Juneau's permit works. He suggested a timeline on the permit because Juneau's permit isn't given out until April and that people are expected to post the permit so it's visible. Tina Martin shared her concern about people burning tires and other toxic things

Moved by McConnell, Seconded by Skaflestad to amend to strike everything after the first sentence. Item E would read no person may cause or allow an open burning which creates a danger to public health or safety or a public or private nuisance.

Died in committee

Moved by Skaflestad, Seconded by McConnell to make a motion to move this ordinance to next month's Committee as a Whole.

c) **Chip Seal Equipment**

- d) Discussion: The Mayor explained that Joe Clerget called him. He's wondering if he bought the equipment would we commit to a longer-term agreement so that he could recoup his money back for the equipment. The Mayor had another question about the email from the engineers. Councilmember Savland was clarifying if the problem we are trying to address is fixing the asphalted road from the cannery. The Mayor said that that is one of the problems. Administrator Gray explained that basically anywhere there is bus traffic past the water plant, those roads have issues. Councilmember Savland asked if we were too late to apply for the state to come over this year so in lieu of chip seal or asphalt we are going to D1? Administrator Gray explained we've been trying to get an asphalt patch at the cannery road. It costs 280K to get a plant here and to pave the mile of road will be 1 million dollars. Essentially it will be 2 million to fix up the section of road from the water storage tank to the cannery. We tried to figure out the best way to get the roads fixed without getting roads paved. We talked about buying a chip seal and buying equipment on our own. Larry and Joe with Cascade Sand & Gravel agreed to buy the equipment on their own, and they'll do the work as long as we agree to have X amount of work done so they can get their cost back from the equipment. Councilmember McConnell asked how much work do we have to agree to have done? Larry Clerget gave a summary of different ways for fixing the road and how the chip seal works. Councilmember Skaflestad explained his experience with chip seal in that it doesn't hold up on hills and wasn't sure this would work on the Dump Road unless we put layer upon layer down. He didn't feel like we have the volume. Councilmember Murray asked about the relative cost of both methods, the Easy Street or Chip Seal. He thought the second method would be more costly than the first because of the equipment you have to buy. Councilmember Skaflestad is in favor of Easy Street. Councilmember Savland wondered how well this stuff would hold up and for how long with the constant number of buses running over it. Councilmember Skaflestad shared that we could consider putting in a contract to chip seal the roads. That is one thing, but to promise to do it year after year when every year before November we're trying to balance the budget is not wise. To make long-term promises

when having to pass a budget is something he's thinking about pretty heavily. He wondered if we could even get a bid price that's cheaper than what DOT would do? Councilmember Murray explained that the road to the cannery, we can spend head tax on. Councilmember Savland reminded everyone that we are still in a lawsuit with a section of that road and we are not done with the project down there so how much do we want to repair on that road before we realize where we are with that project? Councilmember McConnell asked if we could put 5-6 inches of D1 over the remaining asphalt so that it's all the same surface. Councilmember Skaflestad agrees that we should hold off with that area of gravel until we get the lawsuit settled, but can we fix it cheaper? Administrator Gray said we could compare DOT's price with Cascade Sand & Gravel.

1. Public Comment—none

Moved by McConnell, Seconded by Murray to keep this item in committee.

e) Kiosk Placement —

Discussion: Councilmember McConnell and Administrator Gray said it's all good now. Councilmember Savland explained what the kiosk is for, out at ISP. He feels like it is really working. Councilmember Murray asked if we had handed out any brochures and the answer was a definite yes. Councilmember McConnell has talked to Misty and said she feels like it is a very successful thing. Councilmember Savland said it seems to be working. The Mayor expressed his thanks for the sign.

1. Public Comment – Tyler thanked the council for moving the sign to the other side of the road. Keeping the vehicle and pedestrians separate from ISP is working.

Remove from Committee

f) Employee Classification

Discussion: Administrator Gray explained for cause and at-will employment. AMJIA thinks we should do the at will employment because most municipalities in the state of Alaska do this. AMJIA is going to update our Employee Handbook based on which one we choose, either for cause or at will. He wanted a recommendation so that we can get the handbook updated and be up to date with all federal and state laws. Councilmember Skaflestad said that he had mixed feeling about parts of it. There is a sentence stating, "The employer can alter wages, terminate benefits and reduce paid time off." It gives the authority to just do this. He feels that if we are trying to create a harmonious atmosphere, then we need a little protection for employees. If we don't have some sort of protection, employers could be fired because the boss has an axe to grind. Councilmember Murray explained his experience working under a tenure system. He is not in favor of a change to an at will. Councilmember McConnell shared that there needs to be consistency in the hiring process that survives administration changes. He wonders if we switch to an at will, will we have to renegotiate everyone's contract? He doesn't feel like it would be a good idea to switch to a completely different system, and is not in favor of changing to an at will system. Councilmember Savland stated that he is in agreement with all of the comments so far. He said the ownness is on the employer and they should have a proper vetting process of who they employ and a probationary period. The for cause has its way to terminate if needed, so he is for keeping the for cause system. Councilmember Murray suggested that we do a better job on job

descriptions and tighten them up. This will make it easier on the administrator and the employer to figure out if they are screwing up or not.

1. Public Comment— none

Moved by McConnell, Seconded by Murray to retain for cause as our form of employment, administrative/employee relations with the city of Hoonah and move on to council.

g) Hoonah City Schools Budget-----

Discussion: The City of Hoonah was in line to get additional funding for the calendar year from the secured rural school program. We got notification that we got the award, but we didn't get payment. The check of \$184,000 hit the account and this is additional money that isn't in the budget. This allows us to offer additional support to the school if we wish. The school is asking for an additional \$100,000 beyond their budget. We think we can handle this request. Councilmember Savland explained to the public that the council has already met with the school board and Ralph and he has identified where this money would be spent. Ralph explained that due to the drop in enrollment there has had to be some configurations in the school K/1, 2/3, 4/5 grade levels, but what we are finding is that in the 2/3 grade level, the gap between those levels is so great that the teacher is finding it very difficult to get the 2nd graders ready for 3rd grade. This money would allow us to higher an additional teacher and reduce the class size so those kids will be ready for third grade. Ralph hopes that we could keep that teacher indefinitely, but understands that the funds might only last two years. This money would allow this process to happen sooner than later. Mr. Watkins explained that the school based their budget on the projection of having 115 students enrolled this year.

Public Comment— Ralph thanked the council.

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Moved by McConnell, Seconded by Savland to move to council to accept school's budget as given with an amendment to add \$100,000 and to allow them to split the 2/3 into two classes and meet those kids' needs.

h) Mayor's Salary Ordinance —

Discussion: This didn't come from the Mayor's office, it came from the auditors coming in to town. This has been wrong since 2005 and they said the Mayor's salary isn't matching the ordinance and he should be getting less money. We are cleaning up our ordinance so it reflects the actual value of what the Mayor is getting for compensation. Councilmember McConnell clarified that we are wanting to amend the mayor's salary to the amount we've been paying him anyways.

Public Comment—none

Moved by McConnell, Seconded by Savland to adopt ordinance 18-06-16 to amend the Mayor's salary to the amount we've been paying him anyways.

i) New Sewer Plant —

Discussion: Administrator Gray an update on this project that we are still working through the approval from ANTHC to assume control of the project. Greg Jones is the premier process engineer for the state of Alaska and is working through the bureaucratic details to get us under design by this summer. Councilmember Savland asked if the details for design phase includes replacing the plant?

1. Public Comment— none

No action necessary. Administrator Gray will provide further project update at upcoming meetings.

j) Passenger Fees; Huna Totem —

Discussion: We left this off because we wanted to get a little more information.

Administrator Gray talked to borough of Juneau. The Princess Dock is privately owned and they collect a passenger fee and pay a sales tax on the passenger fee. He talked to Melissa Haley and the McGraw Dock is privately owned and they have a moorage/passenger fee and pay sales tax on that facility as well. Those are the only privately owned docks. There is another privately owned dock in Sitka and they have a head tax and then they pay sales tax on that. It is up to the council on how they want to proceed with Hoonah Totem. Administrator Gray has had many talks with Russell Dick. They don't think they need to pay based on their legal analysis even though everyone else in our region is paying sales tax on the same fee. Councilmember McConnell asked who represented us in the process. He felt like the fees, structure and taxes should have been written up in the agreement. It seems like an oversight that this wasn't agreed upon. Councilmember Savland agrees with the lawyer. He thinks we will win if we were to go to court. He asked if we want to proceed that way. The head tax we receive from the state is meant to go to our community to pay for the affect of tourism on our town. He is concerned that we are adding a tax to another layer where we really don't need to have one. He also asked if we were to collect that head tax ourselves and not to ISP would we also apply a sales tax? The money they are getting are supposed to go to repairs, replacements and tying up ships to the dock. Per the agreement, if there are any monies left over, they are to be going to the owners of the dock. We have the power of exemption. We've exempted businesses for haul out above \$10,000 to spur growth and economic development. Do we want to apply more tax to this, or spur more growth from the industry. Councilmember Savland said it is ISP's responsibility for the repair, replacement and tying up of the cruise ships to the dock. The City of Hoonah has no liability to the dock. We have the power of audit to make sure they are taking care of their agreement. . Councilmember Murray asked Tyler Hickman if the \$4 per head is all that the cruise ship pays to tie up to the dock. He said there is a \$15 fee and \$4 of it goes to the cruise ship dock for maintenance. He also asked what would be happening to the other part of the \$15. Does it go into another fund to buy a new dock? Councilmember McConnell clarified the fee that was agreed upon was for the cruise ship docking. He isn't sure what Mr Gaffney's letter is saying about whether the fee is taxable or not. Tyler stated that it is under taxable fees. Councilmember Murray asked Administrator Gray if McGraw pays city taxes on the amount that he charges for tying up, and Administrator Gray said that this was so. Councilmember McConnell asked what the agreed upon fee structure was and if it is indefinite or agreed upon. Mr. Hickman said that he couldn't comment on this. Councilmember Skaflestad explained that there has to be some kind of fair market value and that the tour companies are paying the other facilities for landing in those places and they have to add the tax to it, and they aren't refusing to go there even with the tax added on. Councilmember McConnell said that maybe we should let this one particular sales tax opportunity go uncollected and realize that in the interest of good faith they realize that the money they aren't getting taxed on is going to the community. Councilmember Skaflestad said that he isn't so sure they shouldn't impose the tax. He thinks we should do what's right here on out. Don't go back three years, just start here on out. Tyler Hickman responded that even if the tax was imposed, they had made an agreement to all customers and cruise lines that they would not increase the fee. Councilmember Murray

asked Tyler if they were making any money and he responded that they weren't making a lot of money. Tyler said they are working on a system, where they don't increase fees and therefore get more business. As we grow year over year, there are 15% more passengers coming into this town and part of that is because we aren't increasing the fees. Councilmember Skaflestad said to Tyler that he would be more inclined to agree to what Tyler is saying if he could actually see the paperwork that backs this information up. Tyler said this information is already out there. Councilmember McConnell reminded everyone that this is a community owned dock between the corporation and municipality. Councilmember Skaflestad said that even though he hears over and over that ISP is our biggest tax payer, they needed us, the city as infrastructure before they could even get established and they need us now just as bad. Councilmember Savland wanted to remind everyone that Sitka used to have more ships than Hoonah, but we were proactive and got a dock, and now have more ships than they do. We need to be competitive to keep the ships we have. It's not like we are in dire need to get the money. We need to be careful and keep our dock attractive. How do we get more ships to come here? We stay the best dock in town. Administrator Gray explained that he needs to know how to proceed. Should we or should we not collect the passenger fee? Councilmember Savland reminded everyone that we are currently in a substantial law suit, so do we want to proceed headlong into another battle? He wondered if we need to create an exemption now. Administrator Gray said we would need to. Councilmember Savland said that if Mr. Sheehan is correct in his opinion, then we need to create an exemption.

1. Public Comment—Kris Skaflestad asked whose responsibility it is to maintain the dock. Jim Erickson asked who was going to pay for the dock if there is any damage. Administrator Gray explained the cruise ship company would pay for it, for life. Tina Martin asked if we are auditing the seeded money for this?

Moved by McConnell, Seconded by Skaflestad to amend our code to include a three year exemption for the Hoonah Cruise Ship Dock Corporation on sales tax the passenger fee of \$15 sunset in three years from the date the ordinance is approved by the city council.

k) Community/Council Comments —

1. Public Comment—Bob Hughes spoke about ANS camp 12 and said they are going to be actively searching for help and support to get the hall up and running. The physical shape of the building is bad shape. The officers may be coming in to the city hall and in to office to talk about ways to get this hall open and functioning. The goal is to get the hall in good enough shape that it can be a community building again. Tina Martin shared that in the past they have done gambling and pool tabs, but the brothers have decided that they don't want to do that. She said that ANB/ANS is just simply asking for the council's support.
2. Councilmember McConnell commended the mesh project down at the tunnel. He likes that it is safe, and the sidewalk is staying clean.
3. Councilmember Savland thanked Tyler for coming to agreement with HIA for bringing buses back in there. It works better for traffic patterns. Councilmember Murray asked how the road was and Tyler shared that HIA has maintained it. They don't really need any help on this. It's a win, win.
4. Kris Skaflestad shared that the 4th of July activities will start at 6 p.m. on the 4th.

V. Adjourn—8:56 pm.

