



City of Hoonah

P.O. Box 360 Hoonah, AK 99829 (907) 945-3663 Fax (907) 945-3445

COMMITTEE AS A WHOLE

May 3, 2018 at 7:00pm

In Council Chambers

Agenda:

- I. **Call to Order**—7:00 pm
- II. **Roll Call**—A. Wilson, J. Murray-present, S. McConnell-present, E. Phillips-present, S. Savland-present, G. Skaflestad-absent. Mayor Byers, Administrator Gray, Clerk McKillican, Asst. City Planner Harrison and members of the community also present.
- III. **Agenda Revisions**—addition of K) Passenger Fee – Hoonah Totem Corporation;
L) Community /Council Comments
- IV. **Items of Business:**
 - a) **IPEC Presentation**— Administrator Gray introduced IPEC Executive members: Jodi Mitchell, CEO, Roxanne Drake-Burkhart, Controller, Rosa Rice, Billing Officer, Grace Villarreal, Hoonah Board member, Legal Counsel.
Discussion: Ms. Mitchell provided 14th Annual Meeting presentation and Financial Statements and Independent Auditor Report for 2016-2017. Ms. Mitchell answered twelve (12) questions that the Hoonah/City Economic Dev Committee had submitted to IPEC. She also gave updates on the Kake and Angoon hydro projects (2/3 Hoonah, 2/3 Kake and 100% Angoon). Councilmember Savland asked if IPEC would be open to purchasing Solar energy from private solar farm? Councilmember Phillips asked about replacement of the streetlights with LED bulbs?
 1. Public Comment— Grace Villarreal and Tina Martin commend IPEC’s Leadership team.
 - b) **Driver for Hire Permit Application**— Administrator Gray stated an application from Hoonah Pack Adventures for Driver for Hire permits to conduct tours business this coming season. This particular business owner is currently in arrears of approximately \$20K for Sales Tax payments. It is the recommendation to Committee to deny issuing the Driver for Hire permits pending payment in full.
 1. Public Comment—Acting Chief of Police, Lieutenant Mills shared that the Department has received a lot of vehicle/driver permit applications, the extra time/duties of conducting inspections and questions the \$10.00 application fee – Administrator Gray stated that the fee was raised to \$20 last year.
Mr. Miller and Ms. Martin both shared that the \$20 application fee should be raised to accommodate the time and processing.

Moved by Savland, Seconded by Murray to forward to Council.

c) **Kiosk Placement** — Councilmember McConnell had requested this item be brought to Committee. Kiosk is currently at the gate of ISP—is being brought to both Committee/Council to discuss placing the Kiosk in town or keeping it in current location at ISP. Councilmembers discussed pros and cons of relocating the Kiosk Visitor Information. Councilmembers Phillips in favor of relocating the Kiosk to Front Street along bus route due to the restrictions that have been in place at its current location and to hopefully attract tourists to return during the off-season. Councilmember Savland is in favor of leaving it at current location at gate of ISP if the signage is allowed and for the fact that ISP has relocated their ticket sales booth within site of the City kiosk. Councilmembers McConnell in favor of relocating the Kiosk to downtown in order to better serve the interest of local businesses and by providing more information to attract guests to hopefully return to Hoonah during the off-season. Councilmember Murray inquired about the percentage of guests that use the shuttle and the percentage of those that walk. Mr. Hickman stated approximately 20% use the shuttle and 5% walk. If the Kiosk is left at the current location, how many ppl that take the bus will go by the Kiosk? Mr. Hickman replied ‘No, that’s why there is an agreement with HIA to have the City Visitor guide brochures at the Community Building for those that come off the bus so everyone that walks into town will have access to the Kiosk as well as those that come off the buses at the HIA Community Building.

1. Public Comment—Mr. Miller suggests the Kiosk be relocated to City property just outside the ISP gate and usage of proper signage. Ms. Martin is in agreement to have Kiosk location in town to share information with tourists. Mr. Hickman , ISP stated that this year there is an agreement with Hoonah Indian Association (HIA) to relocate the shuttle bus drop-off/pick-up location to the HIA Community Center that will 1) improve pedestrian safety, 2) improve guest experience by providing exposure to the HIA & City carving shed(s) and 3) the City brochure will be made available to guests. He also commends the use of the \$17K head-tax funds donated by the City for pedestrian sidewalk project and restroom(s) project next to Duck Point restaurant that is open year-round. He shared that his office and team are open to public for improved communication and suggestions on future projects are to get updates on current and upcoming projects.

Moved by Phillips, Seconded by none to move to Council for a decision of location for the Kiosk. No Second – this Item stays in Committee to re-visit.

d) **Employee Classification**— Administration is bringing this item up for discussion and stated that there is an employee that needed to take long-term medical leave. Mr. Gray submitted the Employee Handbook to AMLJIA for review. AMLJIA Employment Hotline Attorney provided a response statement that the City currently has “Just cause Employment” classification and they recommend “At-will Employment” classification. Administrator Gray gave a brief overview of the difference between the two classifications. Kate Young, AMLJIA will be in Hoonah on May 8, 2018 to review the Employee Handbook.

Discussion: Councilmember McConnell asked how much in litigation fees do At-will organizations incur? He stated the problem is in the hiring process not in the firing process. Councilmember Savland is not in favor. Councilmember Murray and Wilson

are in favor. Councilmember Murray—the employee evaluations process needs to be improved. Councilmember Phillips requested additional information.

1. Public Comment –Acting Chief stated that he is not in favor of changing to an ‘At-will’ employment classification.

This item will stay in Committee.

- e) **Open Burn Ordinance**– Administrator Gray stated the HPD currently has a volunteer notification process of the public community informing the HPD if they are going to have an open burn barrel. The issue that has arisen is that the HPD/EMS/Volunteer Fire Dept. still get called out when a community member calls in a suspected fire. There currently is not an ordinance on file regarding open burn pits and having one in place would prevent unnecessary call-outs if public is required to inform the HPD of burn pits/activity.

Discussion: Councilmember Savland is in favor of a policy and asked about what other similar communities have in place.

1. Public Comment—John & Mr. Miller in favor of requiring a burn permit and violation clauses.

Moved by S. Savland, Seconded by E. Phillips to have Administration draft an Ordinance with clear classification and penalties for burn ban for June meeting.

- f) **4-Wheeler Insurance Ordinance**—Administrator Gray provided Ordinance #10.16 Snow Vehicles—Snow machines and all-terrain vehicles. The ordinance requires snow machines to have insurance but somehow ATV’s insurance requirement fell off the Ordinance—so this would be a clean-up of the ordinance requiring ATV users to carry insurance. Discussion: Councilmember McConnell suggests that the ordinance also include ATV’s in more sections as it mainly only discusses snow machines.

Councilmember Savland questioned the time frame restrictions for operation of a snow mobile or ATV. Councilmember McConnell questioned the transport of weapons while operating a snow machine or ATV. Committee members are to email City Clerk with suggested edits/revisions to this ordinance and a draft will be provided at the June meeting.

1. Public Comment—None

Moved by McConnell, Seconded by Murray to have revised edit of Ordinance back to Committee at June meeting.

- g) **HIA Land Trade**— Administrator Gray stated this is a place holder to keep this item on radar of Committee as we are still awaiting the pending agreement for the land trade.

1. Public Comment—none

No action at this time—this is to inform status pending and keep item before Committee.

- h) **Liquor License Transfer: Icy Strait Brewing**—Administrator Gray provided a copy of the license transfer of ownership and location of Icy Strait Brewing. This is for review and completion of a vote/review process so that the owners can finalize the transfer with the State DECCED.

Discussion: Councilmember Phillips asked if the new owners will maintain their beer/wine license? Keith replied that they do not intend to maintain the license as they intend to only sell the brew they make, not other types of alcohol. Councilmember Phillips recommends that they hang on to the beer/wine license so that they can operate as a bar for more flexibility in operations.

1. Public Comment—Mr. Keith Quinn stated they have posted notifications of this transfer for the required 90 days to transfer the ownership of the Brewery. They have also received of the recipes, equipment.

Moved by Savland, Seconded by Murray to move this item to Council.

- i) **Wastewater Treatment Plant**—This is informational status update on the alternative management agreement to construct the facility on our own. Both ANTHC and the State had signed off on the agreement, but the Federal R&D had not signed off for reasons unknown. Administrator Gray had made numerous attempts at contacting them to inquire the reason and got clarification that they were not denying our moving forward with this project. PDC will begin design work and that should be complete by December. Brent Alexander, ANTHC will be here for the Council meeting next week.
Discussion: Councilmember Murray requests that a PDC representative come to explain the scope and design of the project to Council.

1. Public Comment—None

No action at this time—this is to inform status pending and keep item before Committee.

- j) **Chip Seal**—Administrator Gray shared status of the cannery road and White Alice road (toward dump) repairs. Had gotten quotes from C-Con, the only vendor in SE AK, and the State DOT but neither is a viable option at this time. C-Con quote is very expensive and the State DOT has already filled up their calendar for this year. Mayor Byers and Administrator Gray have been working with Cascade Sand & Gravel to do our own chip seal and are requesting authorization to purchase equipment for next year, specifically a Truck (including a full tank of oil) and a self-driving chip spreader. Once we have the equipment, the cost of oil will be the most expensive part.

Discussion: Councilmember Wilson –what is currently being done for repairs? Right now, we are doing cold patch repairs and tar repair on cracks. Councilmember Savland asked how much road the \$40K of oil will do—Administrator Gray said it would be 1.8 miles. The State DOT would charge \$52-55K per mile and subject to availability and weather. Councilmember McConnell—if we do purchase equipment and do the work ourselves for this year, when we are ready to have the State come in—will it be ok to where they just come in to go over what we did? Yes. Councilmember Savland asked about the cold mix vs. hot mix—this equipment and purchases would be to do the hot-mix chip seal repairs. Will we need to hire extra staff to do these repairs—No. He also asked Mr. Hickman if ISP would have any interest in chip sealing areas of their properties?

1. Public Comment—Mr. Hickman responded that it would depend on the specific financials and processes—would be more of back-of-house to not take away from the outdoor experience currently in place.

Moved by Phillips, Seconded by McConnell to keep this item with CAAW.

- k) **Passenger Fee Huna Totem**—General Counsel Sheehan and Administrator Gray have been pursuing that Huna Totem pay the passenger fee sales tax to the City. They had issued an initial letter to Huna Totem stating that they need to be in compliance with their responsibility to pay sales tax on passenger fees. Sheehan is recommending that the Council allow him to issue a letter in response to their reply to our initial request asking them to comply with the requirement of Sales Tax as it applies in our Code.
- Discussion: Councilmember Wilson asked if there will be an additional fee from Sheehan to issue this letter? No this is an update to the Council and looking for direction on whether or not they want Sheehan to issue this letter. Councilmember Savland states with the amount of money being spent on legal fees, we need not go there.
- Councilmember Phillips—we should have legal do this especially since the proposal is that from here on out, they are required to pay Sales tax and is not requiring back taxes be paid which is pretty generous. Councilmember Wilson—is this a new tax we’re trying to impose? Administrator Gray—No they levy a passenger fee for using the cruise ship dock and they are claiming some legal exclusion to this tax. Sheehan said that is incorrect and those passenger fees are subject to Sales Tax. Councilmember McConnell asked if there are other similar fees cruise ship companies that pay this sale tax? Yes—Princess Cruise Ship Dock (privately owned) in Juneau pays sales tax for passenger fees. Councilmember Phillips asked if the fact that we have public/private dock have any effect on this? No—ISP is the operator of those services; therefore, those services are taxable. Administrator Gray shared that we had received a reply last winter citing they are exempt with a Maritime tonnage clause that precludes them from this tax.
- Councilmember Murray asked for clarification of what they’re in arrears status is—it is approximately \$300K. We made the decision that if they agreed to comply that we would forgive the arrears portion but from here on out its approximately \$100K per year. Councilmember Savland –the passenger fees collected still get distributed to the Community by Huna Totem and feels perhaps its unnecessary that having legal from both sides keep going after this issue and possibly additional legal fees by both sides. Councilmember Phillips—it’s the principle that is important—everyone has to pay sales tax on services rendered—he is in favor of having our legal counsel pursuing this.

Moved by Phillips, Seconded by Murray to move this to Council. Murray withdrew his Second.

Additional Discussion: Councilmember McConnell—is there any explanation of why they feel they’re exempt? No—they cite the Maritime tonnage clause and clear of any sales tax. Councilmember Savland asked about the R&R account –is the Cruise Ship Dock Co. repair and replacement fund monies received by the City set aside for R&R— Councilmember McConnell said no, they are currently managing the repairs. Councilmember Savland –it would be more prudent for the City to put money aside for the replacement and repair of that dock than it is to try to take monies from that dock and put it into general coffers—we already get sales and excise tax dollars—that dock is the lifeline to the tourism for this community. Councilmember Murray –in the original agreement the R&R is all inclusive and if there were anything left over, then we’re supposed to split that with Huna Totem—the issue has been that there hasn’t been anything left over because of expenses. Councilmember Phillips requested information of what the passenger fees are for various ports for CAAW to further evaluate—we don’t

want to kill the golden goose and remain competitive? Yes—Mr. Hickman will get those numbers to Council.

Moved by Phillips, Seconded by Savland to keep this in CAAW for further evaluation and consideration.

1. Public Comment—Mr. Hickman stated that any additional fees (i.e currently paying the 6.5% sales tax and have a very high passenger fee—if we have to incur that additional tax and pass that on to the cruise lines—it would be detrimental in and dissuasive in sending more cruise ships to our location.

l) Community/Council Comments—

Ms. Martin cautions Committee/Council to be leary of being too nice because they just shut the door on all the other things you have asked about. And if you do forgive this—what if down the line they say you guys are part owner of this dock and request that you put more money into it for repairs?

Councilmember McConnell commends the chain link on the tunnel project.

Councilmember Wilson asked about signage for restrooms and appreciates the new City Hall sign. Councilmember Murray asked about additional signage in town? George Hall Memorial sign? Councilmember Savland thanks the public in attendance for the public process of addressing important issues for the Community.

Councilmember Phillips apologized to Mr. Hickman for in any way seeming hostile.

V. Adjourn—9:14 pm.