

  
**Haines Borough**  
**Borough Assembly Meeting #232**  
**AGENDA**

**September 25, 2012 - 6:30 p.m.**

**Location: Assembly Chambers, Public Safety Bldg.**

**Stephanie Scott,**  
Mayor

**Daymond Hoffman,**  
Seat A  
Assembly Member

**Steve Vick,**  
Seat B  
Assembly Member

**Debra Schnabel,**  
Seat C  
Assembly Member

**Joanne Waterman,**  
Seat D  
Assembly Member

**Norman Smith,**  
Seat E  
Assembly Member

**Jerry Lapp,**  
Seat F  
Assembly Member

**Mark Earnest,**  
Borough Manager

**Julie Cozzi,**  
Borough Clerk

**Michelle Webb,**  
Deputy Clerk

**1. CALL TO ORDER/PLEDGE TO THE FLAG**

**2. ROLL CALL**

**3. APPROVAL OF AGENDA & CONSENT AGENDA**

*[The following Consent Agenda items are indicated by an asterisk (\*) and will be enacted by the motion to approve the agenda. There will be no separate discussion of these items unless an assembly member or other person so requests, in which event the asterisk will be removed and that item will be considered by the assembly on the regular agenda.]*

Consent Agenda:

- 4 – 9/11/12 Assembly Minutes
- 6 – Mayor's Report
- 8B – Library Report
- 8C – Fire Dept Report
- 9A – Library Board Minutes
- 11A1 – Resolution 12-09-403
- 11A2 – Resolution 12-09-404
- 11B1 – Introduce Ordinance 12-09-304

**\* 4. APPROVAL OF MINUTES - September 11, 2012 Regular Meeting**

**5. PUBLIC COMMENTS** [Any topics not scheduled for public hearing]

**\* 6. MAYOR'S COMMENTS/REPORT – 9/25 Report**

**7. PUBLIC HEARINGS**

**A. Ordinance 12-09-303 – First Hearing**

**An Ordinance of the Haines Borough amending Haines Borough Code Title 18, Sections 18.80.030 and 18.90.050 to clarify the allowance of incidental items with setbacks.**

*This ordinance is recommended by the planning commission and was introduced on 9/11. Motion: Advance Ordinance 12-09-303 to a second public hearing on 10/9/12.*

**8. STAFF/FACILITY REPORTS**

**A. Borough Manager – 9/25 Report**

**\* B. Public Library – Staff Report of August 2012**

**\* C. Fire Department – Staff Report of August 2012**

**D. Public Facilities – Slump Update by PND Engineers**

*PND Engineers will attend to present current information on the slump*

**9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES**

**\* A. Library Board of Trustees – Minutes of August 15, 2012 Meeting**

**B. Commerce Committee – Report of September 19<sup>th</sup> Meeting**

**10. UNFINISHED BUSINESS**

**A. Manager's Travel Approval**

*This item was postponed to this meeting because the manager was absent due to illness, and some questions arose during discussion. The manager has withdrawn his proposed manager travel plan for the balance of FY 2013. Instead, he plans to make a couple of day trips to Whitehorse and Juneau in conjunction with the Port Development Plan. He may also attend the Yukon Geoscience Forum & Trade Show in November. All of this can be accomplished within the existing manager's travel budget approved in the FY 2013 budget. Motion on the Table: Approve the manager's planned business travel for the remainder of FY13. [Clerk's Note: possible action is to defeat the motion since the manager has withdrawn his travel request.]*

## 11. NEW BUSINESS

### A. Resolutions

#### \* 1. Resolution 12-09-403

A Resolution of the Haines Borough Assembly authorizing the borough manager to enter into a purchase and sale agreement between the Borough and Roger Beasley regarding the acquisition of Picture Point property.

*This is recommended by the borough manager. **Motion:** Adopt Resolution 12-09-403.*

#### \* 2. Resolution 12-09-404

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a contract with Maine Energy Systems to purchase of a wood pellet boiler, silo, and associated parts for an amount not to exceed \$25,000.

*This is recommended by the borough manager. **Motion:** Adopt Resolution 12-09-404*

#### 3. Resolution 12-09-405

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a Memorandum of Agreement with Prophecy Platinum Corp. to establish a framework of mutual cooperation and the exchange of information among the parties regarding the potential development of the Wellgreen Ni, Cu, Au, PGE deposit near Burwash Landing, Yukon Territory.

*This is recommended by the borough manager. **Motion:** Adopt Resolution 12-09-405.*

### B. Ordinances for Introduction

#### \* 1. Ordinance 12-09-304

An ordinance of the Haines Borough Assembly amending Haines Borough Code Title 3, Section 3.70.040(D) to remove from the list of community purpose-exempted properties the parcels owned by Lynn Canal Human Resources, Inc.

*This is recommended the State Assessor and Lynn Canal Counseling has been notified of revocation of tax exempt status by the Borough Assistant Assessor on September 19th, 2012.*

**Motion:** Introduce Ordinance 12-09-304 and set a first public hearing for October 9, 2012.

### C. Other New Business - None

## 12. CORRESPONDENCE/REQUESTS

## 13. SET MEETING DATES

**A. Election Canvass** – Recommend October 9<sup>th</sup>, 5:30pm

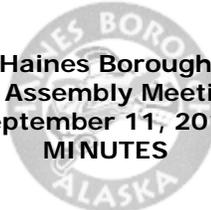
**B. Special Joint Meeting of Assembly & School Board** – December 4<sup>th</sup>, 6:30pm

Purpose: Establish 2013 Legislative Priorities

## 14. PUBLIC COMMENTS

## 15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

## 16. ADJOURNMENT

  
**Haines Borough**  
**Borough Assembly Meeting #231**  
**September 11, 2012**  
**MINUTES**

**Draft**

**1. CALL TO ORDER/PLEDGE TO THE FLAG:** Mayor **SCOTT** called the meeting to order at 6:30 p.m. in the Assembly Chambers and led the pledge to the flag.

**2. ROLL CALL**

**Present:** Mayor Stephanie **SCOTT**, and Assembly Members Jerry **LAPP**, Joanne **WATERMAN**, Norman **SMITH**, Steve **VICK**, Debra **SCHNABEL**, and Daymond **HOFFMAN**.

**Staff Present:** Julie **COZZI**/Borough Clerk, Jila **STUART**/Chief Fiscal Officer, Darsie **CULBECK**/Executive Assistant to the Manager, Michelle **WEBB**/Deputy Clerk, Tanya **CARLSON**/Tourism Director, Patty **BROWN**/Library Director, and Warren **JOHNSON**/IT Consultant.

**Visitors Present:** Tom **MORPHET**/CVN, Margaret **FRIEDENAUER**/KHNS, Norman **HUGHES**, Bill and Libby **KURZ**, Leonard **DUBBER**, Ann **MYREN**, Chip **LENDE**, Bob **MUSSEMAN**, Carolyn **WEISHAHN**, George **FIGDOR**, Eric **HOLLE**, Sean **BROWNELL**, Rob **GOLDBERG**, Pam **RANGLES**, Barbara **SHEINBERG**, Eric **KOCHER**, and others.

**3. APPROVAL OF AGENDA & CONSENT AGENDA** (Items with the \*asterisk are on the consent agenda)

**Motion:** **LAPP** moved to "approve the agenda/consent agenda," and it was seconded.

**MORPHET** requested removal of items 4E2 and 4F2 from the consent agenda. Also, from the consent agenda, **SMITH** asked that item 4F3 be removed, and **SCOTT** wanted item 4C1 taken from it.

**Primary Amendment:** **VICK** moved to "amend the agenda/consent agenda, as requested," and it was seconded.

**Secondary Amendment:** **SCHNABEL** moved to "retain item 4F2 on the consent agenda," and it was seconded.

During the discussion, **SCHNABEL** said the matter of assigning Richard Boyce's slip has been reviewed by the harbormaster and the Port and Harbor Advisory Committee, and she doesn't believe there is anything inappropriate about it. **SCOTT** explained that vessel will be in open moorage status if the assignment is not made. She noted an email in the meeting folders from the harbormaster stating there are currently 32 customers on the waitlist for that size slip assignment.

The secondary motion carried 5-1 with **VICK** opposed.

The primary amendment, as amended, carried 5-1 with **LAPP** opposed.

The main motion, as amended, carried unanimously.

**4. CONSENT AGENDA**

**A. Approval of Minutes**

**1. August 28, 2012 Regular Meeting**

*The motion adopted by approval of the consent agenda: "approve the minutes of the 8/28/12 meeting."*

**B. Staff/Facility Reports**

- 1. Sheldon Museum** - Staff Report of July 2012
- 2. Public Library** - Staff Report of July 2012

**C. Committee/Commission/Board Reports & Minutes**

- 1. Tourism Advisory Board** – *This was removed from the consent agenda, becoming item 91.*
- 2. Museum Board of Trustees** – *Minutes of 7/12/12 Meeting*
- 3. Library Board of Trustees** – *Minutes of 7/25/12 Meeting*

**D. Ordinances for Introduction**

**1. Ordinance 12-09-303**

**An ordinance of the Haines Borough amending Haines Borough Code Title 18, Sections 18.80.030 and 18.90.050 to clarify the allowance of incidental items within setbacks.**

*The motion adopted by approval of the consent agenda: "introduce Ordinance 12-09-303 and set a first public hearing for 9/25/12."*

E. **Resolutions** (consent agenda)

1. **Resolution 12-09-399**

**A Resolution of the Haines Borough Assembly appointing election officials for the Regular Election to be held October 2, 2012, and establishing the wages.**

*The motion adopted by approval of the consent agenda: "adopt Resolution 12-09-399."*

2. **Resolution 12-09-400**

*This was removed from the consent agenda, becoming Item 11A2.*

3. **Resolution 12-09-401**

**A Resolution of the Haines Borough Assembly authorizing the borough manager to enter into a grant agreement and notice to proceed with the Alaska Department of Transportation and Public Facilities for the Picture Point Land Acquisition project funded through the National Scenic Byways Grant Program.**

*The motion adopted by approval of the consent agenda: "adopt Resolution 12-09-401."*

F. **Other Business** (consent agenda)

1. **Mayoral Board Appointments**

*The motion adopted by approval of the consent agenda: "confirm the mayor's appointments of Barbara Mulford to the Tourism Advisory Board, Meredith Pochardt to the Parks & Recreation Advisory Committee, Richard Buck to the Fire Service Area #1 Board, Robert Venables to the Port Development Steering Committee (planning commission rep), and Patty Campbell to the Facilities Master Plan Steering Committee (chamber of commerce rep)."*

2. **Assign Richard Boyce's Small Boat Harbor Slip**

*The motion adopted by approval of the consent agenda: "permit Karen Boyce to bypass the waiting list and assume the harbor slip previously assigned to her father, the late Richard Boyce."*

3. **Letter of Support for Skagway – West Creek Hydro**

*This was removed from the consent agenda, becoming Item 11C5.*

5. **PUBLIC COMMENTS**

**RANDLES** proposed the borough put an electric fence around the landfill because of the bear problem.

**WEISHAHN** asked the assembly not to support the manager's recommendation to extend the heliskiing area in the Jarvis Glacier area.

**HOLLE** thanked the administration, mayor, and assembly for the efforts to improve oversight of the heliskiing industry. The BLM and Alaska Fish & Game both have ongoing mountain goat studies with the objective of coming up with meaningful management data. To his knowledge, the borough's heliskiing map has never been scrutinized by them. He suggested before any changes are made to the map it should be reviewed by the Fish & Game biologists, and then again annually.

**B.KURZ** said he fully supports the West Creek Hydro project. It makes good dollars and cents.

6. **MAYOR'S COMMENTS/REPORT** –

A. **Streamlining Community Service Grants – Special Informational Presentation**

*The assembly showed some interest in exploring the idea of collaborating with the Chilkat Valley Community Foundation (CVCF) to streamline community service grants from the General Fund. Chip **LENDE**, on behalf of the CVCF, gave a PowerPoint presentation on the program, including what the CVCF does and how it might assist the borough with community service funding. He said the City of Homer contracts with the Homer Community Foundation, and it works well. The CVCF is interested in doing this because it will give a degree of expertise to the granting of borough funds. The assembly would set an amount for distribution and CVCF would charge an administrative fee of 10% of the grant funds. He noted this would be in addition to the appropriation the CVCF has already gotten each year from the borough.*

**Motion:** **SCHNABEL** moved to "refer to the Finance Committee a discussion of how the borough might work with the Chilkat Valley Community Foundation in the administration of nonprofit grant funds," and the motion carried 5-1 with **WATERMAN** opposed.

During the discussion, **WATERMAN** spoke against the motion saying she has struggled with the nonprofit grants each year. For FY13, the borough was unable to fully-fund its own departments yet the assembly still gave a total amount to the nonprofits that exceeded the funds needed to cover the

shortfall. It's important to discuss the process the assembly goes through. She understands the restricted Title III funds and the 1% medical services funds are best handled during the budget process. However, other grants should not be considered until the borough has funded its departments to the fullest extent possible. Only if there are additional funds would the assembly consider grants. When revenue shortfalls are expected, it's very hard for her to support telling the departments to cut expenditures.

Following the CVCF presentation, Mayor **SCOTT** read aloud her written mayor's report that included acknowledgement of the recent loss of two Haines citizens: Jeremy Haines and Ed Lapeyri.

**COZZI** introduced the new deputy clerk, Michelle **WEBB**.

## 7. **PUBLIC HEARINGS**

### A. **Ordinance 12-08-301** – Second Hearing

**An Ordinance of the Haines Borough Assembly adopting a major update of the Haines Borough Comprehensive Plan pursuant to Haines Borough Charter and Alaska Statute requirements.**

Mayor **SCOTT** opened the public hearing at 7:12pm.

**SHEINBERG** thanked the assembly and planning commission for their efforts through this process that has taken well over one year. Even after the assembly takes action at this meeting, she will continue to catch formatting issues and typos and hopes the action will include permission for her to do any needed clerical clean-up. She noted there are many action items in the document, and she encouraged the borough not to fret about the actual wording. The action items will change over time, but the point is to get started. This plan, and the money spent preparing it, is only as valuable as it is used. It covers a lot of different topics, and she suggested pulling it out at the beginning of every budget cycle or even during the heat of a controversial issue to see what was said when the heat wasn't on. The comprehensive plan should be used for big-picture direction. She recommended the assembly put the Action Summary on their iPads. She's also working on an Excel spreadsheet that will organize the actions and objectives that may be helpful.

**GOLDBERG** thanked **SHEINBERG** for all of her assistance. He believes it's a great improvement over the existing plan.

**B.KURZ** agreed that **SHEINBERG** deserves a lot of credit for a fine job.

**HUGHES** thanked her for including input from the Port and Harbor Advisory Committee.

Hearing no further comments, the mayor closed the public hearing at 7:19pm.

**Motion: WATERMAN** moved to "adopt Ordinance 12-08-301," and it was amended to allow for clerical edits prior to finalizing the document and to insert on page 131 at 6.4.2, Non-motorized Routes, Juneau Access Road, the following text:

*'The Draft Environmental Impact Statement for Project STP-000S(131) dated 6/23/97 describes several alternatives that construct a shuttle ferry crossing at Berners Bay connecting to William Henry Bay and a road north along the west side of Lynn Canal intersecting the Haines Highway. An alternative could incorporate a shuttle ferry from Lutak to Skagway and Klondike Highway or continue the Lutak Road to connect directly to the Klondike Highway as a separate project. The EIS did not carry any alternatives identifying a west side route, but it is in Haines' interest to advance a west side route.'*

The motion, as amended, carried unanimously in a roll call vote.

### B. **Ordinance 12-07-297** – Second Hearing

**An Ordinance of the Haines Borough adopting a new water-sewer rate schedule to set rates, fees and charges for water and sewer services.**

Mayor **SCOTT** opened and closed the public hearing at 7:26pm; there were no public comments.

**Motion: LAPP** moved to "adopt Ordinance 12-07-297," and it was seconded.

**Primary Amendment: WATERMAN** moved to "amend by incorporating the recommended bulk water language recommended by the finance director in her memo dated 8/31," and it was seconded.

During the discussion, **SMITH** said he believes the price the cruise ships pay for bulk water is too low, and he noted Juneau recently raised their rates. He moved to "amend to distinguish between cruise ships and other commercial businesses by making a separate category for cruise ship bulk water sales and charging a rate of \$4.50 per 1,000 gallons in addition to the \$50 hook up fee," but the motion failed 1-5 with all but **SMITH** opposed. **SCHNABEL** said she is not opposed to making a

profit but has a problem with the assembly playing with the market “willy-nilly.” The borough has no idea what it costs Juneau to produce their water and deliver to the cruise ships any more than she has any idea what it costs for Haines to do that. **LAPP** agreed and has no problem with the wording recommended by staff. It should be kept at \$4.00 per 1,000 gallons so the borough doesn’t price itself out of business. **HOFFMAN** agreed with raising the rates but can also see the benefit of keeping it the same until the costs are known provided the assembly makes a point of getting that information. **SMITH** said he still believes the borough should raise the bulk water rate since the residents are being asked to pay higher rates. **WATERMAN** said she can support raising the commercial rates but does not want to separate out the cruise ships.

**Secondary Amendment:** **VICK** moved to “raise the commercial bulk water purchase rate from \$4.00 per 1,000 gallons to \$4.50,” and it was seconded.

During the discussion, **VICK** said these enterprise funds have been losing money. This rate increase will give the assembly a bit of breathing room and an opportunity to thoroughly research the true costs.

The secondary amendment carried 4-2 with **SCHNABEL** and **LAPP** opposed.

The primary amendment, as amended, carried unanimously.

The main motion, as amended, carried 5-1 in a roll call vote with **SCHNABEL** opposed.

### C. **Ordinance 12-08-302** – First Hearing

**An Ordinance of the Haines Borough amending Haines Borough Code Title 16, Sections 16.28.010 and 16.28.030 to prohibit verbal abuse, physical assault and threats against borough and harbor staff, physical assault and threats against members of the public while within the harbor, and refusing to comply with lawful directives by the harbormaster, and giving the harbormaster the authority to suspend or revoke the privilege of using borough port and harbor facilities.**

Mayor **SCOTT** opened the public hearing at 7:48pm.

**HUGHES** said he has some questions and concerns and would like this ordinance to be referred to the Port and Harbor Advisory Committee which he chairs. The next meeting is 10/11 at 11:30 a.m.

Hearing no further comments, the mayor closed the public hearing at 7:54pm.

**Motion:** **LAPP** moved to “advance Ordinance 12-08-302 to a second public hearing on 9/25/12 and send it to the Port and Harbor Advisory Committee for review,” and the motion was amended to replace the ordinance with the proposed substitute containing an appeal provision and to change the second public hearing to 10/23/12. The motion, as amended, carried unanimously.

## 8. **STAFF/FACILITY REPORTS**

### A. **Borough Manager** – 9/11 Report

*The manager was absent due to illness and was unable to discuss his written report.*

### B. **Finance Director** – FY12 General Fund Financial Report

**Motion:** **WATERMAN** moved to “refer this to the Finance Committee for examination with the guidance of the borough’s finance director,” and it carried unanimously.

## 9. **COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES**

### 1. **Tourism Advisory Board** – This item was removed from the consent agenda

*Minutes of July 19, 2012 Meeting, and Board action items & comments on 1) EPA ECA rules, 2) leasing the Klukwan Dock, 3) shuttle buses for special events, and 4) music at the PC Dock when cruise ships are in port.*

The mayor explained the borough has responded to the Tourism Advisory Board’s requests. **SCHNABEL** recalled the Klukwan Dock issue was referred to the Commerce Committee, and she would like to be involved in conversations about it.

## 10. **UNFINISHED BUSINESS**

### A. **Ordinance 12-07-296**

**An Ordinance of the Haines Borough repealing Ordinance 08-09-189 and amending Borough Code Title 2 to add Section 2.06.035 to establish a Local Financial Disclosure Requirement and Process and add applicable definitions to Title 2 Section 2.990.010.**

*Adoption was postponed On 8/28 to provide the assembly time to consider further amendments at a*

committee of the whole meeting. Motions on the Table were the main motion and primary amendment motion #2, as follows:

**Main Motion:** LAPP moved to "adopt Ordinance 12-07-296," and it was amended to strike "retirement accounts" from 2.06.035(A).

**Primary Amendment #2:** SCHNABEL moved to "amend the ordinance draft by replacing the *Source of income* definition text in HBC 2.990.010 with the following text:

"Source of income" means an employer or other person or entity paying compensation, dividends, or interest, directly or indirectly, for services, products, or investments. If the income being reported is derived from employment by a sole proprietorship, partnership, or corporation in which the reporting person, the spouse or children, or a combination of them hold a controlling interest, that proprietorship, partnership, or corporation may be designated as the source of income without specifying clients or customers if the business is one that is normally conducted on a cash basis and typically does not keep records of individual customers. In all other cases, the clients or customers of the proprietorship, partnership, or corporation shall be listed as sources of income of the person whose income is being reported, whose spouse, children, or a combination of them hold a controlling interest'."

SCHNABEL recapped her reasons for making the "Source of Income" amendment motion.

**Secondary Amendment #1:** SCHNABEL moved to "delete from the definition the words *"and typically does not keep records of individual customers"* and replace with *"or maintains accounts payable within 30 days and balance does not exceed \$10,000,"* and it was seconded.

During discussion, HOFFMAN asked for clarification, and VICK said there is either cash or accrual and it might be clearer to state it that way.

The motion failed unanimously in order to restate the motion for clarity since a secondary amendment motion cannot be further amended.

**Secondary Amendment #2:** SCHNABEL moved to "delete from the definition the words *"and typically does not keep records of individual customers"* and replace with *"or maintains accounts payable within 30 days and annual account accrual does not exceed \$10,000,"* and the motion carried unanimously.

Primary Amendment #2, as amended, carried unanimously.

**Primary Amendment #3:** SCHNABEL moved to "replace 2.60.035(2)(B) with the long form language proposed by Mayor Scott in her memo dated 9/3/12," and it was seconded.

**Secondary Amendment:** WATERMAN moved to amend by striking *'Alaska Administrative Code regulations 2 AAC 50.100-102; AAC 50.775'* and replacing it with *'Alaska Statute 39.50.035'*, and it carried unanimously.

During the discussion, WATERMAN said this lays out a process for requesting exemptions during the filing and gives the clerk a process for handling those requests.

Primary Amendment #3, as amended, carried unanimously.

The main motion, as amended, carried unanimously in a roll call vote.

## 11. NEW BUSINESS

### A. Resolutions

#### 1. Resolution 12-09-402

**A Resolution of the Haines Borough Assembly authorizing acceptance of a late-filed 2012 Senior Citizen/Disabled Veteran Property Tax Exemption Application from Carl Lehman for property account C-207-TL-0110.**

The mayor provided an opportunity for public comment, and none were offered.

**Motion:** LAPP moved to "adopt Resolution 12-09-402," and the motion failed 2-4 in a roll call vote with VICK, SCHNABEL, WATERMAN, and SMITH opposed.

During a very brief discussion, SCHNABEL said, in the future, if an individual is aware there are pending or mitigating circumstances, the borough should be notified at the time of application. She would be far more inclined to approve it if it had been submitted on time.

2. **Resolution 12-09-400** - *This item was removed from the consent agenda.*

**A Resolution of the Haines Borough Assembly supporting a design and construction grant through the Alaska Energy Authority for installing wood pellet boilers in borough facilities.**

**Motion:** **WATERMAN** moved to "adopt Resolution 12-09-400," and the motion carried unanimously in a roll call vote.

During the discussion, **SCHNABEL** said the fact this is not part of a comprehensive planning process makes it awkward. She is willing to advance this but would like to see more of the project plan. **WATERMAN** agreed. **VICK** noted that page 225 of the newly-adopted comprehensive plan refers to wood heat. **SCHNABEL** observed the facilities listed in the comprehensive plan are different than those named in this resolution. She added the Chilkoot Indian Association (CIA) will be competing with the borough for these grant funds. Until pellets are available here, the CIA is purchasing them out of Tacoma for a landed price of \$5.89 per cubic foot. This is equivalent to 2.2 gallons of heating fuel, so it's currently less expensive than oil. **CULBECK** explained the grant application process takes five to eight months. The idea was to ask for the funds but, in the mean time, those buildings could be removed if a decision is made to dispose of them. Without assembly approval, the application will not be considered. Also, it doesn't have to be symbiotic with the CIA's pellet efforts. **VICK** said he supports the application but does not favor putting new boilers into buildings the borough does not plan to maintain.

**B. Ordinances for Introduction**

**C. Other New Business**

1. **Final Recommendations from Administration for 2013 Heliskiing Season**

**Motion:** **LAPP** moved to "adopt the administration's recommendations for the 2013 Heliskiing Season," and it was seconded by **HOFFMAN**. The motion carried 5-1 with **LAPP** opposed.

During the discussion, **SCHNABEL** said some of the recommendations are different than those presented to the assembly during the committee of the whole. **CULBECK** explained the changes, i.e. the user fee was dropped to \$5, the GPS data point frequency was increased from every three minutes to every two minutes, and the penalty for violations was changed from \$300 to \$1,000. Also, when there is a complaint, the GPS data for the day before and after will also be looked at. If there are deviations, the operators will be required to inform the borough within 7 days. If they don't and there is a complaint, it will not be overlooked or forgiven even if the reason for the deviation was justified. Additionally, two map changes are recommended, and he pointed them out on a map he displayed. One change would allow skiers to be picked up at the bottom of the hill at Jarvis Glacier and the other change would allow the skiing to start at the top of the ridge on the Upper Tsirku. Mayor **SCOTT** said there are several recommendations that will have to come back in ordinance form such as the complaint procedure, map changes, and the increase to the fines. She explained that if the motion carries, policies may be implemented and those recommendations that require code amendments will begin the ordinance process.

2. **Manager's Travel Approval**

*In conformance with his contract and to keep the assembly informed, the manager prepared a list of his planned borough business travel for the remainder of FY13. He sought approval for any travel the assembly believed to be outside of that already authorized through the FY13 budget.*

**Motion:** **SMITH** moved to "approve the manager's planned business travel for the remainder of FY13," and it was seconded.

During the discussion, **SMITH** questioned some of the proposed expenses. **SCHNABEL** asked if this travel is in addition to the expected attendance at AML and Southeast Conference. The Mineral Roundup in Vancouver last year was very informative and, as a result of that trip, the borough has entered into a contract with Northern Economics to determine opportunities with the mining industry in the Yukon. To invest this much money and travel to attend the Mineral Roundup again this year in the pursuit of an economic development activity that we already have information for is not sensible. Making industry contacts in Whitehorse does have some value. She believes, in the next decade, anyone who will use the Haines port facilities will come to us when they're ready.

**Motion to Postpone:** **WATERMAN** moved to "postpone further consideration of the motion to 9/25/12," and it carried 4-2 with **HOFFMAN** and **SMITH** opposed.

3. **FY13 Federal Lobbying Services Agreement**

**Motion:** **WATERMAN** moved to “authorize the FY13 agreement for federal lobbying services between the Haines Borough and Robertson, Monagle & Eastaugh, effective July 1, 2012,” and it was seconded by **LAPP**. The motion carried 5-1 with **SCHNABEL** opposed.

During the discussion, **SCHNABEL** said she is opposed, because the money would be better spent identifying specific local issues for a lobbyist to work on. There are other organizations such as Alaska Municipal League and Southeast Conference already working on statewide and regional issues. **HOFFMAN** doesn't understand why the borough wouldn't want to have a voice at the federal level. **SCHNABEL** responded by giving examples of issues the borough doesn't need to pay a lobbyist to work on, e.g. mail carrying. **HOFFMAN** said mail carrying in Haines is vital to his business and other businesses in Haines. He's going to vote for this because the borough needs to have someone keeping an eye on things. **VICK** spoke in favor, as well, recalling the mayor's adage from a previous meeting: “if you're not at the table, you're on the menu.” **SMITH** said he would like the money focused locally. **WATERMAN** supports this. **LAPP** noted the lobbyist was willing to reduce his fee and work on a broader range of community-based issues. **CULBECK** said it's a good time to have a lobbyist in Washington, D.C.

**4. Late-filed 2012 Senior Citizen Property Tax Exemption Application – K. Bryant**

*The borough received a 2012 Senior Citizen Prop Tax Exemption Application from Karen Bryant for property account 4-RBA-02-1900 after the 3/1/12 deadline. The applicant did not provide any explanation or justification for the late filing. Therefore, in the absence of information demonstrating one of the two allowable reasons---either a serious medical condition or an extraordinary event beyond the applicant's control, the assistant assessor recommended against acceptance of this late application. For this reason, a resolution was not provided.*

No action was taken; this was not approved.

**5. Letter of Support for Skagway – West Creek Hydro**

*Skagway asked the borough for a letter of support for their application to the Alaska Energy Authority (AEA) for a Renewable Energy Fund grant to conduct a West Creek hydroelectric feasibility study.*

**Motion:** **VICK** moved to “approve the draft letter of support for the Municipality of Skagway's AEA Renewable Energy Fund grant application for a West Creek Hydroelectric Feasibility Study,” and it was seconded. It carried 4-2 with **SMITH** and **SCHNABEL** opposed.

During the discussion, **SMITH** spoke against supporting the project because of concern that the Haines power rates might be affected by whether or not there are cruise ships in Skagway. Mayor **SCOTT** clarified this is not a project owned by AP&T, so she doesn't know if this would affect the Haines rates or not. This is a Municipality of Skagway endeavor. **SCHNABEL** wondered how large the “pot” is for this AEA grant cycle and whether the borough would be harming its own grant application efforts by supporting Skagway's. **VICK** has no problem supporting this. The expected output is 24 megawatts, and Skagway's plan includes selling power to the Yukon. **B.KURZ** said the West Creek project doesn't have as many problems as the other proposed hydroelectric projects. It also makes good dollars and cents, and the cable between Skagway and Haines can handle up to 20 megawatts.

**12. CORRESPONDENCE/REQUESTS – None**

**13. SET MEETING DATES**

- A. Finance Committee – Tuesday, 9/18, 5:30pm – Purpose: 1) examine how the borough might work with the Chilkat Valley Community Foundation to administer nonprofit grant funds, and 2) review the FY12 General Fund Financial Report.

**14. PUBLIC COMMENTS**

**DUBBER** suggested the borough issue a request for proposals and contract with someone to provide heat for the borough.

**FRIEDNAUER** said she was disappointed that the harbor slip issue was not removed from the consent agenda. She said it appears the assembly didn't follow borough code that limits the slip assignment to a surviving spouse. If that is the case, the public needs to understand why that was okay. **VICK** responded this action did not violate borough code and cited the following sentence in HBC 16.16.020: “[t]he borough assembly, upon recommendation of the manager, may permit a person or business to bypass the slip waiting list when such an exception is justified in the public interest as in transfer to a surviving spouse in the case of death of the slip holder. ” He believes the words “as in” mean that transfer to a surviving spouse is simply one example of an exception that may be permitted by the assembly. The assembly had a brief discussion about whether the Port and Harbor Advisory Committee recommended

the assembly approve the slip assignment or if they actually intended just to forward the request without recommendation. **SCOTT** said this illustrates how important clear communication is.

**15. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

No announcements or comments.

**16. ADJOURNMENT** – 9:38 p.m.

**Motion:** **SMITH** moved to “adjourn the meeting,” and the motion carried unanimously.

ATTEST:

\_\_\_\_\_  
Stephanie Scott, Mayor

\_\_\_\_\_  
Julie Cozzi, MMC, Borough Clerk

## Mayor's Report

Haines Borough  
Office of the Mayor  
103 Third Avenue S.  
Haines, Alaska 99827  
sscott@haines.ak.us  
Voice (907) 766-2231 ext. 30

**September 25, 2012**

**Dadov Agenda Request.** Alex and Natalia Dodov and Mike and Marilyn Davis both of Bear Valley, CA, submitted an Agenda Request that came to my attention September 10. With excellent support from Borough staff, I responded by conveying our heartfelt condolences on the loss of Nickolay Dodov during the avalanche of March 13, and explaining the process relating to the remedy the Dodov's seek: non-renewal of a heliski permit. I explained that non-renewal would be determined by Borough Administration; and that the matter would rise to the Assembly level should the permit holder appeal the decision of the Administration. The letter was sent September 13. You have been provided a copy. The Administration is investigating the relationship between the permit issued and the events of March 13. As the investigation unfolds, the Assembly will be informed.

**Bears at the Landfill:** The Planning Commission discussed the proposal to encircle the landfill with an electric fence at their September 13 meeting. They favor the project but have some concerns outlined by Rob Goldberg, Chair, in a September 17 email to me.<sup>1</sup> Discussions also continued at the Alaska Chilkoot Bear Foundation (ACBF). Based on information from Community Waste Solution regarding mitigations performed, the scope of the problem may be diminishing. See the synopsis provided by ACBF President Pam Randles in a Sept. 17 email.<sup>2</sup> I will

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<sup>1</sup> The Planning Commission discussed the issue of an electric fence surrounding the landfill at our September 13th meeting. Here are some issues for your consideration:

1. The Borough owns all the land surrounding the landfill except for a small section in the SW corner that is State land. An easement from the state will probably be required for this section. The maps that Dean sent last week are not updated. The Borough foreclosed on the lots adjacent to Mt. Riley Road.
2. The construction of the fence must be strong, with at least two strands of electric wire, and the charger powerful enough to deter bears.
3. A solar panel and battery may be enough to run the system, but if it is AC and plugged into the grid, who will pay for the electricity?
4. Who will make a long term commitment to perform maintenance?
5. There must be signage to warn people of the shock danger.
6. The Planning Commission would like to see plans before construction.
7. The Planning Commission supports the concept.

<sup>2</sup> From an email received from Pam Randles, September 17: "I spoke with Burl Sheldon and he said the only area that attracts bears now is the building. CWS apparently has moved

convene a meeting of stakeholders (ACBF, ADF&G, CWS, Borough) to further examine the situation. The meeting is tentatively scheduled for Monday, October 8.

### **Financial Disclosure**

**Q&A Sessions:** The first session was held September 12 at the Library with Assembly member Steve Vick and School Board member Anne Marie Palmieri and myself to field questions. Participants were Deb Vogt, Bill and Libby Kurz, Leonard Dubber, and Margaret Friedenbauer. We learned that municipal candidate financial disclosure forms are now posted on the APOC website.<sup>3</sup> Discussion centered around the advantages and disadvantages of local control of financial disclosure; and the relationship of the filing to the obligation of the official to disclose a conflict of interest as stipulated in Haines Borough Code. (See HBC 2.06.020 (C); 2.06.080 (A).)

**Promoting Proposition 1:** I pitched the advantages of Proposition 1 (local control of regulations; threshold for disclosing financial framework begins at \$5000 instead of \$1000; increased protection for clients of sole proprietorships) at the Chamber Lunch on September 14 and delivered information packets to attendees; I prepared information packets for the Gillnetters Association and discussed details with gillnetter JR Churchill, who, at the time of our discussion (9/15), favored Proposition 1.

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and/or buried the piles of garbage that were there. That is a considerably smaller area than the 15 acres we were looking at.

At the ACBF meeting we wondered about the magnitude of the problem given this new information. Perhaps a camera trap could be installed to assess bear visits to the site. Perhaps all that is needed is an electric fence around the building. ACBF decided to talk with CWS about these options to see if they would take the initiative in securing the trash. Tim McDonough and Tom McGuire are the Board Members who agreed to do this.

The cost for a fence of this size would be minimal (probably under \$400) and the cost of electricity and maintenance would also be minimal. The fences take very little maintenance. I have one at my house surrounding my garden and the cost of electricity is negligible. I would recommend three strands of electric tape for a facility of the size of the landfill. Yes, there should be signs. It is also possible to purchase an electric mat for the entry so when the gate is open, there is still a deterrent.”

<sup>3</sup> If you wish to view the completed forms on line, go to <https://aws.state.ak.us/ApocReports/POFD/>; click on POFD Reports; and then use the Report Type Menu (click on Municipality); then the Any Menus (click on Haines Borough) and the candidates names will be displayed. You can click on the “Status” icon to see the form. The incumbent’s form is not displayed because the incumbent is covered by the form filed March 15, 2012, which is not yet displayed on the website. That form, as are all others, is available in the Clerk’s office, Haines Borough.

**Sheldon Museum & Cultural Center, Haines Borough Public Library .**

Leadership of both entities requested meetings to discuss clarifying the relationship of the entity to the Borough government.

Library Director Patty Brown, Board Board of Trustee Chair Ann Marie Palmeri, Borough Finance Director and I met September 13 to discuss the Borough Auditor and Borough Attorney position that the library no longer qualifies as a component unit of the Borough given that the Haines Borough Public Library 501 3(c) status lapsed in 2006. Absent a restoration of the status of the library as a component unit, the library finances will need to be handled as “department-level” finances in order for the Borough to be in compliance with accepted accounting practices. The matter will await some further research on how other public libraries in Alaska are organized respective to the municipalities in which they live which Director Patty Brown will gather when she attends a Directors’ meeting in October. <sup>4</sup>

Sheldon Museum Assembly liaison Debra Schnabel submitted a memo to the Mayor outlining some areas in the code that can be seen to obfuscate the authority of the Sheldon Museum Board of Trustees as well as complicate the relationship between the Museum and the Borough. The Sheldon Museum is a component unit of the Haines Borough. At the request of Sheldon Museum Board of Trustee Frankie Perry, several board members<sup>5</sup> met September 18 with Assembly member Schnabel and myself to discuss concerns. The Sheldon Museum Board of Trustees will examine the pros and cons, both financial and administrative, of a component unit structure vs. a departmental structure. They will also examine the Borough code with the goal of suggesting changes that will result in clarification of lines of authority.

**Haines Port Development Council, a private sector transboundary cooperative research group,**

led by David Nanney, Dave Berry, and Bill Kurz is hosting a Transboundary Minerals, Natural Gas, and Transportation Summit in Haines September 27 and 28. Since I will be caught up with Southeast Conference Annual Meeting in Craig, Alaska, I have asked Deputy Mayor Lapp to attend the 7 PM session at the American Legion on September 27. Manager Mark Earnest and Executive Assistant Darsie Culbeck will also attend.

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<sup>4</sup> A little history might help. The Haines Borough Public Library was originally the activity of the Haines Women’s Club, a 501 C 3, which garnered financial support in the form of grants from the Third Class Haines Borough. Eventually, the library became institutionalized as a government service, but maintains a special level of autonomy as described in code. This autonomy is usually reserved for component units (the school district is a component unit; it has legal standing separate from the borough; it has its own accounting system, employees, etc.). Departments are not so autonomous. (Public Works is a Department).

<sup>5</sup> Dave Pahl, Vice-President Jim Shook, and Pamela Randles



**Haines Borough  
Assembly Agenda Bill**

**Agenda Bill No.:** 12-157  
**Assembly Meeting Date:** 9/25/12

Business Item Description:	Attachments:
Subject: Allowing Incidental Items within Setbacks	1. Ordinance 12-09-303 2. Excerpt of 10/13/11 Planning Commission Minutes 3. Backup Documentation from 10/13/11 PC Packet
Originator: Planning Commission (Agenda Bill by Clerk's Office)	
Originating Department: Planning & Zoning	
Date Submitted: November 2011	

**Full Title/Motion:**  
Motion: Advance Ordinance 12-09-303 to a second public hearing on 10/9/12

**Administrative Recommendation:**

**Fiscal Impact:**

Expenditure Required	Amount Budgeted	Appropriation Required
\$	\$	\$

**Comprehensive Plan Consistency Review:**  
Comp Plan Policy Nos. : Consistent: Yes No

**Summary Statement:**  
This is recommended by planning commission. Introduction was delayed until now because of the related off-premises signs ordinance that was still pending in committee. It was thought that the two ordinances might be addressed at the same time since they are similar. Since the off-premises signs ordinance has recently been shelved, this particular ordinance is being brought forward as originally requested by the planning commission. It was introduced on 9/11.

**Referral:**  
Sent to: \_\_\_\_\_ Date: \_\_\_\_\_  
Recommendation: \_\_\_\_\_ Refer to: \_\_\_\_\_ Meeting Date: \_\_\_\_\_

**Assembly Action:**  
Workshop Date(s): \_\_\_\_\_ Public Hearing Date(s): 9/25/12  
Meeting Date(s): 9/11, 9/25/12 Tabled to Date: \_\_\_\_\_

**An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 18, Sections 18.80.030 and 18.90.050 to clarify the allowance of incidental items within setbacks.**

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. Sections 4 and 5 of this ordinance are of a general and permanent nature and the adopted amendments shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Amendment of Section 18.80.030: Section 18.80.030 of the Haines Borough Code is hereby amended to read as follows:

NOTE: **BOLDED/UNDERLINED ITEMS ARE ADDED**

**18.80.030 Setbacks and height.**

A. Setbacks are measured from the outermost portion of the building to the nearest lot line or building as appropriate. Incidental architectural features such as window sills, cornices and eaves may not project into any required setback. This exemption also applies to cantilevered floors, decks or other similar building extensions. No building or structures may be located within a setback, except that fences may be constructed within the required setback by permit. ~~Driveways are not subject to setback requirements.~~ **The following items shall be exempt from setback requirements provided the item is located to achieve its purpose without constituting a hazard to vehicles or pedestrians, is located such that it does not obscure sight angles at intersections or driveways, and is not in any location prohibited by state regulation:**

- 1. Driveways and culverts that meet HBC 12.08;**
- 2. Parking areas that meet HBC 10.44;**
- 3. Satellite Dishes;**
- 4. Signs that meet HBC 18.90; and**
- 5. French drains, culverts, or similar infrastructure.**

Where more than one setback standard is applicable, the most restrictive setback standard applies.

Section 5. Amendment of Section 18.90.050: Section 18.90.050 of the Haines Borough Code is hereby amended to read as follows:

NOTE: ~~STRIKETHROUGH ITEMS ARE DELETED~~

**18.90.050 Required setback, placement, construction and lighting standards.**

. . .

C. Freestanding and Portable Signs. Freestanding and portable signs shall not be located so that they obscure traffic or sight angles at intersections or driveways, or in any location prohibited by state regulation. ~~Freestanding signs shall not be located within the required building setback.~~

Haines Borough  
Ordinance No. 12-09-303  
Page 2 of 2

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS \_\_\_\_  
DAY OF \_\_\_\_\_, 2012.

ATTEST:

\_\_\_\_\_  
Stephanie Scott, Mayor

\_\_\_\_\_  
Julie Cozzi, MMC, Borough Clerk

Date Introduced: 09/11/12  
Date of First Public Hearing: 09/25/12  
Date of Second Public Hearing: \_\_/\_\_/\_\_

**Haines Borough  
Planning Commission Meeting  
October 13, 2011  
Excerpt of Approved Minutes**

**Present:** Chairman Lee **Heinmiller**, Commissioners Roger **Maynard**, Donnie **Turner**, Rob **Goldberg**, Andy **Hedden**, and Robert **Venables** (via teleconference).

**Staff Present:** Steve **Ritzinger** – Planning and Zoning Technician, Brian **Lemcke** – Public Facilities Manager, Scott **Bradford** – Water & Sewer Operator, Stephanie **Scott** – Mayor Elect

**Visitors Present:** Ross **Silkman** – SE Alaska State Fair, Terry **Povey**, Scott **Hansen** – Chilkoot Indian Association

**B. Haines Borough Code Amendments – Incidental Items in Setbacks**

**Turner** inquired about current status of fences within setbacks. **Ritzinger** responded that the Borough has been allowing fences within setbacks up to the lot line with a stipulation in the permit stating that the property owner is responsible for damage to the fence due to snow removal. **Turner** stated that he had no objection to allowing fences up to the lot line adjacent to another property but expressed concern allowing them up to the right-of-way. Roads are often not centered in the ROW leaving insufficient room for snow removal. **Maynard** pointed out that the setback is private property and that he is reluctant to prevent people from utilizing private property. **Goldberg** suggested considering allowing fences within the setback adjacent to the ROW as a conditional use. He questioned as an example whether the fences on Portage Street adjacent to the sidewalk were problematic. **Heinmiller** suggested removing fences from the list and eliminating the strikethrough on the draft ordinance and allowing fences as a conditional use. **Venables** stated that the conditional use process is not necessary and that removing fences from the list and reinserting the strikethrough sentence on the draft ordinance would create a good ordinance to move forward and that the Borough could administratively figure out the (fence within the setback adjacent to the ROW) requirement language on a case by case basis.

**Motion: Venables** moved to “approve the draft ordinance to allow incidental items within setbacks with revisions to eliminate fences from the list and to reinsert the strikethrough statement,” and the motion carried unanimously.

# Back up Documents from 10-13-11 PC Packet



HAINES BOROUGH, ALASKA  
P.O. BOX 1209  
HAINES, AK 99827  
(907) 766-2231 FAX (907) 766-2716

October 7, 2011

To: Haines Borough Planning Commission  
From: Haines Borough Planning and Zoning Technician  
Re: HBC 18.80.030 & 18.90.050C Revision – Incidental Items within setbacks

Dear Planning Commission,

In response to the September 8<sup>th</sup> motion to table the Haines Borough Code revision to allow political signs within setbacks, after dialog with Borough management and the Planning Commission Chairman, staff drafted the subsequent ordinance to revise Haines Borough Code that would clarify in code the allowance of incidental items to exist within setbacks. In addition to the allowance of fences within setbacks, the other items listed as exempt in the ordinance have been allowed to exist within setbacks as recommended by the Planning Commission to staff, as recently approved code amendments, as uncodified policy, or have been discussed by the commission:

1. Fences
2. Driveways and culverts that meet 12.08
3. Parking areas that meet HBC 10.44;
4. Satellite Dishes
5. Signs that meet HBC 18.90
6. French drains, culverts, or similar infrastructure

HBC 18.80.030 states: *“No building or structure shall be located within a setback...”*

HBC 18.20.020 Definitions – Regulatory. The definitions in this section are intended to be specific to this title.

**“Building”** means any structure intended or used for the support, shelter or enclosure of persons, animals, or property of any kind.

**“Structure”** means anything constructed or erected and located on or under the ground, or attached to something fixed to the ground, including:

1. A building, regardless of size, purpose or temporality;
2. A tower, sign, antenna, pole or similar structure;

3. A basement, foundation, or mobile home pad;
4. A fence;
5. A street, road, sidewalk, or storage area;
6. Television satellite dish.

Borough policy has been to allow commercial signs to zero lot line, (as commercial buildings are allowed) if the sign placement meets the criteria of 18.90.050. These standards adequately address public safety concerns regarding sign placement, and therefore the statement in HBC 18.90.050C “*freestanding signs shall not be located within the required building setback*” is proposed to be struck from code to eliminate a conflict.

The standards for sign placement in HBC 18.90.050 regarding public safety are prudent to apply to other proposed exempt items such as satellite dishes, and thus have been included as a qualifier for the exempt items in the draft ordinance:

*The following items shall be exempt from setback requirements provided that the item is located to achieve its purpose without constituting a hazard to vehicles or pedestrians, is located such that it does not obscure sight angles at intersections or driveways, and is not in any location prohibited by state regulation:*

If you wish to revise the ordinance or recommend for the Assembly to approve it as proposed please do so. Thank you for considering this draft ordinance.

Steve Ritzinger  
Haines Borough Planning and Zoning Technician  
(907) 766-2231 Ext. 23  
sritzinger@haines.ak.us

**HAINES BOROUGH, ALASKA** **Draft**  
ORDINANCE No. xx-xx-xxx

**AN ORDINANCE OF THE HAINES BOROUGH AMENDING HAINES BOROUGH CODE TITLE 18 SECTION 18.90.050C & 18.80.030 TO CLARIFY THE ALLOWANCE OF INCIDENTAL ITEMS WITHIN SETBACKS.**

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall become effective immediately upon adoption.

Section 4. Purpose. This ordinance amends Title 18 Section 18.90.050C and 18.80.030 to clarify the allowance of incidental items within setbacks.

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED  
~~STRIKETHROUGH~~ ITEMS ARE DELETED

**18.90.050 Required setback, placement, construction and lighting standards.**

C. Freestanding and Portable Signs. Freestanding and portable signs shall not be located so that they obscure traffic or sight angles at intersections or driveways, or in any location prohibited by state regulation. ~~Freestanding signs shall not be located within the required building setback.~~

**18.80.030 Setbacks and height.**

A. Setbacks are measured from the outermost portion of the building to the nearest lot line or building as appropriate. Incidental architectural features such as window sills, cornices and eaves may not project into any required setback. This exemption also applies to cantilevered floors, decks or other similar building extensions. No building or structures may be located within a setback. ~~except that fences may be constructed within the required setback by permit. Driveways are not subject to setback requirements.~~ **The following items shall be exempt from setback requirements provided that the item is located to achieve its purpose without constituting a hazard to vehicles or pedestrians, is located such that it does not obscure sight angles at intersections or driveways, and is not in any location prohibited by state regulation:**

- 1. Fences**
- 2. Driveways and culverts that meet 12.08**
- 3. Parking areas that meet HBC 10.44;**
- 4. Satellite Dishes**
- 5. Signs that meet HBC 18.90**
- 6. French drains, culverts, or similar infrastructure**

Where more than one setback standard is applicable, the most restrictive setback standard applies.



**Haines Borough Administration**  
**Mark Earnest, Borough Manager**  
(907)766-2231 • Fax(907)766-2716  
mearnest@haines.ak.us

September 25, 2012

### **Manager Transition Plan**

As discussed last June, we are preparing a manager transition plan to bring forward to the Personnel Committee and then the Assembly. There are two well-established procedures for management recruitment available to the Borough: (1) through media and on-line classifieds offered through organizations such as the Alaska Municipal League and International City/County Management Association; and (2) through a professional recruiting service. Mayor Scott has outlined her preference in her memorandum of September 16, 2012. I believe that the decision to hire an executive search firm is one that the Assembly needs to consider. I do not have a strong opinion one way or the other. The recommended timeframes for the recruitment, review, interview, and selection process for both options are outlined on the attachment. It should be noted that the timelines are conservative and assume that an offer is made to an incumbent manager currently employed in another jurisdiction and involve giving notice, relocation, etc.

### **Heliski Management Plan**

The Administration is looking at available information concerning the total safety record of all heliski permit holders as part of the process of allocating skier days and renewing permits for the 2013 season. Past safety is a factor to be considered per HBC 5.18.080(C)(2)(f). However, I do not intend to have the Borough independently investigate the 2012 avalanche deaths. We do not have the expertise on staff to undertake this type of investigation. Instead, we will rely on whatever outside investigations being conducted by the Alaska State Troopers and others. If the Assembly would prefer the Borough conduct our own investigation we would want to hire an outside technical expert. This would likely require a budget amendment.

It is important that the Assembly not reach conclusions ahead of the initial administration allocation decision because the Assembly is the decision maker in the event of any appeal of an allocation decision. Each Assembly member must enter the appeal process with an unbiased open mind on all issues related to the allocation decision.

The Administration is currently working on some possible revisions to the recommended Heliski Management Plan adopted by the Assembly on September 11, 2012. The Commerce Committee is scheduled to discuss the possible revisions at its meeting on September 19 (which is after the submittal of this report). The Committee report at the September 25 Assembly meeting may include discussion on this matter. Additionally, we expect to have an ordinance ready for introduction incorporating the final recommendations, such as the 2013 Heliski Map, and other changes that require a code or non-code ordinance for implementation.

## **Sunshine / Piedad Water Line Improvements**

The Sunshine portion of the project is complete. The Piedad improvements are proceeding.

There are several households now on a temporary hook up to the water system. This will continue until the project is substantially completed probably in about a month. There is one property owner who has objected to having the routing of their service line changed. They think the combined Piedad/Crystal Cathedral water supply will reduce the quality of the water they currently receive from Piedad alone. I think this is a subjective conclusion. The combined water source will remain primarily Piedad and Lily Lake water. They also have suggested there is a legal right to continue the existing hookup based on a 1951 easement. This theory has been reviewed by the Borough Attorney. He does not agree that the 1951 easement created a perpetual right to the Piedad water source. The property owner has said he has sent the paperwork to his attorney to review so this issue may come to a head when it is time to install permanent service. By then the household occupants will have been drinking the water from the new combined source and may find that quality is not an issue. The attorney has suggested the Borough officially abandon the portions of the old easement not needed for the new routing at the conclusion of the project. This will require Assembly action most likely in late October once the project is finished.

## **South Portage Cove Harbor Expansion**

The geotechnical investigation work for the South Portage Cove Harbor Expansion project began September 18, 2012. The *Poundstone* is on site, and Denali Drilling and PND Engineers are working around the clock to complete the drilling program as soon as possible. Additionally, PND is conducting marine and upland surveys in conjunction with the harbor expansion project.

## **Harbor Update**

We have had to close the harbor bathroom due to all the toilet paper being stolen. Someone has stolen a case of toilet paper in the last week. We have been implementing changes to the way paper towels and soap is dispensed, but we are kind of stuck with the bathroom tissue issue for the foreseeable future.

## **Lutak Dock Fence Project and Maintenance**

The PND survey crew working at the South Portage Cove Harbor Expansion project will also perform a limited survey on the Lutak Dock for the fence project in conjunction with the Homeland Security grant.

Also, Borough crews are preparing the Lutak Dock for winter operations, with a focus on removing rocks, grading the dock surface, and improving drainage.

## **Passage Canal Dock Operations / Tariff Revisions**

The final cruise ship port of call for the 2012 season was September 19, 2012. We believe that the operations at the new parking facility went much smoother this year, although it is still a work in progress and efforts are continuing to make things better in the future.

We are working on a draft Port Tariff ordinance that will go before the Port and Harbor Advisory Committee on October 11, 2012. The non-code ordinance will then be referred to the Assembly, with introduction tentatively scheduled for October 23. Possible revisions include water sales and lightering float fees.

## **Keystone Rock Drill**

The Keystone Rock Drill restoration project is nearing completion. A concrete pad was poured to support the drill rig, which is on display at Lookout Park. We are planning to install interpretative signage describing the equipment and its history in the near future.

## **Lutak/Oceanview Slump Update**

Mike Hartley from PND Engineers is scheduled to discuss their report regarding the Lutak/Oceanview slump at the September 25, 2012 Assembly meeting.

## **Paving Project**

Borough and state downtown paving projects are substantially complete for the 2012 construction season. These projects have made a tremendous difference in the drivability and walkability of downtown Haines streets and sidewalks. Drainage improvements have also been made, although modifications may be required in some locations. Nonetheless, the projects have been successful. As previously reported the Chilkat Lake area road improvements are scheduled for construction in the spring of 2013. Bid opening for this portion of the Phase III road improvements is scheduled for September 25, 2012.

I am not optimistic that the Alaska Department of Transportation and Public Facilities will be applying the Denali Commission funding they received toward the 3<sup>rd</sup> Avenue project, although no final decision has been made. I am recommending that the 3<sup>rd</sup> Avenue project be incorporated into a Phase IV road improvement funding request for the State Legislature and Governor's consideration.

## **School Gym Floor and Vocation Education Building Improvements**

The gym floor is finished, and the bleachers are currently being installed.

The voc-ed building improvements are substantially complete.

## **Chilkat Center Boilers Replacement**

The Chilkat Center Boilers are being installed at this time. This major maintenance project is expected to be completed by the end of September.

## **Chilkat Center Roof Replacement**

The Chilkat Center Roof Replacement materials have arrived and the project is underway. The project was delayed due to moose hunting but is still scheduled for substantial completion by October 15, weather permitting.

## **Sludge Update**

We are continuing with the movement of sewage sludge to the Community Waste Solutions compost facility. We will soon have all of the backlogged sludge transported to the CWS facility.

## **AMHS Ferry Terminal – Lutak Dock Land Sale**

As previously reported, we have provided ADOT&PF with a market-based counter offer to the Alaska Department of Transportation and Public Facilities (ADOT&PF) appraised value of \$302,000 for acquisitions and easements of a portion of the Borough-owned Lutak Dock. We are negotiating with the ADOT&PF on arriving at an agreed value. If those negotiations are successful, we will bring the negotiated value back to the Assembly for approval as part of the proposed land sale agreement. The ADOT&PF expects that their review will be completed within the next few weeks.

## **Borough Manager Travel and Personal Days**

I would like to withdraw my proposed manager travel plan for the balance of FY 2013. I plan to make a couple of day trips to Whitehorse and Juneau in conjunction with the Port Development Plan. I may also attend the Yukon Geoscience Forum & Trade Show in November. All of this can be accomplished within existing manager's travel budget approved in the FY 2013 budget.

I do plan on taking several one-day trips to Fairbanks to visit my son at the University of Alaska - Fairbanks this winter, leaving early Friday morning and returning Sunday evening.

## **Personnel**

As you are aware, Public Facilities Director Brian Lemcke, has submitted his resignation, effective October 2, 2012. Brian has been a true champion in advancing projects and providing leadership to his crew. He will be sorely missed. We are currently advertising for his replacement. To fill any gaps and to facilitate a hopefully seamless transition, Carlos Jimenez, a local resident, has been retained on a short-term emergency hire basis. He is currently working with Brian to learn about the projects, programs, and operations.

Also, Steve Ritzinger has been offered the position of Community Youth Development Director.

## **Other Issues:**

### **Dodov**

In addition to the information provided above under *Heliski Management Plan* in this report, I will keep you apprised of any additional developments.

### **Williamson vs. Haines Borough, et al**

Trial in this matter is scheduled for eight days, to begin on Monday, September 24, 2013. The attorneys representing the Borough's insurance company are requesting the trial be moved to Haines. Depositions from the insurance company's attorneys are scheduled later this month.

### **Kammerer**

We have received additional records requests. The Borough Clerk and Chief of Police are following up on those requests.

**Draft Manager Transition Plan Schedule**

	<b>Executive Search</b>	<b>Traditional Recruitment</b>
9/15/2012	Develop transition plan	Develop transition plan/position profile development
10/15/2012	Advertise RFP for recruiting firm	Re-advertise position with first review date of 3/31/13
11/15/2012	Select firm and issue NTP/position profile development	Establish selection criteria, etc.
12/15/2012	Begin recruitment/establish selection criteria, etc.	
1/15/2013		
2/15/2013		
3/15/2013		
4/15/2013	Candidate screening and interviews	Candidate screening and interviews
5/15/2013	Negotiate terms of employment agreement	Negotiate terms of employment agreement
6/15/2013	Relocation and begin transition	Relocation and begin transition
7/15/2013	Transition completed	Transition completed

# Memorandum

Haines Borough  
Office of the Mayor  
103 Third Avenue S.  
Haines, Alaska 99827  
sscott@haines.ak.us  
Voice (907) 766-2231 ext. 30

September 16, 2012

To: Mark Earnest, Manager;

Cc: Julie Cozzi, Borough Clerk  
JoAnn Waterman, Chair, Personnel Committee

From: Stephanie Scott, Mayor, Haines Borough

Subject: Managerial Transition Plan

Your recent indisposition has increased our awareness of the critical importance of this position in a manager form of government. I am grateful that you are recovered! Given this heightened awareness, I have been encouraged me to recommend initiation of a transition plan, given that the current manager contract expires June 15, 2013.

I do believe that the development of a transition plan is an element of the manager's current contract. Even so, I encourage you to take advantage of the Personnel Committee, of which you are a member, and currently chaired by Assembly member Waterman, to aid in the development of a transition plan.

Between April and June 2012, the Assembly spent considerable time and effort on a manager hiring process. Minimally we learned that the process is time consuming. The three intervening months resulted in a long "short list" of 9 applicants. But the effort also illuminated concerns among the Assembly with respect to the content of the application. Mainly, there seemed to be a disconnect between the content of the application and the matrix used to evaluate each candidate's application.

To streamline an inherently difficult process, I hope that you, the Manager, perhaps with the advice and consent of the Personnel Committee, would be willing to outline a search process to be launched January 1, 2013, with a target date of hire May 15, 2013. That would enable the new hire to intern under your expertise for one month prior to contract's end.

I make no secret of my preference to use an executive recruiting service, such as the service proposed by the Seattle based Prothman Company prepared June 5, 2012 for the Haines Borough. I believe that working with a recruitment service will enhance

our capacities to perceive the qualities we seek in applicants. It will leverage Assembly input, not diminish it. Using such a service may also hone our perception of the job itself.

As an example, the Prothman approach includes

- a review of the scope of work,
- review of the hiring schedule,
- review and recommendations related to the compensation package.

Prothman involves meeting with the Assembly , Officers, Department heads, the community, and other key stakeholders to develop an understanding of the organization and the values and culture of Haines. Prothman then composes a “profile” of the ideal candidate for Haines, which the Assembly must approve. That profile then serves as a foundation for the determination of a candidate’s fit for the community and organization. Essentially, the carefully constructed profile replaces the “matrix” that we strove to develop.

I believe that using a recruitment service does not minimize the role of the Assembly in the selection of a manager and it will ensure that the Assembly articulates clear performance standards for a manager and has the tools to detect the embodiment of the standards in its candidates. The final choice of a manager rests exclusively with the Assembly.

Regardless of the strategy ultimately pursued for hiring a manager, it is time to begin the process; and I will very much appreciate your leadership in this important matter.

## HAINES BOROUGH PUBLIC LIBRARY

[Best Small Library in America 2005]

Director's Report  
September 12, 2012

### August Statistics

Circulation 8,287  
Internet Use 2,457

Meeting Room Use: 22 groups, Total Attendance, 136  
Children's Programs: 24, Total Attendance: 338

### Upcoming Programs

- A Cultural Exchange, Local and Canadian Tribes, 2 day event, beginning Tuesday, Sept. 11 at 4pm with Elder Marge Jackson from Haines Junction; 5pm – Local Tlingit Delights and Feastware with Helen and Ray Abbott Watkins; 6:30pm – Ishmael Hope, Tlingit/Inupiaq Storyteller; 7:30pm – Place Names from Haines to Haines Junction, a panel discussion moderated by Cecily Stern. Wednesday, Sept. 12 begins with storytelling with Ishmael Hope at 10:15 and 11:00 for students but open to the public; 12pm – Traditional Uses of Trees and Carving Tools with Helen and Ray Watkins; 1:30pm – Stories of Seal Hunting with Tim Ackerman; 3pm – Film showing, Smokin' Fish followed by a discussion with Corey Mann.
- A 6 week series in partnership with Lynn Canal Counseling Services, "Love & Logic - Raising Responsible Adults", beginning Sept. 10, 6-7pm
- Barbara Sheinberg will demonstrate how to access Haines Comp Plan data/maps on Tuesday, Sept. 11 at 12:30pm.
- Library book club begins again, Sat., Sept. 22<sup>nd</sup> at 3pm with the book, *Snow*.
- Videoconference program event, Sept. 27<sup>th</sup> at 5pm, *Historic Native Cultures of North America*, Boonshoft Museum of Discovery.

### Updates

- The auditors were here the last week of August. I supplied the FY12 materials needed but was not requested to meet with them.
- The library staff used Tuesday, Sept. 4<sup>th</sup> as a day to clean and reorganize crowded work and storage space. Erik was able to use this closed time to do some cleaning and updating of patron records in the circulation system.
- Wednesday, Sept. 5<sup>th</sup>, the staff met to discuss the current visioning outline and changes or additions to the 3-year plan.
- We will not be accepting used book donations until after the first of the year.

### Other

I've been working on the annual state statistical report and the Public Library Assistance grant final report for FY12. Both are due Sept. 15. I am also working on the final report for the Basic Grant FY12, the reimbursement request for Basic FY13, and an application for a Community Foundation grant. I participated in a follow-up interview from the EDGE Initiative Benchmarks survey I completed a month or so ago. TechSoup requested the interview to gather highlights and information to be shared through this project.

### Upcoming meetings

- OWL Sustainability Summit, Anchorage, September 19-22
- DirLead, Girdwood, Oct. 17-20



#### LIBRARY DIRECTOR

Patricia Brown

#### LIBRARY BOARD

Anne Marie Palmieri,  
Chair

Heather Lende, Vice-  
Chair

Richard Flegel, Treasurer

James Alborough,  
Secretary

JoAnn Ross Cunningham

Cecily Stern

Lorrie Dudzik

Meredith Pochardt

Stacey Gala

The Haines Vol. Fire Dept. had four fire callouts in August. Two calls were for automatic fire alarm activations that turned out to be false alarms. One call was for a motor vehicle accident standby and the fourth was a controlled burn that caught a tree on fire. Fire callouts for 2012 total 17. The Haines Vol. Fire Dept. responded to 15 ambulance callouts in August. Calls included a patient with respiratory distress, a patient experiencing nausea & vomiting, a general weakness patient, a head trauma, an unconscious/unknown, a fall, two patient refusals, a recall, 5 medical transports and one funeral. Ambulance callouts for 2012 total 180. There were no SAR callouts. SAR callouts for 2012 remain at 1.

The first joint meeting for August was a business meeting followed a general ICS course taught by Asst. Chief Roc Ahrens. A tabletop scenario focusing on a plane crash at our airport followed this. Access, safety concerns and vehicle staging were focal points for this training. The ambulance training was proper electrode placement and performing 12 lead ECGs. There was also training scenarios on using CPAP and King Airs, both respiratory aids. The fire training was practicing a forward lay scenario and determining equipment location on Rescue 1 without opening compartments helping responders prepare for setting up a staging area.

The clinic is remodeling causing the ambulance to have to back up a ramp to offload patients. Driver's training was practiced to insure a smooth transition. A special thanks goes out to Ed Gorman, Lyle Huff, Larry Jurgeleit, and Tim Walter for their assistance in performing hose testing on supply lines from Engine 1, Engine 2, and Rescue 1. After these hoses were tested, they had to be loaded back on to the hosebeds. This job goes so much smoother with many hands, thanks guys. Jenn Walsh took her ICS 700 online course. She also just received word that she passed her Fire extinguisher level 2 (recharge & refill) certification and is preparing for and looking forward to her Firefighter 1 class starting in October in Skagway.

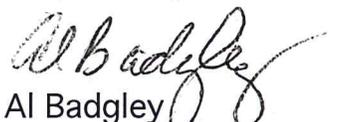
Thanks to all our volunteers for being there for our community members and those visiting.

HVFD Fire 156                      Ambulance 159                      HVFD SAR

Total volunteer hours HVFD for 2012

HVFD Fire 896                      Ambulance 1918                      SAR 80                      Combined 2894 Hours

Respectfully submitted,

  
Al Badgley  
HVFD Training Officer

Haines Borough Public Library  
Approved Meeting Minutes

8/15/12

Present: JoAnne Ross-Cunningham, Patty Brown, Meredith Pochart, Anne Marie Palmieri, Heather Lende, James Alborough, Cecily Stern, Lorrie Dudzik, Dick Flegel  
Excused: Stacey Gala

Call to Order: 4:04pm

Additions or Revisions to Agenda

Add correspondence after financial report

Consent Agenda Items

The following items are consent items for final action to be taken on all by a single vote. Any item may be removed for separate consideration if necessary.

- \* Approval of Agenda
- \* Approval of Minutes 07/25/2012
- \* Director's Report

M/S Dudzik/Pochardt to approve the consent agenda as amended. All approved.

Financial Report

- \* Treasurer's Report for July (Dick)

Checking: \$34,197.97

Savings: \$14,190.26

CD: \$20,503.81

Check register was passed around for board signatures.

Correspondence

Rasmuson Foundation sent a \$500 grant in support of charitable activities.

Items for Discussion

\* School, public library and shared catalog The school has decided to separate themselves from the Evergreen system. The school has offered to compensate the library to remain part of the consortium, but there might not be a need for that. The school will be presenting their proposal in writing. The library will assess their proposal when we receive it.

- \* Boiler and storage plan updates

Brian Lemke is working with a boiler company on a proposal.

Brian is talking to Larry Larson about designing the storage space, adjusting lot lines, etc. Brian will address the building committee as soon as he returns from his trip.

- \* Closed dates for staff meeting and cleaning Patty would like to close for a couple of days on Sept 4 and 5.

Patty will check the cruise ship schedule to make sure there is no conflict.

- \* Combined Board and Staff meeting date (October sometime) Would like to schedule a staff/board meeting 6pm October 10th at Cecily's house.

\* Friends request to change Lighting of the Library date from the Friday after Thanksgiving to Saturday. The library would be closed an additional day.  
Board has no issue with the date change. The Friends can determine the date and time.

Other

\* Policy Review -

XVII. Petition/Solicitations/Public Notices; XVII. Purchasing; Some grammatical changes.

XX. Board

Some grammatical changes.

Personnel committee to update the board questionnaire and an appropriate orientation process. To meet in October (time to be scheduled in September).

Decision made to remove Program committee.

XXI: Safety

Some wording changes.

\* Radio

September 14 (James), September 21 (Dick)

Board Comments

Director's Comments

Next Meeting: September 12 4pm

Adjournment: 5:15pm

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James Alborough



**Agenda Bill No.:** 12-152  
**Assembly Meeting Date:** 9/25/12

Business Item Description:	Attachments:
Subject: FY13 Manager's Travel	1. Mayor's Memo re. Authorization of Manager's Travel 2. Manager's Memo re. Travel
Originator: Mayor Scott (agenda bill by the Clerk's Office)	
Originating Department: Mayor	
Date Submitted: 8/13/12	

**Full Title/Motion:**  
 Motion already on the table: Approve the manager's planned business travel for the remainder of FY13.  
 [Clerk's Note: the manager has withdrawn his travel request as presented the previous meeting. Therefore, possible assembly action is to defeat the motion.]

**Administrative Recommendation:**

**Fiscal Impact:**

Expenditure Required	Amount Budgeted	Appropriation Required
\$	\$	\$

**Comprehensive Plan Consistency Review:**

Comp Plan Policy Nos. :	Consistent: <input type="checkbox"/> Yes <input type="checkbox"/> No
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**Summary Statement:**

Regarding travel, the manager's contract states [t]he Manager shall receive allowance for travel, out-of-town meetings, and professional development expenses as authorized by the Borough Assembly in the budget for each fiscal year or as approved in advance by the Borough Assembly from time to time.

This item was postponed to this meeting because the manager was absent due to illness, and some questions arose during discussion. The manager has withdrawn his proposed manager travel plan for the balance of FY 2013. Instead, he plans to make a couple of day trips to Whitehorse and Juneau in conjunction with the Port Development Plan. He may also attend the Yukon Geoscience Forum & Trade Show in November. All of this can be accomplished within the existing manager's travel budget approved in the FY 2013 budget.

**Referral:**

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

**Assembly Action:**

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 9/11, 9/25/12	Tabled to Date:

# Memorandum

Haines Borough  
Office of the Mayor  
103 Third Avenue S.  
Haines, Alaska 99827  
sscott@haines.ak.us  
Voice (907) 766-2231 ext. 30

August 13, 2012

To: Mark Earnest, Borough Manager

Cc: Julie Cozzi, Borough Clerk; Jila Stuart, Chief Financial Officer; Julie Cozzi, Borough Clerk

From: Stephanie Scott, Mayor, Haines Borough

Subject: Contract Language Re Manager Travel and in-house procedures for authorization of travel

Thank you very much for your patient and respectful conversation regarding my concerns about my responsibility to “authorize” manager travel requests. In most cases, I do not believe that my “authorization” is required.

As you know, the authority allocated to the mayor in our form of government is very circumscribed. The Manager’s contract gives the mayor explicit authority to approve leave or to cash-in leave, but approval of travel for the manager is reserved to the Assembly through the budget or in advance of proposed travel.

If travel is authorized by the budget, then the Mayor’s signature on the travel authorization is not necessary. Instead, there could be a notation, “authorized by FY13 budget.” That makes sense to me. If the budget language is vague, perhaps the manager could provide a notation on the Travel Authorization form indicating how the specific trip aligns with the budgeted allocation of funds.

In most cases, the FY13 budget is vague with respect to specific travel. Jila Stuart and I have puzzled over the status of the worksheets from which the final budget is constructed. Are the worksheet “legal” guides? Or are they not? The worksheets are more explicit, but they may not be a part of the official budget. In the published FY13 budget, Administration Travel & Per Diem (01-01-10-7334) is simply budgeted at \$5,650; Training (01-01-10-7335) is budgeted at \$2,850.

The FY13 budget worksheets are more explicit. With respect to Manager travel and training and registration, the worksheet lists AML/AMMA in Anchorage (\$1600); Undesignated Travel (\$1250) and Other Training and Registration (\$500).

Another place to look in the FY13 Budget for Assembly approval by budget for travel is in the Economic Development Fund (Fund 23). The Travel and Per Diem line item in this fund is \$10,200 (23-03-00-7334). There are no explicit line items.

Looking at the Economic Development Fund worksheets, the Manager is (explicitly) budgeted to travel to Southeast Conference (\$1100). The worksheet also lists Whitehorse trips – official visits & regional conferences (\$750) and Other Travel (\$1500), though these are not specifically pegged to the Manager.

So though I agree completely that the budget should set the goals the Assembly wishes the manager to pursue and allocates the travel funds to pursue them with, I find that these details (with the exception of AML and Southeast Conference) are absent. I would like to capture those details in the FY14 budget process – perhaps by adding specificity to the worksheets.

Meantime, I would like to request that you keep us abreast of your travel by publishing a calendar of travel obligations, perhaps annotated with an estimate of cost and a purpose statement and where the trip might be located in the budget or an accompanying worksheet.

It is not absolutely clear to me that this calendar would need to be “approved by the Assembly,” especially if the travel was implied in the FY13 budget. But I am sure that the Assembly would appreciate being informed. I, in turn, could reference the document when presented with an in-house “Travel Authorization,” travel that I would not so much “authorize” as “note.”

Finally, when we develop a manager’s contract in the future, I will suggest that the approval language in the current contract might lead to a level of Mayoral or Assembly micro-managing that may not be appropriate for a manager-form of government.

Thank you Mark.



**Haines Borough Administration**  
**Mark Earnest, Borough Manager**  
(907)766-2231 • Fax(907)766-2716  
mearnest@haines.ak.us

**August 28, 2012 (Revised)**

### **FY 2013 Manager Travel Schedule**

As part of the Haines Port development effort, I believe that it is important to continue representation of the Haines Borough at mining forums and trade shows in Yukon and British Columbia, as well as individual meetings with industry and Yukon government officials. This effort is a direct function of the Port Development Master Plan funded by the Alaska Legislature in FY 2012 and supported by the Borough Assembly. We are starting to make tangible progress resulting from similar trips to Canada that started last fall.

The proposed travel for the balance of FY 2013 includes the following:

40th Annual Yukon Geoscience Forum & Trade Show  
Whitehorse, YT  
November 18 to 21, 2012

Hotel	\$1,000
Mileage	\$280
Per-Diem	\$250
Registration & Miscellaneous	<u>\$400</u>
Total	\$1,930

Association for Mineral Exploration British Columbia  
2013 Mineral Exploration Roundup  
Vancouver, BC  
January 28 to 31, 2013

Hotel	\$1,000
Air Fare	\$1,000
Per-Diem	\$200
Registration & Miscellaneous	<u>\$400</u>
Total	\$2,600

Individual meetings (4) with industry and Yukon / Alaska government officials:

Hotel	\$1,000
Mileage	\$1,500
Per-Diem	\$300
Miscellaneous	<u>\$200</u>
Total	\$3,000

This does not include a possible trip to Washington, D.C. in spring 2013.



**Agenda Bill No.:** 12-166  
**Assembly Meeting Date:** 9/25/12

Business Item Description:	Attachments:
Subject: Acquisition of Picture Point Property - Purchase & Sale Agreement	1. Resolution 12-09-403 2. Purchase & Sale Agreement
Originator: Borough Manager (Agenda Bill by Clerk's Office)	
Originating Department: Administration	
Date Submitted: 8/29/12	

**Full Title/Motion:**  
 Motion: Adopt Resolution 12-09-403

**Administrative Recommendation:**  
 The Borough Manager Recommends Adoption.

**Fiscal Impact:**

Expenditure Required	Amount Budgeted	Appropriation Required
\$ 450,000	\$ See Summary (grant funds)	\$ 0

**Comprehensive Plan Consistency Review:**

Comp Plan Policy Nos.: Page 211	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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**Summary Statement:**  
 The U.S. Dept of Transportation approved grant funding in the amount of \$495,840 to the ADOT&PF for the acquisition of Picture Point, and the property owner, Roger Beasley, has agreed to sell the property to the borough for which the grant funds will be used. The agreed upon purchase price is \$450,000, and the borough attorney has prepared the Purchase and Sale Agreement, and the borough manager seeks assembly approval to enter into it.

**Referral:**

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

**Assembly Action:**

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 9/25/12	Tabled to Date:

HAINES BOROUGH  
RESOLUTION No. 12-09-403

Draft

**A resolution of the Haines Borough Assembly authorizing the borough manager to enter into a purchase and sale agreement between the Borough and Roger Beasley regarding the acquisition of Picture Point property described as follows: a portion of Lots 2 & 3, Nukdik Point Subdivision, according to Plat No. 2009-1, Haines Recording District, First Judicial District, State of Alaska containing approximately 3 acres.**

**WHEREAS**, the Borough submitted a grant application to the Alaska Department of Transportation and Public Facilities (ADOT&PF) for the purchase three acres more or less of land referred to as "Picture Point"; and

**WHEREAS**, the U.S. Department of Transportation approved grant funding in the amount of \$495,840 to the ADOT&PF for the project; and

**WHEREAS**, the Borough has been working with the ADOT&PF to complete all of the tasks required by the Federal Highway Administration (FHWA) related to the project; and

**WHEREAS**, the required documentation has been completed; and

**WHEREAS**, the manager has been authorized to enter into a grant agreement and notice to proceed with the ADOT&PF for the Picture Point Land Acquisition project funded through the National Scenic Byways Grant Program pursuant to Alaska Statute (AS) 19.05.040 and any regulations promulgated hereunder; and

**WHEREAS**; the "Intermodal Surface Transportation Efficiency Act of 1991" (ISTEA), P.L. 102-240, Dec. 18, 1991, Title I, Part A, 105 Stat. 1996, section 1047, which appears as a note to 23 U.S.C. §101, instituted a program entitled the "National Scenic Byways Grant program," which offers Federal financial assistance for designated scenic byways through a grant program for carrying out eligible projects on highways which the state has designated as scenic byways; and

**WHEREAS**; the Alaska State Legislature authorized the ADOT&PF to receive and expend funds has been approved; and

**WHEREAS**; Mr. Beasley has agreed to sell, subject to the terms and conditions set forth in the agreement, the unimproved real property described as follows: a portion of Lots 2 & 3, Nukdik Point Subdivision, according to Plat No. 2009-1, Haines Recording District, First Judicial District, State of Alaska containing approximately 3 acres; and

**WHEREAS**; the agreed upon purchase price is \$450,000, for which the FHWA funds are to be applied to; and

**WHEREAS**; the Borough Attorney prepared the Purchase and Sale agreement for the subject property,

**NOW, THEREFORE, BE IT RESOLVED** by the Haines Borough Assembly authorizing the borough manager to enter into a Purchase and Sale agreement with Roger Beasley for the acquisition of the above described property at Picture Point in the amount of \$450,000.

Haines Borough  
Resolution No. 12-09-403  
Page 2 of 2

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this \_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Jerry Lapp, Deputy Mayor

Attest:

\_\_\_\_\_  
Julie Cozzi, MMC, Borough Clerk

## AGREEMENT TO PURCHASE AND SELL

For and in consideration of the covenants and conditions contained herein, the Haines Borough, an Alaskan Municipal Corporation, ("Buyer") and Roger K. Beasley, a single man, 6503 Santalina St., Austin, Texas 78731, ("Seller") covenant and agree as follows:

1. **Property to Be Sold.** (a) Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following-described unimproved real property:

A portion of Lots 2 & 3, Nukdik Point Subdivision, according to Plat No. 2009-1, Haines Recording District, First Judicial District, State of Alaska containing approximately 3 acres, the approximate boundaries of which are depicted in the attached Exhibit A

(the "Property").

(b) At the Closing, Seller shall convey to Buyer all of the Property by Warranty Deed in the form attached as Exhibit A. The parties hereby expressly incorporate herein all of the terms and conditions of all Exhibits hereto. All obligations of this Agreement and its Exhibits, as necessary to effect their terms, shall survive the Closing.

(c) This Agreement is contingent on; 1) Buyer receiving approval for this sale from Buyer's Assembly; 2) An approved agreement being reached between Buyer and the State of Alaska Department of Transportation and Public Facilities ("DOTPF") prior to closing committing DOTPF to reimburse Buyer in an amount at least equal to the Purchase Price.

2. **Price.** The purchase price shall be Four Hundred Fifty Thousand Dollars (\$450,000) ("Purchase Price"), to be paid by Buyer as follows:

(a) Earnest Money of Five Thousand Dollars (\$5,000.00) ("Earnest Money"), and receipt by Seller of a check for such amount is hereby acknowledged. In the event that this Agreement shall be terminated prior to Closing pursuant to the contingencies for (i) title defects under Paragraph 3, (ii) failure of Seller to plat the Property prior to Closing under Subparagraph 7, (iii) the Borough Assembly approval contingency of Paragraph 1(c)(1) or (iv) the receipt of funds contingency of Paragraph 1(c)(2), the Earnest Money shall be returned to Buyer. In the event that Buyer shall fail to complete its obligations under this Agreement for any other reason, the Earnest Money shall belong to Seller. The Earnest Money shall be applied to the Purchase Price at the Closing.

(b) The sum of Four Hundred Forty-five Thousand Dollars (\$445,000) by cashier's check or wire transfer at the Closing.

3. **Title and Conveyance.** (a) Seller, at Seller's cost, shall provide to Buyer within seven (7) days of mutual execution of this Agreement proof of marketable title in the form of a Preliminary Commitment to Issue Title Insurance for the Property. In the event that Buyer gives notice of a valid Material Title Defect within ten (10) days of receipt of said Preliminary Commitment, this Agreement shall terminate without further obligation on the part of either party. "Material Title Defect" shall include any matter affecting title which a reasonable person would consider to be a serious defect. Seller shall convey title to the Property to Buyer by Warranty Deed in the form of Exhibit A at the Closing, and, without limiting the effect of such Warranty Deed under AS 34.15.030 in any manner, the parties expressly acknowledge that Buyer at Closing accepts the property subject to any and all of the following:

- (i) Rights-of-way and easements of record acquired by any person or entity, public or private, including but not limited to public rights-of-way pursuant to the "public trust" doctrine.
- (ii) All restrictions, regulations, requirements, laws, ordinances, resolutions and orders of all boards, bureaus, commissions, departments and bodies of any municipal, state or federal authority.
- (iii) Provisions and reservations as contained in the U.S. Patent or made applicable by law.

(b) Nothing in this Agreement shall be construed to require Seller to expend funds to eliminate or clear any matter affecting title.

4. **Leasing/Licensing.** From the date of execution of this Agreement by Seller to the time of Closing, Seller shall not enter into any leases of the Property or grant licenses to use the Property to third parties that shall not be terminable prior to Closing without the same transactions having been first reviewed and approved by Buyer.

5. **Closing.** Closing shall occur on October 31, 2012 or at such earlier time as may be mutually agreed between the parties hereto ("Closing Date"). Closing shall be extended automatically to permit the running of any specified notice or other periods of time permitted and validly invoked hereunder, including but not limited to those of Paragraphs 3 and 8.

6. **Damage or Loss.** Seller agrees to give Buyer prompt notice of any fire or other casualty affecting any material part of the Property between the date hereof and Closing, and in such event, Buyer may at its option terminate this Agreement by written notice to Seller within ten (10) days after Buyer has received the notice referred to above or at Closing,

whichever is earlier. If Buyer does not elect to terminate the Agreement following any fire or other casualty, then Closing shall take place as provided herein. Buyer shall have no rights to any casualty insurance proceeds.

7. **Platting Contingency and Covenants.** This Agreement is contingent on Seller recording a final approved plat of the Property on or before Closing. Buyer is not obligated to approve any plat of the Property which does not meet all platting requirements established by law, however, Buyer as a material condition of this Sales Agreement and for good and valuable consideration including the purchase price hereof which would necessarily be increased in proportion to the costs of subdividing the parcel to create the Property, hereby covenants; 1) that said Plat may be processed administratively pursuant to HBC 18.100.030 if it contains four (4) lots or less; and 2) an exemption from the requirement for construction of utility service lines under HBC 18.100.092(A)(2) shall be granted if requested at the time of plat submission conditioned on any reasonable alternate manner of providing for connection to existing water and sewer lines adjacent to Lutak Road at the northerly end of Lots 2 and 3.

8. **Notices.** All notices, waivers, elections, approvals and demands required or permitted to be given hereunder shall be in writing and shall be personally delivered, mailed by certified mail with postage prepaid, or transmitted by facsimile to the location for each party designated herein. Notice provided to Buyer at the address or facsimile number below shall constitute notice to each and every individual acting as partners for the purposes of this Agreement and the exhibits hereto. Either party may, by proper notice to the other, designate a different address for the giving of notice. Any notice shall be effective when personally delivered, or, if mailed as provided herein, five (5) business days after deposit, postage pre-paid in the U.S. Mails, or in the case of facsimile notice when sent, if answer back or confirmation received:

**SELLER:**

Roger K. Beasley  
c/o James Studley d/b/a Haines Real Estate  
P.O. Box 946  
Haines, Alaska 99669  
Phone: 907/766-3510  
Fax: (907) 766-3599

**BUYER:**

Haines Borough  
Attention: Mark Earnest  
P.O. Box 1209  
Haines, Alaska 99669  
Phone: 907/766-2711  
Fax: (907) 766-2716

**With a courtesy copy to:**

Brooks W. Chandler  
Boyd, Chandler & Falconer, LLP  
911 W. 8th Avenue, Suite 302  
Anchorage, AK 99501  
Fax: 907/274-3698

9. **Costs.** Seller shall pay for a Standard Owners policy of title insurance naming Buyer as the insured. Each party shall bear its own costs and attorney's fees. Seller shall be responsible for payment of all sales/brokerage commissions to be paid from proceeds at Closing. Except as expressly provided herein, all other fees and closing costs in connection with this sale shall be shared equally by the Seller and Buyer. Any and all prepaid expenses or income of any kind and all taxes and assessments shall be prorated.

10. **Broker.** Seller and Buyer each mutually represent and warrant to the other that no broker other than James Studley d/b/a Haines Real Estate has a listing or other right to handle the marketing and/or sale of the Property. Each party shall be responsible to defend, indemnify and hold harmless the other as to any claim made by any person or entity for a commission due as a consequence of the indemnifying party's acts or conduct.

11. **Access to Premises.** At all times during normal business hours prior to the Closing, Buyer shall, upon reasonable notice to Seller, have reasonable access to the Property for the purpose of making such inspections, examinations, tests or surveys of the Property as Buyer may reasonably desire. Buyer shall be responsible and liable for, and shall indemnify, defend and hold Seller harmless from, any damage or harm, personal injury or death, done to any person or entity or the Property during any exercise of such access.

12. **Survival of Terms.** The terms and conditions of this Agreement shall survive the Closing.

13. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, and may be modified only by a written instrument signed by both parties.

14. **Relationship of the Parties.** This Agreement shall not authorize either party to act as an agent for the other.

15. **Law and Venue.** This Agreement shall be governed by and construed under the laws of the State of Alaska. Venue of any dispute shall be the Superior Court for the State of Alaska in Juneau, Alaska.

16. **Assignment.** This Agreement is personal to Seller and Buyer. Any assignment of any obligation owing to the Seller or benefit to the Buyer under this Agreement, or any exhibit hereto, shall be null and void and of no effect without the written consent of the Seller or Buyer. The rights, obligations, and liabilities set forth in or arising under this Agreement shall extend to, be binding upon, and inure to the benefit of Seller and Buyer and their successors and assigns.

17. **Construction.** Both parties having participated fully, either personally or by and through their attorneys, in the drafting of this Agreement, neither party shall be considered the author of this Agreement for purposes of the rule construing ambiguities in a legal agreement against the drafter of that Agreement.

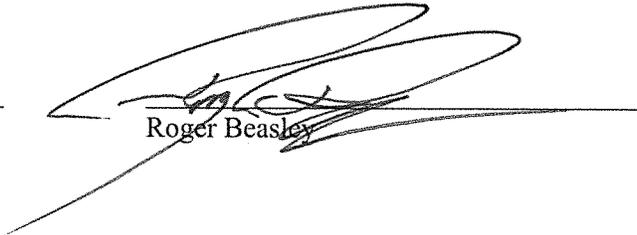
18. **No Waiver.** The failure of any party to insist upon the strict performance of any provision of this Agreement, or the failure to exercise any right, power or remedy available hereunder, shall not constitute a waiver by said party of any such provision as to any other breach or subsequent breach of the same or any other provision.

19. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and which, taken together, shall constitute a single Agreement. This Agreement shall not become binding upon any Party unless and until at least one counterpart of this Agreement shall have been fully executed by each party hereto. Facsimile signatures shall be valid so long as an original signature shall be promptly delivered to the other party.

20. **Merger.** This Agreement expresses and embodies all understandings and agreements between the parties and is entered into after full investigation, neither party relying upon any statements or representations not embodied in this Agreement.

**SELLER:**

DATED: 9-11-12



Roger Beasley

**BUYER:**

DATED: \_\_\_\_\_

Haines Borough

BY: \_\_\_\_\_

ITS: \_\_\_\_\_



**Haines Borough  
Assembly Agenda Bill**

**Agenda Bill No.:** 12-167

**Assembly Meeting Date:** 9/25/12

<b>Business Item Description:</b>		<b>Attachments:</b>
Subject:	Senior Center Wood Pellet Boiler	1. Resolution 12-09-404 2. Manager's Memo 3. Recommended Quote 4. Quote 2 5. Boiler Net Present Worth
Originator:		
Originating Department:		
Date Submitted:		
Borough Manager (Agenda Bill by Clerk's Office)		
Administration		
8/29/12		

**Full Title/Motion:**  
Motion: Adopt Resolution 12-09-404

**Administrative Recommendation:**  
The Borough Manager recommends adoption of this resolution.

**Fiscal Impact:**

Expenditure Required	Amount Budgeted	Appropriation Required
\$ 25,000	\$ 30,000	\$ 0

**Comprehensive Plan Consistency Review:**

Comp Plan Policy Nos. : Objective 15L, Page 255	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---

**Summary Statement:**  
The boiler in the Senior Center is failing and the Administration recommends installation of a wood pellet boiler at the earliest opportunity. The Administration believes Installation of this technology at the Senior Center makes sense for a number of reasons, including the size of the facility and ease of implementing backup or contingency systems on short notice if needed. A net present value and life cycle cost analysis shows that this system will save over \$127,000 during the 25 year life cycle. There are designated funds in the CIP budget for "Sr. Center Exterior, Slab, Energy Eff., Heating, Plumbing."

**Referral:**

Sent to:	Date:
Recommendation:	Meeting Date:
Refer to:	

**Assembly Action:**

Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 9/25/12	Tabled to Date:

HAINES BOROUGH  
RESOLUTION No. 12-09-404

**Draft**

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a contract with Maine Energy Systems to purchase of a wood pellet boiler, silo, and associated parts for an amount not to exceed \$25,000.**

**WHEREAS**, the Haines Borough supports the development and installation of renewable and alternative energy technologies and systems, wherever practicable, and

**WHEREAS**, the Borough has been investigating the possibility of installing wood pellet boilers in various Borough-owned buildings; and

**WHEREAS**, the Senior Center has been identified by staff as an ideal candidate for installation of a wood pellet boiler system; and

**WHEREAS**, the Senior Center Board is supportive of this project; and

**WHEREAS**, the Haines Borough School District's Power Systems Class has committed to monitor and evaluate the performance, efficiency, cost and other parameters of the wood pellet boiler at the Senior Center; and

**WHEREAS**, Maine Energy Systems submitted the most responsive and responsible proposal for the purchase and installation of the pellet system; and

**WHEREAS**, the proposed system manufactured by OkoFen is a time-tested and proven product that offers tremendous potential life-cycle savings over oil-fired boiler systems; and

**WHEREAS**, Borough CIP funds are available and will be used for this project.

**NOW, THEREFORE, BE IT RESOLVED** that the Haines Borough Assembly authorizes the Borough Manager to enter into a contract with Maine Energy Systems to purchase of a wood pellet boiler, silo, and associated parts for an amount not to exceed \$25,000.

Adopted by a duly-constituted quorum of the Haines Borough Assembly this \_\_\_ day of September, 2012.

\_\_\_\_\_  
Jerry Lapp, Deputy Mayor

Attest:

\_\_\_\_\_  
Julie Cozzi, MMC, Borough Clerk



**Haines Borough Administration**  
**Mark Earnest, Borough Manager**  
(907)766-2231 • Fax(907)766-2716  
mearnest@haines.ak.us

September 25, 2012

### **Senior Center Wood Pellet Boiler**

The boiler in the Senior Center is failing and Borough recommends installation a wood pellet boiler at the earliest opportunity. Staff met with the Senior Center Board on Wednesday, September 5, 2012 to discuss the idea. The Board's response was very positive, so we would like to move forward with this installation as soon as possible. Taking action on this now will ensure sufficient time to work out any adjustments to the system and controls prior to the onset of winter.

Installation of this technology at the Senior Center at this time makes sense for a number of reasons, including the size of the facility and ease of implementing backup or contingency systems on short notice if needed. Staff has received quotes from two pellet boiler manufactures, Maine Energy Systems and Pellergy. Staff has also spoken with ACT Bioenergy who declined to send a quote because they do not build small scale systems. However when asked, they did recommend the OkoFen product due to the fact that it requires less maintenance and is more automated than the Pellergy system.

Staff recommends the purchase of the Maine Energy Systems OkoFen Boiler due to its advanced technology, low maintenance costs, and reputation.

The OkoFen pellet boiler will cost roughly \$16,436 and includes a parts kit valued at \$2700 and a two day site visit from the OkoFen Technician valued at \$2700. A storage silo for the pellets is estimated to cost \$5000 and the installation of the entire system is estimated at another \$5000. The entire project should be completed for less than \$30,000.

Grant funds will be used for the project. A net present value and life cycle cost analysis shows that this system will save over \$127,000 during the 25 year life cycle. This assumes a 6% increase inflation rate for heating fuel. Sealaska Corporation has guaranteed to supply the wood pellets for one year at a rate of \$360 per ton which equals heating oil costs of \$3.00 per gallon.

We are asking for consideration of a motion authorizing the Manager to enter into a contract with Maine Energy Systems for an amount not to exceed \$25,000 for purchase of a wood pellet boiler and associated parts.

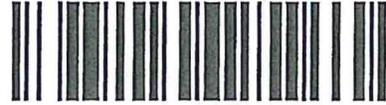
# Estimate

09/19/2012

## Maine Energy Systems LLC

Maine Energy Systems LLC  
 PO Box 547  
 Bethel, ME 04217  
 Phone: 207-824-6749  
 Email: scott@maineenergysystems.com

14494



### Bill To:

Haines Borough  
 PO Box 1209  
 Haines, AK 99827  
  
 Phone: 907-766-2257  
 Fax: 907-314-0648

### Ship To:

Haines Borough  
 PO Box 1209  
 Haines, AK 99827

Contact: Haines Borough  
 PO Number: Senior Center

Customer: Haines Borough

Seller	Payment Terms	FOB Point	Carrier	Ship Service	Requested Ship Date
mbray	COD	Origin	Delivery		12/31/2012

Item #	Type	Number / Description	Unit Price	Qty Ordered	Total Price
1	Kit	PES32 Assembly - 32Kw Vacuum Boiler 109500 BTU	\$ 15,336.00	1 ea	\$ 15,336.00
2	Sale	PES32ASME - 32Kw Vacuum Boiler 109500 BTU w/ ASME Stamp	\$ 0.00	1 ea	\$ 0.00
3	Sale	PEASCHRE - Right Ash Compression & Ash Box	\$ 0.00	1 ea	\$ 0.00
4	Sale	12104720 - Boiler Side Pellet Suction Hose 66'	\$ 0.00	1 ea	\$ 0.00
5	Sale	SWS-M - Vacuum System Metering Unit	\$ 0.00	1 ea	\$ 0.00
6	Sale	Gauge Kit - Low Water Cut Off - Tridicator - Pressure Release	\$ 0.00	1 ea	\$ 0.00
7	Sale	510 - Incoming Freight	\$ 0.00	1 ea	\$ 0.00
8	Kit	SILO-7-67-14 - Silo 7' x 24'9" - 67deg - 15 tons	\$ 5,900.00	1 ea	\$ 5,900.00
9	Sale	033775 - MFS silo 7' x 24' 9" - 67deg - 14.9 ton	\$ 0.00	1 ea	\$ 0.00
10	Sale	032142 - Ladder for 033775 Silo	\$ 0.00	1 ea	\$ 0.00
11	Sale	BLK-10207 - Fill Kit for 033770 Series	\$ 0.00	1 ea	\$ 0.00
12	Sale	ZR100 - 4" x 39.37" Pipe	\$ 0.00	5 ea	\$ 0.00
13	Sale	ZS100 - 4" Clamp Ring w/gasket	\$ 0.00	6 ea	\$ 0.00
14	Sale	Male CAM X 4" Shank - Male CAM X 4" Shank	\$ 0.00	1 ea	\$ 0.00
15	Sale	Dust Cap - C&G 4" AL Dust Cap	\$ 0.00	1 ea	\$ 0.00
16	Sale	510 - Incoming Freight	\$ 0.00	1 ea	\$ 0.00

# Estimate

09/19/2012

## Maine Energy Systems LLC

Maine Energy Systems LLC  
PO Box 547  
Bethel, ME 04217  
Phone: 207-824-6749  
Email: scott@maineenergysystems.com

14494



Item #	Type	Number / Description	Unit Price	Qty Ordered	Total Price
17	Sale	E1370 - Pelletronic Online	\$ 700.00	1 ea	\$ 700.00
18	Sale	Delivery - Delivery Charges	\$ 1,100.00	1 hr	\$ 1,100.00

---

SubTotal: \$ 23,036.00  
Sales Tax: \$ 0.00  
TOTAL: \$ 23,036.00

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

**Darsie Culbeck**

---

**From:** Andrew Boutin [andy.boutin@pelligy.com]  
**Sent:** Monday, September 10, 2012 4:58 PM  
**To:** Darsie Culbeck  
**Cc:** Scott Hansen  
**Subject:** Re: quote for pellet system in Haines

*Quote #2*

Darsie,

Based on the system size you currently have, you will be best served by our KPA-100-5 system. This is a boiler rated for a max firing rate of 185,000 btu/hr, but can be downfired to 100,000 btu/hr.

The quote below includes the boiler, a bulk auger system to move pellets from your outdoor silo to a working hopper that will feed the boiler, a shipping estimate and a Spares Kit for you to maintain on site. You will need to work with the CIA's Pelligy Certified Installers and/or Jim Blillie on an installation estimate for labor.

KPA-100-5: 5-Section Pelligy Cast Iron Triple Pass Boiler -Pelligy PB-3550 Burner -550LBS Hopper -Auto Combustion Chamber Cleanout  
Firing Rate: 130,000 to 170,000 btu/hr                      84% Efficiency

- \$8,650.00

AUG-45: Bulk Auger System; 35RPM Motor drive unit, one (3) 10FT straight pipes, four (4) 45-deg elbows, drop kit, auger connection assembly and 45FT flexible auger.

- \$1,958.00

LVL-01: Level Switch Controller for Bulk Bin

- \$112.00

ALARM-1: Freeze Alarm unit with AUX input for Pelligy System. Will Dial three customer-set phone numbers upon loss of power, Pelligy Error or space temperature <45-deg F (Phone Line Required)

- \$182.00

Certified Installer Spares Kit: Includes Pelligy Control Board, Pelligy Display Board, Ignitor, Combustion Blower, Flame Sensor, Thermal High Temp Switch, Misc Hardware

-\$600

Estimate, Materials: \$11,502

Shipping Estimate to Haines, AK: \$950.00

TOTAL ESTIMATE, System Delivered to Haines, AK: \$12,452

*This quote does not include the silo.*

Andy

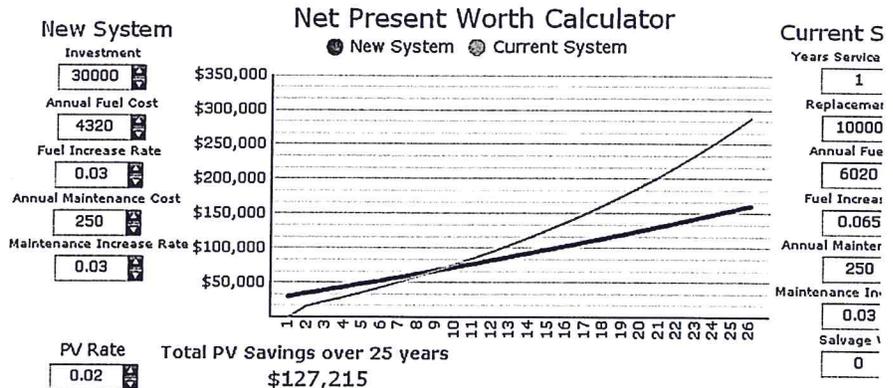


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**Haines Borough  
Assembly Agenda Bill**

**Agenda Bill No.:** 12-168

**Assembly Meeting Date:** 9/25/12

Business Item Description:	Attachments:
Subject: Memorandum of Understanding (MOU) with Prophecy Platinum	1. Resolution 12-09-405 2. Memo from the Manager 3. Proposed Memorandum of Understanding
Originator: Borough Manager (Agenda Bill by Clerk's Office)	
Originating Department: Administration	
Date Submitted: 9/7/12	

Full Title/Motion:
Motion: Adopt Resolution 12-09-405

Administrative Recommendation:
The borough manager recommends adoption.

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$ 0	\$	\$

Comprehensive Plan Consistency Review:	
Comp Plan Policy Nos. : Goal 3, Objective 3J, page 107	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>This non-binding MOU is between the Borough and Prophecy Platinum part of a continuum of port development efforts currently underway and is a direct function of the Port Development Master Plan funded by the Alaska Legislature in FY 2012. This is an important step in the Borough's efforts to promote the industrial waterfront zone in and around Lutak Dock. This MOU will provide the framework for discussions regarding the possibility of mineral concentrate transshipments through the Haines port. Prophecy Platinum owns 100 percent of the Wellgreen property, located near Burwash Landing, Yukon Territory. The deposit is rich in gold and platinum group metals, including platinum, palladium, and rhodium, nickel, and copper.</p>

Referral:			
Sent to:		Date:	
Recommendation:	Refer to:	Meeting Date:	

Assembly Action:	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 9/25/12	Tabled to Date:

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a Memorandum of Agreement with Prophecy Platinum Corp. to establish a framework of mutual cooperation and the exchange of information among the parties regarding the potential development of the Wellgreen Ni, Cu, Au, PGE deposit near Burwash Landing, Yukon Territory.**

**WHEREAS**, the Haines Borough is actively engaged in a Port plan to market and develop the industrial area in the vicinity of Lutak Dock; and

**WHEREAS**, the major efforts are underway in the Yukon Territory to develop and extract mineral resources; and

**WHEREAS**, some of the mineral production requires transshipment of concentrate via deep water ports; and

**WHEREAS**, Haines has been identified as a potential future port for transshipment of mineral concentrate;

**WHEREAS**, Prophecy Platinum Corp. is developing a large mineral deposit located near Burwash Landing, Yukon Territory; and

**WHEREAS**, if the property proves to be feasible and mining commences at some point in the future, the Haines Port could serve as a mineral concentrate transshipment point; and

**WHEREAS**, representatives of Prophecy Platinum and the Borough met to discuss the possibility of entering into a non-binding, non-exclusive Memorandum of Agreement (MOU) to establish a framework of mutual cooperation and the exchange of information among the parties regarding the potential development of the Wellgreen property; and

**WHEREAS**, the MOU is necessary to reasonably treat to the fullest extent allowed by law confidential and proprietary information shared by Prophecy Platinum with the Borough,

**NOW, THEREFORE, BE IT RESOLVED** by the Haines Borough Assembly that the Borough Manager is hereby authorized to enter into a Memorandum of Agreement with Prophecy Platinum Corp. to establish a framework of mutual cooperation and the exchange of information among the parties regarding the potential development of the Wellgreen Ni, Cu, Au, PGE deposit near Burwash Landing, Yukon Territory.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this \_\_\_ day of \_\_\_\_\_, 2012.

Attest:

\_\_\_\_\_  
Jerry Lapp, Deputy Mayor

\_\_\_\_\_  
Julie Cozzi, MMC, Borough Clerk



**Haines Borough Administration**  
**Mark Earnest, Borough Manager**  
(907)766-2231 • Fax(907)766-2716  
mearnest@haines.ak.us

September 25, 2012

### **Prophecy Platinum Memorandum of Understanding**

Included for Assembly consideration is a non-binding, Memorandum of Understanding between the Borough and Prophecy Platinum to provide the framework for discussions regarding the possibility of mineral concentrate transshipments through the Haines port. Prophecy Platinum owns 100 percent of the Wellgreen property, located near Burwash Landing, Yukon Territory. The deposit is rich in gold and platinum group metals, including platinum, palladium, and rhodium, nickel, and copper. The company website notes that the Wellgreen property is located "402 km from Alaska's Haines deep sea port."

Prophecy Platinum is currently engaged in project advancement and is proceeding with a 20,000-meter underground drill program. This represents the first phase of an extensive infill drilling program expected to upgrade a significant portion of Wellgreen's inferred resource into the measured and indicated category. A surface program, designed to supplement this underground phase is also underway.

Darsie Culbeck and I recently visited the Wellgreen property and met with Mr. Joseph Li, Prophecy Platinum General Manager. This MOU is a direct result of that trip and is part of a continuum of Port development efforts currently underway and is a direct function of the Port Development Master Plan funded by the Alaska Legislature in FY 2012. The MOU is an important step in the Borough's efforts to promote the industrial waterfront zone in and around Lutak Dock. The effort is not exclusive to the Borough's facilities.

# MEMORANDUM OF UNDERSTANDING

*September \*, 2012*

This Memorandum of Understanding (“MOU”) is between Prophecy Platinum Corp (“Prophecy”) and Haines Borough (“Haines”) (collectively the “Parties” or each a “Party”).

## PURPOSE

The Purpose of this MOU is to establish a framework of mutual co-operation and the exchange of information between the Parties.

## NON-BINDING PROVISIONS

The following numbered paragraphs of this MOU (collectively, the “**Nonbinding Provisions**”) reflect our mutual understanding of the matters described in them, but each Party acknowledges that the Nonbinding Provisions are not intended to create or constitute any legally binding obligation between the Parties, and no Party shall have any liability to the other with respect to the Nonbinding Provisions unless and to the extent that they are embodied in a fully integrated definitive agreement (a “**Definitive Agreement**”), and other related documents, which are prepared, authorized, executed and delivered by and between all parties. If a Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this MOU shall have any liability to any other party to this MOU based upon, arising from, or relating to the Nonbinding Provisions.

## 1. BACKGROUND

Prophecy is listed on the TSX Venture Exchange and primarily engaged in the identification, acquisition and exploration for mineral resource properties throughout Canada.

In the Yukon Territory, Prophecy holds a 100% interest in a certain mineral exploration property (the “Wellgreen Property”), located approximately fifteen (15) kilometres from the Alaska Highway and three hundred and seventeen (317) kilometres north of the city of Whitehorse in southwestern Yukon.

The Wellgreen Property is rich in platinum group metals (platinum, palladium, rhodium, nickel and copper) with a National Instrument 43-101 compliant inferred resources estimate of 289,000,000 tonnes and an indicated resource estimate of 14,000,000 tonnes.

Haines, is a home rule borough, located at the hub of road and sea routes to the rest of Alaska, Yukon, and overseas and four hundred and two (402) kilometres from the Wellgreen Property.

Haines owns and operates Lutak Dock, an industrial deep sea port facility. Lutak Dock handles freight shipments in and out of the community, as well as the rest of Alaska and overseas. Also included in Haines are the privately-owned Chilkoot Lumber Dock Facility and the US Government-owned Haines POL Terminal Dock, with associated uplands, that may be available for development in the future.

The Lutak and other dock facilities are located approximately four (4) miles from Haines. The Lutak Dock is currently configured for use as a containerized, conventional, roll on, and roll off cargo operation, as well as storage.

It is Prophecy's intention is to fully develop the Wellgreen Property as viable commercial resource ready for commercial production commencing in 2018 and 2019. To achieve this goal, Prophecy:

- commissioned an Independent Preliminary Economic Assessment ("PEA") that investigated the Wellgreen Property as a commercial viable resource. The PEA recommends that the Wellgreen Property will support a 32,000 ton per day open pit mine operation that is expected to produce 1.959 billion pounds of nickel; 2.058 billion pounds of copper; and 7.119 million ounces of platinum, palladium, and gold over a 37 year mine life; and
- commissioned a transportation study with a mandate to evaluate the movement of concentrate from the Wellgreen Property to three shipping destinations, Haines, Port of Skagway, and the Port of Stewart. This transportation study is expected to be completed by December 14, 2012.

It is Haines' intention is to position itself to capture a significant share of transportation and expediting business related to the export of raw materials from the Yukon Territory. Haines is actively seeking prospective tenants for and potential users of Lutak Dock and other facilities. Haines intends to provide affordable marine transportation via the Lutak Dock and related uplands development. To achieve this goal, Haines:

- has received State funding in the amount of USD \$120,000 to study and assess the potential for Haines in the resurgence of the Yukon mining industry reflected in a Port Development Master Plan; and
- established a Port Development Steering Committee to oversee and guide future port development initiatives involving studying and implementing the rehabilitation and the redesign, of the Lutak Dock and the construction of a modern and expanded port.

## **2. OBJECTIVE**

The objective of this MOU is to identify, assess, and investigate through mutual co-operation and the sharing of information the potential of a future commercial relationship between the Parties that is mutually beneficial reflecting the Parties intentions and goals.

## **3. COLLABORATIVE PROCESS AND INFORMATION SHARING**

The Parties agree to in good faith to consult, cooperate, and exchange information and identify areas of mutual interest and benefit to aid in and to achieve the objective of this MOU.

The Parties agree to the free exchange of information which includes, but is not limited to, the following:

- Regulations, guidance documents, policies, procedures, and other scientific and technical documents;

- Data and information regarding port utilization, port capacity and dimension to handle vessel size, frequency of shipment, capital requirements to complete expansion work, and permits required for such concentrate transport;
- Environmental data and assessments
- Studies / plans
- Community impact / social studies

The Parties agree to meet periodically and attend meetings as necessary to update each other on their perspective progress in the collection and analysis of information pertaining to their respective marine transportation goals.

The Parties agree that they will each make best efforts to dedicate the necessary time and effort to fulfill the objective of this MOU.

Each Party will notify the other Party immediately regarding any circumstances that arise and that may potentially affect fulfilling the objective of this MOU.

## **BINDING PROVISIONS**

Upon execution by the Parties of this MOU or counterparts thereof, the following lettered paragraphs of this MOU (collectively, the “**Binding Provisions**”) will constitute the legally binding and enforceable agreement of the Parties (in recognition of the significant costs to be borne by the Parties in pursuing this proposed transaction and further, in consideration of their mutual undertakings as to the matters described herein).

### **A. NON-BINDING PROVISIONS NOT ENFORCEABLE**

The Nonbinding Provisions do not create or constitute any legally binding obligations between the Parties, and none of the Parties shall have any liability to the other parties with respect to the Nonbinding Provisions unless and to the extent that they are embodied in the Definitive Agreement, if one is successfully negotiated, executed and delivered by and between all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this MOU shall have any liability to any other party to this Letter based upon, arising from, or relating to the Nonbinding Provisions.

### **B. NON-EXCLUSIVITY AND LEGAL STATUS**

This MOU is non-exclusive. Each Party is free to carry out similar initiatives with third parties. This MOU does not constitute an offer, binding commitment or obligation of either Party, nor will it be construed or deemed as creating a contract of any nature and under no circumstances will either Party be bound in any manner whatsoever, in either law or equity, other than as expressly set out. The Parties may not act or bind the other in any way nor may either represent that it is in any way responsible for the acts of the other. This MOU does not establish a joint venture or partnership between the Parties.

### **C. CONFIDENTIALITY**

"Confidential Information" means information clearly identified in good faith in writing by either Party as "Confidential" and/or "Proprietary," or information that, under the circumstances, ought

reasonably be treated as confidential and/or proprietary. To the fullest extent allowed by law, "Confidential Information" shall include, but not be limited to:

- (a) customer data, usage statistics, market research, analyses, studies, processes, present and/or future information, and business plans; and
- (b) all information, in whatever form communicated or maintained, whether orally, in writing, electronically, posted in a virtual data room, in computer readable form or otherwise, that a Party discloses to, or that is gathered by inspection by, the receiving Party whether provided before or after the date of this MOU, including, without limitation, information that contains or otherwise reflects information concerning the disclosing Party, or their respective businesses, affairs, financial conditions, assets, liabilities, operations, prospects or activities, and specifically includes, without limitation, financial information, budgets, estimates, forecasts, engineering reports, environmental reports, evaluations, projections, legal opinions, names of security holders, names of joint venture partners and contractual parties, and any information provided to the receiving Party by third parties under circumstances in which the disclosing Party has an obligation to protect the confidentiality of such information.

For a period of two years following the execution of this MOU, to the fullest extent allowed by law, neither Party shall disclose to a third party Proprietary or Confidential Information of the other Party. Each party further agrees to act as trustee for any Proprietary or Confidential Information jointly created or acquired through the Parties' participation in this MOU. The receiving Party shall use the same degree of care as it uses to protect the confidentiality of its own confidential information of like nature, but no less than a reasonable degree of care, to maintain in confidence the Confidential Information of the disclosing Party. The foregoing obligations shall not apply to any Confidential Information that: (a) can be demonstrated to have been publicly known as the time of the disclosing Party's disclosure of such Confidential Information to the receiving Party; (b) becomes part of the public domain or publicly known, by publication or otherwise, not due to any unauthorized act or omission by the receiving Party; (c) can be demonstrated to have been independently developed or acquired by the receiving Party without reference to or reliance upon such Confidential Information; (d) is provided to the receiving Party by a third party who is under no obligation to the disclosing Party to keep the information confidential; or (e) is required to be disclosed by law, provided that the receiving Party takes reasonable and lawful actions to avoid and/or minimize such disclosure and promptly notifies the disclosing Party so that the disclosing Party may take lawful actions to avoid and/or minimize such disclosure. Each Party agrees that it will use the Confidential Information provided by the other Party only as necessary to discharge its obligations under this MOU and for no other purpose without the prior written consent of the disclosing Party.

The Parties make no representations and warranties to each other concerning any of the Proprietary or Confidential Information provided. The Parties agree that all Confidential or Proprietary Information that is in any form or medium, including digital media, of the disclosing Party is and remains the sole property of the disclosing Party. A receiving Party shall return to a disclosing Party all Proprietary or Confidential Information and any copies thereof at the written request of the disclosing Party, provided however that a receiving Party may retain electronic copies of Confidential Information for the purposes of records retention on reasonable back-up and electronic storage systems and this MOU shall apply to any Proprietary or Confidential Information for so long as it is held for such records retention purposes.

## **D. FINANCIAL ARRANGEMENTS**

This MOU will not impose any financial responsibilities on the parties, except that each party will be responsible for the costs it incurs in its own interest, related to the support of this MOU.

## **E. SETTLEMENT OF DISPUTES**

Any disputes regarding the interpretation or implementation of this MOU will be resolved only by consultation among the Parties and will not be referred to a court, or other third party for settlement.

## **F. NOTICE**

Any notice, direction or other communication required or permitted to be given under this Agreement will be in writing and will be given by personal delivery or by prepaid registered or certified mail or by facsimile or other form of telecommunication, in each case addressed as follows:

To Prophecy:

Attention: Joseph Li, Corporate Secretary  
Address: Prophecy Platinum Corp.  
2<sup>nd</sup> Floor, 342 Water Street,  
Vancouver B.C.,  
Tel: 604-569-3661 x 102  
Fax: 604-569-3617  
Email: [jli@prophecycoal.com](mailto:jli@prophecycoal.com)

To Haines:

Attention: Mark Earnest, Borough Manager  
Address: Haines Borough  
P.O Box 1352  
Haines AK 99827  
Tel: 907-766-2231 x 29  
Fax: 907-766-7261  
Email: [mearnest@haines.ak.us](mailto:mearnest@haines.ak.us)

## **G. AMENDMENTS**

This MOU may be amended only with the mutual written consent of the Parties. Any amendment must be approved by the Haines Borough Assembly.

## **H. DURATION, WITHDRAWAL AND TERMINATION**

This MOU will be reviewed periodically by the parties and will remain in effect until either withdrawn from or terminated.

Any party may withdraw from this MOU upon presentation of 30 days written notice to the other party.

This MOU may be terminated at any time, with the mutual written consent of the parties.

**I. EXECUTION IN COUNTERPARTS**

The Parties hereto agree that this MOU may be executed and dated in counterparts, each counterpart of which counterpart when taken together will constitute the original MOU.

**J. EFFECTIVE DATE AND SIGNATURE**

This MOU, agreed to in principle by the parties as of the date of signature below, takes effect on \*, 2012

**PROPHECY PLATINUM CORP.**

Per: \_\_\_\_\_  
Authorized Signature

**HAINES BROUGH**

Per: \_\_\_\_\_  
Authorized Signature

**Haines Borough  
Assembly Agenda Bill**



**Agenda Bill No.:** 12-169

**Assembly Meeting Date:** 9/25/12

Business Item Description:	Attachments:
Subject: Lynn Canal HR, Inc. Tax Exemption Revocation	1. Ordinance 12-09-304 2. Exemption Revocation Notice for Lynn Canal Counseling Services
Originator: Executive Assistant (Agenda Bill by Clerk's Office)	
Originating Department: Administration	
Date Submitted: 8/17/12	

Full Title/Motion:
Motion: Adopt Ordinance 12-09-304

Administrative Recommendation:
The Borough Assistant Assessor recommend adoption of this resolution.

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$ TBD	\$ TBD	\$

Comprehensive Plan Consistency Review:	
Comp Plan Policy Nos. : N/A	Consistent: <input type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
Lynn Canal Counseling Services, who provides community mental health, and substance abuse services, was granted exempt status under the adopted ordinance 09-08-213. Land use for this community purpose exemption was identified for new construction of office space on this property. During a recent audit by the State Assessor it was pointed out that new construction of the office space described in the tax exempt application has not occurred. It was deemed by the State Assessor that owning vacant land is not a valid reason for the community service exemption. As a result, the Haines Borough Assessor's office was directed by Steve Van Sant, State Assessor for the state of Alaska, to remove the exempt status of the land owned by Lynn Canal Counseling Services, which was notified of this change by the Haines Borough on September 17th, 2012.

Referral:			
Sent to:		Date:	
Recommendation:	Refer to:	Meeting Date:	

Assembly Action:	
Workshop Date(s): Meeting Date(s): 9/25/12	Public Hearing Date(s): Tabled to Date:

**An Ordinance of the Haines Borough Assembly amending Haines Borough Code Title 3, Section 3.70.040(D) to remove from the list of community purpose-exempted properties the parcels owned by Lynn Canal Human Resources, Inc.**

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. Section 4 of this ordinance is of a general and permanent nature and the adopted amendment shall become a part of the Haines Borough Code.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance is effective upon adoption.

Section 4. Amendment of Section 3.70.040(D): Section 3.70.040(D) of the Haines Borough Code is hereby amended to read as follows:

NOTE: **Bolded/UNDERLINED** ITEMS ARE TO BE ADDED  
~~STRIKETHROUGH~~ ITEMS ARE DELETED

**3.70.040 Local exemptions and exclusions.**

...

D. Pursuant to AS [29.45.050\(b\)\(1\)\(A\)](#), the below listed properties shall remain exempt from property taxation so long as they remain the property of their present owners (organizations not organized for business or profitmaking purposes) and so long as they remain used exclusively for community purposes:

1. Southeast Alaska Fairgrounds: that area containing 42 acres, more or less, in USS 735, currently owned by Southeast Alaska State Fair, Inc.;

2. Port Chilkoot Parade Ground, currently owned by Alaska Indian Arts, Inc., that area surrounding Block G, Port Chilkoot Subdivision, containing 7.58 acres, more or less, not used for commercial purposes;

3. Land and improvements situated on Lots 1 through 7, Block O, Presbyterian Mission Subdivision, currently owned by the American Bald Eagle Foundation;

4. Land and improvements situated on Small Tracts Road, specifically the north 300 feet of the West 100 feet of Lot 40, Section 2, Township 31 South, Range 59 East, of the Copper River Meridian, currently owned by the Haines Animal Rescue Kennel;

5. Land and improvements situated on Lots 5, 6 and 11 through 14, Block 8, Townsite Addition, dedicated to the Haines Senior Assisted Living Facility and owned by Haines Assisted Living Inc.;

6. Charles Anway Cabin: Land and improvements situated on Lot 2C within the resubdivision of Lot 2, Meacock Subdivision within Survey 206 currently owned by the Chilkat Valley Historical Society;

~~7. Land and improvements situated on Lots 5 and 6, Block 15, Townsite, dedicated to Lynn Canal Counseling Services and owned by Lynn Canal Human Resources, Inc.;~~

~~8.~~7. Land and improvements situated on Lots 1 through 5, Block 12, and Lots 5 through 8, Block 6, Townsite, currently owned by Takshanuk Watershed Council.

Haines Borough  
Ordinance No. 12-09-304  
Page 2 of 2

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS \_\_\_\_  
DAY OF \_\_\_\_\_, 2012.

ATTEST:

\_\_\_\_\_  
Stephanie Scott, Mayor

\_\_\_\_\_  
Julie Cozzi, MMC, Borough Clerk

Date Introduced: 09/25/12  
Date of First Public Hearing: \_\_\_/\_\_\_/\_\_\_  
Date of Second Public Hearing: \_\_\_/\_\_\_/\_\_\_



HAINES BOROUGH  
Lands Department  
P.O. Box 1209  
Haines, AK 99827-1209  
907-766-2231 Ext. 33  
907-766-2716 (fax)

September 17, 2012

Beckie Chapin  
Executive Director  
Lynn Canal counseling Services  
P.O. Box 90  
Haines, AK 99827

Beckie,

In July of 2009 Lynn Canal Counseling Services submitted an application for property tax exempt status that is allowable by Alaska Statute as outlined in the following:

*Sec. 29.45.050. Optional exemptions and exclusions.*

*(b) A municipality may by ordinance  
(1) classify and exempt from taxation*

*(A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter;*

All of the required documents necessary to validate your exempt status were received by former Haines Borough Assessor, John Wurst, and the formerly taxable account, C-TNS-15-0500, now owned by Lynn Canal Counseling Services has not been taxed since the 2010 Tax year.

Lynn Canal Counseling Services, who provides community mental health, and substance abuse services, was granted exempt status under the adopted ordinance 09-08-213. Land use for this community purpose exemption was identified for new construction of office space on property with the legal description of Townsite Block 15, lots 5 & 6, (Account # C-TNS-15-0500), with the intent to begin construction no later than spring of 2011.

During a recent audit by the State Assessor it was pointed out that new construction of the office space described in your application has not occurred, and just owning vacant land is not a valid reason for the community service exemption. As a result, the Haines Borough Assessor's office was directed by Steve Van Sant, State Assessor for the state of Alaska, to remove the exempt status of the land owned by Lynn Canal Counseling Services, (Townsite Block 15, lots 5 & 6), for the upcoming 2013 tax year.

The current tax exempt status will remain until January 1, 2013, at which time account # C-TNS-15-0500 will again be activated, and the property will be reassessed as outlined by Alaska Statute, and Haines Borough Code. A new notice of valuation and a related tax bill will be mailed to Lynn Canal Counseling Services in the spring of 2013.

When you begin breaking ground for construction of the new building that will help you implement the valuable community service you offer, our office will gladly assist you in reapplying for exempt status.

Sincerely,  
*Dean Olsen*  
Assistant Assessor  
Haines Borough Land Department