

## **Hollis Community Council Meeting Minutes for August 11, 2015**

### **Call to Order**

President Budd Burnett called the Hollis Community Council regular meeting to order at 7:10 pm.

### **Community Council Members Present**

Budd Burnett, Matt Beer, Hank Rambosek, Sandra Nessett and Keith Michaels.

### **Absent**

Bill Sharpes and Ron Sharp

### **Community Members Present**

Bob Andrews, Ron Curtis, Dordie Carter, Linda Holt, Gary Holt, Donna Halvorsen, Brian Hallstrom, John Ryan.

### **Dordie Carter Library Budget Presentation**

Dordie presents a comprehensive itemized budget report as well as some historical financial information of the Hollis Public Library. The library's FY2015 expense total was \$14,445.81 and income total was \$14,464.86. The full report can be provided upon request. Dordie states that the library is celebrating its "30 years of operation" this year and is holding the annual fund raising "Dinner, Live Auction and 50/50 Raffle" August 29, 2015 5:30pm and everyone is invited to attend! Budd thanks Dordie for all her efforts and Dordie thanks Ron and Sandy Curtis for their help with games during the July 4<sup>th</sup> Picnic Celebration.

### **Jon Bolling Draft Borough Charter Presentation with Questions Forum**

Budd introduces Jon Bolling and states that Jon will summarize the Borough Charter process then there will be a question and answer segment. Budd reports that for two years POWCAC participants have been writing the Borough Charter draft and if or when POW Borough status is applied for, support from POW island communities is needed.

Jon Bolling Craig City Administrator explains he has been involved with the Borough Charter project for many years. POWCAC is an advisory council only and deals with island wide issues like resource management and transportation issues on POW so it's made up of all communities and tribes on the island. POWCAC is looking into whether a POW Borough is feasible because redistricting has happened in the past to unorganized borough areas and that redistricting has sometimes been detrimental to the area. There are many pros and cons and to find out more the committee got funding to hire Barbara Sheinberg to evaluate and write up a study on what a borough might mean to POW. The report is available on request. It was on the basis of that report that POWCAC can address what would be the best classification for a POW Borough Charter; there are many different classifications. The Home Rural Style Borough (instead of the General Law Borough) was selected as best since it allows the borough to set the rules. A few POWCAC members drew up the model and it was submitted to the entire POWCAC membership for consideration. There are a lot of pros and cons and it is under consideration at this point; there are 8-10 POWCAC Members and each of them has a different idea of what is best.

### **Draft Borough Charter Question's Forum**

Sandra- did you determine that we would get more money for the school

Jon- it would be about the same amount of money that the combined island districts are getting now which is allocated on a per student basis. Schools also get funds from National Forest receipts and under the Borough Charter there would be a bit more funding available for a single school district on POW but not a substantial amount.

Sandra- and only one school district would get that.

Jon- under state law an organized borough has to operate one school district so Craig, Klawock, Thorne Bay school districts would go away and they would all be under one district.

Gary- does POWCAC have the authority to file for borough

Jon- anybody can initiate and petition for a borough formation

Gary- where did you get your information

Jon- Brent Williams in Anchorage Chief of Staff for Local Boundary Commission.

Gary-according to Ketchikan commissioners they said they do not want to take POW over so it seems that when something is said enough it becomes a rumor; it's a threat not based on fact.

Jon- I've heard from folks in Ketchikan and read in the paper over the course of a lot of years. Awhile back, Ketchikan annexed that big area I mentioned earlier and an assembly member made a motion to include some portion of POW; that motion died at the assembly meeting, no one but the mover wanted it so it was on his mind. Then last year I went to Ketchikan and met with borough representatives and got to talking about mines on POW and Ketchikan is interested. They were concerned about what POW might do if these mines form and that if POW moves to do something to goof-up the implementation of the mines then they will consider some annexation process.

Sandra- what do they mean by messing up, that we don't want the mines?

Jon- that was my understanding, if we threatened the existence of the mines they would consider some action to get more control over that. I think that Ketchikan or some other borough will not annex any one community on POW but that it is more possible that some entity annexes the southern half of POW partly because that's where the mines are and partly because they would not have to provide service because no one lives there.

Gary- so this is all in your opinion no factual information from Ketchikan

Jon- yes this is just my experience

Gary-so what is the value to us as individuals for having this bureaucracy created?

Jon-depends on the individual. My personal perspective is if those mines come into production I hate to see them come and go and POW not be any better off in the long run. There is a lot of value in the mines and I have talked to both companies that own prospects down there and I think those mines could help pay for K-12 education for 20 years, probably longer. If there's not a mechanism to tap into that resource then we'll miss the opportunity to put money into our schools. That's a big drawback for me; for others it might be different.

Sandra- what about taxes?

Jon- boroughs have the authority to levy any kind of tax that is legal under state law, like property tax, sales tax, bed tax, raw fish tax, etc.

Sandra-is there a lot of positive energy in this borough moving forward?

Jon- there is still some interest within the POWCAC Membership. The process to actually form it is pretty overwhelming so for anyone to do it we'll have to have this strong reason to do it. We need one sentence as to why it needs to happen and right now that sentence doesn't exist yet. For me it would make more of a difference if the mines were operating now; some want to have a borough now and some do not ever want to have one. POWCAC wants to move ahead to get the draft charter ready in case we need to use it. Generally annexation has two reasons, fear or greed. The near term goal is to get the draft charter ready and continue to have discussions with POW communities about when and if it makes sense to move forward with it.

Keith- in the taxation section 11.3 it says "taxes shall not go into effect prior to a popular vote of majority votes approving property tax" does that apply to all taxes, would the borough just be able to levy taxes on certain things without a vote?

Jon- it depends on what's in the charter. In this charter the borough would be able to levy whatever tax was legal under state law as long as it complied with the charter. That's why it's important to participate in the charter process so you have a structure that's predictable and one that you're comfortable with.

Keith- would a lodging/bed tax be considered a sales tax?

Jon-it's structured like a sales tax but from what I've read it is in a different class. Places like to implement it because non residents end up paying the tax bill.

Gary- how much will you have to raise to operate annually?

Jon- according to Barb Sheinberg's study if you count the obligation the borough would have toward the school district I think it was around 3 million dollars.

Gary- so you would need to raise 3 million through taxes?

Jon- no because much of that obligation is whatever it costs to run the school and state foundation formula, that per student formula, contributes to most school costs. For example the Craig school budget is 6 million or so and the state foundation formula coughs up 4.5 million I think. So a good chunk of that 3 million would come from that foundation for schools. But yes some of it would have to be generated locally.

Gary- that doesn't quite add up. If Craig has 6 million for schools how can the budget be only 3 million for all the schools if there's one school district?

Jon- because the school district has its own independent budget, it wouldn't budget the same way the Craig school budget does. I don't know the answer to that. But my recollection is that there's around a 3 million dollar budget including the obligation for the school district .

Gary- I don't see how you could be right if you have a 6 million dollar budget for the Craig school so how you can fund all the schools combined with 3 million, there's a deficit somewhere.

Jon- I have to refresh my memory and go back to the Sheinberg study, that's my best answer and I will be happy to do that if you are interested.

Gary- I'd like to see the study.

Jon- is there somewhere I could email to you?

Gary- yes, what are the minimum departments required for a borough under state law?

Jon- under state law boroughs have to run schools districts', have planning and plotting authority, have the ability to tax, have a clerk and planner and staff as few as 4-5 or as many as 50 depending on what the public wanted the borough to do. Boroughs do lots of other things; some have police powers, some operate roads, some do economic development projects, others do resource extraction and some do the minimal amount- just run the school district and not much else.

Gary- if you form a borough would the responsibility shift from the federal government to the borough for shoreline management of the wetlands?

Jon- you'd be lucky to get the federal government to let go of any authority on shoreline or wetlands. I guess the borough could be formally a part of that working with Army Core of Engineers to identify areas the borough wanted protected or developed. There used to be Coastal Zone Management Program federally operated and it encouraged local participation and decisions but the state doesn't participate in that any more.

Gary- At the Watersheds meeting, it was a huge cost to most boroughs and counties and talking about the huge cost of the federal government shifting to the counties and boroughs.

Jon- I have not heard of that, my experience with wetland issues with the core is that they are not interested in giving any authority to anybody. Juneau recently took identifying different types of wetlands within their borough boundaries like which areas are high in value and which are lows but Juneau wanted to do that. So if a borough wanted to take something on there is a mechanism to possibly make it happen but I'm not aware of any borough or city that has been forced to take on any wetland management.

Gary- the EPA people were talking about the new rules coming down and that it will be a big responsibility for the borough and counties.

Jon- I'm not aware of that in Alaska

Gary- it's across the states and Alaska is no different.

Jon- no one has contacted the city but I would welcome that. I would much rather see the communities rather than the federal government managing those wetlands. But I don't think it's going to happen. I'd have to find more about that. It's the first I've heard.

Sandra- are the mines going forward?

Jon- I don't know any more than the average Joe. My impression is that the Bokan prospects are moving ahead faster than the Niblack mine. Wouldn't be surprised if the Bokan project started the permitting process with the state this year.

Sandra- exciting and I appreciate you coming here and giving us all this information.

Jon- you're welcome I hope it was helpful.

Budd- thank you Jon. When do you need the decision from us, are you voting on it at the POWCAC meeting, when is it?

Jon- in September

Budd- okay, we need a consensus or an opinion of the Hollis Council one way or the other so we can pass that on to Jon so they can include Hollis in that vote in September .

Sandra- and what's the vote?

Jon- Whether or not to adopt the Charter is all it is. It's not to submit or send to the state for approval, it's to adopt and have it ready for later on. Only then would it go through public process

Budd asks directors present- Matt, no; Hank, no; Sandra, yes; Keith, no; Budd, yes; 3 no 2 yes so at the present time, Hollis says no but thank you for your time Jon.

### **Greg Staunton and Cory Wyatt Aurora Drive Road Questions & Answers**

Craig Staunton with State Forestry explains that two years ago they started looking for parcels for timber sales. They found one piece to the north and east of Aurora Drive. Its general use land which allows for timber harvest. The property owners down Nanny Bay Road expressed that they would like access if they were going to see logging going on in their backyard. We are looking at what that will entail and what it would take to use Aurora Drive as access to Nanny Bay Road. R & M did a study of right of way and said two way traffic at 20 miles per hour would mean widening the road to 20' and re-grading a couple sections and brushing so sight distances were improved when going around corners. Keith asks about the creek that washed out last year and what the state's plan is to make sure it doesn't wash out again. Craig explains that the whole road will be brought up to state standards and as project engineer of the project under the guidelines he would spend the money that's appropriate for the structure. The guidelines that he functions under, the bridge would have to carry a 50 year flood and be able to withstand a 100 flood. Also you need to look at the dwellings of habitat below the bridge. When you have to carry that volume of water, culverts are not always your cheapest option. As far as land management goes, we try not to put bridges in. Keith comments that he's seen the creek drop 3 feet overnight and drop large boulders 100 yards down the creek; it flows a lot of water. Craig states there are options like open bottom culverts and that a bridge in the state of Alaska is considered anything over 20'. Bridges are good because they provide a wider flow path for debris too but there is the burden of maintenance. If you don't have road authority then it comes down to who is going to maintain this when it needs to be maintained. A log bridge has about a 10 year life span. Keith asks what the time frame for construction to begin is. Craig says he is trying to identify the major problems one of which is that culvert but should be able to have a design by November. Hank asks, when will you make the decision to either put that road into Nanny Bay or continue up Aurora Drive. Craig answers that Aurora Drive on down from the Nanny Bay junction is common to all alternatives and there's a relatively short section of road above that junction to the edge of the subdivision. Hank states so you're saying that you don't have a time frame for which access you're going to use. Craig says that decision is made by somebody besides him but that it makes sense to have it done this winter. The reason they are looking at this piece of property is so it would be available to Viking lumber. Gary asks if after the job is complete, will the community be able to access the area for fire wood? He'd like to see something to accommodate the community members and not be like what happened with the Indian Creek area. Craig answers that yes removing that bridge caused a lot of heartache to the community and his department included. He remembers that the road was going to be open for 4-wheelers. But it costs money to keep a road open based on the maintenance guidelines he has to follow, and that's why they close roads. Gary asks what we can do to ensure the area is available? Craig says he'll take these comments back to the department and the community can write letters to the office too. There will be another go around once we get feedback back from Nanny Bay owners so people will have another chance to comment before anything is final. Budd will get a list of the people who live on Aurora Drive to Craig.

### **Reading and Approval of the Minutes**

The minutes July 14, 2015 were read and approved as presented. A motion was made to approve the minutes by Sandra Nessett, seconded by Matt Beer. Vote was unanimous.

### **Budget Report**

Donna states that FY2015 had a carryover amount of \$23,747.50 in unencumbered funds as well as budgeted items that weren't spent. The checking account has \$58,186.27 as of July 31, 2015, and that the FY2016 Community Revenue Sharing funds were deposited August 10, 2015 according to Budd.

### **Reports and Updates**

Fire Department Update- Keith states that the fuse/breaker situation was repaired and is the ambulance being used for calls. John Ryan states that Kevin told him the first issue is fixed but in doing so the clutch linkage broke and he is working on that now. Hank asked if the old ambulance is going to get surplused? Bob and Budd state that we were asked by Bobby Lieghty to hold onto it for a little while, over the winter; its 4-wheel drive so we may need it this winter. The other one is only 2-wheel drive. Keith states the annual fundraiser is Saturday so please buy raffle tickets and attend. Hank suggests getting this type of information out sooner for the best publicity and that he could email a notice out too. Keith states next year they will be better prepared.

Cemetery Update- Budd states we had GT Land Surveyors form Ketchikan survey the burial plots and the cost was \$1,920. There are 144 burial plots in that one half acre and every two rows we had them put a twelve foot road in between so the backhoe can get in to dig graves. We're still looking for shot rock for the road, any ideas? Hank will ask around. Bob says Bruce is putting in stakes to define burial sites. Gary asks how the old grave sites were marked. Budd answers that they'll quarantine off the site and put a bench and try to preserve it. Someone dumped a load of metal in the last couple weeks so we'll have to clean that up. Hank says you can take scrap and cars to the 62 pit but need to get a hold of Shaan Seet for permission.

#### **Donations / Grocery Receipts-**

This quarter we received \$101.75 dollars from AC, this is up from last quarter of around \$81.00.

### **New Business**

POWCAC Meeting Update- Budd thanks Bob for attending the last couple POWCAC meetings and the last one was in Whale Pass. Budd says Bob enjoyed a nice smoked fish dinner and read notes from the meeting. Ron Curtis apologizes he couldn't make the meeting last month, and says when he read the minutes from last month, he was extremely disappointed in the way they were written. He submitted a bill from Trojan to the Council for consideration. He did that based on conversations with Matt, Bob, Colleen and Budd the prior year. And all of them said the Council possibly might share costs or something like that for doing a road. I did not submit a bill for payment as written in the minutes. I submitted a bill for consideration so everyone in the community knows that the bill was not everything to complete that road. I paid to have that road done, I did it 200 feet past my driveway, put in a turn around, and paid Trojan to mine fines out of my property to put on the road. That was not part of the bill, it was just Trojan's tractor. I don't care that you didn't pay it- that it said that I submitted it for payment I took objection to. That's all. And I just wanted that cleared up because I did not submit it for payment. Sandra states when we asked for approval of minutes that's when this should have been brought up.

Lisa Cates states we're getting ready to start school again and the school will have an open house on August 22 and thank you for all your support.

John Ryan states that B-3 hauled material out of the cemetery and put it in his own pit. Its real nice top soil so can anybody take that? Budd replies, I will find out. John continues that the cemetery job didn't include taking the top soil out and he was also supposed to put the parking area in which never happened. Budd will look into it.

### **Adjournment**

Sandra made a motion to adjourn, and Budd adjourned the meeting at 8:30pm.