



**COMMITTEE AS A WHOLE**  
**September 6, 2018 at 7:00pm**  
**In Council Chambers**

**Agenda:**

**I. Call to Order—7:00 pm**

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

**III. Agenda Revisions—None**

**IV. Items of Business:**

a) **Blue Warehouse Anodes Installation-** Discussion- Administrator Gray shared that PDC Engineering did an assessment of the Blue Warehouse dock this spring and found out that they need to install anodes on the existing piles to stop the rusting of the steel piles. Hanson Maritime submitted a total to the city and we need an allocation from the city council so that we can do the replacement of the anodes. Councilmember Murray asked if PDC would go along with the Hanson Maritime's suggestion. PDC would want us to take this approach, but Administrator Gray thought it would be best to use anode bracelets because it isn't so costly, but they aren't as affective. Hanson Maritime can tell how many holes are in the pilings above the waterline, but not yet which pilings have holes below the water line. They will get back to us and instead of doing a clamshell repair, they would cut out parts of the pile and weld in new steel. Councilmember Phillips wondered if these pilings didn't have anodes to begin with, and Administrator Gray explained that they were built in the 70's. They are usually only supposed to last 10-15 years and these ones have lasted 40 years. Administrator Gray said that we aren't asking Hanson Maritime to do work right now, but to get us a repair plan and come back at a later date. Councilmember Murray asked how much more time we'd be able to get out of it in its condition now. Administrator Gray said that PDC thought we'd get 10-15 more years out of it. Councilmember McConnell asked how this was going to be funded and Administrator Gray said he would be using excise tax to fund it.

1. Public Comment—None

Moved by Phillips, Seconded by Murray to move the proposal from Hanson Maritime to Council for approval.

b) **Shotter Creek Dam Inspection Work-** Discussion- The city of Hoonah actually has a dam halfway up the mountain called Peter Rabbit Lake. It is a muskeg pond turned into a dam back in 1964. It has about a 5 foot concrete intake structure. Because it's a city of Hoonah project, we have to maintain inspection or tear it down. In order to do that, we need an engineer to come in and look at . We haven't used this in 30 plus years, but in order to drop it off the list we have to have an engineer come in and say we can drop it off the list. Councilmember Phillips asked how much this would cost and Administrator Gray explained the cost would be \$24,500. Councilmember McConnell wondered what the actual decommissioning will cost. Administrator Gray said it would be simple, only

requiring Ryan to go up and pull the plug, but we have to have an engineer report that says it's that simple. Councilmember Murray wondered how much water was in the dam. Administrator Gray said that the dam itself creates at least 4 feet of water in it right now. Councilmember McConnell asked how many cubic feet were in the dam. Administrator Gray replied that there were about 20,000 cubic feet of water. Councilmember McConnell suggested that we just fill the dam with dirt or rocks when the water has been drained, but Administrator Gray explained that it's a natural occurring lake, it is just higher right now due to the dam. Councilmember Murray wanted to know where the water goes when we lower it, and Administrator Gray explained that it goes down to Shotter Creek near Fannings. Councilmember McConnell asked about the condition of the water and Administrator Gray said that it is highly tannic. Councilmember Phillips voiced his opinion that it seems like a waste of money to send Ryan and crew up there to pull the plug, but Administrator Gray explained that this is what the state is requiring. Councilmember Wilson asked where the funding is coming for this and Administrator Gray said it will come from the land development fund. Councilmember McConnell asked what entity is requiring this be done and Administrator Gray explained that the DNR mining group is in charge of this inspection.

1. Public Comment—Bill Miller asked if this project will affect Fanning, but Administrator Gray explained that Fanning draws water from a well.

Moved by Phillips, Seconded by McConnell to move the Shotter Creek Dam Inspection fee proposal out of Land Development Fund to council for approval.

c) **Chip Seal Update-** Administrator Gray shared there really aren't any updates. He has been talking to the state about doing work next year, and he will get back to council when he has more updates.

1. Public Comment—none

d) **Property Lease-** Administrator Gray said we have a property lease for John Thein. He bought the trailer up by the fire hall. We are looking for the city to lease this land to John Thein on a month to month basis for \$250 a month. He is looking to move it but for the time being the city doesn't have any plan for this land right now, so we might as well lease it

1. Public Comment-none

Moved by McConnell, Seconded by Phillips to move this on to council for approval of the lease.

e) **Request for Additional Funding for Water Tank Roof Repair-** Administrator Gray explained that the council authorized the administration to get roof repair done. In May we got a contract to Game Creek Construction for \$49,000. This was to get rot repair and new roofing material applied. By summer when they started to do work, they realized the entire deck needed to be replaced. Some new roof vents also need to be put in. It's going to cost an additional \$31,000. We have additional lumber costs, but Wes is doing some trading of lumber with the city. The \$31,000 will cover the additional cost for labor and materials. Administrator Gray said, that the vents that were up there before were not large enough and there wasn't enough air flow. The decking they are putting there now is made out of cedar. An International Tank guy came from Oregon and said the tank is in good shape now. Administrator

Gray said this will be coming out of Excise Tax. Councilmember McConnell asked how we are making a deal with Wes, and Administrator Gray said we are doing some swapping of lumber for some of Wes' land cost.

Public Comment-none

Moved by Phillips, Seconded by Murray to request the additional funding for water tank roof repair be moved to council for approval.

**f) Ordinance 18-06-17 An Ordinance of the City of Hoonah Amending Title 8 Health and Safety, Specifically Adding Section 8.40 Open Burning-**

Administrator Gray couldn't remember why this was brought up again, and Councilmember Wilson said there was still confusion about the open burning concept. There was some confusion as to why the original problem wasn't addressed within the ordinance. Administrator Gray reminded council that previously there was no ordinance at all and there was an informal process that people went through and he had a problem making people go through this informal process when there wasn't even a city law. Councilmember Murray explained that they wanted some kind of requirement that if you were going to generate some kind of smoke, you just call in and explain that. Councilmember Wilson said that people are already accustomed to doing this and thought that this ordinance was just to formalize what people are already doing. The council had a discussion about what type of burning are exempted from this ordinance. Councilmember McConnell asked if we want to add smokehouse too? Administrator Gray said we could add smokehouses as an exemption.

Public Comment—Bill Miller and Aaron St.Clair shared their thoughts. Aaron St. Clair felt like having an ordinance about open burning is a big joke. He doesn't have money to buy fuel, and he needs to use the smokehouse to process meat so it doesn't go bad. He realizes it might be an inconvenience but feels like the council should have other important things to discuss other than this. Administrator Gray clarified that this has to do with outside open burning, not inside wood stoves. Krist Skaflestad explained that this ordinance came about because we were trying to remedy the fire department and police from having to come out and check on something that might not be a big deal. It costs money to do this, and this ordinance was drafted to try and keep this from happening. Administrator Gray said this ordinance is here to try and make something that was informal, more straightforward.

Moved by Phillips, Seconded by Murray to move Ordinance 18-06-17 on to council for approval with smokehouse added as an exemption.

- g) Ordinance 18-06-18- Adding Exemptions From the Sales Tax: Z) That portion of the selling price for passenger fees related to the Hoonah Cruise Ship Dock Company-** Administrator Gray said he didn't do any other work related to this ordinance because he wasn't sure what the council had wanted. Councilmember McConnell explained that the council was wondering if the \$4.00 was going to be exempted and they were going to collect tax on the remaining balance or is this exempting the entire cruise ship passenger fee. The ordinance doesn't read that way right now. Councilmember Wilson also shared that there is just total lack of clarity on this ordinance for both council and community members. This is creating a lot of confusion. The request was to have something brought to council. She thought Mr. Hickman was going to bring some additional information to council to

make this more clear. We are getting a lot of questions from the community, and the council is not comfortable passing something that we aren't clear on. Councilmember McConnell said that when you look at their budget it shows \$4 per passenger, debt retirement, depreciation, and revenue, and there is a minus amount. This \$4 is not being used for the repair and replacement of the dock. Councilmember Phillips said that the plan was to keep it at \$4 for two years and then they would revise it so you didn't have a deficit, and that isn't happening. He feels like they really need \$6 to break even and this should be exempted from sales tax. Councilmember Murray said that if this money is being used for operations, it needs to go through the City of Hoonah and Duck. The money should be split up, our portion and their portion because that money was supposed to be used for R & R. Councilmember Murray said that in October he is going to request that when they give their report, he would like to see what money is being used for repairs and replacement. Councilmember McConnell said that when they go back after two years to renegotiate maybe expect that some money is being set aside for damages which occur. They have an insurance policy, maybe the \$4 is adequate. He said we don't deserve any of this money because we have handed over management of this facility to ISP or Duck Point. They decide how much money goes in this fund to meet their needs. This is in the agreement pretty clearly. He said that we need to ask ourselves if its worth it to spend money on a litigation to try and recover this amount of money. ISP is the only entity collecting money on this kind of fee. No other business in Hoonah does this. Councilmember Phillips said he keeps going back to the fact we have 14 years of operation where there has been no sales tax. We need to bring the hammer down but keep it fair. Whatever it takes to make HCSD solvent and revenue neutral would be smart, so he thinks 6 or 7 bucks would be appropriate. Councilmember Wilson is feeling frustrated because community members come to her and ask her about this, but she doesn't understand it all the way. She wants to have more information to give the public and has asked ISP and administration for more data or info but hasn't gotten it yet. Councilmember Murray reiterated that he thought the \$4 they were collecting was to be spent on R & R so if they aren't using it for that, then we need a portion of that \$4. He wants the money being used for what it was intended for. He wants an accounting of this. Councilmember McConnell again went back to the argument that there are two options. One, we could sue them to get our money, but they are citing the Maritime Clause and the only way we can collect those fees is by going to court. Maybe we should get Mr. Sheehan to give us the cost for litigating this to the end. If we win we collect our money, if we don't we will not collect our money, and we are out the cost of the litigation. Councilmember Phillips felt like we need to put the heat on, and didn't think it would even go that far if they know we mean business. Councilmember McConnell said it is easy to get the annual report and look up the numbers. Councilmember Phillips said that he feels we need a letter requesting what should be exempted from sales tax. We should request this letter so that we can see a clear picture with detailed information to see what should be fair and then exempt that. But until we get this information we should start rattling the law suit. Administrator Gray reminded Phillips that we already have one law suit going, and not sure that we should get involved in another one. Councilmember Phillips replied that he feels we could win this one. Administrator Gray feels like we should go ahead and move this on to Council with an exemption for the entire amount for a year to give us time to figure out the long term obligations. Councilmember Wilson reiterated that she would like more data so that she could speak to the misunderstanding that community members are having on this issue. She asked if we could write up a memo that addresses the breakdown of what taxes ISP does pay so the community knows, including the report that is available for members to look at. Councilmember McConnell said that we should put this on the side burner until we get the information we want.

Public Comment—Bill Miller said that if ISP is our partner, they should be sharing these figures. This isn't good business partnership. He suggested that ISP bring numbers quarterly.

Moved to keep this ordinance in CAAW for discussion next month.

- h) Ordinance 18-09-21 Rezone Above tract A & B to Public Facilities and Ordinance 18-09-21 Rezone the Shotter Creek Lot Between Tract B and Fanning Industrial Lot 1 to Commercial-**  
Administrator Gray explained that Planning and Zoning wanted to create two public facility lots for assisted living type housing on the north end of the clinic lot and west end as well. The other plan is to create a commercial lot. Councilmember Murray said that below the Dalton subdivision, he's concerned there is a section that is wetlands. He felt that we could in the future, trade these off for other wetlands because they are very valuable.

Moved by Phillips, Seconded by McConnell make a motion to move Ordinance 18-09-20 authorizing amendment to the zoning districts to council for consideration and approval.

Moved by Phillips, Seconded by McConnell to make a motion to move Ordinance 18-09-21 authorizing amendment to the zoning districts to council for consideration and approval.

- i) Community/Council Comments —**

Councilmember Wilson thanked the two community members

**V. Adjourn—8:33 pm.**