



COMMITTEE AS A WHOLE
November 13, 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, M. Smith, present, S. Savland-present, G. Skaflestad-present Administrator Gray- present, Mayor Byers-present, and members of the community also present.

III. Agenda Revisions—None

IV. Items of Business:

a) Borough Formation Report-

Discussion- Administrator Gray explained that John Moller had come and presented information on the Borough Formation and now it is time to decide whether we want to join other communities or go on our own locally and start that process including Mt. Bether, Hoonah and Elfin Cove and try to maximize the boundaries and then go back to Gustavus at a later date. He shared that Navigate North is going to end soon and Sean Parnell has other things going on so we need to figure out how we want to proceed. Councilmember Murray said it's up to us to figure out what the advantages are. If we can do our own borough we can incorporate Elfin Cove, Mt. Bether, we can incorporate Icy Straits and Cross Sound and Northern Chatham and not worry about any other large communities coming in to slow us down. Administrator Gray explained that this is why Bob Clark and members of the farm were at the meeting. Councilmember McConnell clarified that if we wanted to go ahead and go forward with the borough, we could feasibly do this without outside help. It doesn't make sense to pay someone extra money to tell us that we got our paperwork right. Councilmember McConnell wondered if this decision would have to be a vote by the people, and Administrator Gray agreed that the people would have to agree to this. He also said that a petition would have to go forward that would incorporate a feasibility study. Councilmember Murray suggested that the Farm members and members of the community take a look at the study that Navigate North did. Administrator Gray shared that a borough focus is to help us levy taxes and keep the school going which is a big focus of a borough so that it is well-funded with well-trained students. Councilmember Wilson also explained that by being a borough, it helps us maintain local control secures our waterways, and avoids annex or state mandates to join another borough. Councilmember Skaflestad asked Administrator Gray if the Sitka borough goes right down the middle of Tenakee Inlet and he agreed with that. Councilmember Wilson reminded the council that Mr. Moller did share that at a later date, we could try to get Excursion in our borough. Administrator Gray explained that we have momentum and we should keep trying to move forward with this. Councilmember Savland explained to the council that by waiting so long to become a borough we lost Excursion Inlet as a revenue source, but we can apply for detachment from the Haines borough if we so decide. He recommends that we apply for the detachment from Haines. He wanted to be sure that people realized we can't be taken over by another

borough. Councilmember Wilson said she would like to see a petition and transition plan done and to get copies of the Navigate North report to the public if they want to see it. Councilmember Murray requested Administrator Gray give a breakdown for how much forming a borough would cost us, and what benefits we would get from the state. Councilmember McConnell stated that if we petitioned to get XIP in our borough, they have a significant amount of fish tax coming in they put a lot more fish through their cannery than we do. If they were in our borough, we would get a lot of revenue from this. Administrator Gray ended the discussion on this topic by stating that we should start the petition process and then flush things out as needed. We should just admit we want to form a borough and start the petition process. Councilmember Wilson shared that we definitely want the community input for this process! We should look at the advantages to us for forming a borough.

Councilmember Skaflestad asked what the possible cost would be for starting a borough, and Administrator Gray thought it might take about \$100,000 from the city general fund. The state would give us about \$600,000 for the transition funds to get up and going.

Public Comment—Bob Clark shared that a number of the Mt. Bether group were at the meeting just to hear the information about it. They aren't opposed or in favor at the moment. He reminded everyone that they are a church. Rick Groshong shared that if we don't secure borough formation, someone else will grab it, and we will miss out. Wanda Culp reminded everyone that the city should use land as a tax base for the city. She was in favor of borough formation. Travis Lewis did reiterate that if you step just outside of Tenakee limits, you have stepped into the Sitka borough. He shared that we are losing boundaries all around us. Revenue is going to other places when they should be coming to us. We are not tapping in and other people around us are tapping in to this revenue. Travis Lewis also stated that we should have a committee working on the borough formation because it is a huge amount of work.

Moved by A. Wilson, Seconded by M. Smith to file a petition to begin the transition and petition process and move on to council for action.

b) Pavilion at the Park

Discussion- Administrator Gray shared that this was the wish of the council to be discussed. Councilmember Wilson shared that we have the materials for the pavilion and it would be wonderful to have it available for seniors to use and the community. Wes Tyler shared a picture of the pavilion that the city of Hoonah had purchased previously, and explained that the hardware for this pavilion is already out at the mill. Unfortunately, the previous pavilion rot.

Public Comment- Tina Martin shared that this would be great especially for the seniors.

Moved by G. Skaflestad, Seconded by S. McConnell to get a cost estimate for building the pavilion and bring it to the next CAAW meeting with Planning and Zoning being a part of the decision for the location in the park area.

c) Widening of Harbor Drive-

Discussion- Administrator Gray shared that the City of Hoonah has a concept that was shared with the Planning Commission and given by PDC for widening Harbor Drive. Councilmember Skaflestad felt like we had several issues that should be discussed regarding Harbor Drive, and that we really only addressed one of the issues. He suggested taking the sidewalk line and extending it out. What it does is shifts the whole road, alleviating the

issues because we need to take care of the blind corner by Tideland. Take the sidewalk by the restroom and shift it toward the seaplane float. We'd be relocating the intersection west. Councilmember Savland explained that we'd have to add asphalt to the road and that basically we would be enlarging the corner. Councilmembers Wilson and Savland agreed with Councilmember Skaflestad that we need to maximize the corner. Councilmember Skaflestad asked if we should send it back to PDC for another concept to be drafted with the changes.

Public Comment— Don Bolton was wondering if the money for addressing Harbor Drive would be coming from excise taxes instead of the city's coffers, and Administrator Gray said that was correct.

Moved by G. Skaflestad , Seconded by S. Savland to move on to council with proposed changes as discussed.

d) Land Trade Request-Byron 'Barney' Johnson-

Discussion- Administrator Gray explained that this was a referral from the Planning Commission. Barney wants to trade existing lot for some more parcels across the street, 80,000 square feet and make up the difference in cash. It is up to the council to advance this or not. Councilmember Murray shared that he would like this all surveyed out before we do anything. Administrator Gray said that if we approve this trade then we can go forward with the survey work which would combine lot 5, 6, and 7 into one lot. Councilmember Savland asked Mr. Johnson what his plan was for this lot, and he explained that he would like to build a shop there for working on vehicles.

Public Comment- Bill Miller explained that this would be a good idea because the community would benefit. Craig Stolfus felt like the city should have a timeline for getting the rock moved and for getting things done.

Moved by A. Wilson, Seconded by G. Skaflestad to take P & Z's recommendation and move this on to council.

e) Utility Rate Increase-

Discussion- Administrator Gray explained that the City of Hoonah operates the water, sewer and garbage and that we have obligations to maintain our system with user fees and user fees only. We have to meet audits and state reviews to see if we are running our utility correctly. Part of that is to make sure that we have a sufficient R and R fund. In the past we haven't done a very good job with this. We have an aging population that we offer a discount for. This causes us to have a declining revenue stream. We have to adjust our revenue to make sure we are able to have responsibly run utilities. We are proposing an increase to 10% for residential and 15% for commercial use. Councilmember Wilson, asked Administrator Gray to share when the last time we had an increase in rates and he explained it was back in 2008. Comparatively to other places in Alaska, we fall right in the middle. Councilmember Wilson shared that we still want to offer discounts to our seniors unlike other places in Southeast, but we need to increase the rates in order to run our utilities. We are trying to do this in the best way possible and still take care of our seniors. Councilmember Skaflestad shared that the reason we have an aging population, is that we don't have things to offer for the younger generation.

Public Comment-Craig Stolfus agrees with how the increases have been made due to inflation. Rob Bishop wondered if the dump fees were also going to increase. He felt like there should be easier means for getting billed when dumping at the dump. He gets bills at random times, not always

expecting it. Jay Erickson wondered if the city is considering people's income with this utility increase. Administrator Gray said it doesn't matter what you make, the cost is still going up. Tina Martin said that there are many seniors that only make about \$500 a month, and they are not going to be able to pay their bills. They will end up having their utilities shut off because they aren't going to be able to afford it.

Moved by Savland, Seconded by Murray that we move this rate increase on to council.

f) Reality TV Filming-

Discussion- Administrator Gray explained that EngelEntertainment wanted to film a reality show here on our police. They wanted to film a cop being hired from down south, coming up here, relocating. Chief Groshong shared that he hired an Alaskan cop so one was not hired from down south. The Chief wanted to make sure it was very clear that he did not pursue this filming company. Councilmember Wilson wanted to make sure that the chief had a chance to explain what this was about, and a chance for the community to share their thoughts on this.

Public Comment— A lot of the community members in the audience shared their thoughts and there were not positive feelings about a reality show being filmed here. Many of the audience shared that they felt it would shed a bad light on the community and not be a true reflection of what our community is like.

Moved by Savland, Seconded by Smith that we move to table this topic indefinitely.

g) Local Buyer Financing

Discussion- Administrator Gray explained that this topic was pretty vague but that council wanted to discuss it. The idea is to allow for sales to happen that gives locals the advantage, but he shared that we can't discriminate against non-locals. Councilmember Wilson wondered what other communities around Southeast were doing to take care of their locals. She felt like we need to look at the demographics, because she feels like we are catering to the top 1/3 of the community. Why are we not considering what the lower 2/3 of our community can afford? Maybe we can look into grants and other options so that we can make buying housing and property more affordable. Administrator Gray said what we need to do is provide supply. We need to put as much land on the market so that prices remain stable. Councilmember McConnell agreed that in the current system, there is not affordable housing available. Maybe we need to get information from other communities. Councilmember Savland explained that as a committee he feels they need to figure out, "What is affordable housing?"

Public Comment-Johan Dybdahl shared his knowledge on something Juneau did. Ian Smith wondered if more land was released, would it increase utilities? Barney Johnson wondered if we could drop the interest rate for those who were low income. Councilmember Skaflestad shared that fundamentally he disagreed with this. Tina Martin agreed that she can't see giving cuts to certain individuals. Pat Savland shared his idea that the city should sell bigger lots where a person could buy it and they could subdivide it, and then sell that lot, it would pay for their lot.

Moved it to the next CAAW meeting and re-title it "Affordable Housing."

h) Pre-Development of Two (2) of the Six (6) Dalton Creek Block E Lots

Discussion- Administrator Gray explained that this is his attempt to address the affordable housing issue. We would take one lot and get it ready and sell it as an improved lot. We could move towards making these lots more affordable. Administrator Gray said that we could get a lot ready for selling and have it out to bid by Christmas Eve for locals to bid on. Councilmember Savland felt like we should put this out to local contractors to develop these lots, not Ryan. We should investigate the cost of developing the land privately. We have contractors here in town who are very capable. The Mayor shared that despite who develops it, we have to offer the lot at the same appraised value. Councilmember Savland said that we have a lot of rock we need to use, let's use it.

Public Comment- Craig Stolfus shared his thoughts for how to make the process more feasible.

Moved by S. McConnell, Seconded by Wilson to move on to Council that we solicit bids for developing two of the six lots in the Dalton Creek Subdivision by using 5,000 yards of the rock to see how far we can go to be done at the city's expense and have the lots ready for bid.

i) Bid Process for Capital Construction Jobs in Hoonah

Discussion- Administrator Gray explained that there were questions about the bid process and how we handle it, so the city is providing paperwork and a resolution drafted in 2013 for how we go through the bidding process. We do have policies in place for bidding and we do a good job with this. It's up to the Council whether they want to change this policy.

Public Comment- Rob Bishop shared he is very grateful to the city for offering the work that he has bid on.

Moved by S. McConnell, Seconded by Savland that we move bid process for Capital Construction Projects with some input from Administration to the next CAAW meeting.

j) Tideland Lease Request-Huna Totem Corporation

Discussion- Administrator Gray explained that this item came from Planning Commission with the recommended "Do Pass," to the council for approval. It will support the second Cruise Ship Dock Project.

Public Comment- none

Moved by Wilson, Seconded by Smith to move the Tideland Lease Request-Huna Totem Corporation on to Council for approval.

k) Executive Session- Hoonah Cruise ship Dock Agreement

Motion to go into Executive Session

Moved by McConnell, Seconded by Skaflestad to go into executive session for the purpose of discussing the Hoonah Cruise Ship Dock Agreement, and in addition to allow and invite Johan Dybdahl to speak to this topic.

Motion to come out of Executive Session

Moved by Skaflestad, Seconded by McConnell to come out of executive session.

Moved by McConnell, Seconded by Murray, to direct administration to gather information we need to address what came up in executive session.

l) Ordinance 18-06-18 Adding Exemptions from Sales Tax: Z) that portion of the selling price for passenger fees related to the Hoonah Cruise Ship Dock Company

Moved by McConnell, Seconded by Murray that we table Ordinance 18-06-18 till the next CAAW meeting and gather more information.

m) Community/Council Comments

Councilmember Wilson shared that three individuals have approached her about the new gym and bring it to the city's attention that there is not an ADA drop off zone or a handicap entrance. This is a concern, and she wonders if there is a way we can make this happen. She is wondering what the process is for making this wheelchair accessible. It's almost impossible to get in the building and a lot of events are being held there.

The Mayor explained that handicap signs came in yesterday and Ryan will be hanging them up very soon.

Councilmember Wilson also thanked the community members for attending the meeting.

Councilmember McConnell shared that on his walks he is noticing that on the hill by the Senior Center that the dirt and grass on the side of the road is keeping the water on the road and he is concerned that it's tearing up our roads more. Administrator Gray said that he has Ryan already on this.

V. Adjourn—11:12 pm.