

May 27, 2014 - 6:30 p.m.

Location: Assembly Chambers, Public Safety Bldg.

Stephanie Scott,
Mayor

Dave Berry Jr.,
Assembly Member

Diana Lapham,
Assembly Member

Debra Schnabel,
Assembly Member

Joanne Waterman,
Assembly Member

George Campbell,
Assembly Member

Jerry Lapp,
Assembly Member

David Sosa,
Borough Manager

Julie Cozzi, MMC
Borough Clerk

Krista Kielsmeier
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 – Approve Assembly Meeting Minutes
- 8B – Museum Report
- 8C – Library Report
- 9A – Library Board Minutes
- 11A1 – Resolution 14-05-563
- 11A2 – Resolution 14-05-564
- 11A3 – Resolution 14-05-565
- 11A4 – Resolution 14-05-566
- 11B1 – Ordinance 14-05-381
- 11B2 – Ordinance 14-05-382
- 11B3 – Ordinance 14-05-383
- 11C1 – Notification of Nelson Abatement Appeal
- 11C3 – Preschool Letter of Support
- 11C4 – Letter to F&G re. Crabbing
- 11C5 – Confirm Tourism Director Hire

- * 4. APPROVAL OF MINUTES – 5/13/14 Regular
5. PUBLIC COMMENTS [Any topics not scheduled for public hearing]
6. MAYOR'S COMMENTS/REPORT
7. PUBLIC HEARINGS

A. Ordinance 14-04-373 - Third Public Hearing

An Ordinance of the Haines Borough repealing Chapter 2.68 of the Haines Borough Code and reenacting Chapter 2.68 as Title 11 with amendments to certain borough election and election contest procedures.

This ordinance was introduced on 4/8 and had a first public hearing on 4/22. Following the second hearing on 5/13, and with a motion to adopt and an amendment motion both on the table, the assembly postponed the ordinance for a third public hearing on 5/27. The clerk was asked to perform a consistency review and report back. As a result, the clerk has drafted another memo recommending amendments.

After the public hearing, assembly debate should resume with the following motions already on the table:

Main Motion: "Adopt Ordinance 14-04-373."

Amendment Motion: "Amend by making the changes proposed in the 5/13 clerk memo except in both 11.52.010(A) & 11.52.030(A) strike the phrase "any action" and replace with "misconduct, fraud, or corruption."

B. Ordinance 14-04-377 – Second Public Hearing

An Ordinance of the Haines Borough, providing for the additions or amendment of specific line items to the FY14 budget.

*This ordinance is recommended by the borough manager. It was introduced on 4/22 and had a first public hearing on 5/13. **Motion:** Adopt Ordinance 14-04-377.*

7. PUBLIC HEARINGS ---continued---

C. Ordinance 14-05-378 – Second Public Hearing

An Ordinance of the Haines Borough, Alaska, providing for the establishment and adoption of the budget of the Haines Borough for the period July 1, 2014 through June 30, 2015.

*This ordinance is recommended by the borough manager. On 5/13, it was introduced and had a first public hearing. **Motion:** Adopt Ordinance 14-05-378.*

D. Ordinance 14-05-379 – First Public Hearing

An Ordinance of the Haines Borough authorizing the Borough Manager to negotiate and execute a new lease with Goat Lake Hydro, Inc., a subsidiary of Alaska Power & Telephone, for the specified parcel of Borough property for the Goat Lake Hydro plant at Lutak.

*The Comprehensive Plan, Objective 15M(4) recommends the borough "support and protect energy production at existing hydro facilities including Lutak Hydro (AP&T). This ordinance allows the manager to negotiate a new rent amount and secure a replacement lease for this hydro facility. This was introduced on 5/13. **Motion:** Advance Ordinance 14-05-379 to a second public hearing on 6/10/14.*

E. Ordinance 14-05-380 – First Public Hearing

An Ordinance of the Haines Borough amending Borough Code Title 3 Section 3.24.050 to increase the cap for stock investments for the Permanent Fund from 25% to 50%.

*This amendment was recommended by the finance committee on 3/10/14 and introduced on 5/13. **Motion:** Advance Ordinance 14-05-380 to a second public hearing on 6/10/14.*

8. STAFF/FACILITY REPORTS

A. Borough Manager – 5/27/14 Report

* B. Sheldon Museum – Staff Report of April 2014

* C. Public Library – Staff Report of April 2014

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

* A. Library Board – Minutes of 3/19/14

B. Assembly Standing Committee Reports

10. UNFINISHED BUSINESS

11. NEW BUSINESS

A. Resolutions

* 1. Resolution 14-05-563

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with MRV Architects for an amount not-to-exceed \$15,435 for Haines Borough Administration Building Roof Renovation Design.

*This resolution is recommended by the Director of Public Facilities. **Motion:** Adopt Resolution 14-05-563.*

* 2. Resolution 14-05-564

A Resolution of the Haines Borough Assembly accepting a grant offer entitled Asbestos Cement Pipe Replacement (MMG #39542) of up to \$551,250 from the State of Alaska, Department of Environmental Conservation.

*This resolution is recommended by the Director of Public Facilities. **Motion:** Adopt Resolution 14-05-564.*

* 3. Resolution 14-05-565

A Resolution of the Haines Borough Assembly approving certain unincorporated communities and their respective nonprofit entity for participation in the FY15 Community Revenue Sharing Program.

*This resolution is recommended by the Chief Fiscal Officer. **Motion:** Adopt Resolution 14-05-565.*

* 4. Resolution 14-05-566

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with Carson Dorn, Inc. for an amount not-to-exceed \$35,700 for Piedad Springs Water Treatment Design.

*This resolution is recommended by the Director of Public Facilities. **Motion:** Adopt Resolution 14-05-566.*

11. NEW BUSINESS ---continued---

B. Ordinances for Introduction

* 1. **Ordinance 14-05-381**

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 Chapter 2.104 to clarify management of the Chilkat Center for the Performing Arts.

*This ordinance is recommended by the borough manager. **Motion:** Introduce Ordinance 14-05-381 and set a first public hearing for 6/10/14.*

* 2. **Ordinance 14-05-382**

An Ordinance of the Haines Borough authorizing a new lease of the Chilkat Center with Lynn Canal Broadcasting for the purpose of operating a non-profit, public FM broadcasting facility.

*This ordinance is recommended by the borough manager. **Motion:** Introduce Ordinance 14-05-382 and set a first public hearing for 6/10/14.*

* 3. **Ordinance 14-05-383**

An Ordinance of the Haines Borough amending Haines Borough Code Title 18, Chapter 18.90 to allow the placement of off-premises business signs on private property.

*This ordinance is recommended by the mayor and the planning & zoning technician to address the issue of off-premises signs in town. This would allow them of a limited size on private property. **Motion:** Introduce Ordinance 14-05-383 and set a first public hearing for 6/10/14.*

C. Other New Business

* 1. **Appeal of Nuisance Abatement Order**

*The borough issued a Title 8 abatement order to Paul Nelson. He appealed in writing, and the clerk determined it to be filed timely. Per 8.12.130, the clerk is presenting this appeal to the assembly and with the assembly's direction, the clerk will schedule the appeal hearing. There is no other action to be taken at this time. **Motion:** Accept the appeal as timely-filed and direct the borough clerk to schedule a date, time, and place for the hearing by the assembly, such date to be no later than July 13, 2014 (60 days from date of appeal).*

2. **Municipal (Muni-Plex) Building** - Discussion

This discussion was requested On 5/13/14 by Assembly Member Waterman.

* 3. **Chilkat Valley Preschool Request for Letter of Support**

*The Chilkat Valley Preschool plans to seek grant funding and has requested a general letter of support from the borough. **Motion:** Authorize a letter of borough support be drafted and given to Chilkat Valley Preschool for use in applying for grant funding.*

* 4. **ADF&G Letter re. Crabbing in Upper Lynn Canal**

*On 5/13/14, the mayor offered to draft a letter to ADF&G expressing the assembly's concerns about the management of the crab fishery in the Upper Lynn Canal. She seeks assembly approval of the letter. **Motion:** Approve the letter to ADF&G as drafted regarding crab resource management in the Upper Lynn Canal.*

* 5. **Confirmation of Tourism Director Hire**

*This is a department head position hired by the manager but it must be confirmed by the assembly. **Motion:** Confirm the borough manager's decision to hire Leslie Ross as Tourism Director.*

6. **Executive Session – Update on Administrative Appeal of Temporary Heliport CUP**

Motion: Move into executive session as allowed by AS 44.62.310(c)(2) and Haines Borough Charter Section 18.03 to discuss litigation strategies the borough attorney regarding an administrative appeal of an assembly decision to issue a temporary conditional use permit to Big Salmon Ventures; this matter qualifies for executive session as attorney-client privilege; the borough manager and borough attorney are requested to attend.

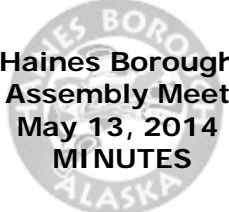
12. CORRESPONDENCE/REQUESTS

13. SET MEETING DATES

14. PUBLIC COMMENTS

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

16. ADJOURNMENT


Haines Borough
Borough Assembly Meeting #269
May 13, 2014

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**, Debra **SCHNABEL**, George **CAMPBELL**, Joanne **WATERMAN**, Dave **BERRY**, and Diana **LAPHAM**.

Staff Present: David **SOSA**/Borough Manager, Julie **COZZI**/Borough Clerk, Carlos **JIMENEZ**/Director of Public Facilities, Bill **MUSSER**/Police Chief, Phil **BENNER**/Harbormaster, Scott **BRADFORD**/Fire Chief and W-S Operator, Darsie **CULBECK**/Executive Assistant to the Borough Manager, and Jila **STUART**/Finance Director.

Visitors Present: Karen **GARCIA**/CVN, Margaret **FRIEDENAUER**/KHNS, Donnie **TURNER**, Deborah **VOGT**, Ann Marie **PALMIERI**, Michael **BYER**, Daymond **HOFFMAN**, Chuck **MITTMAN**, Darwin **FEAKES**, Sage and Holly **THOMAS**, Courtney **CULBECK**, Mike **DENKER**, and others.

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

The following Items were on the published consent agenda:

Consent Agenda:

- 4 – Approve Assembly Meeting Minutes
- 8B – Chilkat Center Facility Report
- 8C – Fire Department Report
- 11A2 – Resolution 14-05-557
- 11A3 – Resolution 14-05-558
- 11A5 – Resolution 14-05-560
- 11A6 – Resolution 14-05-561
- 11A7 – Resolution 14-05-562
- 11B1 – Ordinance 14-05-379
- 11B2 – Ordinance 14-05-380
- 11C2 – Letter Requesting New Park Ranger
- 11C3 – Approve Change Order for Letnikof Project

Motion: **LAPP** moved to “approve the agenda/consent agenda,” and it was amended to remove items 11A2, 11A7, 11C2, and 11C3 from the consent agenda. The motion, as amended, carried unanimously.

4. **APPROVAL OF MINUTES** – 4/22 Regular, 4/29 Special, and 5/7 Special Joint with Planning Commission

5. **PUBLIC COMMENTS**

VOGT – Announced a 5/16 Senior Center fundraising event

BENNER – Announced the Harbor Customer Appreciation Day for 5/23

6. **MAYOR’S COMMENTS/REPORT**

A. Proclamation – EMS Week, May 18-24 “*EMS, Dedicated for Life*”

Mayor **SCOTT** read aloud the proclamation and presented it to **BRADFORD**, **MITTMAN**, and **FEAKES** who accepted on behalf of the local firefighters and EMS staff and volunteers.

B. Local Legislative Priorities

The Lutak Dock was added to the list of assembly-determined legislative priorities for this year. A strategic planning session is an important next step.

Mayor **SCOTT** proclaimed the following week *Woman’s Club Week* (the Woman’s Club convention is taking place in Haines this year). Senator Murkowski will attend the Beer Festival Dinner.

CAMPBELL announced the Haines Hot Shots participated in a postal shoot, and some of the youth placed very high. The group is now trying to earn money to go to state in Anchorage.

7. PUBLIC HEARINGS

A. Ordinance 14-04-373 – Second Hearing

An Ordinance of the Haines Borough repealing Chapter 2.68 of the Haines Borough Code and reenacting Chapter 2.68 as Title 11 with amendments to certain borough election and election contest procedures.

Mayor **SCOTT** opened the public hearing at 6:42pm.

VOGT commended the assembly for the hard work and suggested amending the charter to remove the 40% vote requirement for election to office.

DENKER also commended the hard work. One section he would like reconsidered: the new wording in the grounds for an election contest is too broad. The old code was just fine.

Hearing no further comments, the mayor closed the public hearing at 6:46pm.

Motion: **BERRY** moved to “adopt Ordinance 14-04-373.”

Primary amendment: **WATERMAN** moved to “amend the ordinance as recommended by the borough clerk in a memo dated 5/13/14,” and the motion was amended to replace the phrase “any action” in 11.52.010(A) and 11.52.030(A) with “misconduct, fraud, or corruption.”

Discussion resulted in a request for the clerk to review the ordinance for consistency of terminology as well as preserving the clerk’s authority to determine a candidate’s qualifications.

Motion to Postpone: **CAMPBELL** “moved to schedule a third public hearing and postpone the motions currently on the table to the 5/27 meeting,” and it carried 4-3 in a tie-vote with **LAPP**, **BERRY**, and **LAPHAM** opposed and the mayor breaking the tie in the affirmative.

B. Ordinance 14-04-374 – Second Hearing

An Ordinance of the Haines Borough amending the Port of Haines Terminal Tariff No. 3 to provide for a 5% annual increase to the lightering facility flat fee and to clarify terms of facility use.

Mayor **SCOTT** opened and closed the public hearing at 7:10pm; there were no comments.

Motion: **WATERMAN** moved to “adopt Ordinance 14-04-374,” and it was amended by replacing the ordinance in its entirety with the substitute ordinance drafted by the borough clerk. The motion, as amended, carried unanimously in a roll call vote.

C. Ordinance 14-04-375 - Second Hearing

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 Section 2.08.030 and 2.16.020 to modify the starting date of assembly member’s and mayor’s regular terms of office.

Mayor **SCOTT** opened and closed the public hearing at 7:15pm. There were no public comments.

Motion: **LAPP** moved to “adopt Ordinance 14-04-375,” and the motion carried unanimously in a roll call vote.

D. Ordinance 14-04-377 - First Hearing

An Ordinance of the Haines Borough, providing for the additions or amendment of specific line items to the FY14 budget.

Mayor **SCOTT** opened and closed the public hearing at 7:16pm; there were no public comments.

Motion: **BERRY** moved to “advance Ordinance 14-04-377 to a second public hearing on 5/27/14,” and it was amended to add the additional changes outlined in a 5/13/14 memo from the finance director. The motion, as amended, carried unanimously.

There was some concern expressed that deferred maintenance might not be the ideal source of funding for the proposed mobile office. Manager **SOSA** will look into other funding options.

E. Ordinance 14-05-378 – Introduction and First Public Hearing

An Ordinance of the Haines Borough, Alaska, providing for the establishment and adoption of the budget of the Haines Borough for the period July 1, 2014 through June 30, 2015.

Mayor **SCOTT** opened the public hearing at 7:30pm.

PALMIERI, School Board chair, summarized the school district's budget.

BYER, School Superintendent, said it has been a particularly challenging year with the state legislature along with the reduced enrollment.

D.CULBECK thanked **COZZI** and the team for the hard work and strong effort to put the FY15 manager's budget together.

Hearing no further comments, the hearing was closed at 7:37pm.

Motion: **BERRY** moved to "introduce Ordinance 14-05-378 and conduct a first public hearing during this meeting," and the ordinance was amended by moving \$233,000 from Fund 02 (Townsite) to the CIP for projects to be determined and appropriating \$28,900 from Fund 01 (area wide General Fund) to mothball the Mosquito Lake School building. The motion, as amended, carried unanimously.

Motion: **BERRY** moved to "advance Ordinance 14-05-378 to a second public hearing on 5/27/14," and the motion carried unanimously.

8. STAFF/FACILITY REPORTS

A. Borough Manager – 5/13/14 Report

SOSA summarized his written report and entertained questions about the borough's insurance broker (staff will look into the possibility of using a local one) and the proposed Community and Economic Development Director position (the Personnel Committee will meet to work on the proposed job description).

*B. Chilkat Center – Facility Report of April 2014

*C. Haines Volunteer Fire Department – Report of April 2013

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

A. Assembly Standing Committee Reports

SCHNABEL recommends cancelling the 5/22 special meeting about crabbing in the Upper Lynn Canal. This comes from her discussion with the Upper Lynn Canal Fish & Game Advisory Committee. She is satisfied the consultation and inclusion of all stakeholders was complete. The benefit of another rehash is not there. It is necessary, however, that the assembly upholds the sustainability of borough resources, and the state has a constitutional obligation to manage it.

Motion: **SCHNABEL** moved to "reverse the 4/22/14 decision to invite Alaska Fish & Game to a special assembly meeting on 5/22/14 to discuss crabbing in the Upper Lynn Canal," and it carried unanimously.

The mayor said she will bring a draft letter for review on 5/27 that can be sent to Alaska Fish & Game expressing the assembly's concerns. The special meeting on 5/22/14 was officially cancelled.

10. UNFINISHED BUSINESS – None

11. NEW BUSINESS

A. Resolutions

1. Resolution 14-05-556

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to create a skiing/sledding area on Borough property near Mt. Riley Road at a cost not-to-exceed \$8,000.

CHAPELL, HOFFMAN, C.CULBECK and **TURNER** spoke in support. It is consistent with the comprehensive plan and is recommended by the planning commission and the parks and recreation advisory committee.

Motion: **LAPHAM** moved to "adopt Resolution 14-05-556," and it was amended to change the WHEREAS identifying the funding source to say only that the administration recommends using borough funds for it. The motion, as amended, carried unanimously in a roll call vote.

2. Resolution 14-05-557

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a construction contract with J&M Logging, Inc. for the Aluminum Floating Fish Waste Dumpsters project for an amount not-to-exceed \$37,490.

CHAPELL spoke in support.

Motion: BERRY moved to "adopt Resolution 14-05-557," and it was amended to replace the dollar amount with wording to the effect that the project would be awarded for an amount not to exceed grant funding. The motion, as amended, carried unanimously in a roll call vote.

*** 3. Resolution 14-05-558**

A Resolution of the Haines Borough Assembly authorizing a refund of interest and penalty in the amount of approximately \$1,898 that was not included in the calculated refund already paid for a corrected manifest clerical error involving real property account C-HHY-03-0900.

The motion adopted by approval of the consent agenda: "adopt Resolution 14-05-558."

4. Resolution 14-05-559

A Resolution of the Haines Borough Assembly accepting the final design for Picture Point Wayside Improvements and authorizing the Borough Manager to facilitate the project.

TURNER expressed concerns with the unknown annual maintenance costs.

D.CULBECK clarified the grant was an economic development grant. The idea is for a wayside that will grab people coming through to get them to stop and spend money in Haines. It is a borough park, and maintenance costs should be similar to Tanani Point Park. JIMENEZ said this should not require additional parks staff. It would require pumping of the restrooms. The estimate is \$5,000-6,000 annually.

HOFFMAN spoke in support.

Motion: BERRY moved to "adopt Resolution 14-05-559," and the motion carried 5-1 in a roll call vote with CAMPBELL opposed.

*** 5. Resolution 14-05-560**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a construction contract with Southeast Road Builders for the Third Avenue Improvements project for an amount not to exceed \$1,130,500.

The motion adopted by approval of the consent agenda: "adopt Resolution 14-05-560."

*** 6. Resolution 14-05-561**

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with PND Engineers, Inc. for an amount not-to-exceed \$30,105 for Third Avenue Improvements project limited contract administration and construction inspection services.

The motion adopted by approval of the consent agenda: "adopt Resolution 14-05-561."

7. Resolution 14-05-562

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a professional services contract with Roc Ahrens for onsite inspection for the Third Avenue Improvements project for an amount not-to-exceed \$37,800.

Mayor SCOTT said LAPHAM expressed to her a concern that she might have a conflict of interest since the proposed contractor is her brother-in-law. The mayor believes she does have a conflict for nepotism reasons but noted the assembly may move to overturn her decision.

Motion: LAPP moved that "Lapham does not have a conflict of interest in this matter," and the motion carried unanimously (5-0 with LAPHAM recused).

Motion: LAPP moved to "adopt Resolution 14-05-557," and the motion carried unanimously in a roll call vote.

B. Ordinances for Introduction

*1. Ordinance 14-05-379

An Ordinance of the Haines Borough authorizing the Borough Manager to negotiate and execute a new lease with Goat Lake Hydro, Inc., a subsidiary of Alaska Power & Telephone, for the specified parcel of Borough property for the Goat Lake Hydro plant at Lutak.

The motion adopted by approval of the consent agenda: "introduce Ordinance 14-05-379 and set a first public hearing for 5/27/14."

* 2. Ordinance 13-12-358

An Ordinance of the Haines Borough amending Borough Code Title 3 Section 3.24.050 to increase the cap for stock investments for the Permanent Fund from 25% to 50%.

The motion adopted by approval of the consent agenda: "introduce Ordinance 14-05-380 and set a first public hearing for 5/27/14."

C. Other New Business

1. Board Appointments

Note: A reappointment application was received for a seat on the Letnikof RMSA Board, and the mayor sought assembly confirmation.

There were no public comments.

Motion: **CAMPBELL** moved to "confirm the mayor's reappointment of Michael Marks to the Letnikof Road Maintenance Service Area Board for a new three-year term ending November 2016," and the motion carried unanimously.

2. Request for Replacement State Parks Ranger for Haines

Note: the Haines Park Ranger has moved on, and there was some concern that DNR does not plan to assign a new ranger to Haines. The mayor drafted a letter of request and sought assembly approval to send it.

Motion: **BERRY** moved to "approve the draft letter to Mike Eberhardt, Park Superintendent, requesting assignment of a new park ranger to Haines," and it carried 5-1 with **CAMPBELL** opposed.

3. Change Order for Letnikof Cove Harbor Renovations

Note: a change order to the existing contract with Pacific Pile & Marine for the Letnikof renovations project was strongly recommended in order to repair a structural crack in the pontoon float.

Motion: **WATERMAN** moved to "authorize the manager to execute a change order, not to exceed \$45,000, for the repair of the pontoon float at Letnikof Cove Harbor," and it carried unanimously in a roll call vote.

Motion: **CAMPBELL** moved to "finish the agenda this evening," and the motion carried unanimously.

12. CORRESPONDENCE/REQUESTS

A. Correspondence

Note: on 4/22/14, this correspondence was postponed by assembly motion to this meeting.

1. Medical Service Area Fund – Roc Ahrens

SOSA summarized the comments regarding this matter included in his 5/13/14 manager's report. He will send a letter to Mr. Ahrens.

13. SET MEETING DATES

A. 2nd BOE Meeting – Change the date from the 20th to the 28th (due to graduation) - 6:00 pm. (**SCHNABEL** and **CAMPBELL** will be gone). **SCOTT** will not be here on the 19th, so **LAPP** will preside.

B. Personnel Committee Meeting – 5:30 pm on Wednesday, 5/21/14. Topic: Job Description for Community & Economic Development Director position.

C. Assembly Training to Learn How Best to Approach the State in Order to Forward Borough Projects by Bill Thomas, Robert Venables, and Kathy Wasserman - This will take place sometime in June.

D. Strategic Planning Session for moving forward with the Local Legislative Priorities – This will take place sometime in July.

14. PUBLIC COMMENTS - None

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

Motion: **WATERMAN** moved to “direct the borough manager to modify the agenda bill form to add future fiscal impacts for agenda items, and it carried unanimously.

LAPP recently attended a meeting of the Lynn Canal/Icy Strait Resource Advisory Committee (RAC) that he is a member of. The current situation is they don't have any money but there are a lot of projects.

SCOTT said Mr. Bittner of BLM will be in Haines on the May 16. There seems to be some disagreement about where their lands are within the Haines Borough.

BERRY will be out of town June 2-5, 9-11, and 15-20 but can call in for the meeting on the 10th.

SCHNABEL said the planning commission recently reviewed Fort Seward parking. They mentioned a parking proposal they previously recommended to the assembly, and the assembly did not approve it. She asked if staff could resurrect it for a new review by the commission.

16. ADJOURNMENT – 9:40pm

Motion: **LAPP** 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
Stephanie K. Scott
103 Third Avenue S.
Haines, Alaska 99827
sscott@haines.ak.us
Voice (907) 766-2231 ext. 30

May 22, 2014

Advisory Committee Member Resignation: We have received an official letter of resignation from the Parks and Recreation Advisory Board from Marnie Hartman. Marnie was the group's first chair and I will never forget how everything suddenly clicked into place when Marnie took up that position. A thank you feels insufficient recognition of Marnie's service, but here it is nonetheless: Thank you Marnie!

BLM: I continue to work with BLM staff to move forward the Ring of Fire Amendment for the Haines Block and to process the heliski permits for BLM land. May 16th, we met here with Field Managers Alan Bittner and Dennis Teitzel. BLM is in the process of reorganizing and the Ring of Fire Amendment and the Haines area is to be moved to the Glennallen office under Teitzel. It seems to be important to stay involved in this process and to keep our Congressional delegation involved as well.

I attended the Alaska Municipal League Board Meeting, May 19-20, Anchorage. One out of the 4 in person Board meetings is funded by AML. This was that "one."

I regard AML as our lobbyist. However, AML lobbying is restricted to state legislation that affects all municipalities, as opposed to lobbying for municipal specific or regional capital projects.

PERS/TRS: A lobbying lesson. If you are convinced, as I am, that the infusion of the \$3 billion from the Constitutional Budget Reserve into the PERS/TRS trust funds was to our benefit, then AML produced a big win for municipalities this session. Not only has our contribution been held to 22% but the unfunded liability will be paid by 2040, assuming certain interest rates, etc.

AML and its members have been concerned about the impact on municipalities of the unfunded liability in the PERS/TRS Trust Funds. Two years of study (discussion groups at summer and annual meetings, panel presentations, meetings with the ARM board, etc.) resulted in solid membership support for the position held by the ARM board and the Governor that infusion of \$3 billion in the trust funds from the Constitutional Budget Reserve was the path to solvency.

At the beginning of the session, most legislators in the majority thought that AML was nuts. They told AML staff that the infusion would never happen. In the end, the legislation to extract money from the CBR was passed not by the necessary three-fourths but unanimously! According to AML staff, the tide turned not after the 108 meetings with legislators orchestrated by AML, but the calls, letters, and teleconferenced testimony from constituents.

There is a lobbying lesson in this outcome for us: mobilize the base. Don't depend on one or two meetings with key legislators. Activate the entire community on behalf of the project. That's what makes a difference. However, the fact that it is also a re-election year for 39 of the 60 legislators also probably influenced the outcome of the effort.

State Municipal Revenue Sharing: A loss and thus a focus for next year concerns revenue sharing. State revenue sharing with municipalities is based on legislation that requires a \$60 million infusion into the revenue sharing fund every year to maintain the fund at \$180 million. One-third of the fund is shared every year. This year only \$52 million was appropriated, which means that in FY16 only one-third of \$172 million will be shared. Unless this appropriation is adjusted, the Haines Borough will lose \$26,580 in state revenue sharing in FY16.

Municipality Marketing Campaign: The AML Executive Director, lobbyist (Ray Gillespie), President (Karen Crane, Juneau City & Borough Assembly), and others reported an anti-municipality climate amongst the majority of legislators. Municipalities, they were told, are always asking for more. The AML Board has asked its staff to prepare strategies for the membership to consider adopting that will try to turn this perception around, perhaps by answering the question: why vibrant municipalities are good for the state.

FEMA Flood Plain Mapping: AML has a contract with FEMA to help Alaskan municipalities address FEMA's mandate to map flood plains. Apparently, the FEMA process lacks collaboration. FEMA presents its flood plain maps and requires the municipality to adopt them before the maps can be modified. FEMA's maps have been criticized by Juneau and Ketchikan as inaccurate. The mapping process affects flood insurance as well as mortgage rates. Two hundred parcels were impacted in Juneau and now corrections are being laboriously made. AML can help FEMA and municipalities interact proactively. Our contact is Sarah Geary, sarah@akml.org.

Ketchikan Gateway Borough education lawsuit: The Ketchikan Gateway Borough, an AML member, asked the AML Board to support its lawsuit against the state of Alaska, and if not, to provide a reason for declining support. The following motion was adopted unanimously by the board:

Move that the AML board takes no position on the Ketchikan lawsuit. We have far more communities in REAAs that have the potential to see a reduction in their funding if the state is obligated to pay 100% of the funding; we are concerned

about the impact to local control; the board can leave it up to the individual municipalities to file amicus briefs if desired.



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-442

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Move Election Code from Title 2 to Title 4 and make amendments to election procedures	1. Ordinance 14-04-373 - current draft 2. 5/27/14 Clerk memo reporting results of consistency review, including proposed amendments 3. 5/13/14 Clerk Memo responding to Dana Hallett Issues, including proposed amendments 3. Dana Hallett Issues brought to assembly on 4/22/14
Originator: Borough Attorney / Borough Assembly	
Originating Department:	
Date Submitted: 3/25/14	

Full Title/Motion:
 Motions already on the table (from 5/13) - Main: Adopt Ordinance 14-04-373.
 Amendment Motion: "Amend by making the changes proposed in the 5/13 clerk memo except in both 11.52.010(A) & 11.52.030(A) strike the phrase "any action" and replace with "misconduct, fraud, or corruption."

Administrative Recommendation:
 The borough clerk recommends adoption after making proposed amendments.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ N/A	\$	\$	

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Goal 2, Objective 2A	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------------------------------	---------------------------------------------------------------------------------

Summary Statement:
 This ordinance was originally drafted by the borough attorney to move the election code from Title 2 to Title 11 and also to make changes resulting from the 2013 borough election. The draft was reviewed by members of the public and also discussed by the assembly as a C.O.W on two occasions. The clerk made requested amendments, and a new draft was introduced on 4/8 and had a first public hearing on 4/22. During that hearing, citizen Dana Hallett presented some additional election concerns he had, and the clerk was asked to consider his issues. She brought recommendations to the second hearing on 5/13. After that hearing, and with a motion to adopt and an amendment motion both on the table, the assembly postponed the ordinance for a third hearing on 5/27. The clerk was asked to perform a consistency review and report back. As a result, the clerk has drafted another memo recommending additional amendments. After the public hearing, assembly debate should resume with the motions that are already on the table.

Referral:

Referred to: Assembly Committee of the Whole	Referral Date:
Recommendation:	Meeting Date: 3/5, 3/25/14

Assembly Action:

Meeting Date(s): 4/8, 4/22, 5/13, 5/27/14	Public Hearing Date(s): 4/22, 5/13, 5/27/14
	Postponed to Date:

An ordinance of the Haines Borough repealing Chapter 2.68 of the Haines Borough Code and reenacting Chapter 2.68 as Title 11 with amendments to certain borough election and election contest procedures.

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 upon adoption.

Section 4. Purpose. This ordinance amends Title 2 to move Chapter 2.68 to Title 11 and to amend and clarify the borough's election procedures. Chapter 2.68 of the Haines Borough Code is hereby repealed in its entirety and reenacted as Title 11 to read, as follows:

**~~TITLE 2, CHAPTER 2.68~~ TITLE 11
ELECTIONS**

~~Article I. General Provisions~~

~~2.68.010 — Scope of chapter.~~

~~2.68.020 — Elections to be nonpartisan.~~

~~2.68.030 — Subjects of elections.~~

~~2.68.040 — Notices of election.~~

~~Article II. General Elections~~

~~2.68.050 — Time of election.~~

~~Article III. Special Elections~~

~~2.68.060 — Calling of special elections.~~

~~2.68.070 — Scheduling of special elections.~~

~~2.68.080 — Qualifications of voters.~~

~~2.68.090 — By-mail elections.~~

~~Article IV. Initiatives, Referendums and Recalls~~

~~2.68.100 — Adoption by reference.~~

~~Article V. Qualifications and Challenges~~

~~2.68.110 — Voter qualifications.~~

~~2.68.120 — Challenges.~~

~~Article VI. Candidates — Nominating — Write-In~~

~~2.68.130 — Candidate qualifications.~~

~~2.68.140 — Declaration of candidacy and nomination petition.~~

~~2.68.150 — Write-in candidates.~~

~~2.68.160 — Other propositions and petitions.~~

~~2.68.170 — Review by borough clerk.~~

~~2.68.180 — Notification and acceptance of nomination.~~

~~2.68.190 — Withdrawal of nominating petition.~~

~~Article VII. Ballots~~

~~2.68.200 — Form of ballot.~~

~~2.68.210 — Sample ballots.~~

~~2.68.220 — Distribution of ballots.~~

~~Article VIII. Instructions to Voters~~

~~2.68.230 — Printing and posting.~~

~~2.68.240 — Contents.~~

~~Article IX. Absentee Voting~~

~~2.68.250 — Absentee voting — Eligible persons — Permanent absentee voters.~~

~~2.68.260 — Absentee voting procedure.~~

~~2.68.270 —~~

~~2.68.310 — Repealed.~~

~~2.68.320 — Counting of absentee ballots.~~

~~Article X. Conduct of Elections~~

~~2.68.330 — Election officials.~~

~~2.68.340 — Voting precincts.~~

~~2.68.345 — Sales of alcohol on election day.~~

~~2.68.350 — Dates and hours for elections.~~

~~2.68.360 — Election supplies and equipment.~~

~~2.68.370 — Voting procedures at the polls.~~

~~2.68.380 — Unused and damaged ballots.~~

~~2.68.390 — Counting of ballots.~~

~~2.68.395 — Stickers prohibited.~~

~~2.68.400 — Certificate of returns.~~

~~Article XI. Prohibited Practices~~

~~2.68.410 — Election offenses and corrupt practices.~~

~~2.68.420 — Improper subscription to petition.~~

~~2.68.430 — Penalty.~~

~~Article XII. Canvass of Returns~~

~~2.68.470 — Canvass of returns.~~

~~2.68.480 — Adjudication and counting of absentee and questioned ballots.~~

~~2.68.490 — Manner of canvass.~~

~~2.68.500 — Certification and record of results.~~

~~2.68.510 — Votes required to elect — Runoff elections.~~

~~Article XIII. Contested Elections~~

~~2.68.530 — Notice of election contest.~~

~~2.68.540 — Investigation of election contest.~~

~~2.68.545 — Assembly action following investigation.~~

~~2.68.550 — Expenses of contested election.~~

~~2.68.560 — Election contest appeal — Judicial review.~~

~~Article XIV. Election Recount~~

~~2.68.570 — Mandatory recount.~~

~~2.68.580 — Recount application.~~

~~2.68.590 — Date of recount — Notice.~~

- ~~2.68.600~~ Procedure for recount.
- ~~2.68.610~~ Certification of recount result.
- ~~2.68.620~~ Return of deposit and apportionment of expenses upon recount.
- ~~2.68.630~~ Recount appeal — Judicial review.

Chapters:

- 11.04 General Provisions.**
- 11.08 General Elections.**
- 11.12 Special Elections.**
- 11.16 Initiatives, Referendums and Recalls.**
- 11.20 Qualifications and Challenges.**
- 11.24 Candidates – Nominating – Write-In.**
- 11.28 Ballots.**
- 11.32 Instructions to Voters.**
- 11.36 Absentee Voting.**
- 11.40 Conduct of Elections.**
- 11.44 Prohibited Practices.**
- 11.48 Canvass of Returns.**
- 11.52 Contested Elections.**
- 11.56 Election Recount.**

~~Article I.~~ **Chapter 11.04**
GENERAL PROVISIONS

Sections:

- ~~2.68.010~~ **11.04.010** **Scope of chapter title.**
- ~~2.68.020~~ **11.04.020** **Elections to be nonpartisan.**
- ~~2.68.030~~ **11.04.030** **Subjects of elections.**
- ~~2.68.040~~ **11.04.040** **Notices of election.**

~~2.68.010~~ **11.04.010** **Scope of chapter title.**

This chapter title shall govern municipal elections in accordance with the Borough Charter. All provisions of the United States Constitution, and the Alaska State Constitution, ~~and the laws enacted pursuant to these constitutions affecting municipal elections~~ are incorporated in this chapter as though fully set out in this chapter. Provisions of AS 15 shall not apply to the conduct of municipal elections unless otherwise provided herein and shall be limited expressly to the provision referenced.

~~2.68.020~~ **11.04.020** **Elections to be nonpartisan.**

All elections held by the borough shall be conducted on a nonpartisan basis.

~~2.68.030~~ **11.04.030** **Subjects of elections.**

At any general or special election the voters shall vote upon the election of officers to fill vacancies and in addition upon such propositions, referenda or initiatives which may be properly submitted for approval by the voters or for an expression of opinion by them.

~~2.68.040~~ **11.04.040** **Notices of election.**

A. Office Vacancies and Nominating Procedures. At least 75 days before each general or special election, notice of vacancies in borough offices and the manner of making nominations shall be posted in three public places and published at least once in one or more newspapers of general circulation in the Haines Borough.

B. Proposition, Referendum or Initiative. At least 40 days before each general or special election, notice of the subject of any proposition, referendum or initiative being

presented shall be posted in three public places and published at least once in one or more newspapers of general circulation in the Haines Borough.

C. General Notice. At least 21 days before any election the clerk shall give notice of the election by posting in three conspicuous places within the borough and by publishing in a newspaper of general circulation within the borough at least twice such notice of election. Notices of election must contain the following:

1. The date of the election;
2. Candidates for office and any propositions, referenda or initiatives to be submitted to the voters;
3. The time the polling places will open and close;
4. The location of each precinct polling place;
5. A boundary description of each voting precinct or a reference to the Alaska Administrative Code section establishing the precinct boundaries; and
6. Whether the election is general or special.

~~Article II.~~ **Chapter 11.08**
GENERAL ELECTIONS

Sections:

~~2.68.050~~ **11.08.010** Time of election.

~~2.68.050~~ **11.08.010** Time of election.

There shall be a general annual election in the borough on the first Tuesday in the month of October each year, to fill vacancies in borough offices and for the determination of other matters as may be placed on the ballot. General elections shall follow the preclearance requirements of the United States Department of Justice.

~~Article III.~~ **Chapter 11.12**
SPECIAL ELECTIONS

Sections:

~~2.68.060~~ **11.12.010** Calling of special elections.

~~2.68.070~~ **11.12.020** Scheduling of special elections.

~~2.68.080~~ **11.12.030** Qualifications of voters.

~~2.68.090~~ **11.12.040** By-mail elections.

~~2.68.060~~ **11.12.010** Calling of special elections.

Subject to HBC ~~2.68.070~~ **11.12.020**, special elections may be called by the borough assembly at its discretion at any time or times subject only to the requirement of notice, ~~preclearance by the United States Department of Justice,~~ and the applicable laws and ordinances governing the subject of the proposition or the questions submitted at that election.

~~2.68.070~~ **11.12.020** Scheduling of special elections.

Special elections shall be held in accordance with the following schedule:

A. An election called for by resolution or ordinance of the assembly shall be held more than 45 days following the assembly's adoption of the resolution or ordinance.

B. An election called for by a petition submitted by the voters for an initiative or referendum election, once it has been certified as sufficient by the borough clerk, shall be held on the ninth Tuesday following the date of certification.

C. An election called for by a petition submitted by the voters for a recall election; once it has been submitted to the assembly, such election shall be held on the ninth Tuesday following submission of the petition to the assembly.

D. A special election may not be scheduled if the regular election held each year on the first Tuesday of October occurs within 75 days of assembly adoption of a resolution or ordinance calling for a special election; within 75 days of the date of certification of sufficiency of a petition by voters for an initiative or referendum election; or within 75 days of the date the petition is submitted to the assembly for a recall election.

~~2-68-080~~ **11.12.030** **Qualifications of voters.**

Each voter in a special election must have the qualifications set forth in HBC ~~2-68-110~~ **11.20.010**.

~~2-68-090~~ **11.12.040** **By-mail elections.**

The borough assembly may authorize, by resolution, a special by-mail election.

A. The resolution and notice of election must state that the election is to be conducted by mail and that there will be no polling place open for regular in-person voting on Election Day. In a by-mail election, Election Day will be the date designated by the assembly as the deadline by which a voter's ballot must be voted, witnessed, and delivered by hand or mail, and if mailed, shall bear a postmark dated not later than Election Day by the post office. Ballots received after Election Day without a postmark shall require a sworn and notarized voter affidavit in order to be counted. Such affidavit may be faxed.

B. In each election conducted by mail, the borough office shall serve the precinct in which the election is to be held. The election official shall mail ballots not later than the twenty-second day before the election. Absentee voting in person shall be provided not more than 30 days or not less than one day prior to date of election.

C. The election official shall determine and use a method of voter outreach by which voters are informed of a by-mail election, separate from and in addition to the public notice required by statute. Unless in the discretion of the election official an alternative method of outreach is used, where there are more than 30 days between the date of the election order or resolution calling for the election and Election Day, the election official will send, to each voter whose name appears on the official register, advance notice of the election at the mailing address stated in the voter's current registration record. The notice shall be sent before ballots are mailed, and must include:

1. The date of the election;
2. Disclosure that the election will be conducted by mail and that no polling place will be available for regular in-person voting on Election Day;
3. Designation of the offices to which candidates are to be nominated or elected, and a statement of the subject of the proposed service area;
4. Designation of the date on which ballots are expected to be mailed to the voters;
5. Instructions to voters who will not be at their current mailing addresses when ballots are to be mailed, or who do not receive their ballots through the mail;
6. A statement of when the ballots may be voted; and
7. Brief general instructions on how the ballots must be voted and how the oath and affidavit envelope must be completed.

D. For each election conducted by mail, the notice of election under HBC ~~2-68-040~~ **11.04.040** shall include the information specified in subsection (C)(1) through (7) of this section.

E. The provisions of HBC ~~2-68-350~~ **11.40.040**, election hours, shall not apply to elections conducted under the authority of this chapter. This chapter governs procedures for special elections by mail when in conflict with other sections of the borough election code. Otherwise, the provisions of the borough election code apply to special by-mail elections.

INITIATIVES, REFERENDUMS and RECALLS

Sections:

~~2.68.100~~ **11.16.010** Adoption by reference.

~~2.68.100~~ **11.16.010** Adoption by reference.

Initiatives, referendums and recalls shall be conducted as provided in AS 29.26.100 through 29.26.360 except as stipulated otherwise in the Borough Charter.

Article V. **Chapter 11.20**

QUALIFICATIONS and CHALLENGES

Sections:

~~2.68.110~~ **11.20.010** Voter qualifications.

~~2.68.120~~ **11.20.020** Challenges

~~2.68.110~~ **11.20.010** Voter qualifications.

A person may vote at any borough election only if the person:

A. Is a **citizen of the** United States citizen who is qualified and was registered to vote in state elections at least 30 days preceding the borough election in the precinct in which that person seeks to vote;

B. Is 18 years or older;

~~B C.~~ Has been a resident of the borough for **at least** 30 days preceding **just before** the election;

D. Has registered to vote in Alaska at least 30 days before the election and is not registered to vote in another jurisdiction; and

~~E~~ **E.** Is not disqualified under Article V of the State Constitution.

~~2.68.120~~ **11.20.020** Challenges.

Registration for state elections is prima facie evidence of a voter's qualification. However, it shall be the duty of election officials to challenge any voter they believe is not qualified. An election judge may question any person of doubtful qualification attempting to vote and may require identification of the voter. Any voter may be challenged by any qualified voter of the borough; however, a person who frivolously, maliciously or in bad faith challenges a voter is guilty of a misdemeanor.

Article VI. **Chapter 11.24**

CANDIDATES-NOMINATING-WRITE-IN

Sections:

~~2.68.130~~ **11.24.010** Candidate qualifications.

~~2.68.140~~ **11.24.020** Declaration of candidacy and nomination petition.

~~2.68.150~~ **11.24.030** Write-in candidates.

~~2.68.160~~ **11.24.040** Other propositions and petitions.

~~2.68.170~~ **11.24.050** Review by borough clerk.

~~2.68.180~~ **11.24.060** Notification and acceptance of nomination.

~~2.68.190~~ **11.24.070** Withdrawal of nominating petition.

~~2.68.130~~ **11.24.010** Candidate qualifications.

A. To qualify as a candidate for the elected office, a person must meet the following requirements:

1. Be a qualified voter of the borough and state of Alaska; and
2. Must have been a resident of the borough for a continuous period of not less than one year immediately preceding the date of the election, or if filling a vacancy, one

Haines Borough
Ordinance No. 14-04-373
Page 7 of 25

year immediately prior to the appointment date. Establishing and maintaining Haines Borough residency to qualify for elected office shall be as follows:

a. An individual's intent to establish residency, remain indefinitely in the Haines Borough, or to return to the Haines Borough and remain indefinitely is demonstrated through the establishment and maintenance of customary ties indicative of Haines Borough residency and the absence of those ties elsewhere. Acts that are required by law or contract or are routinely performed by temporary residents of the Haines Borough are not by themselves evidence of residency. In evaluating whether an individual claiming Haines Borough residency has demonstrated intent to remain indefinitely in the Haines Borough, consideration will be given to whether or not an individual has:

(1) Taken steps to establish Haines Borough residency and sever residency in a location outside of the Haines Borough;

(2) Ties to a location outside of the Haines Borough that indicate continued residency in the other location; and

(3) Taken other action during the candidacy qualifying year that is inconsistent with an intent to remain in the Haines Borough indefinitely.

b. An individual may not become a resident of the Haines Borough while absent.

c. Physical presence in the Haines Borough is not, by itself, sufficient to establish residency. Before the start of the candidacy qualifying year, an individual must have taken at least one step beyond physical presence in the Haines Borough to establish residency.

d. An individual is not eligible for elected Haines Borough office if, at any time from the start of the candidacy qualifying year through the date of candidacy filing, the individual has:

(1) Maintained the individual's principal home in another location outside of the Haines Borough, regardless of whether the individual spent a majority of time at that home;

(2) Disclosed in a court proceeding, affidavit, or will that the individual is a resident of a location outside of the Haines Borough;

(3) Moved from the Haines Borough;

~~(4) Claimed moving expenses as a deduction on the individual's federal income tax return;~~

~~(5)~~ Registered to vote in a location other than the Haines Borough and provided a physical address outside of the Haines Borough;

~~(6)~~ Purchased a resident hunting, fishing, or trapping license from a location other than the Haines Borough if residency in that location was required as a condition of the license; or

~~(7)~~ Obtained any other benefit or benefits as a result of establishing or maintaining any claim of residency in a location outside of the Haines Borough.

B. A candidate must provide sufficient proof that the candidate is qualified, or shall be qualified by the date of the election, to be nominated as a candidate for any election.

C. A person may not be nominated for or serve in more than one office at the same time, except that the deputy mayor may serve as both deputy mayor and assembly member when necessary.

D. The clerk shall determine whether each candidate for borough office is qualified as provided by law. At any time before the election, the clerk may disqualify any candidate whom the clerk finds is not qualified.

~~E. In addition to the clerk, any person may question the qualification of a candidate who has filed a nominating petition with the clerk by filing a complaint with the clerk. A complaint must be received by the clerk no later than 5:00 p.m. on the third borough~~

~~business day after the last day for the filing of a nomination petition.~~ **The clerk shall send as soon as possible, by mail or electronic mail, written notification of the disqualification to the candidate.**

~~F. The complaint must be in writing and include the name, mailing address, electronic mailing address, phone number, signature of the person making the complaint, and a statement in 200 words or less of the grounds, described in particular, on which the candidate's qualification is being questioned.~~

~~G. The clerk will review only those issues in the complaint related to **If the candidate** qualifications established by the United States Constitution, the Alaska Constitution, the Alaska Statutes, the Borough Charter, and the borough code.~~

~~H. Upon receipt of a complaint, or if the clerk questions the qualification of the candidate, the clerk will send, by mail or electronic mail, written notification to the candidate whose qualification is being questioned that a complaint has been received. The notification will include a copy of the complaint.~~

~~I. The clerk will review any evidence relevant to the candidate's qualifications, such as the candidate's voter registration, nominating petition, and other documentation on file **disagrees with the** state and borough. Based on the review of the documentation, the clerk will determine whether a preponderance of evidence supports or does not support the qualification of the candidate.~~

~~J. If the clerk determines the preponderance of evidence supports the qualification of the candidate, the clerk will issue a final **clerk's determination** supporting the candidate's qualification.~~

~~K. If the clerk determines the preponderance of evidence does not support the candidate's qualification, notice to the candidate will either include the clerk's final determination or, if necessary, identification of any, **the candidate may submit additional information or evidence** that must be provided by the candidate. The clerk must receive the requested information no later than three business days from the date of notice. The clerk will consider any additional information provided and issue a final determination as to the candidate's qualification no later than three borough business days from receipt of the additional information.~~

~~L. If the information requested by the clerk in subsection (K) of this section is not received by the specified deadline, the clerk will issue a final determination regarding the candidate's qualification based on the information initially reviewed.~~

~~**MG.** The clerk will send notice of final determination in writing to the person making the complaint, if applicable, and to the candidate.~~

~~N. The candidate or person making the complaint may file a written protest with the clerk within five **three** business days following the date of notice of the clerk's final determination. The clerk shall present the protest at the next regular meeting of the assembly. The assembly shall hear and decide the protest. The burden of proof shall be on the complainant. The assembly's decision shall be made at that meeting and shall be final.~~

2.68.140 11.24.020 Declaration of candidacy and nomination petition.

A. Nomination. Any person qualified to serve in an elective office in the borough may have the person's name placed on the ballot as a candidate for elective office by filing a nomination petition and declaration of candidacy on forms prescribed and provided by the borough clerk. The nomination petition must be signed by no fewer than 10 voters qualified to vote in the borough. Signatures to a nomination petition need not all be appended to one page. To each separate page of a petition shall be attached an affidavit of the person

circulating the petition stating that each signature appended thereto was made in his or her presence and is the genuine signature of the person whose name it purports to be. To each nominating petition shall be attached declaration of candidacy stating that the candidate named in the petition consents to serve if elected to the office for which the person is nominated. The nominating petition and declaration of candidacy must be filed with the borough clerk or a duly authorized representative ~~not more than 87 and not less than 67 days prior to the general election~~ **no sooner than August 1 and no later than August 20**. The candidate's signature on the declaration of candidacy shall be notarized.

The nominating petition shall be in substantially the following form:

Nominating Petition

We, the undersigned qualified voters of the Haines Borough, in the State of Alaska, hereby nominate and sponsor _____, who resides in the Haines Borough, for the office of _____, and ask that his/her name be placed on the October _____, 20__ General Election ballot.

We individually certify that we are qualified to vote in the named election.

Name Residence Address Date Signed

(Followed by at least 10 lines for signatures.)

The declaration of candidacy shall be in substantially the following form:

Declaration of Candidacy

I, _____, declare that I reside at _____ in the Haines Borough, Alaska; that I am a registered voter in the borough; that I have resided in the borough continuously for a period of at least one year immediately preceding the date of the election for which I am being nominated and meet the definition of resident in Borough Charter 18.09(J) and the residency standards in HBC ~~2-68-130(A)(2)~~ **11.24.010**.

I declare myself a candidate for the office of _____, and request that my name be printed upon the official ballot for the borough election to be held on the _____ day of _____, 20__.

SIGNATURE: _____

FOLLOWED BY A NOTARIZATION BLOCK.

~~2-68-150~~ **11.24.030** Write-in candidates.

A. If a candidate does not appear on the election ballot and wishes to be a candidate in the election, the candidate may file as a write-in candidate. Votes for a write-in candidate may not be counted unless that candidate has filed a letter of intent with the borough clerk stating the following:

1. The full name of the candidate;
2. The full residence address of the candidate;
3. The full mailing address of the candidate;

4. The office that the candidate seeks;
5. The date of the election at which the candidate seeks election;
6. The name of the candidate as the candidate wishes it to be written on the ballot by the voter;
7. That the candidate meets the residency requirements of the office for which the person is a candidate;
8. That the candidate is a qualified voter as required by law; and
9. That the candidate is not a candidate for any other office to be voted on at the general election and that the candidate is not a candidate for this office under any other nominating petition or declaration of candidacy.

B. A letter of intent under subsection (A) of this section must be filed not later than five calendar days before the general election.

~~2-68-160~~ **11.24.040 Other propositions and petitions.**

All other matters which may be properly filed for inclusion on the ballot, including propositions and petitions, shall be certified not more than 75 days and not less than 42 days prior to the election by the clerk or a duly authorized representative.

~~2-68-170~~ **11.24.050 Review by borough clerk.**

The clerk shall make a record of the exact time at which each petition is filed and preserve the name and address of the person by whom it is filed. If the petition for any candidate is not signed by the required number of qualified electors or is insufficient in any particular, the clerk shall return it immediately to the person who filed it certifying in writing wherein the petition is insufficient and send a copy of the certification to the candidate. Such deficient petition may be amended and filed again as a new petition for the same candidate within the regular time for filing nomination petitions.

~~2-68-180~~ **11.24.060 Notification and acceptance of nomination.**

The clerk shall notify a qualified person of the person's nomination by registered, certified or other special mail, and such person shall file with the clerk the person's written acceptance of nomination, in such form as the assembly may require, within five days of receipt of notification of nomination. Upon receipt of such acceptance of nomination, the clerk shall cause the nominee's name to be printed on the ballot. The petition of nomination for a successful candidate at an election shall be preserved in the office of the clerk until the term of office for which the candidate is elected expires.

~~2-68-190~~ **11.24.070 Withdrawal of nominating petition.**

Any person nominated for office may withdraw that person's nomination, by submitting written notice to the borough clerk within 72 hours of the closing of candidate filing or at any time before the ballot has been submitted by the clerk for printing. After the clerk has submitted the ballot for printing, no nominating petition may be corrected, amended or withdrawn.

~~Article VII.~~ **Chapter 11.28**
BALLOTS

Sections:

~~2-68-200~~ **11.28.010 Form of ballot.**

~~2-68-210~~ **11.28.020 Sample ballots.**

~~2-68-220~~ **11.28.030 Distribution of ballots.**

~~2-68-200~~ **11.28.010 Form of ballot.**

A. The clerk shall prepare all official ballots to facilitate fairness, simplicity, and clarity in the voting procedure, to reflect most accurately the intent of the voter, and to expedite the administration of elections.

B. The official ballot shall contain, at the top thereof, the words "Official Ballot" and the date of the election, whether such election is a general borough election or a special borough election, and such instructions to the voters as will enable them intelligently to mark their ballots for the candidates for whom they desire to vote, and to intelligently vote upon the questions which are submitted.

C. The clerk shall determine the size of the ballot, the type of print, necessary additional instruction notes to voters, and other similar matters of form not provided by law. The ballots shall be numbered in series to ensure simplicity and secrecy and to prevent fraud.

D. The title of all offices to be voted upon (mayor, assembly member, or school board member) shall be printed on the ballot. The title of each office to be filled shall be followed by the printed names of the candidates for such office in a single list arranged alphabetically, below which shall be blank lines equal in number to the candidates to be elected to such office, upon which the voter may write the names of persons not listed on the ballot. The words "Vote for _____ ~~only~~ **not more than** _____" with the appropriate number replacing the blank shall be placed before the list of candidates for each office. Instruction notes shall state that offices will be filled by the candidates receiving the greatest number of votes exceeding 40 percent, and if terms are of different lengths, the candidate with the highest number of votes will be elected to the longest term. The names of candidates shall be printed as they appear upon the nomination petitions filed with the borough clerk except that any honorary or assumed title or prefix shall be omitted. However, the candidate's name appearing on the ballot may include a nickname or familiar form of the proper name.

E. Following the offices and candidates there shall be placed on the ballot or on separate ballots as the clerk may determine, all propositions or questions to be voted upon. The words "Yes" and "No" shall be placed with the statement of each proposition or question for selection.

~~2-68-210~~ **11.28.020 Sample ballots.**

In addition to the official ballots as described, there shall be printed under the direction of the clerk, on paper of any color except white, ballots which shall be marked as "Sample Ballots." Sample ballots shall be posted in three conspicuous places and may be distributed as needed by the clerk.

~~2-68-220~~ **11.28.030 Distribution of ballots.**

The clerk shall have the ballots in the clerk's possession at least 10 days before each election. Sufficient ballots for the registered voters of the borough shall be delivered to the election board. A receipt shall be taken from the election board member to whom ballots are delivered, said receipt to be preserved with other records of the election for one year. No ballots may be taken from the polling place before the closing of the polls except under the direction of the clerk.

~~Article VIII.~~ **Chapter 11.32**
INSTRUCTIONS TO VOTERS

Sections:

~~2-68-230~~ **11.32.010 Printing and posting.**

~~2-68-240~~ **11.32.020 Contents.**

~~2-68-230~~ **11.32.010 Printing and posting.**

Instructions to voters shall be printed under the direction of the clerk, on cardstock or heavy paper, in large, clear type, and one copy of such instructions shall be posted in each room where polling booths are located and in each of the voting booths provided for the election. Sample ballots shall also be provided for voters to review.

~~2-68-240~~ **11.32.020 Contents.**

The printed instructions referenced in HBC ~~2-68-230~~ **11.32.010** shall state the following:

A. When entering a polling place give your name and, if required, your residence to the judge of the election.

B. If your name is found on the registration list and your right to vote is not challenged, one of the judges or a member of the election board will hand you a ballot. If your name is not on the ballot register, or if your right to vote is challenged, you can vote by the questioned ballot method.

C. A voter who is not recognized by a member of the election board and cannot exhibit a required form of identification shall be allowed to vote a questioned ballot.

D. When you have received your ballot, retire at once, alone, into one of the voting booths and prepare your ballot for the ballot box by marking it.

E. At the top of the ballot you will find instructions for marking the ballot, and below the instructions you will find the names of all the candidates for respective offices to be filled, and/or the proposition or question to be voted upon under the appropriate titles. Do not mark your ballot in any way except as directed below and do not make any erasures.

F. To vote for a candidate or question, completely fill in the oval adjacent to the name of the person or to the question.

G. Do not vote for more candidates to any office than ~~there~~ are to be elected to such office. If you do so this portion of your ballot will be rejected.

H. If you should mismark or otherwise spoil your ballot, return the ballot to the election worker who issued it to you and you will be issued a new ballot. You may receive only two ballots for this purpose in addition to your original ballot.

I. Before leaving the booth, cover your ballot or place it in the secrecy sleeve provided so as to conceal marks you made on it. Upon leaving the voting booth, please proceed directly to the ballot box and slide your ballot into the ~~Accu-Vote~~ **optical scan** machine. This shall protect the secrecy of the ballot.

J. You must deposit the ballot in the ballot box yourself in the presence of the election judge unless you request the election judge to deposit the ballot on your behalf. Separate ballot boxes may be used for separate ballots.

~~Article IX.~~ **Chapter 11.36**

ABSENTEE VOTING

Sections:

~~2-68-250~~ **11.36.010 Absentee voting – Eligible persons – Permanent absentee voters.**

~~2-68-260~~ **11.36.020 Absentee voting procedure.**

~~2-68-320~~ **11.36.030 Counting of absentee ballots.**

~~2-68-250~~ **11.36.010 Absentee voting – Eligible persons – Permanent absentee voters.**

A. At any election, a qualified voter may vote an absentee ballot for any reason.

B. The borough clerk may designate a person as a permanent absentee voter if the person is a qualified voter, and if the voter is registered with the State of Alaska Division of Elections as a permanent absentee voter within the borough.

C. A person designated as a permanent absentee voter under subsection (B) of this section will be sent an application for an absentee-by-mail ballot at the permanent mailing address stated on the voter's current registration record on the following schedule:

1. In January each year;
2. At least 45 days before a special election;
3. At a time specified by the borough clerk before any election, to voters defined in subsection (A) of this section who registered to vote after the last mailing of absentee-by-mail ballot applications.

D. The voter may submit the application and vote by mail. However, nothing in this section limits the voter's eligibility to vote in person at a precinct, in person before an absentee voting official, or absentee through a personal representative.

~~2.68-260~~ **11.36.020 Absentee voting procedure.**

A. The application for an absentee ballot shall show the applicant's place of residence, clearly indicate the applicant's right to an absentee ballot, state the election date, and be signed by the applicant.

1. Application for Absentee-by-Mail Ballot. Beginning on January 1st of each election year, a qualified voter entitled to cast an absentee ballot may in person or by mail, electronic mail, or by facsimile machine, file a written, signed application for an absentee-by-mail ballot with the borough clerk. Application for a by-mail ballot must be received in the office of the borough clerk not less than 10 days before the election for which the absentee ballot is sought. If a voter fails to provide a specific ballot mailing address on an absentee-by-mail ballot application, the ballot will be mailed to the mailing address on the voter's record.

2. Application for Absentee-by-Fax Ballot. A qualified voter may vote by fax beginning 15 days before and through the close of the polls on Election Day. The voter must submit a written, signed application for a fax ballot to the borough clerk's office no later than 5:00 p.m. the day before Election Day. An absentee ballot that is completed and returned by the voter by fax must contain the following statement:

I understand that by using fax transmission to return my marked ballot, I am voluntarily waiving a portion of my right to a secret ballot to the extent necessary to process my ballot, but expect that my vote will be held as confidential as possible.

3. Absentee Voting in Person and Early Voting. A qualified voter may vote early or absentee-in-person on or after the fifteenth day before an election up to and through the day before Election Day, in a location and at places and times determined by the borough clerk.

4. Absentee Voting by Personal Representative. A qualified voter who is unable to go to the polling place on Election Day due to age, illness or disability, may appoint a personal representative to obtain a ballot for the voter on or after the fifteenth day before an election, up to and including Election Day.

B. Upon timely receipt of an application for an absentee ballot, the borough clerk or other election official shall deliver to the applicant personally, or by mail at the mailing address given in the application, or by fax to the fax number listed on the application, or to the voter's personal representative, if application is made by a personal representative, an official ballot for the election, and if required, a secrecy sleeve and an addressed return envelope.

C. The borough clerk shall provide ballots for use as absentee ballots. The borough clerk shall issue rules and instructions to absentee voters to aid them in casting their ballots. The borough clerk shall prescribe the form of and prepare the voter's certificate, envelopes, and other materials used in absentee voting. The voter's certificate shall include

an oath, that the voter is a qualified voter, a blank for the voter's signature, a certification that the affiant properly executed the marking of the ballot and gave the voter's identity, blanks for the attesting official or witness, and a place for recording the date the envelope was sealed and witnessed.

D. Upon issuing an absentee ballot, the borough clerk shall record the date of delivering or mailing the ballot.

E. Any voter issued an absentee ballot may, at any time prior to the closing of the polls on the day of the election for which it is issued, appear at the office of the borough clerk, or such other place as the borough clerk may designate, and there cast a ballot in the following manner: The voter first shall show the borough clerk or other election official that the ballot has not been marked, then shall mark the ballot, as indicated by the instructions on the ballot, in the presence of the borough clerk or election official, in such a manner that the borough clerk or election official cannot see how it is marked. The borough clerk or other election official shall secure the ballot and deliver it to the appropriate place for counting.

F. At any time on or before the day of the election, any voter issued an absentee ballot may appear before any person authorized by law to administer oaths, and in the presence of such officer cast the voter's ballot in the same manner the voter would cast it under this section in the office of the borough clerk or other place designated under this section. After executing the affidavit printed on the return envelope, the officer shall return the envelope to the voter who shall mail it to the borough clerk ~~according to HBC 2.68.320.~~

~~2.68.320~~ **11.36.030 Counting of absentee ballots.**

A. To be counted in the election, absentee ballots must be received by the borough clerk before closing of the polls on the day of the election, if voted in the office of the borough clerk or other place designated by the borough clerk, or postmarked not later than the day of the election and received by the borough clerk before the canvass of election returns under HBC ~~2.68.470~~ **11.48.010**.

B. Absentee ballots received without an executed voter affidavit certificate (see HBC ~~2.68.260(C)~~ **11.36.020(C)**) shall be marked as "Invalid," and the time and date of receipt by the borough clerk shall be noted thereon.

C. Absentee ballots received after Election Day, and postmarked on a day later than the election, shall be marked as "Invalid," and the time and date of receipt by the borough clerk shall be noted thereon. The ballot of a voter that is received after Election Day without a postmark will not be counted unless the voter submits a sworn and notarized affidavit. Such affidavit may be faxed.

D. Absentee ballots received before the closing of the polls may be reviewed at any time for voter qualification and may be processed through the ~~Accu-Vote system~~ **optical scan machine** or counted by hand by one or more counting teams appointed by the borough clerk, commencing at the time the polls close on Election Day.

E. Invalid absentee ballots shall not be counted. Such envelopes shall be retained with other election records and destroyed with them according to the borough's retention schedule and the destruction procedure in HBC 2.64.030.

~~Article X:~~ **Chapter 11.40**
CONDUCT OF ELECTIONS

Sections:

- ~~2.68.330~~ **11.40.010 Election officials.**
- ~~2.68.340~~ **11.40.020 Voting precincts.**
- ~~2.68.345~~ **11.40.030 Sales of alcohol on election day.**
- ~~2.68.350~~ **11.40.040 Dates and hours for elections.**

- ~~2.68.360~~ **11.40.050** Election supplies and equipment.
~~2.68.370~~ **11.40.060** Voting procedures at the polls.
~~2.68.380~~ **11.40.070** Unused and damaged ballots.
~~2.68.390~~ **11.40.080** Counting of ballots.
~~2.68.395~~ **11.40.090** Stickers prohibited.
~~2.68.400~~ **11.40.100** Certificate of returns.

~~2.68.330~~ **11.40.010** Election officials.

A. Election Supervisor. The borough clerk shall be the election supervisor. The clerk shall have authority to conduct all election proceedings and to carry out the intent of this chapter. The clerk may authorize an assistant to perform the functions set out in this chapter as election official. Such assistant shall be administered the election officials' oath.

The clerk or assistant will visit each polling place on Election Day.

B. Judges. Prior to each election, the borough clerk, with the approval through a resolution of the assembly, shall appoint at least three judges of election for each polling place. One judge shall be designated chair and shall be primarily responsible for administering the election in that precinct. If a judge is not able or refuses to serve on Election Day, the clerk may appoint a replacement.

C. Election Clerks. The borough clerk may appoint up to three election clerks at any polling place where they are needed to conduct an orderly election and to relieve the election judges of undue hardship.

D. Election Officials to Be Qualified Electors. Each election official serving at a polling place must be a qualified voter and reside within the borough.

E. Oath. Each election official shall take or subscribe to the following oath delivered to the official by the borough clerk:

I, _____, do solemnly swear (or affirm) that I will honestly and faithfully perform the duties of judge of the election according to law; and that I will endeavor to prevent fraud, deceit, or abuse in conducting the election, to the best of my knowledge and ability.

F. Training Session. ~~All **Every** election officials ~~must~~ **shall** attend **an annual pre-election** training session ~~unless excused therefrom by the borough clerk. Any appointed official who fails to attend a training session without being excused will be subject to dismissal by the clerk who is authorized to make an appointment to fill the vacancy caused by such dismissal.~~ **which must include at a minimum:**~~

- a. **Ethics training;**
- b. **Opening / closing duties of polling places;**
- c. **Procedures for hand-counting ballots;**
- d. **Operations of optical scan machines (when used);**
- e. **Contents of the instructions to voters on ballots;**
- f. **an understanding of the Charter and Code references for elections;**
and
- g. **Any other items deemed necessary and/or appropriate by the clerk.**

The clerk is authorized to dismiss any official who is not trained and may make an appointment to fill the vacancy caused by such dismissal.

G. Compensation. The judges and clerks of election shall be paid such compensation for their services as is determined by resolution of the assembly.

~~2.68.340~~ **11.40.020** Voting precincts.

Voting precinct names and boundaries shall be determined and defined by the Alaska State Division of Elections. Names and boundary descriptions of voting precincts shall be kept on

file at the borough clerk's office. The polling places for the borough shall be the ~~American Bald Eagle Foundation Building and the Klehini Valley Fire Department~~ **same as the polling places used by the state of Alaska** unless changed by circumstances. In the case of a polling place change, a notice shall be posted clearly on the main entrance of the primary polling place giving directions to the alternate polling place.

~~2-68-345~~ **11.40.030 Sales of alcohol on election day.**

The provisions of AS 04.16.070(2) do not apply in the borough, and intoxicating liquor may be sold, bartered, given, consumed or otherwise disposed of in licensed premises while the polls are open on Election Day.

~~2-68-350~~ **11.40.040 Dates and hours for elections.**

A. General and Special Elections. General and special elections may be held as prescribed in HBC ~~2-68-050~~ **11.08.010** and ~~2-68-060~~ **11.12.020**, respectively.

B. Polls – Opening and Closing. On Election Day, precinct polls shall open for voting at 8:00 a.m. and shall remain open continuously until 8:00 p.m.; except on those election days when borough and state elections are held concurrently in which case the precinct polls shall be open for voting at 7:00 a.m. Immediately after the opening of the polls and before receiving any ballots, one of the judges of the election shall proclaim from the door of the polling place that the polls of such election are open. Thirty minutes before the closing of the polls, an election judge shall proclaim to any persons present the time remaining before the polls close. When the polls are closed that fact shall be similarly proclaimed and thereafter no ballot shall be accepted except those of qualified voters already present at the polls and waiting to vote when the polls are closed.

~~2-68-360~~ **11.40.050 Election supplies and equipment.**

A. The borough clerk shall cause to be erected in the polling place(s) a sufficient number of booths, which shall be furnished with such supplies and conveniences as will enable the voter to mark the ballot for voting and in which the voter may prepare the ballot screened from observation. The ballot boxes shall be within the polling place, outside of the booths.

B. If optical scan machines are used to tabulate votes, the borough clerk shall cause the memory cards to be programmed to reject only the following ballots:

1. **Over-voted ballots;**
2. **Blank ballots;**
3. **Non-processed ballots; and**
4. **Jammed ballots.**

~~2-68-370~~ **11.40.060 Voting procedures at the polls.**

A. Before issuing any ballots, the election board must, in the presence of any persons assembled at the polling place, open and exhibit the ballot box to be used at the polling place. The borough clerk or designee will ensure that the ballot box is empty. The ballot box then shall be closed and shall not be opened again or removed from the polling place until the polls have closed.

B. The voter shall give the election officials the voter's name and address. The election official may require proof of identification as required by AS 15.15.225. If it is determined that the voter is a qualified voter of the precinct, the voter then shall place the voter's signature on the appropriate line in the registration book provided by the borough clerk. If any election official present believes the voter is not qualified, that official shall immediately challenge the voter.

C. A person whose right to vote has been challenged may be issued a ballot if the voter first completes and subscribes to an affidavit of his qualification. When the marked

ballot is returned to the election officials, it shall be placed in an envelope to permit segregation before being cast in the ballot box. The clerk shall provide forms and materials for this procedure. All envelopes containing questioned ballots shall be returned to the clerk for delivery, unopened, to the assembly at the time of canvass.

D. If the voter is not challenged, or if the voter has complied with the questioned ballot procedure, the election officials will issue to the voter the ballot or ballots to which the voter is entitled.

E. Each voter shall retire alone to a booth or to a private area to mark the voter's ballot, as indicated by the instructions on the ballot. ~~However, if a voter is blind or otherwise physically unable to mark the ballot alone, the voter may request~~ assistance, and it will **may** be provided by two election officials **or by a person chosen by the voter**. When the voter has marked the ballot, upon leaving the booth the voter shall deposit it in the **Accu-Vote official** ballot box in the presence of the election judge unless the voter requests the election judge to deposit the ballot in the voter's behalf.

F. If a voter improperly marks or otherwise damages a ballot, the voter shall return it to the election officials, concealing the manner in which it is marked from view, and shall request a new ballot. The election officials shall destroy the damaged ballot after having recorded its number and shall issue a new ballot to the voter. A voter may request replacement of a damaged ballot no more than two times.

G. During the hours that the polls are open, no judge or clerk may discuss any political party, candidate or issue while on duty.

~~2-68-380~~ **11.40.070 Unused and damaged ballots.**

The numbers of all ballots not issued shall be recorded and then all such ballots shall be segregated and removed from the area in which the counting is to take place before the ballot box is opened. The numbers of ballots damaged by voters and replaced pursuant to HBC ~~2-68-370~~ **11.40.060(F)** shall also be recorded. The record of ballots not issued and ballots damaged as well as the ballots themselves shall be delivered to the borough clerk with the other election materials and shall be preserved for six months.

~~2-68-390~~ **11.40.080 Counting of ballots.**

A. The opening of the ballot box and the counting of the ballots shall be accomplished in full view of any persons present. The public may not be excluded from the area in which ballots are counted. However, the chair of the election board shall not permit anyone present to interfere in any way or to distract the appointed officials from their duties and no one other than appointed election officials may handle the ballots. The ballots shall not be marked in any way by anyone during the tallying.

B. Immediately following the closing of the polls and the removal of unused ballots pursuant to HBC ~~2-68-380~~ **11.40.070**, the election officials shall print out the tally of all ballots on the **Accu-Vote optical scan** machine, comparing the results with the signature register. With necessary adjustment to account for the number of ballots required to present to each voter all of the offices and propositions on which the voter is entitled to vote, the number of ballots issued shall agree with the number of signatures on the signature register. If a discrepancy exists which cannot be resolved, the election officials shall explain the discrepancy to the best of their ability in writing for delivery to the borough clerk.

C. Ballots not counted shall be retained and with counted ballots be delivered to the borough clerk.

D. Hand Count. In the case of an election where ballots are counted by hand, the election officials shall follow the same procedures as for machine counting, except as follows: Ballots shall be removed from the ballot box and separated into stacks of 25. Election officials shall then tally the votes according to the following rules:

1. A voter may mark a ballot only by the use of cross marks, "X" marks, diagonal, horizontal, or vertical marks, solid marks, stars, circles, asterisks, checks, or plus signs that are clearly placed within the oval opposite the name of the candidate or proposition the voter desires to designate.

2. Failure to properly mark a ballot as to one or more candidates or propositions does not itself invalidate the entire ballot.

3. If a voter marks more names than there are persons to be elected to the office the votes for that office shall not be counted.

4. An erasure or correction invalidates only that section of the ballot in which it appears, unless the intent of the voter is clear.

5. One official shall read the votes, with another official watching.

6. Two officials shall tally votes with officials watching to assure proper tallying, comparing tallies each time they finish a group of 25 ballots.

7. The results shall be transferred onto a final report, showing votes received by each candidate and for each question, and recording write-in votes cast.

8. The report shall be signed by all election officials present.

9. In the event a mark on any ballot is questionable, it shall be decided by the election officials whether the intent of the voter is clear by the manner the ballot is marked. If the intent of the voter is not clear, the vote shall not be counted.

E. Write-In Votes. Write-in votes shall be counted pursuant to the rules set forth in this section and according to the following additional rules:

1. Write-in votes are not invalidated by writing in the name of a candidate whose name is printed on the ballot unless the election board determines, on the basis of other evidence, that the ballot was so marked for the purpose of identifying the ballot.

2. In order to vote for a write-in candidate, the voter must write in the candidate's name in the space provided and fill in the oval opposite the candidate's name in accordance with subsection (E)(1) of this section.

3. A vote for a write-in candidate shall be counted if the oval is filled in or marked for that candidate and if the name, as it appears on the write-in declaration of candidacy, of the candidate or the last name of the candidate is written in the space provided. Write-in votes are not invalidated by misspelling the name of the candidate if the election officials determine that the intent of the voter is clear.

4. Hand counting individual write-in votes in a borough election will only be done if the aggregate of all votes cast for all write-in candidates for the particular office, as shown on the machine tally, meets one of the following requirements:

a. The number is the highest of votes received by any candidate for the office; or

b. The number is high enough to conceivably affect the outcome of the race when all outstanding votes are counted.

If the election officials determine that one of these requirements has been met, the ballots shall be hand-tallied on election night following poll closure.

F. The rules set out in this section are mandatory and there are no exceptions to them. A ballot may not be counted if it is not in compliance with these rules.

~~2.68.395~~ **11.40.090 Stickers prohibited.**

Affixing stickers on a ballot in a municipal election is prohibited.

~~2.68.400~~ **11.40.100 Certificate of returns.**

When the tally of votes is completed and the printout received from the ~~Accu-Vote~~ **optical scan** machine, it must be signed by the election board. After completion of the certificate of returns, the counted ballots shall be placed in boxes provided by the borough clerk and shall

be delivered to the borough clerk by noon of the day following, together with the rejected ballots to be preserved for six months, after which they shall be destroyed.

~~Article XI.~~ **Chapter 11.44**
PROHIBITED PRACTICES

Sections:

- ~~2.68.410~~ **11.44.010 Election offenses and corrupt practices.**
~~2.68.420~~ **11.44.020 Improper subscription to petition.**
~~2.68.430~~ **11.44.030 Penalty.**

~~2.68.410~~ **11.44.010 Election offenses and corrupt practices.**

The following acts are declared to be election offenses and corrupt practices and are prohibited:

A. Inducing, compelling, or attempting to induce or compel any person to vote or refrain from voting for any candidate in any election or for or against any election proposition or question by directly or indirectly using or threatening to use force, coercion, violence or restraint or inflicting or threatening to inflict damage, harm or loss upon or against the person;

B. Giving, promising to give, or offering any money or other valuable thing to any person with the intent of inducing him or her to vote for or restrain from voting for any candidate or for or against any election proposition or question;

C. Writing, printing or circulating, or causing to be written, printed or circulated, any letter, circular, bill, placard or poster or other publication relating to any election or to any candidate at any election or to any election proposition or question without the same bearing on its face, the name and address of the author, printer, and publisher thereof;

D. Writing, printing or circulating, or causing to be written, printed or circulated, any letter, circular, bill, placard or poster, or causing any paid advertising to be placed in a newspaper or any other publication, or paying or contributing to the payment for such advertisement, or making any radio broadcast, with knowledge that the letter, circular, bill, placard or broadcast contains any false statement, charge or comment relating to any candidate at any election or to any election proposition or question;

E. Possessing an official ballot outside of the voting room if not authorized by law to do so;

F. While the polls are open, opening any ballot received from a voter, or marking a ballot by folding or some other manner so as to be able to recognize it, or otherwise attempting to learn how any voter marked the voter's ballot;

G. Publishing or causing to be published any letter, circular, poster, bill, publication or placard, knowing that it contains any false statement or false charges reflecting on the character, morality, or integrity of any candidate at any election;

H. Voting or attempting to vote in the name of another person or in any name other than the person's own;

I. By force, threat, intimidation or offer of reward, inducing or attempting to induce any election judge or clerk to fail in their duty;

J. Willfully changing or causing to be changed any official election documents including ballots, tallies and returns, or attempting to do so;

K. Willfully delaying or causing to be delayed the election returns, or attempting to do so;

L. Willfully voting or attempting to vote more than once at the same election;

M. Willfully making a false affidavit or swearing falsely under the oath required by this chapter;

N. Willfully failing to perform any election duty or knowingly doing any unauthorized act with the intent to affect the election or its results, by any election judge or clerk;

O. Willfully permitting, making or attempting to make any false count of the election returns by an election judge or clerk;

P. Willfully concealing, withholding or destroying election returns or attempting to do so;

Q. Electioneering on Election Day within the polling place or within 200 feet of the building wherein the polling place is located.

~~2.68.420~~ **11.44.020 Improper subscription to petition.**

Any person who signs any name other than the person's own to a petition proposing an initiative, referendum or recall, or who knowingly signs the person's name more than once for the same proposition or question at one election, or who signs the petition knowing the person is not a qualified voter, shall be guilty of a misdemeanor.

~~2.68.430~~ **11.44.030 Penalty.**

Any person convicted of a violation of any of the sections of this article shall be subject to punishment as provided in this code.

~~Article XII.~~ **Chapter 11.48**

CANVASS OF RETURNS

Sections:

~~2.68.470~~ **11.48.010 Canvass of returns.**

~~2.68.480~~ **11.48.020 Adjudication and counting of absentee and questioned ballots.**

~~2.68.490~~ **11.48.030 Manner of canvass.**

~~2.68.500~~ **11.48.040 Certification and record of results.**

~~2.68.510~~ **11.48.050 Votes required to elect – Runoff elections.**

~~2.68.470~~ **11.48.010 Canvass of returns.**

Not later than seven days after the election the assembly shall meet and canvass the election returns. If the assembly is unable to complete the canvass on its first meeting, the assembly may recess its deliberation for not more than 24 hours. The meeting may not be recessed more than twice, and absentee ballots received after the first meeting will not be considered.

~~2.68.480~~ **11.48.020 Adjudication and counting of absentee and questioned ballots.**

A. The borough clerk shall provide such evidence as may be required to assist the assembly in judging the qualifications of those voters who cast questioned ballots, or whose absentee ballots were in some way questionable. In full view of those present the assembly shall make a determination upon each of these ballots. To be counted in the election an absentee ballot must be received by the clerk before the date and hour of the canvass and, if mailed, postmarked no later than the day of the election or, if electronically transmitted, the electronically generated time must be no later than 8:00 p.m. Alaska time on the day of the election. An absentee ballot shall not be counted if:

1. The voter has failed to properly execute the certificate;
2. An official or the witnesses authorized by law to attest the voter's certificate fail to execute the certificate;
3. The ballot is not attested to on or before the date of the election;
4. The ballot return envelope, if postmarked on a date after the election; or
5. A voter has not submitted an affidavit in support of an unpostmarked ballot received in the mail after the election.

B. Questioned and absentee ballots judged to be valid shall be counted in the following manner. The ballots shall be removed from the identifying outer envelopes and shuffled thoroughly. The envelopes shall also be shuffled thoroughly and delivered to the borough clerk to be preserved with other records of the election. The votes cast on these ballots shall then be tallied by hand count and/or Accu-Vote optical scan machine.

C. The rules set out in this section are mandatory and there shall be no exceptions to them. A ballot shall not be counted unless in compliance with these rules.

~~2-68-490~~ **11.48.030** **Manner of canvass.**

The canvass of all election returns shall be made in public by examining the election board's certificates of returns and compiling these along with the tally of valid absentee and questioned ballots, or, at the discretion of the assembly, an actual recount may be undertaken under usual counting procedures and after due notice to candidates.

~~2-68-500~~ **11.48.040** **Certification and record of results.**

A. At the first regular meeting of the assembly following the canvass, unless the assembly orders an investigation or unless a contest has been previously filed pursuant to Article XIII of this chapter, the assembly shall declare the election valid and certify the election results.

B. The assembly shall certify results not in question immediately and shall complete an investigation or contest procedures as soon as practicable to assure prompt certification.

C. In the case of a recount, the certification of the recount may be postponed until the next regular assembly meeting following the recount.

D. The certification shall be by motion duly made, seconded and passed and the results of the elections shall be noted in the record of the proceedings of the assembly. The record shall include the total number of votes cast during the election and the votes cast for each person and for and against each proposition.

E. Upon certification of the election by the assembly, the clerk shall deliver to each person elected a copy of the assembly's certificate of election. The certificate so made shall be prima facie evidence of the truth of the statements contained in it.

~~2-68-510~~ **11.48.050** **Votes required to elect – Runoff elections.**

A. Votes Required to Elect. To be elected to office, a candidate must receive at least 40 percent of the votes cast for the office, determined by dividing the total number of legal votes cast for the office by the number of vacancies being filled.

B. Runoff Elections. If in a borough election an office is not filled because candidates received fewer than 40 percent of the votes cast, the borough shall hold a runoff election between the top two unseated candidates on the first Tuesday in November following the canvass and certification as in HBC ~~2-68-500~~ **11.48.040**. There shall be two runoff candidates for each office to be filled. Notice of the runoff election shall be published at least 10 days before the election date. The person(s) receiving the highest number of votes shall be elected following canvass and certification of the election as provided in HBC ~~2-68-500~~ **11.48.040**.

~~Article XIII.~~ **Chapter 11.52**
Contested Elections

Sections:

~~2-68-530~~ **11.52.010** **Notice of election contest.**

~~2-68-540~~ **11.52.020** **Investigation of election contest.**

~~2-68-545~~ **11.52.030** **Assembly action following investigation.**

~~2-68-550~~ **11.52.040** **Expenses of contested election.**

~~2-68-560~~ **11.52.050** **Election contest appeal – Judicial review.**

~~2.68.530~~ **11.52.010 Notice of election contest.**

A candidate or 10 qualified voters who voted in that election may contest election of any person or the approval or rejection of any question or proposition upon one or more of the following grounds: (A) ~~mistake, misconduct, fraud, or corruption~~ **any action** on the part of an election official sufficient to change the result of the election; (B) the candidate certified by the election board under HBC ~~2.68.400~~ **11.40.100** is not qualified as required by law; (C) any corrupt practice as defined by law sufficient to change the results of the election. The notice of election contest shall be submitted, in writing, to the borough clerk before 5:00 p.m. on the day of the certification of the election. The notice of contest shall specify the election being contested, the grounds of the contest, and shall bear the notarized signatures of the candidate or qualified voters bringing the contest. The notice shall be in substantially the following form:

NOTICE OF ELECTION CONTEST

(I)(we), the undersigned, believe(s) that the following prohibited practices occurred at the election held on ___(date)__. (I)(We) also hereby state that the violation was committed by the following person(s):

List prohibited practice(s) _____

List person(s) alleged to have committed the violation:

Signature of Person(s) Contesting

SUBSCRIBED and SWORN to before me this ____ day of _____, 20 ____
by: _____.

Notary Public

~~2.68.540~~ **11.52.020 Investigation of election contest.**

Upon receiving a notice of election contest, ~~per HBC 2.68.530~~, the assembly shall order an investigation to be made by the borough attorney, clerk and manager **such investigative action as it deems appropriate**. All investigation proceedings shall be conducted publicly. **Any proceedings shall be noticed to the public in the same manner as assembly meetings per HBC 2.08.060 (A). The public shall be provided a reasonable opportunity to be heard.** The authority to investigate includes the authority to order the appearance of witnesses, to administer oaths, and to compel the production of books, records, paper and electronic documents, and other evidence. Following completion of the investigation, a written report shall be prepared and presented **made available** to the assembly **and to the public following the notification standards set out in HBC 2.08.060 (A).**

~~2.68.545~~ **11.52.030 Assembly action following investigation.**

If, following completion of the investigation, **and the presentation of the report**, the assembly concludes: (A) ~~mistake, misconduct, fraud, or corruption~~ **any action** on the part of an election official sufficient to change the result of the election occurred; (B) the person canvassed as elected is not qualified as required by law; or (C) any corrupt practice as defined by law sufficient to change the results of the election occurred, the assembly shall, to the extent of such proof, either: (1) purge the invalid or improperly counted votes and, after a recount, certify the amended returns; (2) decline to certify the election of the person

not qualified by law and order another election for that office; or (3) decline to certify the results of the election and order another election.

~~2.68.550~~ **11.52.040 Expenses of contested election.**

All expenses incurred by the borough pursuant to an election contest shall be paid by the candidate or voters contesting the election and each of them shall be individually liable for the whole amount of such expenses, unless: (A) the results of the election are changed by a recount, or (B) the difference between the winning and losing vote on the result contested is changed by more than two percent, or (C) the assembly determines that the election was invalid, or (D) otherwise ordered by the assembly **based on a finding of public benefit.**

~~2.68.560~~ **11.52.050 Election contest appeal – Judicial review.**

A person qualified to file an election contest may not appeal or seek judicial review of an election for any cause unless the person is qualified to vote in the borough, exhausted all administrative remedies before the clerk and the assembly, and has commenced an action in the superior court within 10 calendar days after the assembly has finally certified the election results. An appeal under this section shall be brought in the Superior Court for the State of Alaska, First Judicial District at Juneau, Alaska. The appeal shall be heard by the court sitting as an appellate court and shall be governed by the applicable rules of procedure for appeals to the superior court in civil matters. Upon order of the court, the clerk shall furnish a record of the contested election, including ballots, registers, and other election material and papers as the court may demand. If an action under this section is not commenced within the 10-day period, the election and the election result shall be conclusive, final, and valid in all respects

Article XIV: **Chapter 11.56**
ELECTION RECOUNT

Sections:

~~2.68.570~~ **11.56.010 Mandatory recount.**

~~2.68.580~~ **11.56.020 Recount application.**

~~2.68.590~~ **11.56.030 Date of recount – Notice.**

~~2.68.600~~ **11.56.040 Procedure for recount.**

~~2.68.610~~ **11.56.050 Certification of recount result.**

~~2.68.620~~ **11.56.060 Return of deposit and apportionment of expenses upon recount.**

~~2.68.630~~ **11.56.070 Recount appeal – Judicial review.**

~~2.68.570~~ **11.56.010 Mandatory recount.**

If two or more candidates tie in having the highest number of votes for the same office, to which only one candidate is to be elected, the clerk shall initiate a recount.

~~2.68.580~~ **11.56.020 Recount application.**

A. A candidate or 10 qualified voters who believe a mistake has been made in the counting of the votes in that election, and who voted in that election, may file an application with the clerk for a recount of the votes from any particular precinct, or for any particular office, proposition or question by filing an application with the clerk before 5:00 p.m. on the third calendar day following the canvass of the election returns. The date on which the clerk receives an application rather than the date of mailing or transmission determines whether the application is filed within the time allowed under this subsection.

B. A recount application shall identify the particular office, proposition or question for which the recount is to be held, and shall state that the person making the application is a candidate or that the 10 persons making the application are qualified voters who voted in that election. The candidate or persons making the application shall designate by full name

and mailing address two persons who shall represent the applicant during the recount. Any person may be named representative, including the candidate or any person signing the application. Applications by 10 qualified voters shall also include the designation of one of the number as a contact person. The candidate or person making the application shall sign the application and shall print or type the candidate's full name and mailing address.

C. The application shall include a deposit in cash or by certified check. The amount of the deposit shall be \$100.00.

~~2.68.590~~ **11.56.030** **Date of recount – Notice.**

A. If the clerk determines that the application is substantially in the required form, the clerk shall fix the date of the recount to be held not later than five calendar days after the receipt of an application requesting a recount of the votes in a borough election.

B. The clerk shall provide at least 24 hours' public notice of the time and place of the recount by posting in at least three conspicuous places. Notice shall be provided to the recount applicant, designated contact person and all candidates of the time and place of the recount by either certified mail, electronic mail, facsimile, or by telephone.

~~2.68.600~~ **11.56.040** **Procedure for recount.**

A. For a recount of ballots, the clerk shall appoint an election board.

B. A recount shall be limited in its scope to a recount of the ballots by the election board.

C. In conducting the recount, the board shall review all ballots to determine which ballots or parts of ballots were properly marked, which ballots are to be counted in the recount, and shall check the accuracy of the original count and documentation provided by the election officials. The board shall check the number of ballots and questioned ballots cast in a precinct against the registers and shall check early and absentee ballots voted against early and absentee ballots distributed. The rules in HBC ~~2.68.390~~ **11.40.080(D)** governing the counting of hand-marked ballots shall be followed in the recount.

D. The ballots and other election materials shall remain in the custody of the clerk during the recount and the highest degree of care shall be exercised to protect the ballots against alteration or mutilation. The recount shall be completed within 10 calendar days after the receipt of an application requesting a recount of the votes in a borough election. The clerk may employ additional personnel necessary to assist in the recount.

E. The clerk shall have the authority to set rules governing the intent of this section.

~~2.68.610~~ **11.56.050** **Certification of recount result.**

Upon completing the recount, the clerk shall provide a report of the results of the recount for submission to the assembly. The assembly shall issue a certificate of election.

~~2.68.620~~ **11.56.060** **Return of deposit and apportionment of expenses upon recount.**

A. If, upon recount, a different candidate or position on a proposition or question is certified, or if the vote on recount is two percent or more in excess of the vote originally certified for the candidate or position on a proposition or question supported by the recount applicant, the entire deposit shall be refunded to the recount applicant.

B. If none of the requirements of subsection (A) of this section are met, the clerk shall refund any money remaining after the cost of the recount has been paid from the deposit. If the deposit is insufficient to cover the costs, the borough may recover the excess costs from the contestant. If the recount is obtained by voters, each of them shall be individually liable for the whole amount of the expenses.

~~2.68.630~~ **11.56.070** **Recount appeal – Judicial review.**

A person qualified to request a recount may not appeal or seek judicial review of a recount for any cause unless the person is qualified to vote in the borough, exhausted all

Haines Borough
Ordinance No. 14-04-373
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administrative remedies before the clerk and the assembly, and has commenced an action in the superior court within 10 calendar days after the assembly has finally certified the election results. An appeal under this section shall be brought in the Superior Court for the State of Alaska, First Judicial District at Juneau, Alaska. The appeal shall be heard by the court sitting as an appellate court and shall be governed by the applicable rules of procedure for appeals to the superior court in civil matters. Upon order of the court, the clerk shall furnish a record of the election recount, including ballots, registers, and other election material and papers as the court may demand. If an action under this section is not commenced within the 10-day period, the election and the election result shall be conclusive, final, and valid in all respects.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS
____ DAY OF _____, 2014.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced:	04/08/14
Date of First Public Hearing:	04/22/14
Date of Second Public Hearing:	05/13/14
Date of Third Public Hearing:	05/27/14



Memo from the Clerk

Date: May 27, 2014
To: Mayor and Assembly
Cc: Borough Manager
From: Julie Cozzi, MMC, Borough Clerk
Re: Ordinance 14-04-373 – Election Code

During discussion of this ordinance on 5/13/14, you asked me to review the draft ordinance specifically focusing on whether the code should refer to “election supervisor” or “borough clerk.” Additionally, Assembly Member Schnabel expressed concern about preserving for the clerk the authority to determine a candidate’s qualification. I conducted a thorough review and the following is my recommendation. I have provided a suggested motion at the bottom of this memo.

Issue 1: Borough Clerk or Election Supervisor?

I recommend referring to “borough clerk” throughout the ordinance. The following code declares that the clerk shall be the election supervisor. This is more a matter of function or duty rather than a title. I do, however, recommend a few changes in that section (highlighted in yellow) to make the assistant part more clear.

~~2-68-330~~ **11.40.010 Election officials.**

A. Election Supervisor. The borough clerk shall be the election supervisor. The clerk shall have authority to conduct all election proceedings and to carry out the intent of this chapter. The clerk may authorize an assistant to perform **assist with** the **supervisory** functions set out in this chapter **as election official**. Such assistant **shall be an election official and** shall be administered the election officials’ oath. **The clerk or assistant will visit each polling place on Election Day.**

I also recommend clarification amendments to sections 11.12.040 and 11.36.020 and they are highlighted in yellow.

~~2-68-090~~ **11.12.040 By-mail elections.**

The borough assembly may authorize, by resolution, a special by-mail election.

A. The resolution and notice of election must state that the election is to be conducted by mail and that there will be no polling place open for regular in-person voting on election day. In a by-mail election, Election Day will be the date designated by the assembly as the deadline by which a voter’s ballot must be voted, witnessed, and delivered by hand or mail, and if mailed, shall bear a postmark dated not later than Election Day by the post office. Ballots received after Election Day without a postmark shall require a sworn and notarized voter affidavit in order to be counted. Such affidavit may be faxed.

B. In each election conducted by mail, the borough office shall serve the precinct in which the election is to be held. The **borough clerk** ~~election official~~ shall mail ballots not later than the twenty-second day before the election. Absentee voting in person shall be provided not more than 30 days or not less than one day prior to date of election.

C. The **borough clerk** ~~election official~~ shall determine and use a method of voter outreach by which voters are informed of a by-mail election, separate from and in addition to the public notice required by statute. Unless in the discretion of the **borough clerk** ~~election official~~ an alternative method of outreach is used, where there are more than 30 days between the date of the election order or resolution calling for the election

and election day, the **borough clerk** ~~election official~~ will send, to each voter whose name appears on the official register, advance notice of the election at the mailing address stated in the voter's current registration record.

~~2.68.260~~ **11.36.020 Absentee voting procedure.**

E. Any voter issued an absentee ballot may, at any time prior to the closing of the polls on the day of the election for which it is issued, appear at the office of the borough clerk, or such other place as the borough clerk may designate, and there cast a ballot in the following manner: The voter first shall show the borough clerk or other election official that the ballot has not been marked, then shall mark the ballot, as indicated by the instructions on the ballot, in the presence of the borough clerk or **other** election official, in such a manner that the borough clerk or **other** election official cannot see how it is marked. The borough clerk or other election official shall secure the ballot and deliver it to the appropriate place for counting.

Issue 2: Authority to Determine Candidate Qualification

The following code section states the clerk may disqualify any candidate any time BEFORE the election. That authority is very clear.

11.24.010(D). The clerk shall determine whether each candidate for borough office is qualified as provided by law. At any time before the election, the clerk may disqualify any candidate whom the clerk finds is not qualified.

So, what happens if something comes to light AFTER the election? Obviously, that could mean the clerk either missed something or the candidate knowingly withheld information. While it is unthinkable, it could happen. Therefore, it is important to preserve the ability for a candidate's qualifications to be challenged following the election. I don't think it is necessary to spell it out in the code. In my opinion, the instances when this might happen would fall under either "any action of an election official" or "any corrupt practice." It is important to note that (A) is specific to election officials and (B) could be officials, candidates, or voters. Following are my recommended amendments to sections 11.52.010 and 11.52.030 (highlighted in yellow):

11.52.010 Notice of election contest.

A candidate or 10 qualified voters who voted in that election may contest election of any person or the approval or rejection of any question or proposition upon one or **more both** of the following grounds:

(A) ~~mistake, misconduct, fraud, or corruption~~ **any action** on the part of an election official sufficient to change the result of the election;

(B) **the candidate certified by the election board under HBC 2.68.400 11.40.100 is not qualified as required by law;** (C) any corrupt practice as defined by law sufficient to change the results of the election.

The notice of election contest shall be submitted, in writing, to the borough clerk before 5:00 p.m. on the day of the certification of the election. The notice of contest shall specify the election being contested, the grounds of the contest, and shall bear the notarized signatures of the candidate or qualified voters bringing the contest. The notice shall be in substantially the following form:

Issue 2 ---continued---

11.52.030 Assembly action following investigation.

If, following completion of the investigation, **and the presentation of the report**, the assembly concludes:

(A) ~~mistake, misconduct, fraud, or corruption~~ **any action** on the part of an election official sufficient to change the result of the election occurred; **or**

(B) ~~the person canvassed as elected is not qualified as required by law; or (C) any~~ corrupt practice as defined by law sufficient to change the results of the election occurred, the assembly shall, to the extent of such proof, either:

(1) purge the invalid, **illegally cast**, or improperly counted votes and, after a recount, certify the amended returns;

(2) decline to certify the election of ~~the person~~ **a candidate either** not qualified by law **or found to have been part of a corrupt practice** and order another election for that office; or

(3) decline to certify the results of the election and order another election.

Suggested amendment motion offered by the Clerk:

"I move to amend Ordinance 14-04-373 by making the changes as recommended in the May 27, 2014 memo from the borough clerk."



Memo from the Clerk

Date: May 13, 2014
To: Mayor and Assembly
Cc: Borough Manager
From: Julie Cozzi, MMC, Borough Clerk
Re: Ordinance 14-04-373 – Response to D. Hallett Issues & Clerk Recommendations

On April 22, 2014, Dana Hallett proposed three election reform items to you for your consideration. You asked me to review the items and prepare a recommendation. I have provided a suggested motion at the bottom of this memo.

Issue 1: Election Official Actions that are grounds for an election contest

Dana recommended either reverting back to the original *Subsection A* wording or making the following amendment to Section 11.52.030. I think the suggested amendment is a good idea, and I recommend you make this amendment.

11.52.030 Assembly action following investigation.

If, following completion of the investigation, and the presentation of the report, the assembly concludes: (A) any action on the part of an election official **that is not within the normal approved election procedures** sufficient to change the result of the election occurred; (B) the person canvassed as elected is not qualified as required by law; or (C) any corrupt practice as defined by law sufficient to change the results of the election occurred, the assembly shall, to the extent of such proof, either: (1) purge the invalid or improperly counted votes and, after a recount, certify the amended returns; (2) decline to certify the election of the person not qualified by law and order another election for that office; or (3) decline to certify the results of the election and order another election.

I also recommend you make the same amendment to Section 11.52.010, as follows:

11.52.010 Notice of election contest.

A candidate or 10 qualified voters who voted in that election may contest election of any person or the approval or rejection of any question or proposition upon one or more of the following grounds: (A) any action on the part of an election official **that is not within the normal approved election procedures** sufficient to change the result of the election; (B) the candidate certified by the election board under HBC 11.40.100 is not qualified as required by law; (C) any corrupt practice as defined by law sufficient to change the results of the election. The notice of election contest shall be submitted, in writing, to the borough clerk before 5:00 p.m. on the day of the certification of the election. The notice of contest shall specify the election being contested, the grounds of the contest, and shall bear the notarized signatures of the candidate or qualified voters bringing the contest.

Issue 2: 40% vote requirement for election & run-off elections

As you know, on May 6, the assembly met as a committee of the whole to discuss a new list of legislative priorities. You added to your list the issue of a Charter amendment to remove the 40% requirement. The related run-off election issue Dana raised would be easily resolved with that amendment, so I do not recommend a code amendment until the Charter is addressed.

Issue 3: Ballot counting in full view

Dana is concerned about the wording in HBC 11.40.080, and I agree that new wording would be more accurate. I propose the following amendments to that section:

11.40.080 Counting of ballots.

A. **All action of the election officials** ~~The opening of the ballot box and the counting of the ballots~~ shall be accomplished in full view of any persons present. The public may not be excluded from the area in which ballots **and optical scan results** are counted **handled in any way**. However, the chair of the election board shall not permit anyone present to interfere in any way or to distract the appointed officials from their duties and no one other than appointed election officials may handle the ballots. The ballots **and optical scan results** shall not be marked in any way by anyone during the tallying **and reconciliation**.

B. Immediately following the closing of the polls and the removal of unused ballots pursuant to HBC 11.40.070, the election officials shall print out the tally of all ballots on the optical scan machine, comparing the results with the signature register. With necessary adjustment to account for the number of ballots required to present to each voter all of the offices and propositions on which the voter is entitled to vote, the number of ballots issued shall agree with the number of signatures on the signature register. If a discrepancy exists which cannot be resolved, the election officials shall explain the discrepancy to the best of their ability in writing for delivery to the borough clerk.

Additionally, after reviewing Chapter 11.40, I realized the following section would benefit from additional language. The new Subsection A would require all subsequent lettering in that section to be renumbered. I ask for your consideration of this amendment.

11.40.060 Voting procedures at the polls.

A. The borough clerk shall provide a ballot box and an adequate number of voting booths for each polling place. Voting booths shall enable each voter to mark a ballot screened from observation. The ballot box shall be placed outside of the voting booths in plain view of the election officials and other persons at the polling place.

~~A.B.~~ Before issuing any ballots, the election board must, in the presence of any persons assembled at the polling place, open and exhibit the ballot box to be used at the polling place. The borough clerk or designee will ensure that the ballot box is empty. The ballot box then shall be closed and shall not be opened again or removed from the polling place until the polls have closed.

Suggested amendment motion offered by the Clerk:

"I move to amend Ordinance 14-04-373 by making the changes as recommended in the May 13, 2014 memo from the borough clerk."

Electron Comments from
Dana Hallett at 4/22/14
meeting

An election process that is fair, transparent, and clear is foundational to a strong representative democracy. I would like to thank the Mayor, the assembly and the administrative staff who have worked on election reform.

There are three items that I would like you to consider.

Item 1, RE: 11.52.030

Notice of election contest, prior to the proposed amendment, was: "A candidate or 10 qualified voters who voted in that election of any person or the approval or rejection of any question or proposition upon one or more of the following grounds: (A) a mistake, misconduct, fraud, or corruption . . . etc." In the proposed amendment, " mistake, misconduct, fraud, or corruption" has been changed to "any action."

I recommend that the old language be retained, or that *more clear language* might be something like, "any action on the part of an election official that is not within the normal approved operational procedures that is sufficient to change the result of the election . . ."

Item 2.

The Haines Borough Charter states, "If no candidate receives more than 40 percent of the votes, the seat will be filled by the winner of a runoff election... "

The proposed changes to the code are not congruent with the charter in two ways. First, when we vote for a slate of candidates, for, say, three vacant seats we have the option of voting for none, one, two, or three candidates. Because many voters may choose fewer than three names, the 40% requirement becomes mathematically meaningless. If our purpose is to elect to office those candidates who have a significant support of the electorate, this does not do it.

We could fix this by either changing the charter by deleting the 40 percent requirement or we could require voters to cast three votes; presumably three votes for the same candidate or spread their votes out among two or three. This change *might make* the 40% requirement more meaningful.

Secondly, the Charter states, "If no candidate receives more than 40% of the vote, the seat will be filled by the winner of a runoff election between the two candidates receiving the most votes." This language would need to be changed in the charter, because voters now make multiple choices from a slate of candidates. Would the top vote getter in a race with two seats vacant be required to run again? Would you include three of the four candidates in the runoff or all four?

Top two vote getters
win
in a two seat race
is easy to understand . . .

Issue 3. RE: 11.40.080

Quote: "The opening of the ballot box and the counting of the ballots shall be accomplished in full view of any persons present." My issue refers to the manner in which the votes are counted using the optical scanners. The ballots are counted in this case, not in the open, but sequestered inside a little black box. The manner in which our ballots are counted are clearly **not** in " full view of any persons present."

If the assembly feels that this is good enough, then I would recommend that the assembly state so in code. It is important that the public understand fully what is involved in elections that are not completely controlled by the neutral, fair ambitions of the local voters.

Joseph Stalin once said,

"It's not the people who vote that count, it's the people who count the votes."

Let's keep this implication from being true.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-451

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: FY14 Budget Amendment #4	1. Ordinance 14-04-377 2. Letter from Assembly Member Campbell requesting funding for ski club
Originator: Borough Manager and Finance Director	
Originating Department: Administration and Finance	
Date Submitted: 4/11/14	

Full Title/Motion:
Motion: Adopt Ordinance 14-04-377.

Administrative Recommendation:
The borough manager recommends adoption.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ see ordinance	\$ see ordinance	\$ see ordinance	

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: for one, Objective 15A	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-------------------------------------------------------	---------------------------------------------------------------------------------

Summary Statement:

Currently, the ordinance proposes: \$103K revenue from ADOT for a Haines rail access study; \$4K of Medical Service Area sales tax funds for mental health first aid training; transfer accumulated fund balance from previous LIDs to the permanent fund; areawide general funds for retirement incentive costs in FY14; \$29K of econ dev/tourism promotion sales tax funds for a winter tourism study; anticipated receipt of \$215K for the sale of property to the Aspen Hotel & transfer the anticipated net proceeds to the permanent fund; modify appropriations made from the CIP; \$60K of CIP funds for wastewater treatment plant improvements design; \$10K from Medical Service Area fund for 26-mile repeater improvements; and \$12,500 for purchase of a mobile office unit (funding source TBD).

Assembly Member Campbell has requested funding during this fiscal year for the ski club (see attached letter).

Referral:

Referred to: Finance Committee	Referral Date:
Recommendation: Adopt	Meeting Date: 5/6/14

Assembly Action:

Meeting Date(s): 4/22, 5/13, 5/27/14	Public Hearing Date(s): 5/13, 5/27/14
	Postponed to Date:

HAINES BOROUGH, ALASKA
ORDINANCE # 14-04-377

AN ORDINANCE OF THE HAINES BOROUGH, PROVIDING FOR THE ADDITION OR AMENDMENT OF SPECIFIC LINE ITEMS TO THE FY14 BUDGET.

BE IT ORDAINED BY THE ASSEMBLY OF THE HAINES BOROUGH, ALASKA:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Effective Date. This ordinance shall become effective immediately upon adoption.

Section 3. Appropriation. This appropriation is hereby authorized as part of the budget for the fiscal year July 1, 2013 through June 30, 2014.

Section 4. Purpose. To provide for the addition or amendment of specific line items to the FY14 budget as follows:

(1) To accept and appropriate \$103,000 in funds from the State of Alaska Department of Transportation and Public Facilities pursuant to an agreement signed October 10, 2013 for a Haines Rail Access Prefeasibility Study.				
		Current FY14 Budget	Proposed FY14 Budget	Fund Balance Increase / (Decrease)*
31-01-00-4341	State Revenue – Rail Study	\$0	\$103,000	\$103,000
31-01-00-7392	Project Expenditures – Rail Study	\$0	\$103,000	(\$103,000)
Total for rail study				\$0
(2) To appropriate \$4,000 of Medical Service Area sales tax funds for Mental Health First Aid Training per an agreement between the Haines Borough and Lynn Canal Counseling approved by the Assembly at their February 25, 2014 meeting.				
		Current FY14 Budget	Proposed FY14 Budget	Fund Balance Increase / (Decrease)*
20-03-00-7335	Training – Ambulance	\$7,650	\$11,650	(\$4,000)
(3) To transfer accumulated fund balance from previous Local Improvement Districts to the Permanent Fund.				
		Current Budget	Proposed Budget	Fund Balance Increase / (Decrease)*
79-98-00-8260	Transfer LID – OUT from LID Fund	\$0	\$16,130	(\$16,130)
97-98-00-8260	Transfer LID – IN to Permanent Fund	\$0	\$16,130	\$16,130
Total				\$0
(4) To appropriate Areawide General Funds for retirement incentive costs in FY14. Savings will be realized in future years.				
		Current Budget	Proposed Budget	Fund Balance Increase / (Decrease)*
01-01-15-6110	Salaries & Wages	\$191,600	\$206,900	(\$15,300)
01-01-15-6115	Employee Burden	\$59,977	\$61,354	(\$1,377)
Total appropriation for retirement incentive				(\$16,677)

(5) To appropriate \$29,000 of Economic Development and Tourism Promotion sales tax funds for a Winter Tourism study as requested by the Assembly at their April 8, 2014 meeting.

		Current FY14 Budget	Proposed FY14 Budget	Fund Balance Increase / (Decrease)*
23-02-00-7312	Professional Services (Tourism)	\$13,650	\$42,650	(\$29,000)

(6) To budget for the anticipated receipt of \$215,000 for the sale of Lot 6 and Lot 7 Primary School Subdivision , Plat No. 2008-21 and to transfer the anticipated net proceeds to the permanent fund.

		Current FY14 Budget	Proposed FY14 Budget	Fund Balance Increase / (Decrease)*
17-01-00-4615	Proceeds from Land Sales	\$246,576	\$461,576	\$215,000
17-98-00-8252	Transfer OUT from Land Sales	\$186,019	\$401,019	(\$215,000)
97-98-00-8252	Transfer IN to Permanent Fund	\$186,019	\$401,019	(\$215,000)
Total				\$215,000

(7) To modify appropriations made from the Capital Improvement Project Fund between FY09 and FY14. This list was reviewed by the Finance Committee on March 10, 2014. This amendment will enable funds to be freed up for higher priority projects in FY14 and FY15.

<u>Year</u>	<u>Project</u>	<u>Appropriation</u>	<u>Expended</u>	<u>Amount to Delete from / (Add) to Budget</u>
FY09	Admin Building Roof Repair	35,000	-	35,000
FY09	Downtown Development	35,000	46,855	(11,855)
FY11	Downtown Development - Signage	70,000	41,825	28,175
FY10	School Demolition	150,000	86,108	48,892
FY10	Admin Building Repair	80,000	55,271	24,729
FY11	Public Works Tools	1,409	6,000	(4,591)
FY11	Visitor Center Improvements	7,500	4,418	3,082
FY12	KVVFD Water Filter System	5,000	1,790	3,210
FY12	Parks Trash Cans	5,000	0	5,000
FY12	Police Security System	50,000	0	15,000
FY12	School / Pool Locker Rm Design	25,000	13,085	11,915
FY12	Barnett Tank Resize Tank	13,983	0	13,983
FY12	Facility Master Plan	75,000	56,281	18,719
FY13	Harbor Fuel Facility Cardlock	35,000	0	35,000
FY13	PS Bldg Parking Lot	21,000	7,389	13,611
FY13	Public Works Flat Bed Truck	50,000	54,162	(4,162)
FY13	Police Patrol Vehicle	26,167	28,500	(2,333)
FY13	Chilkat Center Major Repairs	33,500	52,163	(18,663)
FY13	Sewer Main Repair Oceanview	25,000	5,079	19,921
FY13	Float Extension for EXI	25,000	25,354	(354)

FY13	Mosquito Lk Schl Fire Suppr.	42,500	43,089	(589)
FY13	Public Works Dump Truck	165,000	151,590	13,410
FY14	Fire Dept. SCBA Upgrade	43,000	0	43,000
FY14	New Roofing at Admin Bldg	40,000	0	40,000
FY14	2 Police Vehicles	75,000	71,373	3,627
FY14	Loader	220,000	219,804	196
FY14	MSL Fan Engineering	15,000	1,304	13,696
CIP Funds available to be re-appropriated				347,620
(8) To appropriate \$60,000 of Capital Improvement Project Funds for Wastewater Treatment Plant Improvements Design which was approved by the Assembly on April 8, 2014 with Resolution 14-04-549. The total contract is for \$113,000 and the remainder will be paid out of the advanced engineering budget. If the Haines Borough is successful in acquiring a loan from ADEC for this project the Borough may be refunded for this expense out of loan proceeds.				
		Current FY14 Budget	Proposed FY14 Budget	Fund Balance Increase / (Decrease)*
50-01-00-7392	Project Expenditures (WWTP Design)	\$0	\$60,000	(\$60,000)
(9) To appropriate \$10,000 of Medical Service Area sales tax revenues to fund improvements to the 26 mile repeater including replacing the antennae and programming to the new assigned frequency by FCC.				
		Current FY14 Budget	Proposed FY14 Budget	Fund Balance Increase / (Decrease)*
20-03-00-7312	Professional Services	\$1,775	\$11,775	(\$10,000)
(10) To reduce an appropriation in the Capital Improvement Project Fund for "Deferred Maintenance" by \$12,500 and to appropriate \$12,500 for purchase of a mobile office unit.				
		Current Budget	Proposed Budget	Fund Balance Increase / (Decrease)*
50-01-00-7392	Deferred Maintenance	\$12,500	\$0	\$12,500
50-01-00-7392	Mobile Office Unit	\$0	\$12,500	(\$12,500)

* A positive amount in this column is favorable. A negative amount is unfavorable.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2014.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 04/22/14
Date of First Public Hearing: 05/13/14
Date of Second Public Hearing: 05/27/14

May 22, 2014

There is trail development money remaining in the 2014 budget.

The PARC has stated that the ability to develop and maintain trails would be greatly increased by using partnerships with other organizations.

The PARC has recognized the Ski Club as being an asset to having groomed ski trails in the Haines area.

The PARC has determined that groomed ski trails are in keeping with the Comp plan, and encourage health and economic opportunities.

The PARC has asked the Borough through budget request to assist the Ski Club in their efforts to provide groomed trails near Haines.


I am asking, through whatever MOU, gift, matching grant etc. that the Borough follow the recommendation of the PARC, and assist the Ski Club grooming efforts through financial support.(could we purchase the groomer and "loan" it to them as long as they use it?)

What makes this different than the other groups you mention? Our advisory committee has specifically requested that this group be assisted with this amount of money to ensure trail grooming continues. The PARC has not come forward to ask that the others be funded.

The grooming is not an activity to a specific group or club. The Ski Club grooms the trails, but the trails are open to anyone that wishes to use them, at any time of the day or night. The other organizations have limited opportunity for use: Dolphins are only for youth, as is Little League. Snowburners organize a race one time a year, though trying to do more, but still limited amount of days/hours use. The trails are a public service, free use to all that wish to use them, no fees or membership required. People from Canada, Juneau and Haines use these trails.

We give directly to Lynn Canal Counseling and Hark to make our community better. Neither go through the Community Chest. People taking their dogs with them skiing might just reduce the need for both of the above!

George



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-458Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Adopt FY15 Haines Borough Operating Budget	1. Ordinance 14-05-378 2. Capital Improvement Projects (CIP) Six-Year Plan 3. Revised Organizational Chart 4. PRAC Requests for Funding
Originator: Borough Manager	
Originating Department: Administration	
Date Submitted: 4/1/14	

Full Title/Motion:

Motion: Adopt Ordinance 14-05-378.

Administrative Recommendation:

The borough manager recommends adoption.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ See budget book	\$ See budget book	\$ See budget book	??????

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives:

Consistent: Yes No**Summary Statement:**

The manager submitted a proposed budget on 4/1/14, and the assembly conducted budget work sessions. Per the Charter 9.01(D), the budget must be adopted by 6/15. Two public hearings must be held prior to June 1st and on 3/25, the assembly scheduled the first hearing for 5/13 and the second for 5/27. The ordinance was introduced on 5/13 prior to the first hearing.

The FY15 manager's budget is available on the borough website: <http://www.hainesalaska.gov/finance>
It's also available in hard copy form at the Haines Public Library and the Borough Administration Building.

Referral:

Referred to: Assembly C.O.W.

Referral Date:

Recommendation:

Meeting Date: Various

Assembly Action:

Meeting Date(s): 5/13, 5/27/14

Public Hearing Date(s): 5/13, 5/27/14

Postponed to Date:

AN ORDINANCE OF THE HAINES BOROUGH, ALASKA, PROVIDING FOR THE ESTABLISHMENT AND ADOPTION OF THE BUDGET OF THE HAINES BOROUGH FOR THE PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. General Provisions. The following FY15 budget document, listing estimated resources and expenditures is hereby adopted and established as the budget for the period of July 1, 2014 through June 30, 2015 and made a matter of record for that purpose. Except in the case of appropriations for capital improvements, all unexpended balances not otherwise encumbered or disposed of in this ordinance as of June 30, 2015, shall lapse to those appropriate funds.

Section 3. Authorization and Appropriation. The expenditures set forth herein are authorized and appropriations as provided for are hereby made.

01 AREAWIDE GENERAL FUND

REVENUES

Property Tax	\$ 1,675,500
Sales Tax	585,000
State Revenue	892,650
Federal Revenue	374,054
Interest Earnings	110,000
User Fees	63,276
License, Permits, & Fees	58,245
Penalty & Interest	50,000
Rents	64,000
Other Miscellaneous Revenue	8,686
TOTAL AREAWIDE REVENUES	<u>\$ 3,881,411</u>

EXPENDITURES

Administration	457,191
Borough Assembly	107,882
Elections	5,712
Finance	398,367
Assessment/Land Management	299,328
Information Technology	73,343
Dispatch	380,067
Public Facilities	255,962
Solid & Hazardous Waste	23,150
Chilkat Center for the Arts	104,500
Road Maintenance Service Areas	30,500

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Haines Borough School District	1,786,866
Library	428,695
Museum	199,294
Parks	45,922
Community Youth Development	30,096
Swimming Pool	235,719
Transfers	(224,000)
Allocated Expense	<u>(737,489)</u>
TOTAL EXPENDITURES & TRANSFERS	<u>3,901,105</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ (19,694)</u>

02 TOWNSITE SERVICE AREA

REVENUES	
Property Tax Revenue	\$ 414,000
Sales Tax	677,000
State Revenue	483,220
Miscellaneous Revenues	<u>6,700</u>
	<u>1,580,920</u>
EXPENDITURES	
Police	579,748
Public Works	591,527
Animal Control	47,813
Transfers	233,000
Allocated Expense	<u>408,540</u>
TOTAL EXPENDITURES & TRANSFERS	<u>1,860,628</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ (279,708)</u>

17 LAND DEVELOPMENT & SALES

REVENUES	<u>\$ 25,000</u>
EXPENDITURES	
Direct Expenditures	4,050
Operating Transfers	8,081
Allocated Expense	<u>12,869</u>
TOTAL EXPENDITURES & TRANSFERS	<u>25,000</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ -</u>

20 MEDICAL SERVICE AREA

REVENUES	<u>\$ 247,000</u>
EXPENDITURES	
H.E.L.P. Committee	10,000
Other Medical Services	28,750
Ambulance	44,535
Operating Transfers	5,000
Allocated Expense	<u>175,728</u>
TOTAL EXPENDITURES & TRANSFERS	<u>264,013</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ (17,013)</u>

23 ECONOMIC DEVELOPMENT & TOURISM PROMOTION

REVENUES	<u>\$ 495,000</u>
EXPENDITURES	
Tourism	369,128
Economic Development	115,478
Allocated Expense	<u>10,381</u>
TOTAL EXPENDITURES & TRANSFERS	<u>494,987</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ 13</u>

25 FIRE SERVICE AREAS

REVENUES	
Fire District #1	\$ 203,000
Fire District #2	<u>28,418</u>
TOTAL REVENUES	<u>231,418</u>
EXPENDITURES	
Fire District #1	225,996
Fire District #2	28,418
Allocated Expense	<u>(14,093)</u>
TOTAL EXPENDITURES & TRANSFERS	<u>240,321</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ (8,903)</u>

34 COMMERCIAL PASSENGER VESSEL TAX

REVENUES	<u>\$ 145,000</u>
EXPENDITURES	<u>106,675</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ 38,325</u>

50 CAPITAL IMPROVEMENT PROJECTS

REVENUES	<u>\$ 742,000</u>
EXPENDITURES	
Direct Expenditures	1,150,950
Operating Transfers	(163,000)
Allocated Expense	<u>39,921</u>
TOTAL EXPENDITURES & TRANSFERS	<u>1,027,871</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ (285,871)</u>

61 EQUIPMENT SINKING FUND

TRANSFERS	<u>(75,000)</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ 75,000</u>

75 LIBRARY BOND FUND

REVENUES	<u>\$ 14,100</u>
EXPENDITURES	<u>14,148</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u>\$ (48)</u>

76 SCHOOL G.O. BOND FUND

REVENUES	<u>\$ 1,294,416</u>
EXPENDITURES	<u>1,294,310</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u><u>\$ 107</u></u>

90 WATER REVENUE FUND

REVENUES	<u>\$ 362,250</u>
EXPENDITURES	
Direct Expenditures	368,356
Allocated Expense	(1,152)
Depreciation Expense	<u>234,000</u>
TOTAL EXPENDITURES	<u>601,204</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u><u>\$ (238,954)</u></u>

91 SEWER REVENUE FUND (WASTEWATER TREATMENT)

REVENUES	<u>\$ 405,850</u>
EXPENDITURES	
Direct Expenditures	352,525
Allocated Expense	58,600
Depreciation Expense	<u>239,000</u>
TOTAL EXPENDITURES	<u>650,125</u>
CONTRIBUTION TO (FROM) FUND BALANCE	<u><u>\$ (244,275)</u></u>

92 BOAT HARBOR FUND

REVENUES	<u>\$ 489,800</u>
EXPENDITURES	
Direct Expenditures	636,887
Transfers	(43,000)
Allocated Expense	(104,309)
Depreciation Expense	<u>283,863</u>

TOTAL EXPENDITURES	773,441
CONTRIBUTION TO (FROM) FUND BALANCE	\$ (283,641)
 93 LUTAK DOCK FUND	
REVENUES	\$ 350,000
EXPENDITURES	44,420
Allocated Expense	95,107
Depreciation Expense	165,000
TOTAL EXPENDITURES	304,527
CONTRIBUTION TO (FROM) FUND BALANCE	\$ 45,473
 94 PORT CHILKOOT DOCK FUND	
REVENUES	\$ 62,800
EXPENDITURES	
Direct Expenditures	6,470
Allocated Expense	57,496
Depreciation Expense	391,310
TOTAL EXPENDITURES	455,276
CONTRIBUTION TO (FROM) FUND BALANCE	\$ (392,476)
 97 PERMANENT FUND	
REVENUES	\$ 280,000
EXPENDITURES	
Direct Expenditures	22,250
Operating Transfers	258,919
TOTAL EXPENDITURES & TRANSFERS	281,169
CONTRIBUTION TO (FROM) FUND BALANCE	\$ (1,169)

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Section 4. Rates of Levy. The following are rates of levy on taxable property within the Haines Borough for the Calendar Year beginning January 1, 2014, based upon the proposed Year FY15 beginning July 1, 2014.

	<u>Borough Areawide</u>	<u>Fire Service Area</u>	<u>Road / Other Service Area*</u>	<u>Debt Service Mills*</u>	<u>FY15 Total Levy</u>
Townsite	5.56	0.90	2.35	1.36	10.17
Fire District #1 (outside the Townsite)	5.56	0.90	-	1.36	7.82
Fire District #3	5.56	0.80	-	1.36	7.72
Dalton Trail RMSA	5.56	0.80	0.73	1.36	8.45
Dalton Trail RMSA (no fire service)	5.56	-	0.73	1.36	7.65
Dalton Trail & Eagle Vista RMSA	5.56	0.80	3.41	1.36	11.13
Dalton Trail & Chilkat Lake RMSA	5.56	-	1.03	1.36	7.95
Riverview RMSA	5.56	0.80	1.83	1.36	9.55
Letnikof RMSA	5.56	0.90	1.15	1.36	8.97
Borough	5.56	-	-	1.36	6.92

Section 5. Effective Date. This ordinance becomes effective July 1, 2014.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS _____ DAY OF _____, 2014.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/13/14
Date of First Public Hearing: 05/13/14
Date of Second Public Hearing: 05/27/14



Capital Improvement Projects (CIP) Six-Year Plan FY15-FY20

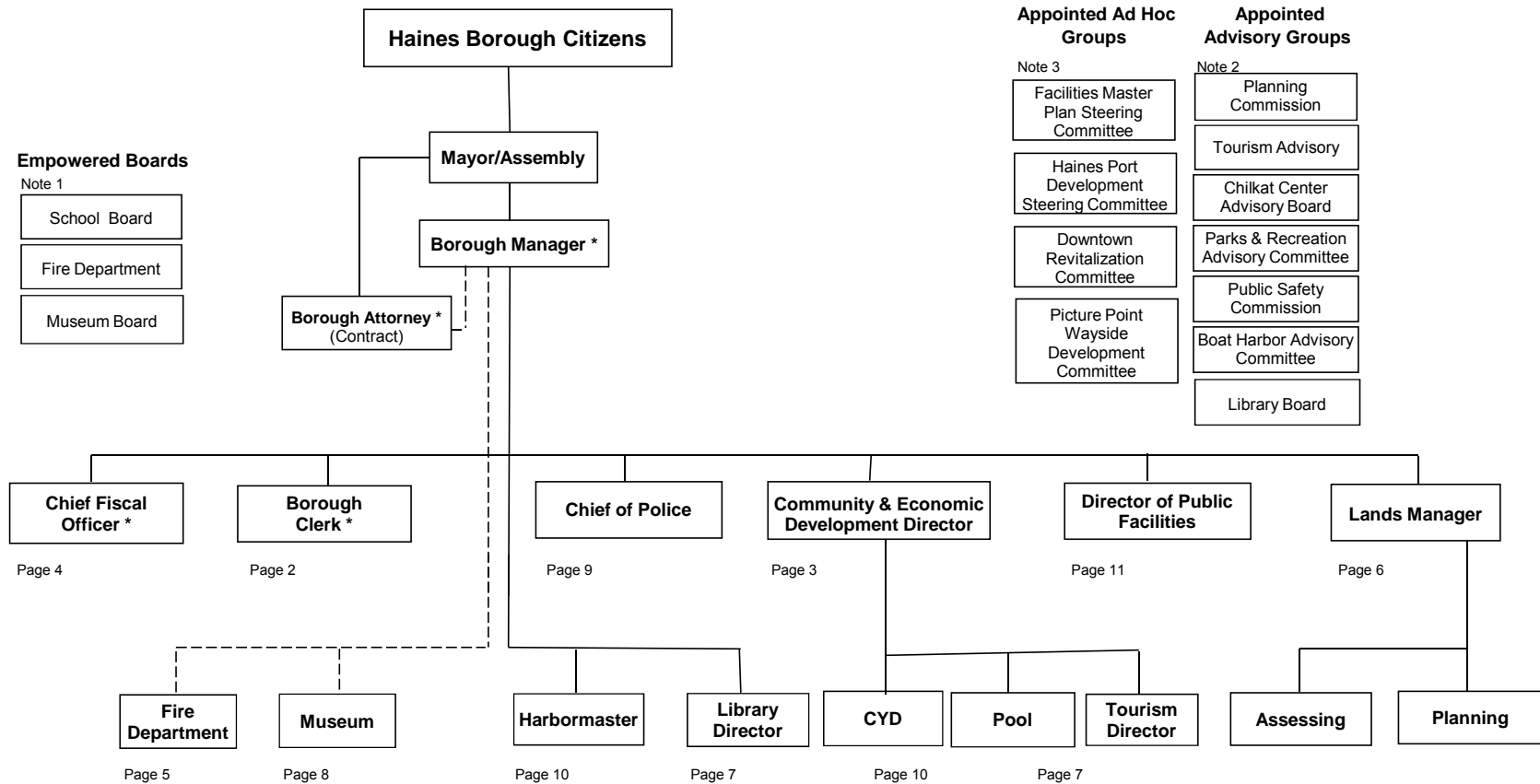
Year	Item	Description	Cost	Funding Source	Funding
FY15	Administration Building	Replace Roofing (add pitched roof)	\$75,000	CIP	Yes
FY15	Administration Building	Spacial Modifications	\$35,000	CIP	Yes
FY15	Chilkat Center	New Windows, Insulation, Weatherization	\$25,000	CIP	Yes
FY15	CYD	Soccer Goal Posts	\$4,500	CIP	Yes
FY15	Excursion Inlet	New Section of Float	\$28,000	CIP	Yes
FY15	Facilities	Deferred Maintenance	\$90,000	CIP	Yes
FY15	Facilities	Advanced Engineering	\$85,000	CIP	Yes
FY15	Facilities	Townsite Security Cameras	\$19,000	CIP	Yes
FY15	Finance/Administration	Office Furniture - Finance/Manager/Facilities	\$15,650	CIP	Yes
FY15	Fire Department	Thermal Imaging Camera	\$15,000	CIP	Yes
FY15	Fire Department	Equipment Sinking Fund	\$20,000	CIP	Yes
FY15	Harbor	LED Lighting Portage Cove	\$31,000	CIP	Yes
FY15	Harbor	FSM Management System	\$17,000	CIP	Yes
FY15	Harbor	Nautical Flag Pole	\$4,300	CIP	Yes
FY15	Harbor	New Snow Plow for Pick-up	\$5,500	CIP	Yes
FY15	Library	Office Telephone System	\$10,000	CIP	Yes
FY15	Library	Repaint Public Library	\$20,000	CIP	Yes
FY15	Parks	20' Steel Container	\$4,000	CIP	Yes
FY15	Parks	Landscaping Additions	\$5,000	CIP	Yes
FY15	Pool	Safety/Code Improvements	\$25,000	CIP	Yes
FY15	Pool	Pool Improvements (Including ADA-compliant Pool Lif	\$13,500	CIP	Yes
FY15	Public Works	Extended Boom Forklift	\$45,000	CIP	Yes
FY15	Public Works	Ford 250 P/U 4x4 w/Utility Box	\$32,000	CIP	Yes
FY15	Public Works	Equipment Sinking Fund	\$50,000	CIP	Yes
FY15	Public Works	Road Improvements	\$150,000	CIP	Yes
FY15	Public Works	Shop Inventory and Bin System	\$7,000	CIP	Yes
FY15	Public Works	D-1 4" Lift for Cathedral Rd. and Hooter Lane	\$27,000	CIP	Yes
FY15	Public Works	LED Streetlights	\$17,500	CIP	Yes
FY15	Sheldon Museum	Conceptual Design for Upgrades	\$12,000	CIP	Yes
FY15	Visitor Improvements	Picture Point Signage	\$28,000	CIP	Yes
FY15	Water	Tower Road Tank Roofing	\$20,000	CIP	Yes
FY15	Water	Fire Hydrant	\$12,000	CIP	Yes
FY15	Water/Sewer	Townsite Water and Sewer Line Repairs/Upgrades	\$40,000	CIP	Yes
FY15	Townsite	Capital Improvements for Townsite Service Area	\$233,000	CIP	Yes

Year	Item	Description	Cost	Funding Source	Funding
FY15	Water	Replace Allen Road AC Pipe	\$500,000	ADEC Grant/Loan	Yes
FY15	Port Chilkoot Dock	Re-paint/Repair Bathroom	\$20,000	CPV Tax Funds	Yes
FY15	Water	Water/Sewer Extension N. Sawmill/Moose Lane	\$316,000	DEC Loan/LID	No
FY15	Water	Piedad Water Tank, Springs and Chlorination	\$1,084,000	DEC/Legislative Grants	Part
FY15	Harbor	South Portage Cove Harbor Expansion	\$16,700,000	Legislative Request	No
FY15	High School	High School Air Handling Unit Replacement	\$350,000	Legislative Request	Yes
FY15	High School	Voc Ed Building Mechanical Upgrades	\$1,329,285	Legislative Request	No
FY15	High School	High School Roof Repairs	\$60,000	Legislative Request	Yes
FY15	Lutak Dock	Lutak Dock Upgrades - Phase I	\$2,325,400	Legislative Request	No
FY15	Mosquito Lake School	Mosquito Lake School Sprinkler System	\$124,000	Legislative Request	No
FY15	Mosquito Lake School	Mosquito Lake School Air Handler Replacement	\$125,000	Legislative Request	No
FY15	Port Chilkoot Dock	Port Chilkoot Dock Improvements - Phase III	\$860,000	Legislative Request	No
FY15	Public Safety Building	Public Safety Building Replacement (Construction)	\$9,000,000	Legislative Request	No
FY15	Public Safety Building	Public Safety Building (Program Analysis/Concept)	\$100,000	Legislative Request	No
FY15	Public Works	Road Improvements - Phase IV	\$2,500,000	Legislative Request	No
FY15	Public Works	Lutak/Oceanview Slump Mitigation and Drainage	\$741,382	Legislative Request	No
FY15	School/Pool	HS/Pool Locker Rooms and Mechanical Systems	\$1,459,845	Legislative Request	No
FY15	Sewer	Replace West Fair Drive Sewer Main	\$171,200	Legislative/DEC	Yes
FY15	Sewer	Wastewater Treatment Facility Upgrades	\$3,000,000	Legislative/DEC	No
FY15	Sewer	Extend Sewer Main Oslund	\$62,000	LID?	No
FY15	Water	Extend Water Main Barnett	\$60,000	LID?	No
FY16	Chilkat Center	Siding Repair and Paint	\$30,000	CIP	
FY16	Economic Development	Downtown Improvements (Front Street) MRV	\$500,000		
FY16	Excursion Inlet	Community-wide Improvements	\$20,000	CIP	
FY16	Facilities	Deferred Maintenance	\$75,000	CIP	
FY16	Facilities Maintenance	New Truck	\$30,000	CIP	
FY16	Facilities Shop	Addition to Public Works Shop	\$150,000	CIP	
FY16	Fire Department	Equipment Sinking Fund	\$20,000	CIP	
FY16	Fire Department	New Pickup Truck	\$30,000	CIP	
FY16	Fire Department	Replace Engine 1 Pumper Truck		CIP/Grant?	
FY16	Fire Department	Replace Engine 3 Tanker Truck	\$130,000	HVFD/CIP/Grants	
FY16	Harbor	Portage Cove Drive-Down Dock Facility	\$7,000,000	CIP	
FY16	Harbor	New Portage Cove Shower Restroom Facility	\$200,000	Wait for construction?	
FY16	Museum	Paint	\$25,000	CIP	
FY16	Oslund Park	Repairs to Oslund Park Quonset	\$12,000		

Year	Item	Description	Cost	Funding Source	Funding
FY16	Police Department	New Vehicle (2014 Ford Interceptor SUV Patrol)	\$35,000	CIP	
FY16	Public Works	Road Improvements	\$200,000	CIP	
FY16	Public Works	Pick-Up Truck	\$28,000	CIP	
FY16	Public Works	Brush Cutter	\$80,000	CIP	
FY16	Public Works	V-Plow for Loader	\$23,000	CIP	
FY16	Public Works	Equipment Sinking Fund	\$50,000	CIP	
FY16	Sewer	Highland Estates Sewer Extension	\$745,560		
FY16	Sewer	Wastewater Treatment Plant Design/Programming	\$100,000		
FY16	Sewer	Extend Sewer Main Oslund	\$62,000		
FY16	Sewer	Highland Estates Sewer Extension	\$684,000	DEC/LID	
FY16	Sheldon Museum	Replace Museum Roofing	\$50,000		
FY16	Sheldon Museum	ADA-compliant Elevator	\$250,000	USDA Grant/CIP	
FY16	Water	Extend Water Main Small Tracts/Bear Trail Lane	\$1,725,000	?	
FY16	Water	Water Plant Expansion and Upgrades	\$2,500,000	DEC/Water/CIP	
FY16	Water	Water Line Extend FAA, Mt. Riley, Small Tracts	\$1,000,000	DEC/LID/CIP	
FY17	Chilkat Center	Zoned Heating Controls	\$25,000	CIP	
FY17	Chilkat Center	Auditorium Painting and Repairs	\$25,000	CIP	
FY17	Facilities	Deferred Maintenance	\$75,000	CIP	
FY17	Fire Department	Equipment Sinking Fund	\$20,000	CIP	
FY17	Pool	New Roof Fans	\$15,000	CIP	
FY17	Public Safety Building	Zoned Heating Controls	\$20,000	CIP	
FY17	Public Works	Road Improvements	\$200,000	CIP	
FY17	Public Works	Dump Truck	\$160,000	CIP	
FY17	Public Works	Equipment Sinking Fund	\$50,000	CIP	
FY17	Senior Center	Replace Siding at Senior Center	\$30,000		
FY17	Sewer	Wastewater Treatment Plant Replacement	\$6,000,000	DEC/Sewer/CIP	
FY17	Sheldon Museum	Museum Humidifier	\$50,000		
FY18	Excursion Inlet	Community-wide Improvements	\$20,000	CIP	
FY18	Facilities	Deferred Maintenance	\$75,000	CIP	
FY18	Fire Department	Equipment Sinking Fund	\$20,000	CIP	
FY18	Maintenance	Maintenance Shop Insulation	\$20,000		
FY19	Maintenance	Replace Sewer Lines Under Senior Center	\$10,000		
FY18	Public Works	Road Improvements	\$200,000	CIP	
FY18	Public Works	Parks Pick-Up Truck	\$25,000	CIP	

Year	Item	Description	Cost	Funding Source	Funding
FY18	Public Works	Equipment Sinking Fund	\$50,000	CIP	
FY18	Sheldon Museum	Museum Siding	\$60,000	CIP	
FY19	Facilities	Deferred Maintenance	\$75,000	CIP	
FY19	Fire Department	Equipment Sinking Fund	\$20,000	CIP	
FY19	Maintenance Shop	New Pellet Boiler for Maintenance Shop	\$50,000		
FY19	Pool	Replace Handrails and Guardrails	\$51,000	Legislative Request	
FY19	Public Works	Road Improvements	\$200,000	CIP	
FY19	Public Works	Loader	\$250,000	CIP	
FY19	Public Works	Equipment Sinking Fund	\$50,000	CIP	
FY19	Tlingit Park Restroom	Replace Roofing on Tlingit Park Restrooms	\$6,000		
FY19	Tlingit Park Restroom	New Gazebo at Tlingit Park	\$25,000		
FY19	Visitor Center	Repairs to Visitor Center	\$12,000		
FY19	Water Plant	Bathroom and Septic Upgrades	\$12,000	CIP	
FY20	Chilkat Center	HVAC/AHU Replacement	\$300,000	CIP	
FY20	Facilities	Deferred Maintenance	\$75,000	CIP	
FY20	Fire Department	Equipment Sinking Fund	\$20,000	CIP	
FY20	Public Works	Road Improvements	\$200,000	CIP	
FY20	Public Works	Equipment Sinking Fund	\$50,000	CIP	

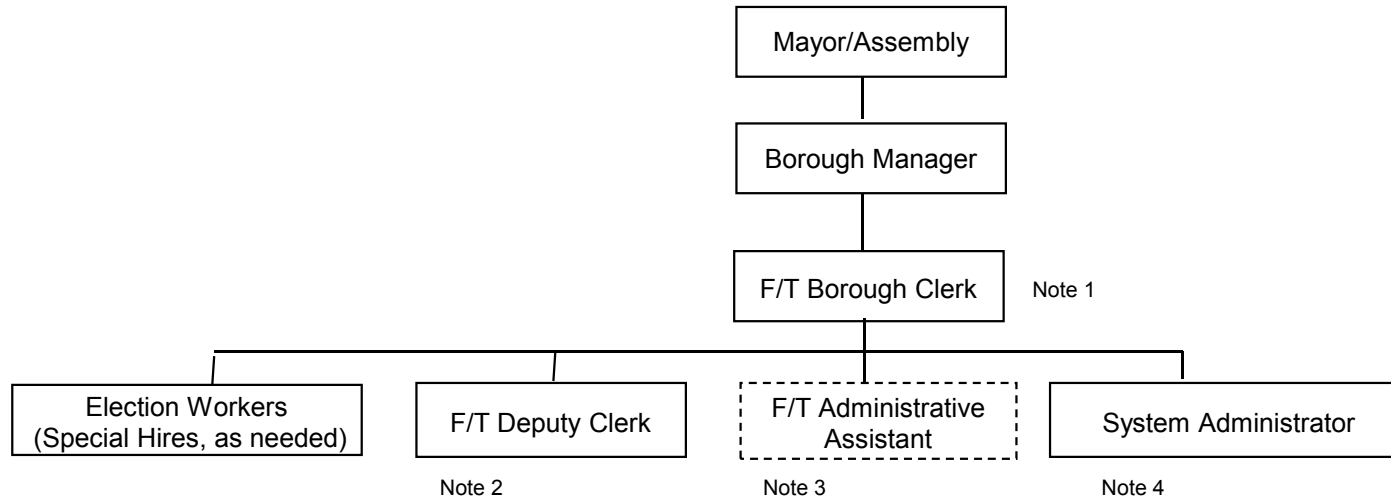
Haines Borough Organization Chart - Proposed by the Manager 4/1/14



Notes:

1. The term "Empowered Boards" is explained on Page 12.
2. Advisory Groups and their duties are mandated by ordinance. Members serve at the pleasure of the mayor. Appointments are by the mayor subject to assembly confirmation.
3. Ad Hoc Groups are created by the assembly for a specific purpose and are intended to have a limited timeframe and scope.
3. A solid line indicates a direct reporting relationship; a dotted line indicates an information flow or advisory relationship
4. An asterisk (*) indicates that the position is a borough officer. Officers are appointed by and serve at the pleasure of the assembly. However, each one works under the direct supervision of the Borough Manager.
5. In the Borough Manager's absence, the Borough Clerk will act as manager followed by other borough officers in order of seniority.

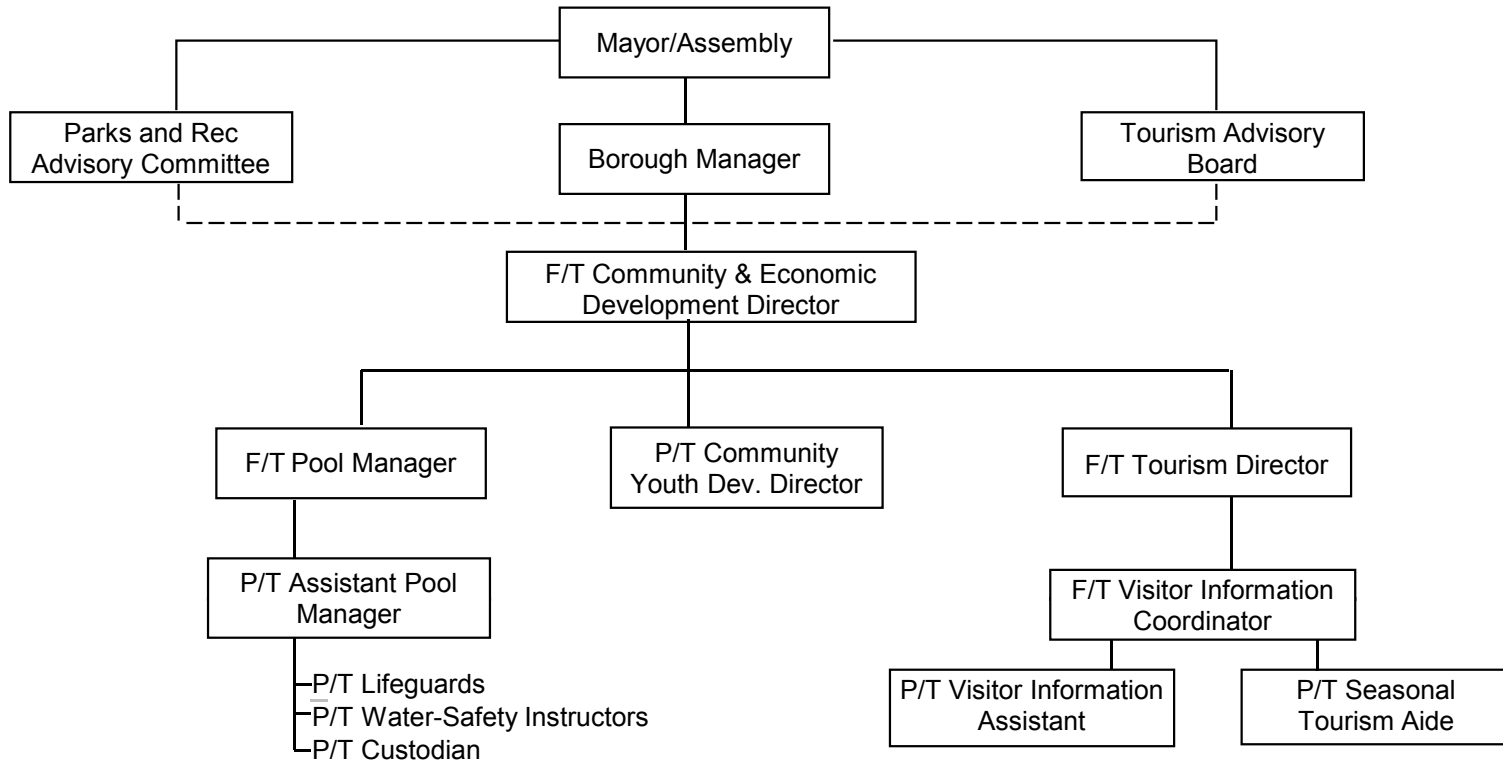
CLERK'S OFFICE



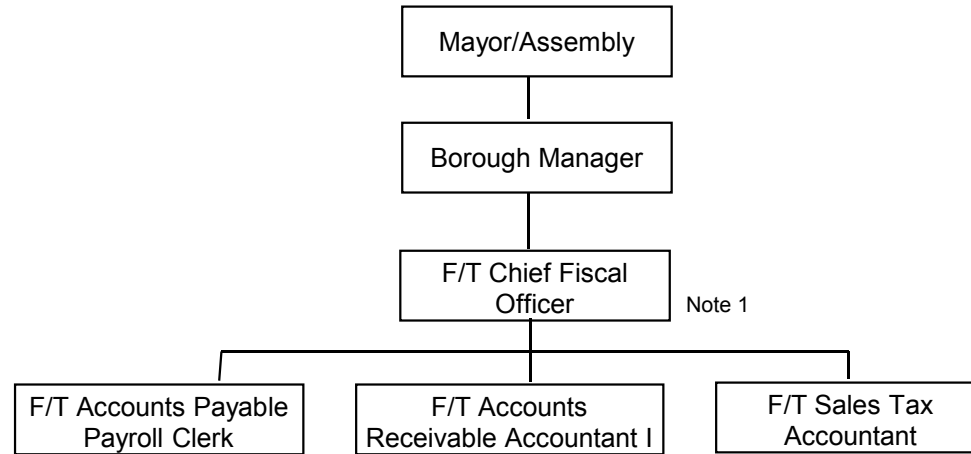
Notes:

1. The Borough Clerk is a borough officer who reports directly to the Manager but is appointed by, and serves at the pleasure of, the Borough Assembly.
2. This position reports directly to the borough clerk but also provides support to the Director of Public Facilities.
3. This position reports directly to the borough clerk but is part of the Lands Dept.; this position splits time between these two departments.
4. Currently a contract position.

COMMUNITY & ECONOMIC DEVELOPMENT



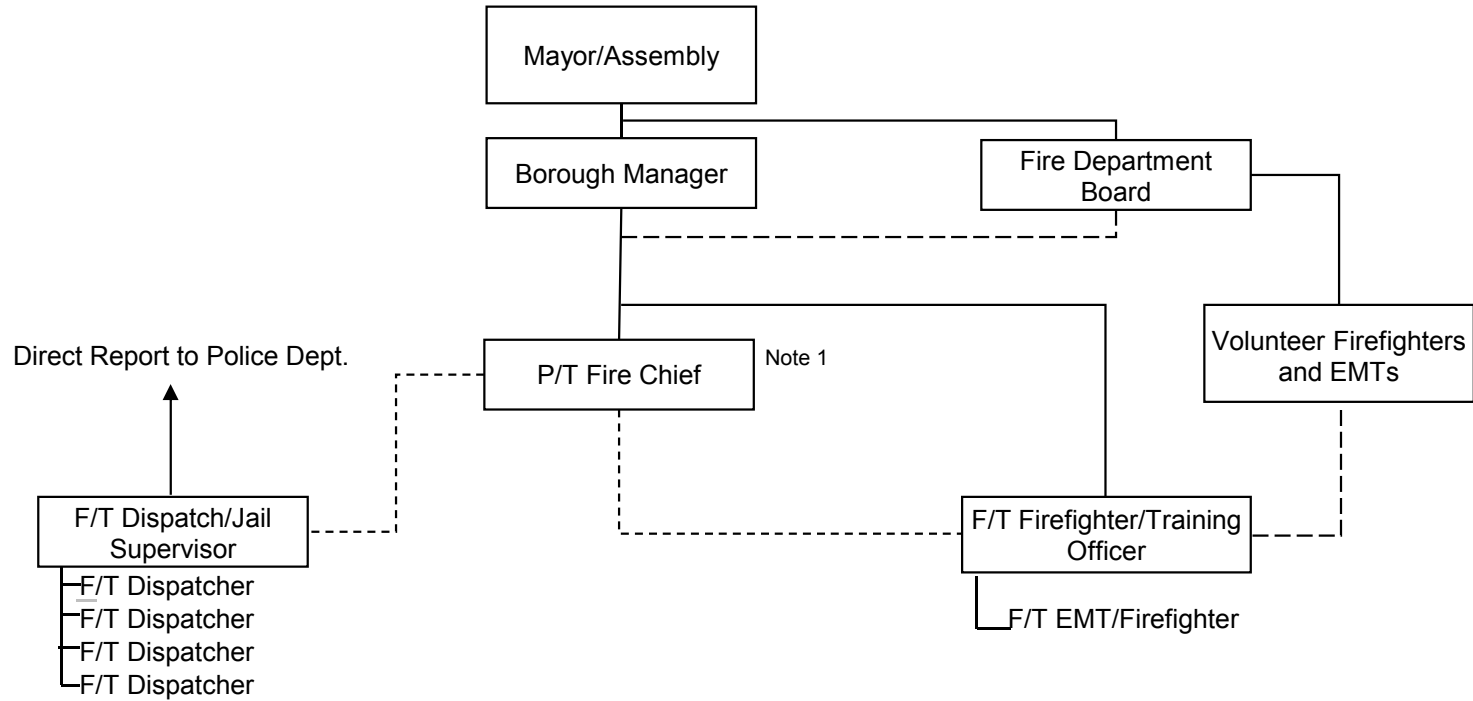
FINANCE DEPARTMENT



Notes:

1. The Chief Fiscal Officer is a borough officer who reports directly to the Manager but is appointed by, and serves at the pleasure of, the Borough Assembly. This position is more commonly known as Finance Director.

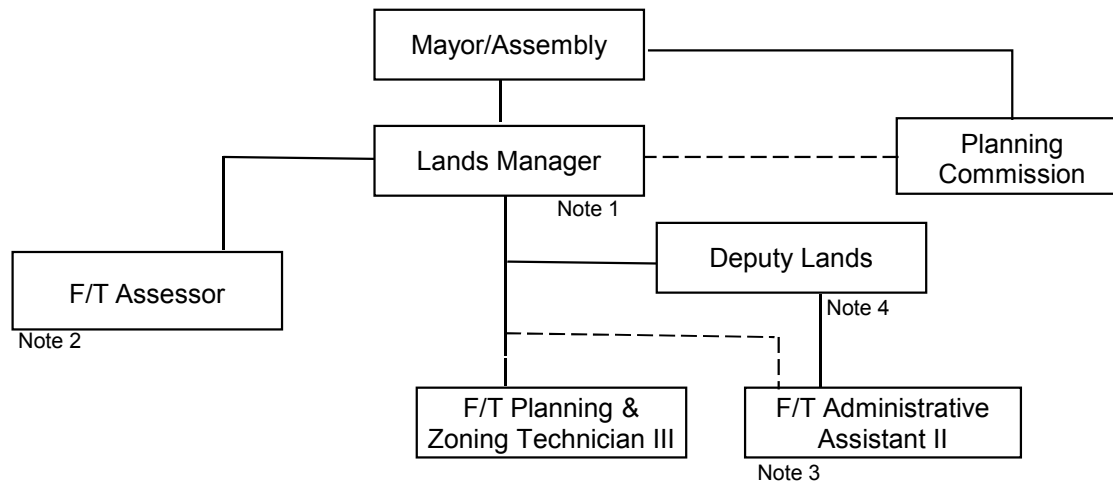
FIRE DEPARTMENT



Notes:

1. Fire Chief reports directly to both the Manager and the Fire Department (per code).

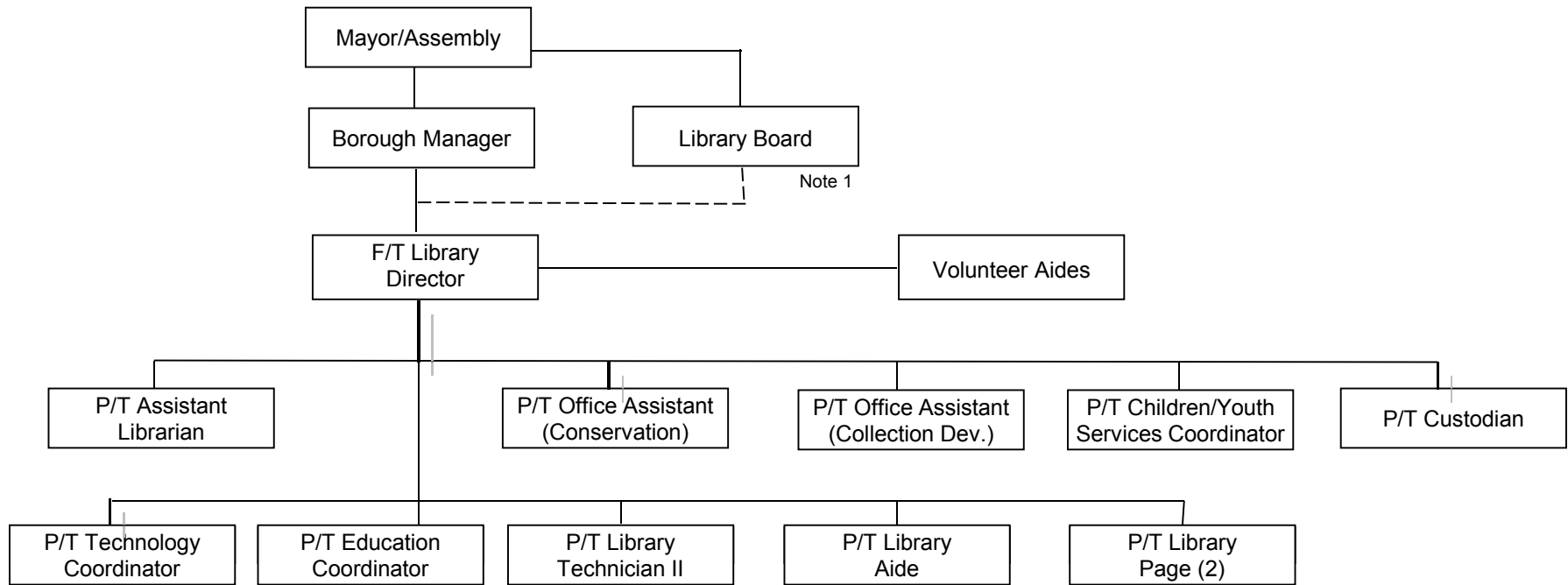
LANDS MANAGEMENT / ASSESSMENT DEPARTMENT



Notes:

1. The borough manager serves as Lands Manager.
2. Currently a contract position but the plan is to hire, and the current Assistant Assessor position goes away.
3. This position reports to the borough clerk but splits time between this department and administration.
4. The Borough Clerk serves as the Deputy Lands Manager

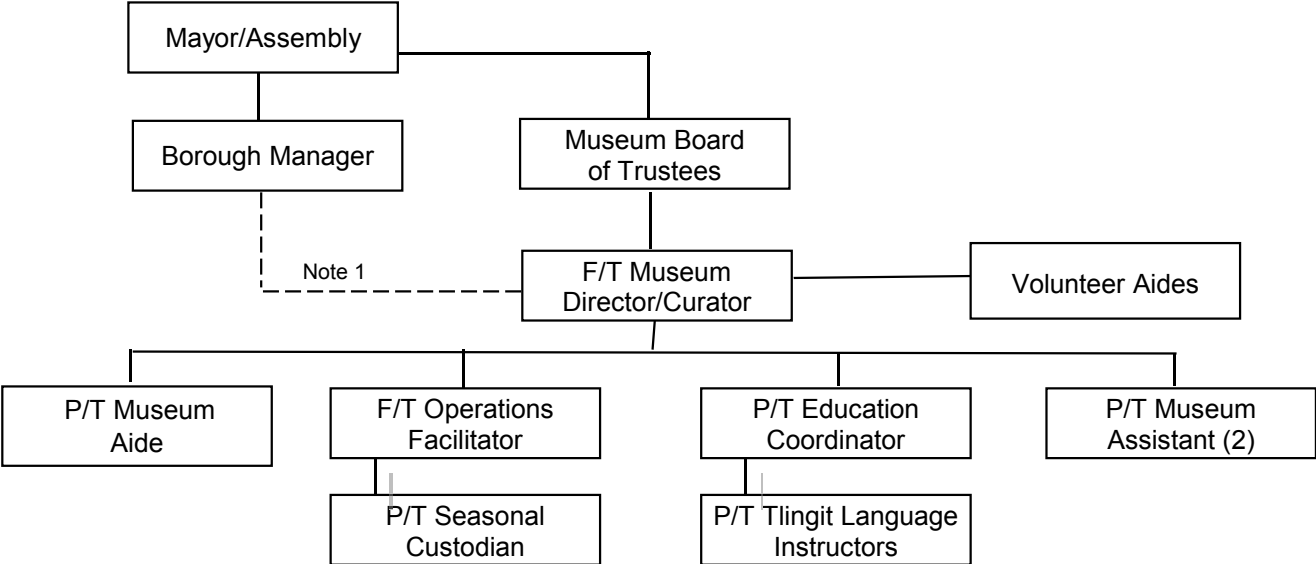
LIBRARY



Notes:

1. The library staff members are Borough Employees. The Library Director reports directly to the Borough Manager. Until recently, the director reported to an empowered board of trustees. The library is now a department of the borough. Chapter 2.98 of the Haines Borough Code has not yet been amended to reflect this change.

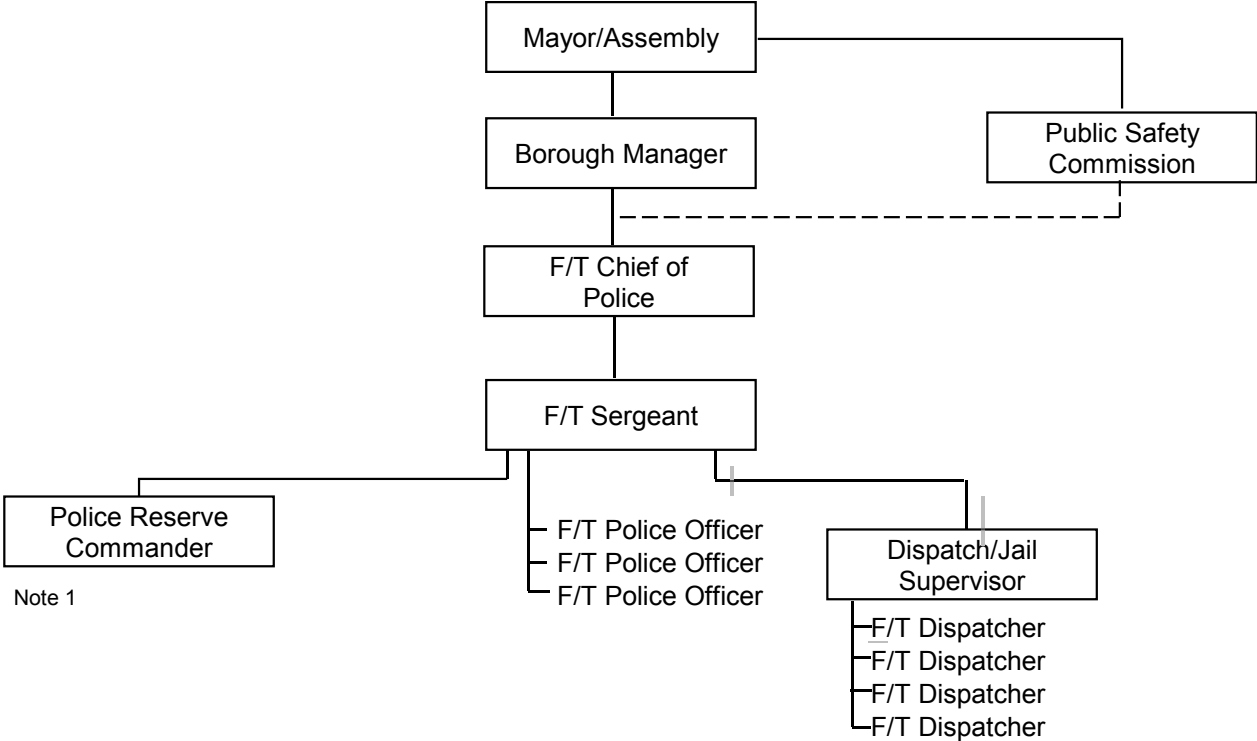
MUSEUM



Notes:

1. The museum staff members are Borough Employees. The Museum Director reports directly to the Museum Board of Trustees but has a functional support relationship with the manager (and his staff as so delegated) for payroll and accounting services. Funds for the operation of the museum are appropriated by the assembly each year. To the extent the museum's expenses exceed such appropriations, the deficit is made up from unrestricted grants and income to the museum.

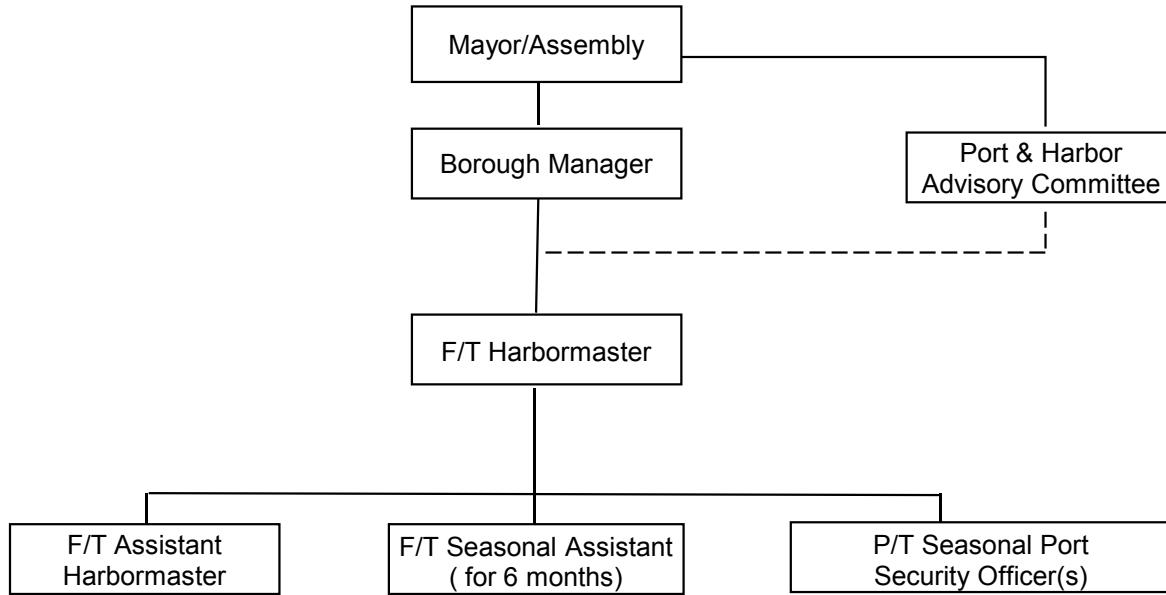
POLICE DEPARTMENT



Notes:

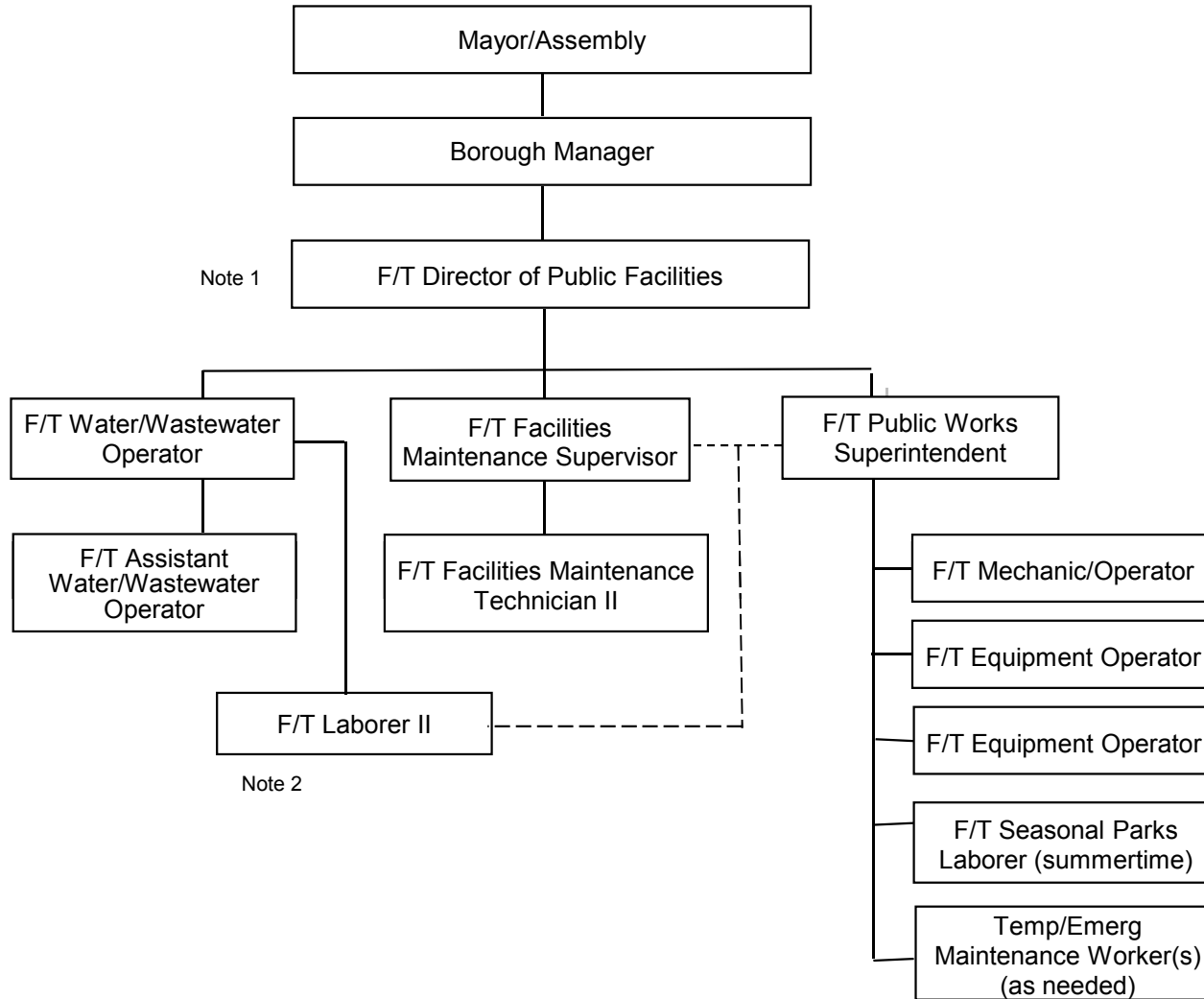
1. The Police Reserve Commander position is normally held by one of the police officers. Currently there are no reserve officers.

PORTS & HARBORS



1. A solid line indicates a direct reporting relationship; a dotted line indicates an information flow or advisory relationship.

DEPARTMENT OF PUBLIC FACILITIES



Notes:

1. The clerk's office provides part-time administrative support for the Director.
2. This position reports to the W/S Operator but splits time between water/wastewater, public works, and facilities maintenance.

Empowered Boards

The Museum Board of Trustees, Library Board of Trustees and, to a certain extent, the Fire Department Board are designated as "empowered" boards although the respective enabling codes do not use that term. Members are appointed.

The School Board is an "empowered" board, as well, but its members are elected during the Haines Borough General Municipal Election.

An empowered board has overall authority to...

- Assume responsibility and stewardship over assets
- Promulgate regulations, fees, charges, and policies
- Negotiate and enter into contracts and grant agreements
- Apply for and administer funds from state and federal agencies (as well as from the borough assembly)

To: Haines Borough Assembly and Mayor Scott,

March 3, 2014

The Park and Recreation Advisory Board requests funds for the 2014 fiscal year. Projects were picked with the view of encouraging positive economic development.

Our number one project is focused on the Battery Point Trail. Many visitor and local families want to explore this beautiful land, and this trail provides a great opportunity for them. Estimates for completing this improved trail are around \$150,000. For 2014, Alaska State Parks have received a \$15,000 grant furthering the development of Battery Point Trail. PARC advises the Haines Borough to match the \$15,000. Matching shows our community's interest in completing this project and encourages future funding via Alaska State Park. This trail is a great opportunity for all ages and abilities to access the outdoors. In addition, PARC would like the opportunity to have an additional \$20,000 reserve for future potential matching funds , specifically towards the completion of the Battery Point Trail.

\$15,000 AK State Parks match

\$20,000 Reserve match

Total \$35,000

The Ski Club has made progress in the development of winter ski trails. They are working on developing a ski event that would potentially draw in out of town visitors and competitors. PARC would like to have funds to match their efforts. We advise the the assembly to set aside a minimum of \$5000.

\$5000

There is a priority to add flagging and trail markers on the Ripinski, Battery Point and Riley trails that are visible day and night. There have been several incidents of people getting lost or cannot find trails. We ask for \$500 toward reflective material to mark these trails.

\$500

The Park and Rec. Board also like to support a sauna at the Haines Pool. We request a \$3500 match toward the community raising the other \$3500. We believe this project has enough value to pay for itself in user fees.

\$3500 match

Our long term vision is to develop a series of remote cabins as found in similar areas of Skagway and Juneau. These cabins could be used for local hikers, skiers and boaters as well as draw out of town visitors. The board would like to set a reserve aside for this project. As these cabin ideas formulate and developed, it would be reassuring and encouraging to know there is borough support to help develop these resources.

\$10,000

Haines Hockey has done an amazing job developing a safe family friendly place in town to skate and play hockey. The next development would be to build a roof over the ice....These guys are motivated. It might be a great idea to offer a match deal with them as well..Show support for them.

\$5000

Total money \$59,000

PARC believes developing recreation is key in bringing more people and economics here to Haines.

Sincerely, the Parks and Recreation Advisory Board

Subject: RE: PARC meeting

On Apr 24, 2014, at 7:18 AM, "Jon Hirsh" <jonasazi@aol.com> wrote:

Michelle,

We had a meeting on last monday, April 21 we did not have a Quorum, but we did discuss the following:

Spending some of the current \$ in the trail fund to go to the ski club, picture point trail, buying flagging material for the Ripinsky trail, possible sending a person to next years Trails conference in Anchorage.,and having some funds to give the venture scouts for hard labor

Setting up 3-4 work volunteering days this summer to set markers on Riley, Battery Pt, and Ripinsky Trails and 1 day to help build on Battery pt.

We plan to look into how to get SAGA involved in trails, and youth groups and general folks to help on trail work.

We plan to review our comp plan and look at other towns around us and see their trails and Park and Rec plans

We plan to have regular meetings on the 3rd thurs every month...

Next meeting will be May 22 2014 at the library 5:30

Also we are looking to have another board member, but need to look into the number of board members allowed....

Thanks I hope this is helpful
jon



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-462

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Authorize Negotiation & Execution of a New Lease of Borough Property with Goat Lake Hydro Inc.	1. Ordinance 14-05-379 2. Proposed 2014 Lease to be Negotiated (drafted by the borough attorney) 3. Previous Lease
Originator: Borough Clerk	
Originating Department: Administration	
Date Submitted: 1/14/2013	

Full Title/Motion:
Motion: Advance Ordinance 14-05-379 to a second public hearing on 6/10/14.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ none	\$	\$	increased lease revenue

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Objective 15M(4), Page 330	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------------------------------------	---------------------------------------------------------------------------------

Summary Statement:

The Comp Plan recommends the borough "support and protect energy production at existing hydro facilities including Lutak Hydro (AP&T)..." What the Comp Plan calls "Lutak Hydro" is actually Goat Lake Hydro's connection to Haines at Lutak. This hydro facility was originally owned by Southern Energy, and a 20-yr lease was entered into with the City of Haines in 1988. In 2002, the lease was assigned to Goat Lake Hydro. That lease contained a provision for lease extension for two additional 20-yr terms. In 2009, AP&T officially requested a lease renewal. That request triggered a lengthy period of appraisals, surveys, lease drafts, etc. The borough attorney recommends a new lease as opposed to renewing the original one. This ordinance requests assembly authorization for the manager to negotiate and execute a new lease with Goat Lake Hydro at Lutak.

AP&T has continued to pay a holding-over lease payment as stipulated in the original lease.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 5/13, 5/27/14	Public Hearing Date(s): 5/27/14
	Postponed to Date:

AN ORDINANCE OF THE HAINES BOROUGH AUTHORIZING THE BOROUGH MANAGER TO NEGOTIATE AND EXECUTE A NEW LEASE WITH GOAT LAKE HYDRO, INC., A SUBSIDIARY OF ALASKA POWER & TELEPHONE, FOR THE SPECIFIED PARCEL OF BOROUGH PROPERTY FOR THE GOAT LAKE HYDRO PLANT AT LUTAK.

WHEREAS, Goat Lake Hydro, Inc., as subsidiary of Alaska Power & Telephone has asked to continue to lease borough property described as Parcel A – a parcel within Lot 4, Section 10, T30S, R59E, CRM, Haines Recording District (totaling 5,237.5 square feet), and all easement appurtenants thereto; and

WHEREAS, this new lease (“the Lease”) will replace the original 20-year lease, which commenced May 5, 1988 and ended at midnight on May 4, 2008; and

WHEREAS, Section 16.5 of the original lease provided for holding over Goat Lake Hydro, Inc.’s possession of the premises on a month-to-month tenancy until the execution of a subsequent or amended lease agreement; and

WHEREAS, Goat Lake Hydro, Inc. has continued to maintain possession of the premises and has continued to pay the original rent payment plus 18% as required by Section 16.5 of the original lease (see Item 3 of this agreement); and

WHEREAS, the holding over annual total of \$656.08 has been paid for each year of the following period: May 5, 2008 through May 4, 2015, and any increase in the annual rental amount for the current lease year ending May 4, 2015 would be prorated from the date of execution of the new lease and remitted by Goat Lake Hydro, Inc.; and

WHEREAS, the lease premises were professionally appraised in April 2010 and again in August 2011, and the borough’s assistant assessor also assessed the property value within the past six months, all three with differing values; and

WHEREAS, Haines Borough Code (“HBC”) 14.16.090 provides that, “[no land shall be leased for an annual rent less than \$500.00 or 10 percent of the appraised value of the land and any improvements thereon owned by the borough, whichever is more]; and

WHEREAS, Goat Lake Hydro, Inc. has requested an opportunity to negotiate the lease amount because of the dissimilar appraisals; and

WHEREAS, HBC 14.16.160 provides that upon authorization by the assembly by noncode ordinance, the manager may commence negotiations for the lease of borough land, and the final terms of a negotiated lease are subject to approval by the assembly unless the minimum essential terms and the authority of the manager to execute the lease are set forth in the ordinance authorizing negotiations; and

WHEREAS, the borough attorney drafted a replacement lease for consideration by both parties containing the essential terms outlined in HBC 14.16.180, and the negotiations would be for the purpose of determining the value of the lease premises; and

WHEREAS, HBC 14.16.080 states that a lease of borough land may be issued for not more than 35 years, and the borough manager recommends a new 25-year lease as being in the best interest of the borough; and

WHEREAS, the borough Comprehensive Plan, Objective 15M(4) recommends the borough "*support and protect energy production at existing hydro facilities including Lutak Hydro (AP&T)*,"

NOW THEREFORE BE IT ENACTED, by the Haines Borough Assembly, that it is hereby determined to be for a public purpose and in the public interest of the Haines Borough to authorize the borough manager to negotiate and execute a new lease with Goat Lake Hydro, Inc., a subsidiary of Alaska Power & Telephone, for the specified parcel of borough property for the Goat Lake Hydro plant at Lutak under the conditions of the attached lease agreement, and for a period of 25 years.

Section 1. Classification. This ordinance is a non-code ordinance.

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.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____ DAY OF _____, 2014.

Attest:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/13/14
Date of First Public Hearing: 05/27/14
Date of Second Public Hearing: __/__/__

LEASE AGREEMENT
GOAT LAKE HYDRO, INC.
AND
HAINES BOROUGH

THIS AGREEMENT is entered into between **GOAT LAKE HYDRO, INC.** (a subsidiary of Alaska Power & Telephone) as grantee ("Grantee"), and **HAINES BOROUGH** as grantor ("Grantor"). Grantor and Grantee are sometimes collectively referred to as "Parties."

RECITALS:

THIS AGREEMENT is a new lease ("the Lease") and replaces the original 20-year lease, which commenced May 5, 1988 and ended at midnight on May 4, 2008.

WHEREAS, Section 16.5 of the original lease provided for holding over the Grantee's possession of the premises on a month-to-month tenancy until the execution of a subsequent or amended lease agreement; and

WHEREAS, Grantee has continued to maintain possession of the premises and has continued to pay the original rent payment plus 18% as required by Section 16.5 of the original lease (see Item 3 of this agreement); and

WHEREAS, the holding over annual total of \$656.08 was paid for each year of the following period: May 5, 2008 through May 4, 2014; and

WHEREAS, an advance holding over payment of \$656.08 will be paid for the current year through May 4, 2015, and any additional prorated amount shall be due and payable upon execution of a new lease; and

WHEREAS, Section 14.16.080 of the Haines Borough Code ("HBC") states that a lease of Borough land may be issued for not more than 35 years; and

WHEREAS, Grantee has asked to continue to lease the premises, and the borough Comprehensive Plan, Objective 15M(4) recommends the borough "*support and protect energy production at existing hydro facilities including Lutak Hydro (AP&T)*"; and

WHEREAS, the property was professionally appraised in April 2010 and again in August 2011, and the borough's former staff assessor and current assistant assessor have both reviewed the property values; and

WHEREAS, the value is determined to be \$_____ per square foot for 5,237.5 square foot for a total of \$_____, and HBC 14.16.090 provides that, "[no land shall be leased for an annual rent less than \$500.00 or 10 percent of the appraised value of the land and any improvements thereon owned by the borough, whichever is more],

NOW, THEREFORE, for good, valuable and sufficient consideration received and to be received, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **PREMISES.** Grantor hereby grants to the Grantee and Grantee hereby accepts from Grantor, the right to exclusive use of the premises described, as follows, in Haines, Alaska:

Parcel A - a parcel within Lot 4, Section 10, T30S, R59E, CRM, Haines Recording District, more particularly described as:

Commencing at a point, which the Southwest corner of said Lot 4 bears 58° 23' 42" W, 152.34 feet; thence N 19° 32' 50" E, 82.48 feet to the Southerly Right of Way of Lutak Road; thence along Right of Way S 70° 27' 10" E, 29.44 feet; thence along a curve to the Right with a radius of 691.20 feet, through an arc length of 30.85 feet, with a delta of 2° 33' 27", and a chord of 30.85 feet, (S 62° 33' 51" E); thence S 19° 32' 50" W, 90.03 feet; thence N 59° 20' 39" W, 61.15 feet; to the point of beginning, records of the Haines Recording District, First Judicial District, state of Alaska

containing approximately five-thousand, nine-hundred and eighty six (5,237.5) square feet ("Leased Premises") and a non-exclusive right to use all rights-of-way and easements appurtenant thereto and in particular a non-exclusive right to use the following easements and rights-of-way:

A. An easement twenty feet (20') in width and approximately five-hundred and sixty-five feet in length centered on the existing waterline for the placement, operation and maintenance of a water line across Lot 4, and the SW1/2, NW1/4, SW1/4, of Sec. 10, T30S, R59 E., Haines Recording District, First Judicial District State of Alaska ("Waterline Easement").

B. An easement twenty feet (20') in width and approximately twenty-five feet in length centered on the existing outfall line for the placement, operation and maintenance of an outfall line across ATS 1194 ("Outfall Easement").

C. An access easement twenty feet in width and totaling approximately nine hundred square feet along an existing roadway adjacent to the Leased Premises ("Access Right-of-Way").

All as depicted on the drawing attached hereto and labeled Exhibit A.

The Grantor reserves an easement for light, air, and view for its property adjoining the leased premises.

2. **TERM.** This lease shall be for a period of 25 (25) years, commencing on _____, 2014, ("Commencement Date") and ending at midnight on _____, 2039 unless otherwise terminated earlier pursuant to the provisions of Section 5 of this Agreement. The term of this lease may be extended by mutual consent for two (2) additional terms of five (5) years as long as Grantee is not in default of the lease terms and provided the rental amount for the extended term is fixed in compliance with HBC 14.16.080.

3. **RENT.**

A. **Initial Lump Sum Payment.** At the time this Agreement is signed Grantee shall make a lump sum payment of \$_____ to reimburse Grantor for appraisal costs and

administrative costs.

B. Annual Rental Payment. Rent shall be due and payable in advance on May 5th of each year, in the amount of \$_____ per year, beginning upon execution of this lease.

C. Rent Adjustment. Per HBC 14.16.180(B), the annual rental payable pursuant to this lease shall be subject to adjustment by the assembly effective the fifth anniversary of the commencement date of this lease in an amount equal to 10 percent of the fair market value of the land and improvements owned by the borough and leased hereunder. Such value shall be determined by an appraisal made by the assessor or land manager or a certified appraiser hired by the borough and reviewed by the assembly, whose decision is final. The new rental amount shall be effective at the beginning of the five-year interval to which it applies.

4. ALLOWED USES.

A. Leased Premises, Waterline and Outfall Easements. Grantee may use the premises solely for hydroelectric generation, waterline, and related uses. Grantee shall have the authority to post the leased premises restricting public access to assure protection. All deposits of stone, earth, gravel, oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils valuable for extraction or utilization are reserved by the Grantor and shall not be removed from the land by the Grantee. Grantee shall not sell or remove for use elsewhere any of the surface resources of the leased premises, for example, timber, stone, sand, gravel, peat moss, topsoil or any other material valuable for building or commercial purposes; provided, however, that material required for development or maintenance of the leasehold may be used if its use is first approved by the Borough Assembly.

B. Access Easement. The Grantee is authorized to use the access easement for ingress, egress, installation, and maintenance of the hydroelectric generation facility, waterline, and related equipment. The rights of access granted in this Agreement shall remain in effect for the initial term and any renewal terms of this lease.

5. IMPROVEMENTS.

5.1 Improvements.

A. Grantee shall, throughout the term of this Lease, at its own cost, and without any expense to Grantor, keep and maintain the premises, including all Grantee's improvements of any kind which may be or become a part thereof, in good, neat, clean, safe and sanitary order, condition, including replacements of any kind, nature or description whatsoever, to the demised premises or to any improvements thereon.

B. Such improvements shall be subject to any building, zoning or similar code requirements or restrictions, and to other laws, regulations or permit requirements as may be imposed by any governmental agency.

5.2. Damage to and Destruction of Improvements.

The damage, destruction or partial destruction of any improvement on the demised premises shall not release Grantee from any obligation hereunder, except as

hereinafter expressly provided. In the event the improvements on the demised premises are destroyed to such an extent as to be rendered untenable by fire, storm, earthquake or other casualty for which Grantee is not responsible hereunder, Grantee may elect to terminate this lease by providing Grantor with a written notice within thirty (30) days of the destruction of the improvements. Should Grantee elect to so terminate this lease, such termination shall be effective thirty (30) days after such notice.

5.3. Removal or Reversal of Improvements Upon Termination. Improvements and/or personal property located on the demised premises and owned by Grantee shall, within sixty (60) calendar days after termination of this lease, be removed by Grantee; provided, that the Assembly may extend the time for removing improvements in cases where hardship is proven. All periods of time granted to remove improvements and/or personal property are subject to Grantee's payment to the Grantor of pro rata lease rentals for said periods. If any improvements and/or personal property are not removed within the time allowed, such improvements and/or personal property shall revert to, and absolute title shall vest in, the Grantor. At Grantor's option, Grantor may cause removal of Grantee's improvements and Grantee shall reimburse Grantor for actual costs associated herewith.

5.4. Repair of Premises. Upon removal of any improvements and/or personal property from the demised premises upon termination of this lease, Grantee shall, at its own expense, repair any damage or injury to the premises or to Grantor's adjacent property resulting from such removal.

5.5. Grantee's Duty to Keep Premises Free of Liens. Grantee shall keep the demised premises and every part thereof, and all improvements at any time located thereon free and clear of any and all mechanics', materialmen's and other liens arising out of or in connection with work or labor done, services performed, or repairs or additions which Grantee may make or permit or cause to be made, or any work or construction, by, for or permitted by Grantee on or about the premises, or any obligations of any kind incurred by Grantee, and Grantee agrees, at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based. By this provision the parties do not in any way recognize or acknowledge the authority or right of any person to impose any such lien.

6. TERMINATION AND HOLDING OVER.

6.1. Either party may terminate this Agreement for cause, where the other party fails in any material way to perform its obligation under this Agreement. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate stating with reasonable specificity the grounds therefore, and the other party fails to cure the default within thirty (30) days after receiving the written notice.

6.2. Holding Over. Upon failure of the Grantee to surrender possession of the demised premises upon the termination of this lease, the Grantee's possession of the demised premises shall continue on a month-to-month tenancy at the yearly rental rate charged in the last year of the last term of the agreement, on a monthly pro-rata basis, plus eighteen percent (18%) of such monthly amount, for each month that the Grantee retains possession of the demised premises after termination and prior to execution of a subsequent or amended lease agreement. The Grantee shall acquire no additional rights to, or interest in the demised premises by holding over after termination of this lease, and shall be subject to legal action by the Grantor to require the surrender of the demised premises. All terms of this agreement shall apply during the hold-over period. The receipt by Grantor of any rent or any other sum

of money after the termination in any manner of the term demised, or after the giving by Grantor of any notice hereunder to effect such termination, shall not reinstate, continue or extend the resultant term herein demised, or destroy or in any manner impair the efficacy of any such notice or termination as may have been given hereunder by Grantor to Grantee prior to receipt of any such money or other consideration, unless so agreed to in writing and signed by the Grantor.

7. **SURVEY.** A survey and plat of the Leased Premises, Waterline Easement, Access Right-of-Way and Outfall Easement are attached hereto as Exhibit A. It shall be conclusive as to the location of the Leased Premises, Waterline Easement, Access Right-of-Way and Outfall Easement. If the Grantee requests a change to the premises during the course of the lease period, Grantee shall pay the cost of said survey and platting, and it shall be billed to Grantee as additional rent. Any changes to the Leased Premises or the easements change in size as a result of said survey, rent shall be adjusted pro rata.

8. **LIABILITY.** Grantee shall indemnify, defend and hold harmless Grantor, its agents, parent, affiliates, subsidiaries, officers, directors and employees from and against:

(a) any and all liability for loss, damage, expenses, claims or fees which arise out of, or are related to, any act or omission by Grantee; and

(b) any and all liability (including voluntary response costs, penalties, fines and attorney's fees) arising from the presence of hazardous materials upon, about or beneath the premises or any of the easement and access areas used by Grantee under this Agreement or migrating to or from the premises or beneath the premises or any of the easement and access areas used by Grantee under this Agreement arising in any manner whatsoever out of the activities of Grantor, whether or not Grantor has been negligent. This obligation shall include, but not be limited to, the expense of defending all third-party claims, suits or administrative proceedings, even if such claims, suits and proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against Grantee.

(c) As used in this Section 7 and in this Agreement; the following terms have the following meanings:

(i) "Hazardous Substance" means one or more of (A) any hazardous or toxic substance, material or waste, including but not limited to (1) those substances, materials and waste listed in the U.S. Department of Transportation Hazardous Materials Table at 49 C.F.R. § 172.101, (2) those substances listed by the U.S. Environmental Protection Agency as hazardous substances at 40 C.F.R. Part 302, or (3) those substances listed by the State of Alaska as hazardous substances at AS 46.03.826(5), (B) amendments to those collective provisions of (A) above of state and federal law, or such substances, materials and wastes that are or become regulated under any applicable local, state or federal law, or (C) Petroleum Products.

(ii) "Petroleum Products" means crude oil, petroleum, diesel fuel, marine fuel, heating oil, gasoline, kerosene, aviation fuel, jet fuel, motor oil, lubricants, hydraulic fluids and other petroleum-based substances, by-products, additives and derivatives.

9. **INSURANCE.** Grantee shall, at its own expense, maintain and keep in force

during the term of this Agreement, adequate insurance with an insurance company registered to do business in Alaska, to protect themselves, their agents, and Grantor against comprehensive public liability, property damage, and pollution liability. This insurance shall have a combined single limit coverage for bodily injury, including death, and property damage in the amount of at least one million dollars (\$1,000,000.00) per occurrence. Grantee shall also insure itself and its property from loss from any cause and shall secure business interruption expense, if available. All such insurance shall name Grantor as an additional insured party, contain a waiver of subrogation endorsement, as required by Section 10 of this Agreement, and provide that the other party shall be notified at least thirty (30) days prior to any termination, cancellation or material change that adversely affects Grantor in such insurance coverage. Grantee shall provide Grantor certificates of insurance coverage required by this Agreement with thirty (30) days of signing this Agreement. The failure of the Grantee to maintain this insurance coverage in full shall constitute a material breach of the Agreement. The failure of the Grantee to name the Grantor as an additional insured shall constitute a material breach of the Agreement.

10. **WAIVER OF SUBROGATION.** Grantee shall cause each insurance policy obtained by it to provide that the insurance carrier waives all right of recovery by way of subrogation against Grantor and Grantor's insurance.

11. **HAZARDOUS MATERIALS.** Grantee shall indemnify Grantor and protect Grantor's lands from damage or pollution caused by any spill or any release of hazardous materials onto Grantor's lands during the use, transport, or storage of such petroleum products, batteries, anti-freeze or chemicals as Grantee may utilize in the construction, maintenance, or eventual dismantling of the site, whether such a spill or release be sudden and accidental or gradual and imperceptible. Grantee shall be liable for the costs of any remediation activity at the site required by State and Federal regulations.

12. **TAXES AND ASSESSMENTS.** Grantee shall be liable for payment of any tariffs or similar fees, real and personal property taxes or assessments that may be levied on the land or on Grantee's fixtures, improvements, equipment or other Grantee property on the premise, additional costs or other levies imposed by the Haines Borough on all similar uses. Such additional fees are subject to change from time to time according to the borough ordinances then in effect, and nothing contained herein shall be construed as creating a contract right in favor of Grantee as to any such tax or fee, other than rental as specified herein. Grantee shall strictly comply with all sales tax provisions of the Haines Borough pertaining to sales of electricity made by Grantee or purchases made by Grantee on which a Borough sales tax is levied.

13. **ASSIGNMENT OR SUBLETTING.** Grantee may not assign this Agreement or sublet any interest in the premises without the prior written consent of the borough assembly. In the event of an approved request for assignment, or proposal to sublet a portion or all of the premises, Grantee and Grantor will negotiate a new rent fee schedule to reflect the value of the revised circumstances.

An approved assignment shall be subject to all of the terms and conditions of the lease and the assignor shall not be relieved of the assignor's obligations as Grantee thereunder.

An approved sublease shall be in writing and be subject to the terms and conditions of the original lease and such further terms and conditions as the borough assembly may deem appropriate.

A copy of the sublease shall be filed with the borough clerk's office. If the Grantee assigns or sublets the premises, or attempts to assign or sublet the premises, without the consent of the Grantor, shall make the Lease immediately voidable, at the sole option and discretion of the Grantor. The prohibition on assignment and subletting of the premises includes any assignment or sublease, or attempted assignment or sublease, to any company or entity affiliated with, or a subsidiary of, Alaska Power & Telephone Company.

14. **COMPLIANCE WITH LAW.** Grantee shall comply with and abide by all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations of general applicability affecting the demised premises, the improvements thereon, or any activity or condition on such premises.

15. **LESSOR RIGHT OF ENTRY.** Grantee shall permit Grantor, its agents, employees and other representatives, to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the land and improvements thereon.

16. **EVENTS UPON TERMINATION.** Upon removal of Grantee's improvements, Grantee shall return the lease area to as near the original condition as is practicable. Such restoration must be completed to the satisfaction of Haines Borough. In the event that there has been a high likelihood of a spill or release of hazardous materials onto Grantor's lands, as determined by the Grantor in its discretion, Grantee will provide a Phase I environmental assessment covering affected lands upon the completion of clean-up and/or restoration.

17. **DEFAULT.** In the event that either party shall consider the other responsible for a breach of this Agreement, the complaining party agrees to give the other written notice by certified mail of the default or breach complained of, and the other party shall have thirty (30) days after receipt of such notice, unless circumstances beyond the other party's control prevent such correction within this period, within which to correct any default or breach of the Agreement. Failing such correction, this Agreement may be terminated by the complaining party. Termination of this Agreement for default does not relieve Grantee from its' obligation to pay any lease payments due prior to the notice of default or to restore the site as specified in Section 16 of this Agreement.

18. **NOTICES.** Any notice by Grantee to Grantor will be served at Haines Borough Offices, and any notice by Grantor to Grantee will be served on Alaska Power & Telephone Company, P.O. Box 3222, Port Townsend, WA 98368, to the attention of Robert Grimm.

19. **MISCELLANEOUS.**

A. **Heirs & Successors.** This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. Nothing in this Agreement is intended to benefit any third party not a signatory hereto.

B. **Enforcement of Terms.** If any action shall be brought to recover any payment due under this lease, or on account of any breach of this lease, or to recover possession of the leased premises, the prevailing party shall be entitled to recover its attorney's fees and all costs and expenses reasonably incurred by it in connection with such action.

C. **Preparation and Execution.** Grantee shall reimburse the City for its actual attorneys' fees incurred in negotiation and preparation of this lease. City shall invoice Grantee for such fees, and Grantee shall pay the same in full within ten (10) days of receipt

of such invoice.

D. Recording of Lease. Grantor shall record at Grantee's expense a memorandum of this lease as soon as possible after its execution by both parties. Directly after recording the memorandum, Grantor shall provide Grantee with a copy stamped by the Recorder's Office showing the date and time of recording.

20. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Alaska. Any agent or other person executing this Agreement on behalf of a party represents and warrants to the other party that he or she has full power and authority to execute this Agreement on the party's behalf. Venue for any legal action shall be in the state of Alaska District Court at Juneau, Alaska. Grantor and Grantee agree that any trial in any action filed related to this Agreement shall be held in Haines, Alaska.

21. WAIVER. Neither party shall be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by the party. No delay or omission on the part of either party in exercising any right shall operate as a waiver of such right or any other right. A waiver by either party of a provision of this Agreement shall not prejudice the party's rights to demand strict compliance with that provision in the future. Whenever consent by one party is required in this Agreement, the granting of such consent in any one instance shall not constitute continuing consent to subsequent instances where such consent is required.

22. MODIFICATION. This Agreement may not be modified, except in writing signed by both parties. Grantee acknowledges and understands that no employee, representative, or individual assembly member has any authority to modify this Agreement, or make any representations as to modifying the Agreement, and that only the Assembly as a body has the authority to approve a written modification of the Agreement.

23. INTEGRATION. This Agreement contains the entire Agreement between the parties and supersedes all previous negotiations, commitments and communications. It shall continue in effect for so long as either party owes any duty or obligation to the other. This Agreement will not be construed against the party which prepared it.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

GRANTOR: HAINES BOROUGH

GRANTEE: GOAT LAKE HYDRO, INC.
(A subsidiary of Alaska Power & Telephone)

By: _____
David B. Sosa
Borough Manager

By: _____
Greg Mickelson
Vice President of Power Operations

Date: _____

Date: _____

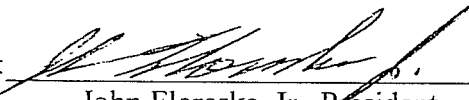
**AFTER RECORDING IN THE HAINES
RECORDING DISTRICT, RETURN TO:**

John A. Reed, Esq.
Davis Wright Tremaine LLP
2600 Century Square
1501 Fourth Avenue
Seattle, WA 98101

ASSIGNMENT OF LEASE

For value received, Southern Energy, Inc., whose mailing address is: P.O. Box 489, Haines, AK 99827, lessee under that certain lease between the City of Haines as Lessor and Southern Energy, Inc., as Lessee, a memorandum of which was recorded on February 8, 2002 as Document Serial No. 2002-000075-0, records of the Haines Recording District, First Judicial District, State of Alaska, does hereby assign, for good and valuable consideration, and subject to all rents, covenants, and conditions, all of Southern Energy, Inc.'s right, title and interest, in the lease to: Goat Lake Hydro, Inc., whose mailing address is: P.O. Box 3222, Port Townsend, WA 98368 and successors and assigns, for the unexpired term of the above lease commencing on the date this assignment is executed by Southern Energy, Inc. and Goat Lake Hydro, Inc.

Assignor: Southern Energy, Inc.

By: 
John Floreske, Jr., President

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 2nd day of April, 2002, before me appeared John Floreske, Jr., known to me to be the president of the corporation

March 25, 2002

Stan Selmer
A.P.T. Alaska
P.O. Box 459
Skagway, AK 99840

Re: Assignment of Lease - City/Southern Energy/Goat Lake Hydro

Dear Mr. Selmer:

At their February 6, 2002 regular City Council meeting, the Council approved the assignment of a lease of City uplands held by John Floreske/Southern Energy to Alaska Power and Telephone (A.P. & T.).

This is to verify that the City of Haines recognizes that A.P. & T. is the owner of Goat Lake Hydro, the actual party receiving the assignment of the lease in question.

Sincerely,

Susan V. Johnston, CMC
City Clerk
CITY OF HAINES

COPY

LAND LEASE AGREEMENT

between

CITY OF HAINES, ALASKA - LESSOR

and

SOUTHERN ENERGY, INC. - LESSEE

Effective Date: May 5, 1988

LAND LEASE AGREEMENT

THIS AGREEMENT is made and entered into this 5th day of May, 1988, between the City of Haines, a municipal corporation organized and existing under the laws of the State of Alaska, whose mailing address is P. O. Box 1049, Haines, Alaska 99827, hereinafter referred to as the "Lessor" or "City" and Southern Energy, Inc. (SEI), whose mailing address is P. O. Box 34117, Juneau, Alaska 99803, hereinafter referred to as the "Lessee".

RECITALS

WHEREAS, that property (hereinafter "demised property") described in Exhibit A attached hereto is owned by the City of Haines, Alaska; and

WHEREAS, the demised premises has been classified as available for lease; and

WHEREAS, the intended use of the demised premises by the Lessee meets the intended land use, and the Lessee has complied with all permit requirements, consents or non-objections required by any governmental agency with jurisdiction over the premises; and

WHEREAS, the demised premises has been appraised within six (6) months prior to the date fixed for the beginning of the term of this lease pursuant to Haines Municipal Code Sec. 14.40.090; and

WHEREAS, the demised premises has been nominated for lease by an application of Lessee demonstrating;

- (1) the proposed use of the nominated parcel is a beneficial use in terms of highest and best use; and
- (2) it is in the City's interests to lease the nominated parcel; and

WHEREAS, the City Council finds that the use to which the demised premises is to be put is compatible with current use classification and that the terms hereof have been negotiated with the Lessee hereunder and are agreeable to the City Council; and

WHEREAS, pursuant to Sec. 14.40.010 et seq. of the City Code, the lease of land described herein has been offered to the public on a competitive basis, public comment has been received, and all other applicable requirements of Chapter 14.40 have been met; and

WHEREAS, this lease contains such restrictions and reservations as are necessary to protect the public interest; and

WHEREAS, the parties intend that all liability related to or resulting from the location, placement or operation of Lessee's business on the demised premises shall be borne by Lessee, and that the consideration for this lease does not include any amount for assumption of any liability by the Lessor; and

WHEREAS, the Lessee desires to lease the demised premises for the purpose of operating a hydroelectrical generation plant and the Lessor desires to so lease said parcel;

NOW THEREFORE, in consideration of the mutual covenants

and conditions herein contained, the parties agree as follows:

ARTICLE I - Demise and Description of Premises

Section 1.1: Demise and Description. The Lessor hereby leases to the Lessee those premises designated as "Parcel A", herein called the "demised premises", described as follows:

A parcel within Lot 4, Section 10, T30S, R59E, CRM, more particularly described:
Commencing at Corner 1, Alaska Tidelands Survey No. 1194, Thence S0°13'20"E, 93.92 feet to the Southerly Right of Way of Lutak Road, Thence along said Right of Way S70°27'10"E, 56.82 feet to the point of beginning,
Thence S19°32'50"W, 100.00 feet;
Thence S70°27'10"E, 60.00 feet;
Thence N19°32'50"E, 99.30 feet, to the Southerly Right of Way of Lutak Road;
Thence along said Right of Way, a curve to the left with a radius of 691.20 feet, a Delta of 2°35'12", and a length of 31.20 feet, (Chord = 31.20, N69°09'30"W; Thence along said Right of Way N70°27'10"W, 28.80 feet to the point of beginning. Containing 5,985.7 square feet.

Together with an all easements as shown on attached survey from the demised premises to the upland diversion dam, and the outfall to Lutak Inlet.

Attached sketch plat herein made a part of hereto.

ARTICLE II - Term of Lease

Section 2.1: Term. The term of this lease shall extend for a period of 20 years, commencing on May 5, 1988, and ending at midnight on May 4, 2008, unless otherwise terminated pursuant hereto or extended by mutual agreement of the parties, consistent with applicable City Code provisions. The term of this lease may be extended by mutual consent for two additional terms of 20 years each as long as Lessee is not in default of the lease terms.

Section 2.2: Reversion If Use Discontinued. If the demised premises ceases to be used for the purposes set forth in Section 4.1 hereof, said premises shall revert to Lessor upon demand and this Lease shall terminate.

ARTICLE III - Rent

Section 3.1: Rent. Lessee shall pay to Lessor rent for the demised premises at the rate of Five Hundred Fifty-six dollars (\$556.00) per annum. Said amount paid annually. The first annual rent payment shall be due upon execution of this lease and annually thereafter on the anniversary date of this agreement.

Section 3.2: Appraisal for Determination of Rent. The City shall cause the demised premises and any improvements thereon owned by the City to be appraised at their fair market value by the City and Borough Assessor, pursuant to Sec. 14.40.090. Said appraisal shall determine the value of the demised premises and the improvements thereon owned by the City.

Section 3.3: Rental Rate for Renewal Terms of Lease. The annual rental rate payable pursuant to this lease shall be subject to adjustment, in accordance with this section, upon the expiration of the intital five-year term of this lease. For the purposes of this lease, the fifth-year anniversary adjustments to be made at the expiration of the first five years of the lease shall be based on changes in the fair market value of the demised premises and any improvements thereon owned by the City. All adjusted rates shall be negotiated and approved by the ~~City Council~~.

Borough Assembly

Section 3.4: Other Fees. The rent to be paid as provided herein does not include such additional costs, taxes, (property, sales tax) tariffs or similar fees or levies, of general

applicability, imposed by the City on all similar uses. Such additional fees are subject to change from time to time according to the City ordinances then in effect, and nothing contained herein shall be construed as creating a contract right in favor of Lessee as to any such fee, other than rental as specified herein.

ARTICLE IV - Use of Premises

Section 4.1: Use of Premises. The demised premises are to be used solely for hydroelectrical generation, waterline and related uses. The Lessee is authorized to use the property on which the easement is graveled for ingress, egress, installation and maintenance of the hydroelectrical generation facility, waterline and related equipment.

Section 4.2: Compliance with Law. Lessee shall comply with and abide by all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations of general applicability affecting the demised premises, the improvements thereon or any activity or condition on such premises. Lessee shall defend, indemnify and hold the City harmless from and against any claim or liability resulting from Lessee's non-compliance with this Article IV, as more particularly set forth in Section 9.1, hereof.

Section 4.3: Uses Prohibited. This lease grants to the Lessee only the surface use of the demised premises. Lessee shall not use, or permit the demised premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the demised premises are hereby leased; and no use shall be made or permitted to be made of the demised premises, or acts done, which may be

considered hazardous on account of fire or otherwise. Any use not authorized by this lease shall constitute a trespass against the Lessor and a material breach in the provisions of this lease.

Section 4.4: Special Conditions.

(a) Lessee shall not store nor permit the storage of oil drums or similar or other unsightly or unsafe items or materials on or about the premises in locations where they are visible or accessible to the public or passersby.

(b) Lessee shall at all times maintain adequate security on and about the demised premises so as to prevent unauthorized entry and potential hazardous conditions associated therewith.

(c) Lessee shall, upon execution hereof, place with Lessor a security deposit in the amount of \$1,500 as security for the removal and restoration of the demised premises at the conclusion of this lease, pursuant to Sections 5.3 and 5.4 hereof. Lessor shall place such security deposit in a separate interest-bearing account or certificate of deposit. Both principal and accrued interest shall be available for security purposes, and both principal and interest shall be returned to Lessee upon satisfactory performance by Lessee of its obligations hereunder.

(d) Lessee shall complete not less than 50% of intended improvements to the demised premises within one year of the finalization of necessary permits.

(e) Failure of the City to demand strict compliance by Lessee with any of the special conditions listed herein,

or with any other provision of this lease, shall not constitute a waiver thereof unless such non-compliance is expressly consented to in writing by authority of the City Council; further, any failure by the City to enforce such conditions, shall not result in any liability by the City, nor relieve Lessee from its obligation to indemnify, defend and hold the City harmless pursuant to Sec. 9.1.

Section 4.5: Environmental and Water Quality Protection.

(a) Liability for any environmental or water quality damage that is caused by Lessee or its employees, agents and representatives shall be borne by and at the sole expense of Lessee. If Lessee fails or refuses to correct or repair said damage, within a reasonable time, then after reasonable notice to Lessee, the City shall have the right to contract with any party to correct said condition and collect payment from Lessee for all actual costs of said correction or repair.

(b) In addition to the City's right to indemnification as stated herein, Lessee shall indemnify, defend and hold the City harmless for any and all civil or criminal liabilities or penalties, including costs of defense, resulting from Lessee's acts or omissions which cause, threaten or are alleged to cause or threaten, environmental or water quality damage, or sanctions to be incurred because of environmental or water quality damages.

Section 4.6: Utilities. Lessee shall fully and promptly pay all costs associated with the following services used by Lessee: water, heat, light, power, garbage collection, telephone and any other utilities of any kind furnished to the demised premises throughout the term hereof, and all other

similar costs and expenses of any kind whatsoever of or in connection with the use, operation and maintenance of the premises and all activities conducted thereon. The Lessor shall have no obligation to provide any of the above-mentioned services to Lessee, except on the same basis as to other utility users.

Section 4.7: Utility Charges. The utility hook-up and user fees, if any, charged by Lessor to Lessee will not exceed the rates normally charged by Lessor to similar commercial enterprises, as set forth in established rate schedules of the City of Haines, Alaska.

ARTICLE V - Improvements

Section 5.1: Improvements. a) Lessee shall, throughout the term of this lease, at its own cost, and without any expense to Lessor, keep and maintain the premises, including all Lessee's improvements of any kind which may be or become a part thereof, in good, neat, clean, safe and sanitary order, condition, including replacements of any kind, nature or description, whatsoever, to the demised premises or to any improvements thereon.

b) Such improvements shall be subject to any building, zoning or similar code requirements or restrictions, and to other laws, regulations or permit requirements as may be imposed by any governmental agency.

Section 5.2: Damage to and Destruction of Improvements.

The damage, destruction, or partial destruction of any improvement on the demised premises shall not release Lessee from any obligation hereunder, except as hereinafter

expressly provided. In the event the improvements on the demised premises are destroyed to such an extent as to be rendered untenable by fire, storm, earthquake or other casualty for which Lessee is not responsible hereunder, Lessee may elect to terminate this lease by providing Lessor with written notice within thirty (30) days of the destruction of the improvements. Should Lessee elect to so terminate this lease, such termination shall be effective thirty (30) days after such notice.

Section 5.3: Removal or Reversion of Improvements Upon Termination. Improvements and/or personal property located on the demised premises and owned by Lessee shall, within sixty (60) calendar days after termination of this lease, be removed by Lessee; provided, that the City Council may extend the time for removing improvements in cases where hardship is proven. The retiring Lessee may, with the prior consent of the City Council, sell or assign its improvements to a succeeding Lessee, if any; provided that such sale or assignment of interest shall be made only in compliance with applicable City Code provisions, and nothing contained in this lease shall be construed as consent by the City to such sale or assignment. All periods of time granted Lessee to remove improvements and/or personal property are subject to Lessee's payment to the Lessor of pro rata lease rentals for said periods. If any improvements and/or personal property are not removed within the time allowed, such improvements and/or personal property shall revert to, and absolute title shall vest in, the Lessor. At Lessor's option, Lessor may cause removal of Lessee's improvements and Lessee shall reimburse Lessor for actual costs associated therewith.

Section 5.4: Repair of Premises. Upon removal of any improvements and/or personal property from the demised

premises upon termination of this lease, Lessee shall, at its own expense, repair any damage or injury to the premises or to Lessor's adjacent property resulting from such removal.

ARTICLE VI - Encumbrances

Section 6.1: Lessee's Duty to Keep Premises Free of Liens.

Lessee shall keep the demised premises and every part thereof and all improvements at any time located thereon free and clear of any and all mechanics', materialmen's and other liens arising out of or in connection with work or labor done, services performed, or repairs or additions which Lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee on or about the premises, or any obligations of any kind incurred by Lessee, and Lessee agrees, at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based. By this provision the parties do not in any way recognize or acknowledge the authority or right of any person to impose any such lien.

ARTICLE VII - Reservation of Rights

Section 7.1: Mineral Reservations. Lessor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself its successors, assigns and other lessees, forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon the lands subject to this lease, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils. Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself, its successors, assigns and

other lessees, forever, the right by itself, or its or their agents or other representatives, to enter upon the lands subject to this lease, or any part thereof, at any and all times, for the purpose of making beneficial use of these reserved rights and to remain and to occupy as much of said lands as may be necessary or convenient for such purpose, hereby expressly reserving to itself, its lessees, successors and assigns, as aforesaid, generally all rights reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Section 7.1.1: Lessee's Rights Upon Entry by Lessor. No rights reserved under Section 7.1, above, shall be exercised by the Lessor or its subsurface Lessees, until provision has been made by the Lessor or its subsurface Lessees to pay to Lessee herein full compensation for damages sustained by Lessee by reason of the entering upon said land; provided that, if Lessee for any cause whatever refuses or neglects to settle said damages, the Lessor or its subsurface Lessees shall have the right, after posting a surety bond to cover such damages of Lessee, and after due notice and an opportunity to be heard by Lessee, to exercise its rights to reasonable use of the surface as required for the full enjoyment of the reserved subsurface rights which it holds.

Section 7.2: Surface Reservations. All deposits of stone, earth or gravel valuable for extraction or utilization are reserved by Lessor and shall not be removed from the land. Lessee shall not sell or remove for use elsewhere any of the surface resources of the demised premises, for example, timber, stone, sand, gravel, peatmoss, topsoil or any other material valuable for building or commercial purposes; provided, however, that material required for the development

of the leasehold may be used if its use is first approved by the City Council.

Section 7.3: Lessor's Right of Entry. Lessee shall permit Lessor, its agents, employees and other representatives, to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the land and improvements thereon.

Section 7.4: Posting of Demised Premises. Lessee shall have the authority to post the demised premises restricting public access to assure protection to the hydroelectrical generation, waterline and related equipment.

ARTICLE VIII - Grant of Access Rights

Section 8.1: Lessor's Easement Reservations. Lessor reserves an easement for light, air and view for its property adjoining the demised premises.

Section 8.2: Term. The rights of access granted in this lease shall remain in effect for the initial term and any renewal terms of this lease.

Section 8.3: Indemnity for Access Areas. Without limiting the generality of Article IX, below, it is specifically agreed that the indemnity and insurance provisions of this lease apply to the use of the areas reserved for rights of access hereby granted to Lessee.

ARTICLE IX - Indemnification of Lessor

Section 9.1: Indemnification. Lessee shall defend, indemnify and save harmless Lessor from and against any and all losses, damages, liabilities, expenses, claims and

demands of whatsoever character, direct or indirect, arising out of or in any way connected with, this lease of the demised premises or use or occupancy thereof by Lessee.

ARTICLE X - Eminent Domain

Section 10.1: Effect of Condemnation. If the whole or any part of the demised premises is taken by any authorized body vested with the power of eminent domain, the following provisions control:

Section 10.1.1: Taking of the Entire Premises. If all of the premises are taken by condemnation, the terms of this lease and all rights of the Lessee will immediately terminate, and the rent will be adjusted so that it is due only until the date the Lessee is required to surrender possession of the premises. The Lessor is entitled to all condemnation proceeds, except that the Lessee shall be paid the portion of the proceeds attributable to the fair market value of the improvements placed on the condemned premises by the Lessee.

Section 10.1.2: Taking of Substantial Part of Premises. If the taking is of a substantial part of the premises, the following shall apply:

- (a) If the taking by condemnation reduces the ground area of the demised premises by at least 30% or materially affects the use being made by the Lessee of the parcel, Lessee may elect to terminate the lease by written notice to Lessor not later than one hundred eighty (180) days after the date of taking.
- (b) If the Lessee elects to terminate, the provisions in Section 10.1.1 shall govern the condemned portion of the demised premises and the terms of the lease govern disposal of the remainder of any improvements made by the Lessee.
- (c) If the Lessee elects not to terminate, this lease continues and the Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value of the improvements placed on the condemned portion of the premises by the Lessee.

Rent at the existing rate will terminate on the date of taking. Except as it may be adjusted from time to time under the terms of this lease, rent for the balance of the term will be adjusted by the Lessor to reflect the taking.

Section 10.1.3: Taking of Insubstantial Part of Premises.

If the taking by condemnation reduces the ground area of the demised premises by less than 30% and the Lessor determines that the taking is of such an insubstantial portion that the Lessee's use of the demised premises is not materially affected, the provisions of Section 10.1.2(c) will govern.

Section 10.2: Authority. By this Article, the parties do not in any way recognize or acknowledge the authority or right of any governmental entity to exercise a power of eminent domain over the demised premises or any interest created by this lease.

ARTICLE XI - Assignment and Subletting

Section 11.1: Assignment. Lessee may assign this lease only under the applicable provisions of the City Code, as in effect at the time of such assignment, and further, provided that the proposed assignment shall be first approved by formal action of the City Council. Such approval shall not be unreasonable withheld. The assignee shall be subject to all the provisions of the lease and the Lessee-assignor shall not be relieved of its obligations hereunder. The Lessee shall not transfer, convey or otherwise dispose of this lease or the rights hereunder without the prior written consent of the Lessor. The Lessor may accept rent from the assignee or other transferee, but no such collection of rent shall be deemed a waiver of any term or condition of this lease, nor an acceptance of the assignee or other transferee as Lessee.

Section 11.2: Subletting. The Lessee may sublease the demised premises or any part thereof leased to it under this agreement, only under the applicable provisions of the City Code, as in effect at the time of such assignment, and further, provided that the Lessee first obtains the approval, by formal action, of the City Council to such sublease. Such approval shall not be unreasonably withheld. All subleases shall be in writing and shall include all the terms and conditions of this original lease. The Lessee shall continue to be liable hereunder in accordance with the terms and conditions of this lease. The Lessor may collect rent from the sublessee, but such collection shall not be deemed a waiver of any term or condition of this agreement nor an acceptance of the sublessee as Lessee. A copy of the sublease shall be filed with City Clerk.

ARTICLE XII - Warranties

Section 12.1: Title and Quiet Possession. Lessor covenants that Lessor is seized of the demised premises in fee simple and that Lessee shall have quiet and peaceable possession of the demised premises during the term hereof. Prior to entering into this lease, if the Lessee so requests, the Lessor shall provide, at the Lessee's expense, title evidence sufficient to satisfy Lessee that the Lessor has title to the land and can guarantee the Lessee peaceable possession.

Section 12.2: Authority of Agents. Each party to this agreement warrants that the individual signing this lease has written authority to enter into this agreement from the parties sought to be bound.

ARTICLE XIII - Taxes

Section 13.1: Taxes. Lessee shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, charges, fees, of every kind whatsoever, including all governmental charges of whatsoever kind which may be levied, assessed or charged, or which may become a lien or charge on or against the premises hereby demised, or any part thereof, the leasehold of Lessee herein, or any improvements now or hereafter thereon or on or against Lessor by reason of its ownership of the fee underlying this lease, during the entire term hereof.

Section 13.2: Contesting Taxes. If Lessee shall in good faith desire to contest the validity or amount of any tax, assessment or other governmental charge herein agreed to be paid by Lessee, Lessee shall be permitted to do so and to defer payment of such tax or charge, the validity or amount of which Lessee is so contesting, until final determination of the contest, after giving to Lessor written notice thereof prior to the commencement of any such contest, which shall be at least thirty (30) days prior to delinquency and on protection of Lessor on demand by a good and sufficient surety bond against any such tax, levy, assessment or other governmental charge, and from any costs, liabilities or damage arising out of any such contest.

ARTICLE XIV - Insurance

Section 14.1: Insurance. The Lessee shall, at all times during the initial and any extended terms of this lease, at its own expense, keep in force by advance payment of premiums, the following-described insurance for protection

against the claims of employees or other persons, insuring both the Lessee and the Lessor against any liability that may accrue against them or either of them in connection with the rights and duties of the Lessee under this lease:

(a) Insurance covering claims under Workers' compensation, disability benefit and other similar employee benefit acts;

(b) Insurance covering public liability and property damage liability in an amount for bodily injury or death of not less than \$1 million for one person and not less than \$1,000,000 for each accident; and for property damage, in an amount of not less than \$1,000,000 for each accident. Such insurance shall be written on an occurrence basis such that the occurrence of one or more claims shall not deplete the specified available coverage as to subsequent events.

Section 14.2: Insurance Certificate. The insurance shall be placed with an insurance carrier or carriers with ratings of A-15 or better, satisfactory to the Lessor and licensed to do business in Alaska, and shall not be subject to cancellation or any material change except after thirty (30) days written notice to the Lessor. A Certificate of Insurance reflecting full compliance with these requirements shall, at all times during this lease, be kept on deposit at the general offices of the Lessor. If the Lessee fails to comply with these insurance requirements, the Lessor may terminate this agreement on thirty (30) days written notice, or may obtain and pay for such insurance and keep the same in force and effect, and the Lessee shall pay the Lessor on demand for the premium costs thereof.

Section 14.3: Maintenance of Coverage. All public liability, property damage and other casualty policies shall be written as primary policies; they shall not be contributing with, or in excess of, any insurance coverage that the Lessor may otherwise carry. In order to maintain the same level of coverage that will exist at the commencement of this lease,

the amounts and types of coverage called for herein shall be subject to review at the end of each two-year period from the commencement date of this lease, and, if appropriate, the insurance requirement shall be increased or extended at the request of the Lessor to provide the amounts and types of coverage that are at least equal to the amounts and types of coverage then carried by prudent owners of similar property. If the parties are unable to agree upon such increase or extension of coverage, Lessee shall be required to increase its coverage in an amount not less than the increase, if any, in the Consumer Price Index (CPI) as established by the U.S. Bureau of Labor Statistics, for Anchorage, Alaska, between the date of this lease and the end of the applicable two-year period; provided, however, that no such increase shall be required if the change in the CPI is less than five percent (5%), and in no event shall the amount of insurance herein be decreased. Lessee shall maintain insurance written on an occurrence basis such that any loss does not deplete the policy limit.

ARTICLE XV - Default and Remedies

Section 15.1: Default/Breach. Each of the following shall be deemed a default by Lessee and a breach of this lease:

- (a) Lessee shall fail to pay any installment of rent or perform any other obligation hereunder involving the payment of money on the date the same is due.
- (b) Lessee shall fail to comply with any term, condition precedent, provision or covenant of this lease.
- (c) Lessee shall desert or vacate or shall commence to desert or vacate the demised premises or any substantial portion thereof or shall remove or attempt to remove, without the prior written consent of Lessor, all or a substantial portion of Lessee's improvements on the demised premises.

Section 15.2: Default Remedies. If a party defaults in its performance or observance of any of the lease terms,

covenants or stipulations, or the terms of any ordinances of the City Code. and the default continues for thirty (30) calendar days after service of written notice by the other party, without remedy of the default, the non-defaulting party shall take such action as is necessary to protect its rights and best interests, including the exercise of any and all rights after default permitted by this lease. No improvements may be removed by Lessee or any other person during any time the Lessee is in default under this lease.

Section 15.3: Rights Upon Default After Notice. After notice has been given and the default remains uncorrected for a period of thirty (30) days, in addition to any rights and remedies that the parties may otherwise be given by statute, common law or otherwise:

(a) Lessor may reenter the demised premises and take possession of and remove all property from the same, without liability for any damage therefore, remove all persons and property therefrom, either by summary proceedings or by suitable action at law, provided that any entry or reentry, possession, repossession or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release, or discharge the Lessee, either in whole or in part for the monetary liability under this lease;

(b) The non-defaulting party may declare the lease cancelled and the term ended;

(c) Lessor may relet the demised premises in whole or in part for any period equal to or greater or less than the remainder of the original term of this lease, for any sum which may be reasonable;

(d) The Lessor may collect any and all rents due or to become due from sublessees or other occupants of the demised premises;

(e) The non-defaulting party may recover the following items of damage:

(1) Actual attorney's fees and other expenses reasonably incurred by reason of the breach or default in accordance with applicable law,

(2) The cost of performing any covenant to be performed,

(3) Interest at the maximum allowable rate on all amounts owing from the date due until payment thereof in full, and

(f) Lessor may recover an amount equal to the amount of all rents due for the remainder of the term without reduction for anything other than the amount in fact received on releasing of the demised premises;

(g) The non-defaulting party may obtain specific performance of this lease.

Section 15.4: Remedies Cumulative. The remedies of Lessor hereunder shall be deemed cumulative and not exclusive of each other.

ARTICLE XVI - Termination and Holding Over

Section 16.1: Redelivery of Premises. Lessee shall, at the expiration or sooner termination of this lease, peaceably and quietly quit and surrender to Lessor the demised premises in as good a state and condition as the premises were at the commencement of the term.

Section 16.2: Cancellation by Agreement or Due to Unlawful Purpose. This lease may be cancelled in whole or in part, at any time, upon mutual written agreement by Lessee and the City Council, or by the City Council acting alone if the subject premises are used for any unlawful purpose.

Section 16.3: Reentry by Lessor. In the event the lease is terminated, or in the event that the demised premises, or any part thereof, are abandoned by the Lessee during the term of this lease, Lessor or its agents, servants or representatives, may, immediately or at any time thereafter, reenter and resume possession of said lands or such part thereof, and remove all persons and property therefrom, either by summary proceedings, or by a suitable action or proceeding at law, without being liable for any damages therefor. No reentry by the Lessor shall be deemed an acceptance of a surrender of lease.

Section 16.4: Disposal Upon Termination. In the event that this lease is terminated, the City Council may offer the

demised premises for lease or other appropriate disposal pursuant to the provisions of the City Code.

Section 16.5: Holding Over. Upon failure of the Lessee to surrender possession of the demised premises upon the termination of this lease, the Lessee's possession of the demised premises shall continue on a month-to-month tenancy at the yearly rental rate charged in the last year of the last term of the agreement, on a monthly pro rata basis, plus eighteen percent (18%) of such monthly amount, for each month that the Lessee retains possession of the demised premises after termination and prior to execution of a subsequent or amended lease agreement. The Lessee shall acquire no additional rights to, or interest in the demised premises by holding over after termination of this lease, and shall be subject to legal action by the Lessor to require the surrender of the demised premises. All terms of this agreement shall apply during the hold-over period. The receipt by Lessor of any rent or any other sum of money after the termination in any manner of the term demised, or after the giving by Lessor of any notice hereunder to effect such termination, shall not reinstate, continue or extend the resultant term herein demised, or destroy or in any manner impair the efficacy of any such notice or termination as may have been given hereunder by Lessor to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the Lessor.

ARTICLE XVII - General Provisions

Section 17.1: Disclaimer. The Lessor's consent to the Lessee's use of the demised premises shall not be construed as approving or endorsing the use of the demised premises for the purposes proposed by Lessee and the City disclaims any such express or implied approval or warranty.

Section 17.2: Notices. Any notice or demand, which under the terms of this lease or under any statute or City Code provision must be given or made by the parties hereto, shall be in writing and shall be given or made by registered or certified mail, return receipt requested, addressed to the other party at the address of record, designated as follows:

(a) The Lessor:

City of Haines
Attention: Mayor
P.O.Box 1049
Haines, Alaska 99827

(b) The Lessee:

Southern Energy, Inc.
P.O.Box 34117
Juneau, Alaska 99803

Either party may designate in writing another address to which such notice or demand shall hereafter be given. Any notice given under this provision shall be deemed delivered when deposited in a United States General or Branch Post Office enclosed in a registered-mail or certified-mail prepaid wrapper or envelope, addressed as provided in this section.

Section 17.3: Inspection of Premises. Lessee acknowledges that it has been given unlimited opportunity to inspect the demised premises and accepts said premises as is in the condition in which they are presently found.

Section 17.4: Non-Discrimination. The Lessor agrees not to discriminate by segregation or otherwise against any person or persons because of race, creed, color or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility, or any and all services, privileges, accommodations and activities provided by the Lessor.

Section 17.5: Non-Waiver. No failure on the part of Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by Lessor, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt of rent by Lessor with knowledge of any breach of the lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of this lease shall not be deemed to be a waiver of any provision of this lease.

Section 17.6: Integration. This lease and the exhibits hereto set forth all the covenants, terms, conditions and understandings between the parties hereto, and there shall be no covenants, terms, conditions or understandings, either oral or written between them other than as herein set forth.

Section 17.7: Modification. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties in interest or their successors in interest.

Section 17.8: Recording of Lease. Lessor shall record at Lessee's expense a memorandum of this lease as soon as possible after its execution by both parties. Directly after recording the memorandum, Lessor shall provide Lessee with a copy stamped by the Recorder's Office showing the date and time of recording.

Section 17.9: Attorney's Fees.

a) Enforcement of Terms. If any action shall be brought to recover any payment due under this lease, or on

account of any breach of this lease, or to recover possession of the leased premises, the prevailing party shall be entitled to recover its attorney's fees and all costs and expenses reasonable incurred by it in connection with such action.

b) Preparation and Execution. Lessee shall reimburse the City for its actual attorneys' fees incurred in negotiation and preparation of this lease. City shall invoice Lessee for such fees, and Lessee shall pay the same in full within ten (10) days of receipt of such invoice.

Section 17.10: Severability of Terms. The invalidity or unenforceability of any provisions of this agreement shall not affect or impair any other provisions.

Section 17.11: Binding Effect. The terms, provisions and covenants contained in this lease shall apply to, inure to the benefit of, and bind the parties and their respective successors, except as otherwise herein expressly provided.

Section 17.12: Effect of Headings. The captions, section headings and numbers, and article headings and numbers in this lease are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of the sections or articles of this agreement, nor in any way affect the agreement.

Section 17.13: Time of the Essence. Time is of the essence in all provisions of this lease.

Section 17.14: Applicable Law. This lease shall be construed according to the laws of the State of Alaska. Any dispute arising hereunder shall be in the Superior

Court for the State of Alaska, First Judicial District,
heard at Juneau.

IN WITNESS WHEREOF the City of Haines, Alaska, as
Lessor, acting through its Mayor, being duly-authorized,
and Southern Energy, Inc., as Lessee, acting through
John Floreske, Jr. (President), having written authority
to execute this lease, have hereunto set their respective
hands, agreeing to keep, observe and perform all the terms,
conditions and provisions herein contained or attached.

DATED this 5th day of May, 1988.

This Agreement was passed and approved by the Haines
City Council at its regular meeting of May 4, 1988.

LESSOR:
CITY OF HAINES

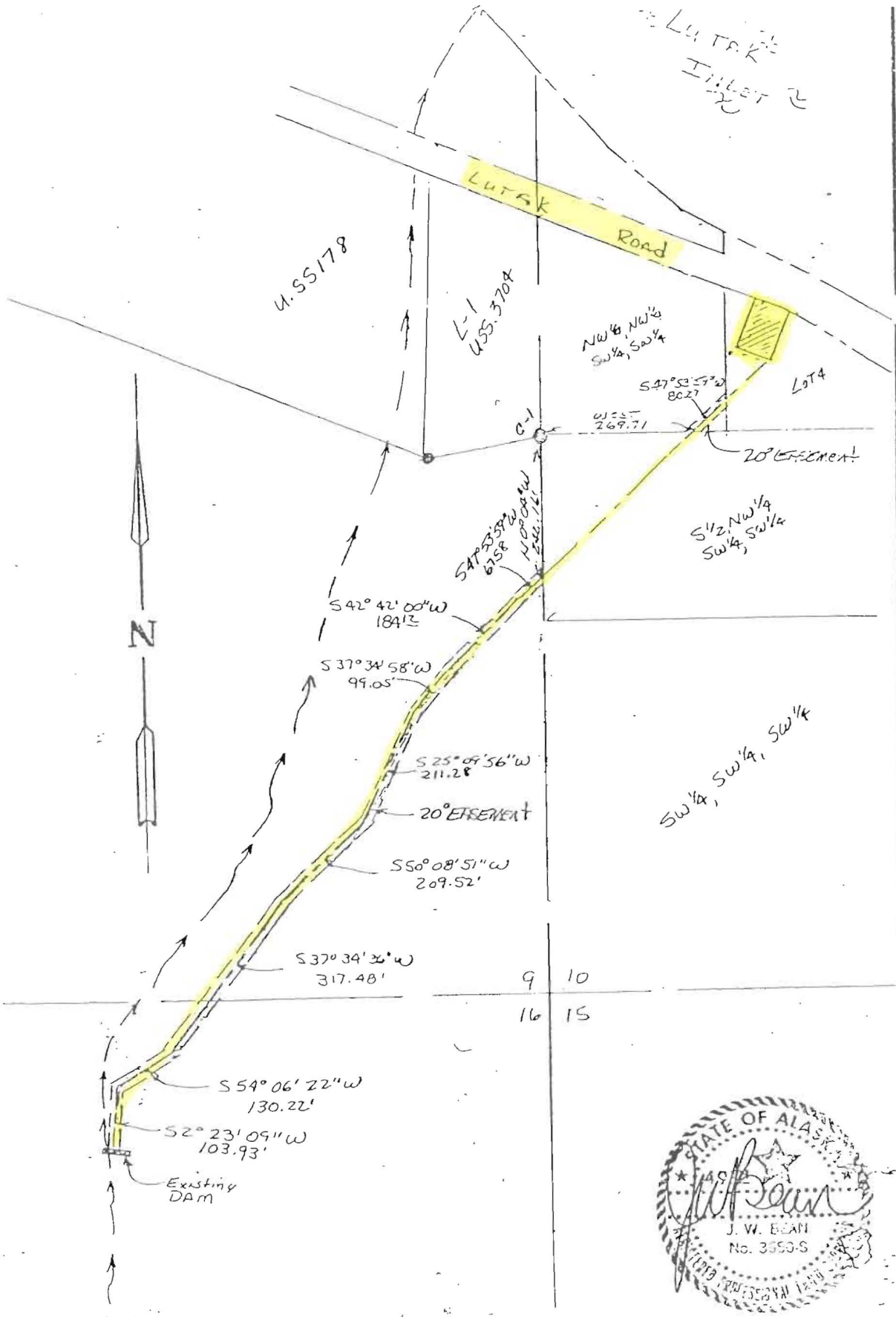
BY: Frank L. Wallace
FRANK L. WALLACE/MAYOR

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

Before me, the undersigned, a Notary Public in and for
the State of Alaska, duly commissioned, qualified and sworn
as such Notary Public, this day personally appeared Frank L.
Wallace, Mayor of the City of Haines, to me known
to be the person described in and who executed the foregoing
Land Lease Agreement and who acknowledged to me that he/she
executed the same freely and voluntarily with knowledge of
its contents for the uses and purposes therein expressed.

WITNESS my hand and official seal this the 6th day of
May, 1988.

Guermelin Martin
Notary Public in and for Alaska
My Commission Expires: 5/11/88

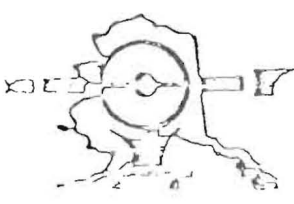


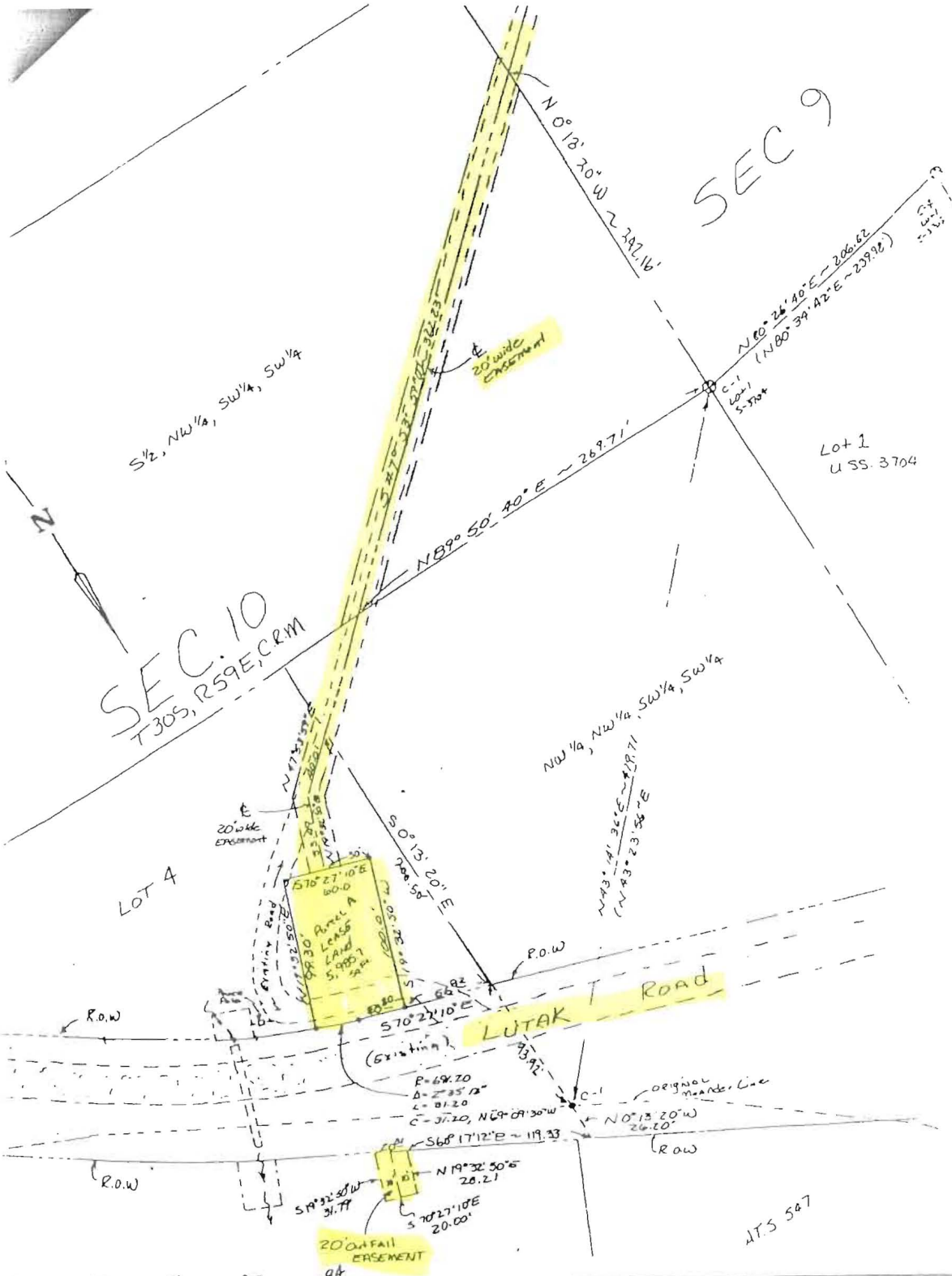
J.W. BEAN

PROFESSIONAL SURVEYOR
 3803 KIOWA DRIVE
 JUNEAU, ALASKA
 907-789-0550

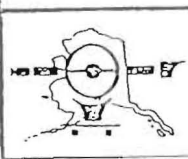
Sketch PLAT OF:
 20° EASEMENT within
 Sections 9, 10, and 16,
 T. 30 S., R. 59 E., C.R.M.

PLAT	NO.	SCALE
1011	1011	1" = 200'
1011	1011	1" = 100'





Sketch Plat of:
 Parcel A, within Lot 4, Section 10, T30S,
 R. 59E., C.R.M., including 20' easements,
 within the City and Borough of Haines, Alaska



J.W. BEAN
 PROFESSIONAL SURVEYOR
 3803 KIOWA DRIVE
 JUNEAU, ALASKA
 907-789-0290
 SURVEYOR-PLANNER

DATE OF SURVEY	4-24-06
BOOK	
PAGE	
JOB NO.	117
DATE	

LUTAK Inlet

ATS 567

ATS 1194



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-456

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Increase from 25% to 50% the cap on stock investments for the permanent fund	1. Ordinance 14-05-380
Originator: Finance Committee	
Originating Department:	
Date Submitted: 4/1/2014	

Full Title/Motion:
Motion: Advance Ordinance 14-05-380 to a second public hearing on 6/10/14.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ N/A	\$	\$???????

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives:	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------	---------------------------------------------------------------------------------

Summary Statement:

During its meeting on March 10, 2014, the Finance Committee asked for an opportunity to have the assembly consider raising the cap from 25% to 50% the cap on stock investments for the permanent fund.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 5/13, 5/27/14	Public Hearing Date(s): 5/27/14
	Postponed to Date:

An Ordinance of the Haines Borough amending Haines Borough Code Title 3 Section 3.24.050 to increase the cap for stock investments for the Permanent Fund from 25% to 50%.

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 is effective upon adoption.

Section 4. Amendment of Section 3.24.050. Title 3 Section 3.24.050 of the Haines Borough Code is hereby amended, as follows:

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

3.24.050 Investment of the permanent fund.

A. The borough assembly, the administration, the investment managers and the bank custodians shall manage, hold and govern the permanent fund with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a like capacity would use in the management of a similar public fund.

B. Risk shall be reduced by diversification of asset classes and broad diversification of investment securities within each asset class, unless otherwise not prudent to do so.

C. Funds of the permanent fund may be invested in:

1. U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations that have a liquid market with a readily determinable market value;

2. Obligations of the state of Alaska or municipalities of the state of Alaska, grade A or better;

3. Bank certificates of deposit that are secured as to the payment of principal and interest in accordance with Alaska law;

4. Corporate obligations of investment grade or equivalent quality as determined by a nationally recognized rating organization;

5. Domestic and foreign common stocks and preferred stocks of publicly traded companies including public real estate investment trusts; provided, that the total exposure to stocks shall be diversified among issuers and sectors and will not exceed ~~25 percent~~ **50 percent** of the market value of the permanent fund;

6. Fixed income (bond) money market funds, mutual funds and index funds with a minimum four-year track record;

7. Equity mutual funds and index funds with a minimum four-year track record and subject to the percentage limitation in subsection (C)(5) of this section.

D. Investment in mutual funds and index funds shall be limited to funds that invest primarily in investments otherwise permitted under subsection (C) of this section.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____
DAY OF _____, 2014.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/13/14
Date of First Public Hearing: 05/27/14
Date of Second Public Hearing: __/__/__



MANAGER'S REPORT

DATE: May 27 2014
 TO: Mayor and Borough Assembly
 FROM: David B. Sosa, Borough Manager

Recognition: The following Borough Employees have distinguished themselves and are deserving of mention in this report:

-The assistant pool manager, Brittany Hupp, graduated from Haines High School this year. Miss Hupp has been an decided asset to have on staff and served as a role model for other employees. On a daily basis she has demonstrated hard work, dedication, and a clear vision of her goals.

-Kris Reeves, Blythe Carter, and Andrea Nelson are commended for their efforts during the museum's recent Fortnight of Learning. They all worked very flexible schedules and made sure the museum was manned when during tours. Their efforts ensured that a key program was a success.

-Officer Adam Patterson continues to demonstrate a solid community oriented approach to his policing. He interacted with and engaged Haines High School student athletes, coaches, and parents during the track meet and attended the High School graduation. He has also been working the school zone during the week when school is in session. He remains focused and dedicated to doing a good job when on shift.

-Dispatch Supervisor Celeste Grimes has been very busy training new Dispatcher Sierra Hinkle and covering shifts on short notice. Last week she pulled a 20 hour shift when a dispatcher was unable to make it to work because of a health issue. Celeste continues to demonstrate pride in her job, a solid work ethic, and a commitment to serving this community as a dispatcher.

Comments: Over the past 2 weeks the Borough staff has worked to address items noted in the Budget COW of 12 May while also addressing routine and recurring items. The department directors and I also worked on developing a Borough Administration mission statement and guiding principles which are included as a draft for review by the assembly.

My priorities from now through the end of 1st Qtr FY 15:

- Deliver essential services and ensure public safety
- Ensure that the Borough is prepared for the seasonal increase in traffic and business
- Continue to refine and clarify roles and missions within the Borough Administration
- Continue outreach efforts with community organizations and residents

- Supervisors Training Course
- Implement a New Employee Orientation Process
- Develop a Critical Infrastructure List and Prioritized Lists for: Facilities and Roads
- This Month:
 - Finalize Budget
 - Training & Development Working Group Stand-up
 - Establish Information Sharing Procedures
 - Conduct Initial Review with Staff & Assembly
- Next Week:
 - Introductory Counseling for Department Heads
 - Review of the Collective Bargaining Agreement and classes on counseling and assessment.

Mission: Below is the proposed mission and principles developed by the Department heads. We will be sharing this with employees for input and update. If any Assembly Members have input before we submit to the Assembly for approval please feel free to provide.

Proposed Mission & Principles

Under the guidance and direction of the Borough Assembly, the mission of the Haines Borough Administration is to deliver critical and desired services; to protect the safety and well-being of the community; and to create conditions for a vibrant, sustainable economy that enhances and safeguards quality of life.

Guiding Principles:

- The people of our community are the only reason we are here.
- We will be stewards of the public trust.
- We will be responsive to the needs of the entire community consistent with our diverse history, culture, and unique character.
- We will work with the community to provide ethical, effective, and efficient municipal services.
- We will sustain and enhance Haines Borough as a premier community in which to live, work, and raise a family.

Admistration:

Tourism Director: The Hiring Committee has forwarded a recommendation for the hire of Ms. Ross to the Assembly. That action is on the agenda to night and the Manager highly recommends approval of this hire.

Community & Economic Development Position Description (DRAFT): On 21 May the Personnel Committee and the Manger met to review the role of this department and the position description. A revised DRAFT was sent out the Assembly.

Facilities:

Borough Radio Communication System and E-911

The new E911 system is now operational. The radio portion of the project is near completion, with some work to take place at the 26 mile repeater and the KVVFD. The work at the KVVFD will bring the station into FCC narrow banding compliance and add the

necessary channels to maintain communication within that station and the Dispatch Center.

High School Air Handling Unit

Notice to Proceed has been issued to the contractor, Behrends Mechanical. The completion date for this project is August 17, 2014. Work is scheduled to begin shortly after the end of the current school year.

PC Dock and Letnikof Harbor Upgrades

Inspection for the substantial completion was held on Friday, May 16.. All aspects of the project were inspected thoroughly, with a very positive report from the engineers. There will be a small punch list of items to complete that will be submitted to the borough and the contractor by May 21, 2014.

Work at Letnikof Harbor was completed on May 21, 2014. The barge has de-mobilized from the site and it is now open to the public. The repair to the cracked pontoon was completed on May 20 and appeared to have been done professionally and with a high level of skill.

The borough will need to budget for a new pontoon floats in the next few years. This work will not guarantee that there will not be other structural issued in the future. It is my recommendation that we complete this repair now and start to plan for phase II of this project which would address some of the structural deficiencies that exist at the facility. Estimated cost for this repair is \$20k to \$25k. It is anticipated that this project may require a contract price of up to \$1million.

Third Avenue Reconstruction

A notice of intent to award this contract to SRI was sent on May 20. The preconstruction meeting took place on May 21. At this meeting all aspects of the job were discussed.

Finance:

-Budget Amendments: See Finance Officer's Memo

Fire & Emergency Services

Mass rescue Operation Meeting: There will be a meeting June 10th with the U.S. Coast Guard it will be on Mass Rescue Operation (MRO) meeting. From 1:30 to about 3 at the assembly chambers. There will be an official notification sent out by Latarsha McQueen U.S. Coast Guard inviting different agencies.

Land Assessment-Planning & Zoning:

Appeals Process: The contract assessor and the assistant assessor are reviewing the last of the appeals and will have an estimate of value for the FY15 Tax Roll for Finance by the end of the workday (21 May). There are 15 appeals left to review, with zero scheduled for the 2nd BOE date if needed on May 28th. There is still the potential for some cases coming to a stalemate which will require a presentation to the BOE.

Planning & Zoning:

Three land use permit applications are in processing

-Big Al's Salmon Shack began business without a valid land use permit. A cease & desist order was issued on May 20th. Business owner Mr. Harry Rietze re-opened his business after correcting violations and obtaining the permit;

-On May 13th, 2014 Mr. Paul Nelson filed a complaint regarding solid waste disposal within Townsite Service Area. A response letter was sent to Mr. Nelson on May 20th requesting for more specific information.

-The Planner continues to work with contractor Gary Greenberg on the geospatial addressing project and a draft of the Haines Borough addresses is done. (Please see attachment).

Legal:

BSV CUP Appeal: Ms. Jessica Plachta appealed to the Superior Court the final decision of the Haines Borough Assembly to grant a temporary Conditional Use Permit (CUP) to Big Salmon Ventures (BSV) for use of a portion of BSV's property near 26 mile, Haines highway as a heliport until March 31, 2015. The basis for the appeal is contained in the Points Appeal filed at the Superior Court of the State of Alaska First Judicial District in Juneau. The Borough will provide its side of the story to the court by deadlines set by the court. Copies of the Borough submissions to the Court will be made available to the public as they are filed. Haines Borough is committed to ensuring that a fair and open process consistent with our Code and Charter is followed with all Borough business. We encourage our residents and visitors to participate in dialogue about Borough decisions. This appeal is a continuation of the dialogue we are already engaged in. While the appeal is pending the Borough will continue to develop and implement a plan to evaluate noise impacts of this particular heliport. We approach this dialogue with earnestness and commitment and trust that the long term issue about use of this property as a heliport beyond March 31, 2015 will be resolved in a manner consistent with the law. Our participation in this dialogue is consistent with our ideals and demonstrates the true value of life in a representative democracy upheld by the rule of law.

APC Rate Case: Discovery is ongoing and the Attorney General taking the lead but the Borough Attorney is reviewing the information as it comes in to ensure that the Borough's interests are being protected and represented.

Police:

The Brew (Beer) Fest – the department will have increased patrols in the area of the Fairgrounds, the Fort, and Downtown during the event. Our resources have been supplemented by Hoonah PD which is sending 3 officers our way. The Hoonah officers will be housed at Quarters #1 at the fort. Cost for the Hoonah help is estimated at \$500 for lodging and some hydration fluids. All Haines PD officers except Sgt. Ford will be on duty. The sergeant is on approved leave.

Ports & Harbors:

-The Portage Cove Harbor draft sediment sampling and analysis plan is out to the agencies for comment over the next month, the next step in the expansion plan.

-Echelon Engineering will submit a report on fill loss at Lutak Dock within the next month.

-Docks and Harbor staff Shawn Bell and Mark Allen have re-billeted and refurbished one net float and have started the refurbishment of the second. These floats look better than they have in 20 years.

-The Ice House is operational and is ready to deliver ice.

-The ribbon cutting ceremony will take place on June 5, 2014.

Sheldon Museum & Cultural Center: NSTR

-The Fortnight of Learning was well attended every night of the two weeks it ran. We ranged from 20 to 45 attendees, depending on the topic. Many returned night after night, telling us "This is what I have wanted to know for years!" It was good to be able to provide the Haines community with the reasons we developed into the community we now.

-The museum received some fabulous donations in the past week, including a model of the Eldred Rock Lighthouse, a bucking saw used by John Schnabel, the Eldred Rock Lighthouse keeper's logs in digital format and a printed copy, and a dynamite box with the original shipping information on it. We have a pending purchase, based on funds from the Rasmussen Foundation, of Heidi Robichaud's scrimshawed mammoth tusk masterpiece "Eye of the Creator."

Tourism:

Bus Routes: On 19 May I signed the Cruise Ship Shuttle Bus contract. The contract was revised from the original agreed amount after negotiation to \$95.00 per hour. This decision resulted from a desire to do away with the \$1.00 fee per passenger which was causing delays during boarding and also served to incur an additional cost on cruise ship passengers. Prior to making this decision I reviewed charter rates for other communities in Alaska and determined that the new rate was in line with existing rates for similar service in other communities. Additionally, the revised route received ample opportunity for comment by the businesses and establishments along the route and with the exception of one negative comment all input was favorable. This route ensures our key areas are served and that the cruise ship passengers will be able to have access to all that Haines has to offer. The total contract amount did not exceed the manager's new authorized authority of \$25,000 issues with the route

Other:

Sharing of Dispatch Costs: Fire Chief Bradford raised a question regarding how costs for dispatch are shared. In the FY15 budget \$73,059, or 19.5%, of the cost of dispatch is allocated to fire protection. All of this \$73,059 would be paid by the property owners in FD#1. At the May 12 budget meeting the manager was directed to bring a proposal for charging fire district #3 for an appropriate portion of dispatch.

Based on input from the Finance Department and the Assessors' office on the 2014 assessment roll there are 1,178 taxable structures in the Borough that receive fire protection between Fire District #1 and Fire District #3. Of the total, 171 (14.5%) of those buildings are in Fire District #3. Additionally, in recent years the Borough has received a payment of lieu of taxes (PILT) from the federal government which is designed to compensate municipalities for lost tax revenue due to federally owned buildings within the municipality. In FY15 the PILT is projected to be \$360,000. Since the federal border station and accompanying residences are significant structures protected by FD#3 it is reasonable to reduce the portion of dispatch paid by FD#3 by an estimate of the tax that would have been attributable to FD#3 if those buildings were taxable. A gross estimate of value for the federal border buildings is \$2,000,000.

With these facts in mind an appropriate dollar amount to charge FD#3 for dispatch in

FY15 would be \$8,994 calculated as follows:

Dispatch Cost Allocated to Fire $\$73,059 \times 14.5\% = \$10,594$
Less share of PILT $\$2,000,000$ real property value $\times 0.8$ mills for
FD#3 = $\$1,600$
Proposed FD#3 Share $\$10,954 - \$1,600 = \$8,994$

The proposed mill rate for FD#3 in the Manager's Budget is 0.80 mills based on the budget submitted by the FD#3 board. In order to raise the additional \$8,994 the mill rate would need to be raised to 1.06 mills. The Manager recommends phasing in the increase over 3 years. If FD#3 was charged for 1/3 of the total calculated (\$2,998) the required mill rate would be 0.89 mills in FY15 with appropriate increases in following years.

Sheldon Museum and Cultural Center

Director's Report: April 2014

Visitor count: 571 visitors (615 visitors are listed for this time in 2013, but that includes Nancy Nash's recitals of 165 people. Her recitals were held in May this year and will be added to our May visitor numbers.)

Volunteer hours: 19 volunteers gave 161.5 hours.

COLLECTIONS

- **Accessioned and Cataloged:** 450 Photos, 120 archival items, 120 library and object items, reprinted and reassembled 1970s photo album, over 100 unidentified items with missing paperwork were identified and problem corrected, organized a staff and board meeting to discuss non-mission related donations.
- **Storage reorganization:** Archives North wall; organized Karen Meizner's physical files; organized and filed stacks of paperwork - donor forms, accession records, archival materials - that had been stowed in boxes and piles: corrected numerous Past Perfect database problems. Many items had been incorrectly, sloppily or hastily entered in the past few years.

EXHIBITS

- Painted the Hakkinen temporary gallery after closing **Strung Up and Reconfigured: Puppetry in Haines and Beyond** at the end of March.
- April 18, 2014: **Jeff Brown: Masterpieces of Merriment** opened and runs through May 24.
- April 25, 2014: **Heidi Robichaud Ivories** on exhibit for 2 hours with the artist. Two of the ivories are still on display in the lower level gallery. The Board of Directors decided to purchase her largest piece with the Rasmussen Acquisition Funds money.
- Began preparing publicity for the **Six Week Spotlight Series** begins May 30th with an exhibit by John Hagen entitled: **Chilkat Beach in Monochrome: Landscape Studies in Black and White**. The opening reception will be held May 30 from 5-7pm and the exhibit will be up through July 12. Other artists in the 2014 series are Maor Cohen and Alexandra Feit. Andrea Nelson is scheduled to exhibit in summer 2015.

STAFFING:

- Intern Alyssa Magnone arrives from Florida May 21. Housing has been arranged for her stay and a bicycle located for her use.
- Kris Reeves, bookkeeper and museum assistant, gave notice to move to Seward. She will be leaving at the end of May. At the start of May we advertised her position. Ms. Reeves wrote an "Accounting Procedures" manual during April for her replacement.
- Nancy Nash, summer staff in collections, starts work May 12.
- Andrea Nelson, temporary staff in collections, and Scott Pearce, Education Coordinator, leave on May 16 for their summer employment.
- Debbie Gravel started as volunteer in Archives on Fridays. Andrea Nelson supervised her.
- **Volunteers:** Volunteer Appreciation Party scheduled for May 31st. Trying to recruit new/summer volunteers.

- **Long Range Planning Retreat:** Museum Board and Staff held a retreat on April

SERVER & NETWORK ADMINISTRATION:

- **OS upgrade to network computers:** Warren Johnson of Kingfisher Consulting upgraded computers and network to Windows 7. The new OS was “clean install” to avoid transferring old errors to the new system. This required reinstallation of programs such as Adobe Creative Suite, Microsoft Office (which was upgraded from 2007 to 2010), Chrome, Firefox, printer drivers, scanner drivers, etc. The computer in the reception area was not compatible with Windows 7. We are waiting for surplus borough computers to replace it in July.

MARKETING:

- **Haines Museum Punch Passes** were created and approved by the three museums involved. They will be available by May 19 for sale.
- **Facebook & Calendar:** Museum events were noted on our Facebook Page, the Haines Community Calendar, the KHNS calendar, Chilkat Valley News and Capital City Weekly, as well as posters printed and distributed throughout town.
- **Tours:** scheduled Go West Tours, starting June 24.

STORE:

- The store funds our annual operations budget. All store merchandise supports the museum’s mission. **2014 Store Orders** have been placed except for development of new merchandise.

WEBSITE HITS:

- April 2014 = **1,871 page views**
828 unique visitors
(note: numbers down due to website being offline for 1 week)

Year to Date = 8,545 page views

FACILITY RENTALS:

- **Oscar shorts:** Two Arts Council film presentations.

EDUCATION ACTIVITIES

- **Preschool:** Time for Tots on Wednesday mornings continued to be sparsely attended. We completed the program at the end of April. Headstart also finished by the end of April. The Chilkat Valley Preschool’s last program was May 8.
- **Tlingit Language Class:** Class finished in mid-April.
- **Chilkat Valley Study and Discussion Group** completed their 3rd book “Dalton Trail: The Klondike Cattle Drives” by Michael Gates. Presentations to the group included a call-in from the author. The group finished at the end of April.

- **Friday Walk & Talk** was partly run by volunteers and partly run by the museum's Education Coordinator. They have been well attended and have become a firmly established Haines weekly tradition. Many of the walk and talk participants also attend the Chilkat Valley Study and Discussion Group. The group will continue to meet through the summer, run by volunteers.
- May 6-16, 2014: **A Fortnight of Learning** features daily evening lectures, local foods, and weekend hikes and tours targeted to the summer tour industry and the public to teach more about the history, natural history, and culture of the Chilkat Valley and Haines. Starts at 7:30 each evening. Variety of presenters.
- May 27, 2014: **Flint knapping demonstration and workshop**, 2-4 pm, Destiny Colocho, SRS Project Manager.
- Summer Science Camps by Tracy Wirak will be held for 9 weeks at the museum starting in June.

March Statistics

Visits: 7,099

Monthly Circulation: 8,648

Internet Use: 1192 WiFi: 915

Meeting Room Use: 40, Attendance: 141

Library Programs: 42, Attendance: 438

Non-Library Programs: 7, Attendance: 76

Director's Report**April 16, 2014****Updates**

- National Library Week, April 13-19, is filled with events that highlight library services, programs and community participation. Please check out the volunteer pictures in the display case. We will continue to add photos to the display as the week goes on, leaving them up through the month of April. In celebration of National Library Week, we have posted the American Library Association's *Declaration for the Right to Libraries* and urge everyone to show their support by signing your name on the signature sheets next to the document. This is located on the way into the stacks room. Thanks goes to library staff and volunteers for their extra time in making the special events for this week happen.
- After participating in the Connecting Libraries event with the Institute of Museum and Library Services and the Library of Congress, we were offered three scholarships for our registrations to the Association of Tribal Archives, Libraries, and Museums conference in June. This is a tremendous cost savings for our attendance to this event.
- The Building Committee met with Corey Wall via teleconference on April 3rd. Corey shared a number of options for additions which will be discussed at our Board meeting.
- The first Committee of the Whole (COW) FY15 budget meeting was scheduled on April 8th with an introduction to the Manager's budget. April and May will have additional Assembly work sessions with the final budget adopted on June 10.
- We continue to work with James on an updated library webpage and the new Community Assets page.
- With budget preparation complete, Cathy Keller is working on combining the library and borough records for our financial reports.

Grants & Reports

- We've met with Museum staff to discuss a possible Interlibrary Cooperation Grant proposal. The grant proposal would include an upgrade of the Evergreen system and the migration of the museum catalog records that are not currently in Evergreen. The funds would also include training for museum staff to continue to add their catalog records to Evergreen, improving visibility and access of our local resources.
- We have been notified that our Enhancement grant application has been received by the Institute of Museum and Library Services and has passed the initial review process.

Haines Borough Public Library

Program Highlights

- A special addition to our National Library Week programs is an author reading by Rosalie Loewen of her short story from the short story collection, *Among Animals*.
- 17 people participated in the videoconference program, *Gardening in SE Alaska*. A follow-up program is scheduled for Saturday, April 19th. Videoconference programs and participation continues to grow.

Upcoming

- Join library staff and patrons in a poetry reading celebrating libraries on Wednesday, March 16 at 6pm.
- May 23 is the kick-off for the Summer Reading program. The theme for this year is *Fizz, Boom, Read!*
- I will be participating via teleconference in two statewide meetings in May, the Alaska Library Association council meeting and the Alaska Library Network Board meeting.

Haines Borough Public Library Board
Approved Meeting Minutes
March 19, 2014
4:00 PM

The mission of the Haines Borough Public Library is to be responsive to community needs by assembling, preserving and providing access to materials, information, and technology. Therefore, the Library will offer an environment conducive to providing programs, sharing information and stimulating ideas. The library will be a community gathering place where all ages are welcome.

Present: Cecily Stern, James Alborough, Patty Brown, Dick Flegel, Heather Lende, Diana Lapham, Anne Marie Palmieri, Lorrie Dudzik

Excused: Meredith Pochardt, Stacey Gala, Joann Ross-Cunningham

Call to Order - 4:12pm

Additions or Revisions to Agenda - none

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.

1. Approval of Agenda
2. Approval of Minutes 2/19/2014
3. Director's report

Approved as written. M/S Anne Marie/James

Treasurer's Report - Dick

1st Rate Checking \$8,830.36

This account should be closed but there are 3 outstanding items.

\$30.00 written 6/2012

\$10.00 written 6/2012

\$25.00 written 8/2013

Patty will work with Kathy to see how to handle the outstanding items and close this acct.

Savings held by Friends \$34,727.69

We still have not been given any accounting on how the Library's funds are being spent by the Borough.

Patty is working on this with Kathy.

We received a \$15,000+ reimbursement for grant-funded activities as part of our current IMLS Grant. It is reimbursement for money we have already spent. There is some question about how these funds will be handled by the Borough.

Dick Flegel, Treasurer

There was some discussion about checks that were written by the library and had never been cashed. The fact that they have not been cashed makes it impossible to close the bank account on which the checks were written.

Items for Discussions

- FY15 Draft Budget - This budget reflects the increases in salary, therefore, there have been cuts in every area, except utilities, in order to maintain a budget that is the same as last year's. Patty pointed out that we have not increased any expenses for six years. Anne Marie stated that we are the only borough department that needs to apply for grants in order to operate.

- Policy changes and approval - Amended bylaws concerning board of trustees were approved without changes. M/S Heather/Cecily

- Party policy - There was considerable discussion on whether or not to allow private functions during library hours. It was determined that the issue should be passed on to the policy committee.

- National Library Week & Volunteer dinner - There was discussion about the dinner and whether there might be a better way to thank the volunteers. We will possibly have a beach party in July and thank the volunteers in the newspaper during National Library Week.

- Director's evaluation - Heather is waiting for a few evaluation forms in order to compile the evaluation.

One fun thing

- National Library Week Events, April 13-19, *Lives Change @ Your Library*
Janine gave a short overview of the many activities planned for the week.

Other

- Radio
March 21 -Dick, March 28 - James, April 11-Barb

Board Comments

Cecily stated that a new grant application has been submitted to the Institute for Museum and Library Services' Native American Library Services Enhancement Grants program. Heather said that Don Rearden did an excellent presentation that she and other board members enjoyed. It was very well attended.

Director's Comments

none

Next Meeting - April 16, 2014 4:00pm

Adjournment - 5:30pm



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-469

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Administration Building Roof Design	1. Resolution 14-05-563 2. Memo from MRV Architects 3. Fee Proposal from MRV (Roof Renovation) 4. Fee Proposal from MRV (Admin. Building Addition)
Originator: Director of Public Facilities	
Originating Department: Public Facilities	
Date Submitted: 5/23/14	

Full Title/Motion:
Motion: Adopt Resolution 14-05-563.

Administrative Recommendation:
This resolution is recommended by the Director of Public Facilities.

Fiscal Impact:								
<table border="1"> <thead> <tr> <th>Expenditure Required</th> <th>Amount Budgeted</th> <th>Appropriation Required</th> <th>Projected Impact to Future Operating Budgets</th> </tr> </thead> <tbody> <tr> <td>\$ 15,435</td> <td>\$ 15,435</td> <td>\$ 0</td> <td>Reduced Maintenance Costs</td> </tr> </tbody> </table>	Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets	\$ 15,435	\$ 15,435	\$ 0	Reduced Maintenance Costs
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets					
\$ 15,435	\$ 15,435	\$ 0	Reduced Maintenance Costs					

Comprehensive Plan Consistency Review:	
Comp Plan Goals/Objectives: Objective 2B, Pages 56-57	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>The Administration building's flat roof design has led to winter ice dams that cause leaks and damage the interior of the building. MRV Architects has provided a quote of \$15,435 for Administration Building Roof Renovation Design. The design calls for new shingles over the existing roof deck for the pitched portions of the building. A new pitched roof would be erected over the existing flat roof with new roof deck and shingles. A new layer of rigid insulation would be an additive alternate. The project would be designed to the 75 percent construction document level and then bid. Funding will come from CIP appropriations for new roofing at the Administration Building.</p> <p>Note: MRV also has provided a quote of \$10,440 for an Administration Building addition. The project would include conceptual design of a new Assembly Chambers and associated spaces and a small, four-office administration suite. The suite would be designed to the 75 percent construction document level and then bid. If the assembly wishes to proceed with this additional design, funding would have to be appropriated through an amendment.</p>

Referral:
Referred to: _____ Referral Date: _____ Recommendation: _____ Meeting Date: _____

Assembly Action:
Meeting Date(s): 5/27/14 Public Hearing Date(s): _____ Postponed to Date: _____

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with MRV Architects for an amount not-to-exceed \$15,435 for Haines Borough Administration Building Roof Renovation Design.

WHEREAS, the Haines Borough Administration Building's flat roof design has led to winter ice dams that cause leaks and damage the interior of the building; and

WHEREAS, MRV Architects has provided a quote of \$15,435 for Haines Borough Administration Building Roof Renovation Design; and

WHEREAS, the design calls for new shingles over the existing roof deck for the pitched portions of the building; and

WHEREAS, a new pitched roof would be erected over the existing flat roof with new roof deck and shingles; and

WHEREAS, a new layer of rigid insulation would be an additive alternate; and

WHEREAS, the project would be designed to the 75 percent construction document level and then bid; and

WHEREAS, funding will come from CIP appropriations for new roofing at the Administration Building,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly authorizes the Borough Manager to contract with MRV Architects for an amount not-to-exceed \$15,435 for Haines Borough Administration Building Roof Renovation Design.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2014.

Stephanie Scott, Borough Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

MRV ARCHITECTS, PC

1420 GLACIER AVENUE, JUNEAU, AK 99801 (907) 586-1371

Project: **Haines Administrative Building**
Subject: Roof Renovation and Addition Fee Proposals
To: Carlos Jimenez
From: Corey Wall
Date: April 8, 2014

MRV 1410

Thank you for contacting us about the Roof Renovation and Addition projects at the Haines Administrative Building.

Please find attached fee proposal for the two projects totaling \$25,875. Note that the fee proposals for both projects, including the structural engineering fees, are Time and Materials so only time actually spent on the projects will be billed.

The Roof Renovation project will include a new shingles over the existing roof deck for the pitched portions of the building. A new layer of rigid insulation will be included as an additive alternate. A new pitched roof will be erected over the existing flat roof with new roof deck and shingles. The project will be designed to the 75% Construction Document level and then bid. Further design work will be on an as-needed basis as required by the selected Contractor.

The Addition project will include conceptual design of a new Assembly Chambers and associated spaces and a small 4-office Administration Suite. The Administrative Suite will then be designed to the 75% Construction Document level and then bid. Further design work will be on an as-needed basis as required by the selected Contractor.

The two projects include a total of 3 site visits by the Architect and one by the Structural Engineer. Please note that the initial site visit for both projects by MRV took place on March 27-28.

Thanks again for contacting us! We look forward to working with you.

Sincerely,



Corey Wall, AIA

MRV ARCHITECTS PROFESSIONAL SERVICES ANALYSIS

Haines Borough Administrative Building Roof Renovation	MRV 1410.00
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MRV Architects	April 8, 2014
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STAFF CATEGORIES	PIC	PM	PA	AD	D
HOURLY RATES (\$/HR)	155	131	115	95	79

Initial Site Visit			4		
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Archived Drawing Research and Preparation			2		
-------------------------------------------	--	--	---	--	--

75% Roof Plan			6		6
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75% Building Section			4		4
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75% Details (4)			8		8
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75% Plan Notes and Specifications			8		
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Site Visit and Inspection			8		
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Project Assistance during Design/Build			20		
----------------------------------------	--	--	----	--	--

SUBTOTAL HOURS	0	0	60	0	18
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SUBTOTAL FEES	0	0	6,900	0	1,422
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SUBTOTAL MRV DESIGN FEES	8,322
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MRV ARCHITECTS PROFESSIONAL SERVICES ANALYSIS

Haines Borough Administrative Building Roof Renovation MRV 1410.00
MRV Architects April 8, 2014

CONSULTANTS (See attached detail sheets)

PND Engineers (Structural Engineering) 6,030

SUBTOTAL 6,030

MRV OH/P Mark-up @ 8% 482

SUBTOTAL ENGINEERING CONSULTANT FEES 6,512

REIMBURSABLE EXPENSES (billed at actual to cap)

MRV ARCHITECTS

Ferry (1 Trips) 80

Hotel (1 nights) 140

Per Diem 55

SUBCONSULTANTS

PND Engineers (Structural Engineering) 326

SUBTOTAL EXPENSES 601

TIME AND MATERIALS ESTIMATE PROPOSAL 15,435



ENGINEERS, INC.

April 7, 2014

PND 14J024

Mr. Corey Wall
MRV Architects
1420 Glacier Avenue
Juneau Alaska, 99801

Re: Haines Borough Administration Roof Modification
Structural Engineering Fee Proposal

Dear Corey,

PND Engineers, Inc. (PND) appreciates the opportunity to provide structural engineering design services on the Haines Borough Administration Building Roof Modification project. We understand that over an area of approximately 25' x 100' there is a flat roof adjacent to a higher sloped roof. The Borough would like to continue the upper sloped roof across the 25 foot direction and eliminate the flat roof. After a 35% complete set of plans, the Borough intends to retain a contractor who will work with the design team to complete the design and construct the improvements. You have asked PND to provide structural engineering services on this project.

PND proposes to develop structural calculations, a roof framing plan, roof framing details and structural general notes containing all the structural technical specifications for the project. After the 35% submittal we will make a site visit to verify conditions and ensure that the existing framing below the new sloped roof can support the loads caused by the revised framing. We will develop plans AutoCAD. Technical specifications will be in the form of structural general notes included on the plans. The plans will be in conformance with the International Building Code, 2009 Edition. Plans and details will be adequate for materials take-offs, material purchase, timber pre-fabrication (if applicable), building permit application and plan review and construction.

PND proposes to perform the above outlined services on a time and expenses basis. We estimate our fees to be \$6,356. A detailed breakdown of this estimate is attached. We will invoice our time in accordance with the attached rate schedule and any expenses at cost plus 10%.

Hopefully, this proposal suits your needs. If you have questions or need additional information, please feel free to contact me. We look forward to your response and, if selected, working with you on this project.

Sincerely
PND Engineers | Juneau Office

Chris Gianotti, P.E.
Senior Engineer, Vice President

Haines Borough Administration Building Roof Modifications Structural Engineering Fee Proposal

**Engineering Services
 LABOR**

Task	Hourly Rate	Professional			Technical		Administrative	Task Costs	Phase Subtotal
		Struct. Eng. Principal	Senior Engineer III	Senior Engineer I	Staff Engineer III	CADD Tech. IV	Tech IV		
		\$180.00	\$130.00	\$110.00	\$90.00	\$90.00			
A 35% Design									
Calculations		6					\$1,080		
Roof Framing Plan		2				4	\$720		
Roof Framing Details		4				8	\$1,440	\$3,240	
B Final Design									
Site Visit		8					\$1,440		
Modification of Calculations, Plans and Sections		4					\$720		
General Notes		2				3	\$630	\$2,790	
Total Labor		26				15	\$6,030	\$6,030	

EXPENSES

JNU to HNS Airfare	1 RT	\$267	\$267
Lunch			\$15
Airport Parking	1 Day	\$14	\$14
Ground Transportation	By Haines Borough		
Expense Markup	10.0% of sum of expenses		\$30
Total Expenses			\$326

Note:

1 No Bid or Construction phase services

Total Structural Engineering Services **\$6,356**



**PND ENGINEERS, INC
STANDARD RATE SCHEDULE
EFFECTIVE MAY 2013**

<u>Professional:</u>	Senior Engineer VII	\$180.00
	Senior Engineer VI	\$165.00
	Senior Engineer V	\$150.00
	Senior Engineer IV	\$140.00
	Senior Engineer III	\$130.00
	Senior Engineer II	\$120.00
	Senior Engineer I	\$110.00
	Staff Engineer V	\$105.00
	Staff Engineer IV	\$100.00
	Staff Engineer III	\$95.00
	Staff Engineer II	\$90.00
	Staff Engineer I	\$85.00
	Senior Scientist	\$110.00
	Senior Environmental Scientist	\$105.00
Environmental Scientist	\$90.00	
GIS Specialist	\$90.00	
<u>Surveyors:</u>	Senior Land Surveyor	\$105.00
	Land Surveyor I	\$95.00
<u>Technicians:</u>	Technician VI	\$125.00
	Technician V	\$105.00
	Technician IV	\$90.00
	Technician III	\$80.00
	Technician II	\$70.00
	Technician I	\$45.00
	CAD Designer V	\$95.00
CAD Designer IV	\$85.00	
CAD Designer III	\$70.00	

MRV ARCHITECTS PROFESSIONAL SERVICES ANALYSIS

Haines Borough Administrative Building Addition MRV 1410.02
MRV Architects April 8, 2014

CONSULTANTS (See attached detail sheets)

Ferry (2 Trips) 160
Hotel (2 nights) 280
Per Diem 110

SUBTOTAL 550
MRV OH/P Mark-up @ 8% 44
SUBTOTAL ENGINEERING CONSULTANT FEES 594

REIMBURSABLE EXPENSES (billed at actual to cap)

MRV ARCHITECTS

SUBCONSULTANTS

SUBTOTAL EXPENSES 0

TIME AND MATERIALS ESTIMATE PROPOSAL 10,440



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-467
Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: AC Pipe Replacement (MMG #39542)	1. Resolution 14-05-564 2. Proposed Grant Agreement
Originator: Director of Public Facilities	
Originating Department: Public Facilities	
Date Submitted: 5/22/14	

Full Title/Motion:
Motion: Adopt Resolution 14-05-564.

Administrative Recommendation:
This resolution is recommended by the Director of Public Facilities.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	70 percent reimbursement

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Objective 15A, Page 252	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--------------------------------------------------------	---------------------------------------------------------------------------------

Summary Statement:

The Assembly on 7/9/13 authorized the Borough Manager to enter into a construction contract with Southeast Road Builders, Inc. for the Highland Estates Water System Upgrade project for an amount not-to-exceed \$594,075 (Resolution 13-07-471). The project site was located near Oslund Drive, Young Road, Bjornstad Drive and Muncaster Road. The work consisted of furnishing and installing approximately 3,750' of 8-inch AWWA C-900 PVC water pipe and associated fire hydrants, water services and gate valves; and removal of existing asphalt chip seal road surfacing, replacing it with a D-1 surface and imported backfill in areas with unsuitable subsurface soils. The Alaska Department of Environmental Conservation, in accordance with AS 46.03.030, is offering the Haines Borough grant funds not to exceed \$551,250 expressly conditioned upon the Haines Borough accepting the offer and agreeing to comply with the terms and limitations of the Grant Agreement, 2 AAC 45.010 and 18 AAC 73. The grant amount is limited to the available appropriation of \$551,250, and 70 percent of eligible project costs, effective July 1, 2013.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 5/27/14	Public Hearing Date(s):
	Postponed to Date:

A Resolution of the Haines Borough Assembly accepting a grant offer entitled Asbestos Cement Pipe Replacement (MMG #39542) of up to \$551,250 from the State of Alaska, Department of Environmental Conservation.

WHEREAS, the Borough Assembly is the governing body of the Haines Borough; and

WHEREAS, the Borough owns and operates a water delivery system that included approximately 3,400 feet of asbestos cement pipe in the vicinity of Muncaster Road; and

WHEREAS, the Assembly on 7/9/13 authorized the Borough Manager to enter into a construction contract with Southeast Road Builders, Inc. for the Highland Estates Water System Upgrade project for an amount not-to-exceed \$594,075 (Resolution 13-07-471); and

WHEREAS, the project site was located near Oslund Drive, Young Road, Bjornstad Drive and Muncaster Road in Haines; and

WHEREAS, the work consisted of furnishing and installing approximately 3,750' of 8-inch AWWA C-900 PVC water pipe and associated fire hydrants, water services and gate valves; and removal of existing asphalt chip seal road surfacing, replacing it with a D-1 surface and imported backfill in areas with unsuitable subsurface soils; and

WHEREAS, the Alaska Department of Environmental Conservation, in accordance with AS 46.03.030, is offering the Haines Borough grant funds not to exceed \$551,250 expressly conditioned upon the Haines Borough accepting the offer and agreeing to comply with the terms and limitations of the Grant Agreement, 2 AAC 45.010 and 18 AAC 73; and

WHEREAS, the grant amount is limited to the available appropriation of \$551,250, and 70 percent of eligible project costs, effective July 1, 2013,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly hereby accepts the grant offer entitled Asbestos Cement Pipe Replacement (MMG# 39542) of up to \$551,250 with all its terms and conditions of offer, and authorizes the Manager to execute the grant offer agreement; and

BE IT FURTHER RESOLVED to accept responsibility to operate and maintain the water delivery system improved by this grant.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2014.

Stephanie Scott, Borough Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Environmental
Conservation**

DIVISION OF WATER

Post Office Box 111800
Juneau, Alaska 99811-1800
Main: 907.465.5300
Fax: 907.465.5177

RECEIVED Haines Borough

APR 17 2014

Clerk's Office

March 25, 2014

Ms. Julie Cozzi
Interim Borough Manager
Haines Borough
P.O. Box 1209
Haines, AK 99827

Dear Mr. Cozzi:

Enclosed for signature is the Grant Offer in the amount of \$551,250 for the Asbestos Cement Pipe Replacement Municipal Matching Grant No. # 39542.

If satisfactory, please sign and return the original, along with a formal resolution. In the resolution the Grantee must agree to accept responsibility to operate and maintain the proposed water utility improvements and agree to the terms and conditions of this grant offer.

Please return the signed original grant offer and resolution to the following address:

Alaska Department of Environmental Conservation
Division of Water, Municipal Matching Grants & Loans Program
Attn: MAT (Municipal Accounting Team)
P.O. Box 111800
410 Willoughby Avenue, Suite 303
Juneau, AK 99811-1800

Upon receiving the signed original grant offer and resolution, the Department will proceed with the final signature. Once the grant offer is fully signed, a copy of the fully signed document will be e-mailed to you for your records.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Hale".

Michelle Hale
Director

Enclosure: Grant Offer (MMG#39542)



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Environmental
Conservation**

DIVISION OF WATER

Post Office Box 111800
Juneau, Alaska 99811-1800
Main: 907.465.5300
Fax: 907.465.5177

March 25, 2014

Ms. Julie Cozzi
Interim Borough Manager
Haines Borough
P.O. Box 1209
Haines, AK 99827

Grant Offer: Asbestos Cement Pipe Replacement (MMG#39542)

Dear Ms. Cozzi:

In accordance with AS 46.03.030, the Department of Environmental Conservation (Department) is pleased to offer the Haines Borough (Grantee) a grant of funds not to exceed \$551,250.

Project Description: Replace approximately 3,400 feet of asbestos cement pipe in the vicinity of Muncaster Road and associated appurtenances.

The estimated cost for this project, as provided by the Grantee, is \$787,500. However, pursuant to AS 46.03.030(e), the grant amount is limited to the available appropriation of \$551,250, and 70 percent of eligible project costs. To receive the full amount of grant funding available, eligible project costs must total at least \$787,500 (70 percent of this amount is equal to the funding available in this grant.)

This grant will be administered by the Department using funds which were included in the State fiscal year 2014 capital budget bill (SB18) allocation for this project.

This grant is 100% funded by state general funds.

This offer is expressly conditioned upon the Grantee accepting the offer and agreeing to comply with the terms and limitations contained herein, in 2 AAC 45.010 (enclosed), in 18 AAC 73 (enclosed), and is based upon estimated eligible project costs as itemized below:

Project Cost Summary	Estimated Eligible Project Costs
1. Administrative	\$52,500
2. Engineering Design	\$52,500
3. Engineering Construction	\$52,500
4. Construction	\$525,000

5. Equipment	\$0
6. Other	\$0
7. Project Contingencies	\$105,000
8. Total Estimated Eligible Project Costs	\$787,500
9. State Grant	\$551,250

Adjustment of expenditures within the budgeted cost items is allowed. If actual project costs are less than the total estimated eligible matching costs, the grant will be reduced to the extent necessary to comply with the percentage limitation set forth in this offer.

Grant payments will be made when expenses have been incurred and documentation has been provided to the Department along with the payment request form, unless a payment schedule is established as a special condition of this grant. Payments will normally be made monthly, but no more frequently than twice per month. All requests for payment must be submitted on the enclosed Request for Payment form. The Request for Payment form can also be found at:

<http://dec.alaska.gov/water/munigrant/forms.html>.

The Grantee should scan the Request for Payment Form and backup documentation and e-mail it both to the project engineer for eligibility review, and to the Municipal Administrative Team (MAT) at:

frank.toth@alaska.gov
DEC.Water.MGL.MAT@alaska.gov

Mail the original signed Request for Payment Form to the address noted below; backup documentation to the pay request does not need to be mailed.

If the Grantee does not have scanning capability, the Request for Payment Form and backup documentation should be mailed to:

Alaska Department of Environmental Conservation
Division of Water, Municipal Matching Grants & Loans Program
Attn: MAT (Municipal Accounting Team)
P.O. Box 111800
410 Willoughby Avenue, Suite 303
Juneau, AK 99811-1800

Pay request(s) totaling less than one thousand dollars will be held for payment until the one thousand dollar threshold is met. Upon the threshold being met, the Department will proceed with payment.

GENERAL GRANT CONDITIONS

1. Plan Approval: The Grantee agrees to obtain plan and specification approval from the Department in accordance with 18 AAC 73.020 prior to issuing a Notice to Proceed with Construction to a contractor.
2. Contract Award and Contractor Bonding Requirements:
 - a. The Grantee agrees to bid construction contracts exceeding \$50,000. Adequate time (not less than 30 days) shall be allowed between the date of formal advertisement and the date the bids must be submitted.
 - b. The Grantee agrees to submit procedures for award of construction contracts of less than \$50,000 to the Department for prior approval when means other than the competitive bidding process are proposed.
 - c. The Grantee must require the contractor to furnish performance and payment bonds in accordance with AS 36.25.010.
 - d. If local or federal ordinances or regulations also apply to the contract award or contractor bonding requirements for this project, the most stringent requirements shall apply.
 - e. The Grantee agrees to provide the Department with a summary of itemized bid tabulations, a copy of the Notice to Proceed, and a copy of the construction contract.
3. Change Orders: The Grantee agrees that all project change orders will be submitted to the Department for approval in accordance with 18 AAC 73.020(e).
4. Project Completion: The Grantee agrees to provide sufficient local funding to match State and federal grant assistance and to ensure the completion of a properly functioning project in accordance with 18 AAC 73.020(j).
5. Operation and Maintenance: The Grantee agrees to operate and maintain the completed project.
6. Titles and Easements: The Grantee agrees to obtain all titles and easements necessary to provide clear title or authority to construct and maintain the proposed project.
7. Eligibility: The Grantee acknowledges that disbursement of progress payments by the State does not constitute acceptance of any item as an eligible project cost until all project costs are audited and determined to be eligible. Ineligible project costs must be included in the final audit report.
8. Inspection: The Grantee agrees to allow, at any reasonable time, Department inspection of all project work and audit of related records and data for which this grant is offered.
9. Records: The Grantee agrees to maintain project accounts and records which verify the grant eligibility of project expenditures. These accounts and records shall be kept apart from non-

grant eligible local records and from those records maintained for the purpose of other State or federal grant programs involved in the project.

10. Progress Reports: The Grantee agrees to submit progress reports on the proposed project with each payment request or at a minimum, quarterly.
11. Construction Start Date: The Department will in its discretion, withdraw an accepted grant if construction has not been started within one year after the date of the offer was extended in accordance with 18AAC 73.030 (f).
12. Project End Date: Funds made available to a grantee under a fully executed signed grant agreement by the Department shall be expended within three years from the start of the fiscal year in which the funds were appropriated. A one-year extension may be granted by the Department upon written request and good cause shown by the grantee. A request for extension must be submitted to the Department prior to the project end date and will only be considered for completion of work identified in the original project description. The Department may cancel the project and seek to have the funds de-obligated.

State Fiscal Year 2014 funds must be spent by June 30, 2016.

13. Remaining Funds after Project Completion: If the entire grant amount is not utilized for the original scope of work, the Department will seek to de-obligate the remaining funds.
14. Americans with Disabilities Act: The Grantee must certify that projects and services provided under this grant are made available to the general public in compliance with the Americans with Disabilities Act of 1990.
15. Discrimination: The Grantee agrees to administer this grant in a non-discriminatory manner. No person shall be discriminated against based on race, religion, color, national origin, gender or disability.
16. Damages: The Grantee shall hold and save the Department, its officers, agents, and employees harmless from liability of any kind, including costs and expenses, for or on account of any and all suits or damages of any nature, sustained by any person or persons or property, by virtue of performance of the grantee, or any person or entity acting in place of or for the Grantee for this project.
17. Grant Cancellation: The Grantee acknowledges the right of the Department to rescind this grant and seek recovery of payments already made if the Grantee has provided incorrect or misleading information to the Department or if a grant condition contained herein or in 18 AAC 73 is violated. This grant offer may be terminated at any time it is in the best interest of the State to do so.

SPECIAL GRANT CONDITIONS

For the purpose of grant eligible costs July 1, 2013 is the effective date of this grant offer.

Please carefully review this grant offer, the related grant conditions, and the enclosed regulations. If satisfactory, sign and return the original, along with a formal resolution accepting the grant enacted by the Haines Borough.

In the resolution the Grantee must agree to accept responsibility to operate and maintain the proposed water utility improvements and agree to the terms and conditions of this grant offer.

Mail signed originals (grant offer and resolution) to the following address:

Alaska Department of Environmental Conservation
Division of Water, Municipal Matching Grants & Loans Program
Attn: MAT (Municipal Administrative Team)
P.O. Box 111800
410 Willoughby Avenue, Suite 303
Juneau, AK 99811-1800

Acceptance of the grant is required within six months (180 days) of the date the grant offer is extended to prevent revocation of the offer. No payment can be made until this grant offer is signed by the Grantee and by the Department. Nothing in this offer, whether or not accepted, may be deemed to constitute a contractual obligation on the part of the Department until a resolution of acceptance has been received.

The Department is pleased to offer this assistance to the people of Haines.

Sincerely,



Michelle Hale
Director

Enclosures: 2 AAC 45.010
18 AAC 73.010 Construction Grant Project Eligibility
Request for Payment

cc: The Honorable Bert Stedman, Alaska State Senate
The Honorable Jonathan Kreiss-Tomkins, Alaska State House of Representatives
Frank Toth, ADEC Project Engineer

BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE TERMS OF THIS AGREEMENT.

Alaska Department of Environmental Conservation

Luke Canady
Printed Name

Finance Officer
Title

Date

Signature

Haines Borough

Printed Name

Title

Date

Signature



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-466
Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: FY15 Community Revenue Sharing Program	1. Resolution 14-05-565 2. Eligibility Requirements 3. State Letter with Funding Outlook
Originator: Chief Fiscal Officer	
Originating Department: Finance	
Date Submitted: 5/19/14	

Full Title/Motion:
Motion: Adopt Resolution 14-05-565.

Administrative Recommendation:
This resolution is recommended by the Chief Fiscal Officer.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	See Attached

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Objective 2C, Page 57	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
------------------------------------------------------	---------------------------------------------------------------------------------

Summary Statement:

AS 29.60.865 and 3 AAC 180.070 require the assembly of a borough or unified municipality to adopt a resolution identifying those unincorporated communities located within their municipal boundaries that the assembly determines meet the Community Revenue Sharing Program eligibility criteria established under AS 29.60.865, AS 29.60.879, and 3 AAC 180.110. Those eligibility requirements are attached to this agenda bill. The unincorporated communities have an incorporated nonprofit entity that will agree to receive and spend the Community Revenue Sharing payment for the public benefit of the unincorporated communities. Resolution 14-05-565 certifies that the following unincorporated communities and their respective incorporated nonprofit entity are eligible for funding under the FY15 Community Revenue Sharing Program: Haines Townsite (Haines Volunteer Fire Department) and Klehini Valley (Klehini Valley Volunteer Fire Department).

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 5/27/14	Public Hearing Date(s):
	Postponed to Date:

A Resolution of the Haines Borough Assembly approving certain unincorporated communities and their respective nonprofit entity for participation in the FY15 Community Revenue Sharing Program.

WHEREAS, AS 29.60.865 and 3 AAC 180.070 require the assembly of a borough or unified municipality to adopt a resolution identifying those unincorporated communities located within their municipal boundaries that the assembly determines meet the Community Revenue Sharing Program eligibility criteria established under AS 29.60.865, AS 29.60.879, and 3 AAC 180.110; and

WHEREAS, the unincorporated community has an incorporated nonprofit entity that will agree to receive and spend the Community Revenue Sharing payment for the public benefit of the unincorporated community; and

WHEREAS, the unincorporated community has 25 or more residents residing as a social unit; and

WHEREAS, the incorporated nonprofit entity will receive and spend the Community Revenue Sharing payment for operating or capital expenditures directly related to the provision of one or more of the services listed below; and

WHEREAS, at least three of the following services: fire protection, emergency medical, water and sewer, solid waste management, public road or ice road maintenance, public health, and search and rescue are generally available to all residents of the unincorporated community and each of the three services, in any combination, are provided by one or more qualifying incorporated nonprofit entity or are substantially paid for by the residents of the unincorporated community through taxes, charges, or assessments levied or authorized by the borough or unified municipality,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly hereby certifies that the following unincorporated communities and their respective incorporated nonprofit entity are eligible for funding under the FY15 Community Revenue Sharing Program:

Unincorporated Community
HAINES TOWNSITE
KLEHINI VALLEY

Native Village Council or Nonprofit Entity
HAINES VOLUNTEER FIRE DEPARTMENT
KLEHINI VALLEY VOLUNTEER FIRE DEPARTMENT

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2014.

Stephanie Scott, Borough Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

Eligibility Requirements for Unincorporated Communities Located Within Boroughs and Unified Municipalities

Alaska Statutes AS 29.60.865 – .879, and

Alaska Administrative Code 3 AAC 180.070

Sec. 29.60.865. Eligibility requirements for reserves and communities.

(a) The department, with advice from the Department of Law, shall determine whether there is in each community or reserve an incorporated nonprofit entity or a Native village council that will agree to receive and spend the community revenue sharing payment. If there is more than one qualified entity in a reserve or community in the unorganized borough, the department shall pay the money to the entity that the department finds most qualified to receive and spend the money on behalf of the reserve or community. The department may not make a community revenue sharing payment to a Native village council unless the council waives immunity from suit for claims arising out of activities of the council related to the payment. A waiver of immunity from suit under this section must be on a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village council in a reserve or community that is willing to receive the community revenue sharing payment and use the payment on behalf of that reserve or community, the payment for that reserve or community may not be paid. Neither this section nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council.

(b) The department may make a community revenue sharing payment on behalf of a community in a borough or unified municipality only to the municipality for payment by the municipality to an incorporated nonprofit entity or Native village council that has been approved by the assembly and meets the requirements of (a) of this section. The department shall have written evidence of the assembly approval. If there is more than one qualified entity in a community in a borough or unified municipality, one of the entities may receive the entire payment, or the payment may be shared between two or more of the qualified entities, as determined by the assembly.

(c) A community in a borough or unified municipality is eligible for a community revenue sharing payment only if at least three of the following services are generally available to all residents of the community and each of the three services, in any combination, are provided by one or more qualifying incorporated nonprofit entities or a Native village council or are substantially paid for by the residents of the community through taxes, charges, or assessments levied or authorized by the borough or unified municipality:

- (1) fire protection;
- (2) emergency medical;
- (3) water and sewer;
- (4) solid waste management;

(5) public road or ice road maintenance;

(6) public health;

(7) search and rescue.

Sec. 29.60.879. Definitions.

(1) "community" means a place in the unorganized borough, in a borough, or in a unified municipality that is not incorporated as a municipality, that is not a reserve, and in which 25 or more individuals reside as a social unit;

3 AAC 180.070. Standards for payment on behalf of communities located within boroughs and unified municipalities

A borough or unified municipality shall submit to the division a resolution adopted by the assembly that clearly identifies

(1) the communities it has determined meet the eligibility criteria under AS 29.60.865, 29.60.879, and 3 AAC 180.110; and

(2) the Native village council or incorporated nonprofit entity located within each community listed under (1) of this section that it has approved as the recipient of the community revenue sharing payment.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

P.O. Box 110809
Juneau, Alaska 99811-0809
Main: 907.465.4751/907.465.4733
Programs fax: 907.465.4761

Dear Municipal Official:

The Division of Community and Regional Affairs (DCRA) is pleased to provide you with the attached FY 15 Community Revenue Sharing Program application. **To participate in the FY 15 Community Revenue Sharing Program, this application must be completed and returned to the Department, postmarked no later than June 1, 2014.**

The application consists of three pages. Page one, or the cover sheet, provides several questions that must be answered in order to determine whether the borough meets the minimum qualifications for funding as required by law. Page one also provides a "certification and assurances" statement that must be signed by the mayor, manager or administrator of the borough. Page two is a FY 15 Community Revenue Sharing Program budget form. The budget form, which provides an **estimate** of the borough's FY 15 Community Revenue Sharing payment, must be completed and returned with the application cover sheet.

Page three is a sample resolution for use by the borough assembly to identify to the DCRA the unincorporated communities located within the borough it determines to be eligible for funding under the FY 15 Community Revenue Sharing Program. We have attached the pertinent statutes and regulations to assist the borough in making its eligibility determinations.

In addition to the completed application, each borough must submit to the DCRA a copy of its approved FY 15 borough budget (2014 budget for boroughs operating on a calendar fiscal year) and FY 13 audit. Note: The budget and audit are not due by the June 1, 2014, application deadline. They may be submitted at a later date.

The completed FY 15 Community Revenue Sharing application, FY 15 borough budget, and FY 13 audit should be submitted to:

Division of Community and Regional Affairs
Community Revenue Sharing Program
P.O. Box 110809
Juneau, AK 99811

Please be aware that funding for the Community Revenue Sharing Program may decline substantially in future years if the Legislature decides not to appropriate additional monies into the Community Revenue Sharing Fund. For example, with no further appropriations, payments will decline by over 33% in FY 16, 55% in FY 17, and no funding will be available for distribution in FY 18.

Should you have any questions regarding the FY 15 Community Revenue Sharing Program, please feel free to call me at 907-465-4733.

Sincerely,

A handwritten signature in cursive script that reads "Danielle Lindoff".

Danielle Lindoff
Local Government Specialist IV



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-468

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Piedad Springs Water Treatment Design	1. Resolution 14-05-566 2. Fee Proposal from Carson Dorn, Inc.
Originator: Director of Public Facilities	
Originating Department: Public Facilities	
Date Submitted: 5/22/14	

Full Title/Motion:
Motion: Adopt Resolution 14-05-566.

Administrative Recommendation:
This resolution is recommended by the Director of Public Facilities.

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	70 percent reimbursement

Comprehensive Plan Consistency Review:	
Comp Plan Goals/Objectives: Objective 15A, Page 252	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>The Assembly on 2/25/14 adopted Resolution 14-02-537, authorizing the Manager to apply to ADEC for a loan from the Drinking Water Fund for Piedad Springs Water Source Upgrades. The project ranks fourth on ADEC's Funding Priority List for FY13 and includes a \$137,792 subsidy. Carson Dorn, Inc. has provided a quote of \$35,700 for Piedad Springs Water Treatment Design to prepare bid-ready documents. The proposal includes a preliminary site visit; preparing ADEC Plan Review and Waiver Checklists for Water Systems to submit for review and approval; preparing AutoCAD drawings and an Engineer's Estimate of the probable cost of construction along with a Bid Schedule; and providing services while the project is being advertised. The Borough also has approximately \$350,000 available from an ADEC Municipal Matching Grant (MMG) that covers design, fabrication, and installation of the transmission line tie-in for the Crystal Cathedral Water System under the SFY12 Capital Bill, including work on Piedad. This MMG grant funds up to 70 percent of project costs and could reimburse the Borough for the cost of design.</p>

Referral:	
Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:	
Meeting Date(s): 5/27/14	Public Hearing Date(s):
	Postponed to Date:

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to contract with Carson Dorn, Inc. for an amount not-to-exceed \$35,700 for Piedad Springs Water Treatment Design.

WHEREAS, the Haines Borough Assembly on 2/25/14 adopted Resolution 14-02-537, authorizing the Borough Manager to apply to the State of Alaska, Department of Environmental Conservation (ADEC) for a loan from the Alaska Drinking Water Fund for a project entitled Piedad Springs Water Source Upgrades; and

WHEREAS, the Piedad project ranks fourth on ADEC's Funding Priority List for fiscal year 2013 Alaska Drinking Water Fund projects and includes a \$137,792 subsidy; and

WHEREAS, Carson Dorn, Inc. has provided a quote of \$35,700 for Piedad Springs Water Treatment Design to prepare bid-ready documents for this project; and

WHEREAS, the Carson Dorn proposal includes conducting a preliminary site visit; preparing ADEC Plan Review and Waiver Checklists for Water Systems to submit for review and approval; preparing AutoCAD digital water system drawings; preparing an Engineer's Estimate of the probable cost of construction along with a Bid Schedule for the project; and providing services while the project is being advertised for bid; and

WHEREAS, the Borough also has approximately \$350,000 available from an ADEC Municipal Matching Grant (MMG) that covers the design, fabrication, and installation of the transmission line tie-in for the new Crystal Cathedral Water System under the SFY12 Capital Bill, including work on Piedad; and

WHEREAS, this MMG grant funds up to 70 percent of project costs and could reimburse the Borough for the cost of design,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly authorizes the Borough Manager to contract with Carson Dorn, Inc. for an amount not-to-exceed \$35,700 for Piedad Springs Water Treatment Design.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2014.

Stephanie Scott, Borough Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk



May 12, 2014

Mr. Carlos Jimenez
Public Facilities Director
Haines Borough
PO Box 1209
Haines, AK 99827

Re: Piedad Springs Water Treatment Design Fee Proposal

Dear Mr. Jimenez:

Thank you for asking us for a fee proposal to prepare plans and specifications for replacing the Piedad Water Treatment Building with a new facility complying with ADEC's and EPA's Surface Water Treatment Rule, replacing the old water transmission line which was constructed in 1957 and making improvements to the spring box to better protect it as a water source.

As you know ADEC has had concerns about the Piedad Springs water source for a number of years and the extent of surface water influence on the source. Recently water tests seem to indicate a more direct connection to surface water than previously assumed. Consequently, in order to continue using the Piedad Springs as a water source, Haines must provide additional treatment beyond the chlorination that is currently provided.

We have been in contact with Scott Forgue of ADEC's Drinking Water program and for water sources similar to the Piedad Springs water source provisions must be provided to inactivate or remove Cryptosporidium, Giardia, bacteria and viruses. Cryptosporidium and Giardia are typically removed with filtration or inactivated with ultraviolet (UV) light. Bacteria and viruses are inactivated with chlorine. For Haines we would recommend filtration to remove most of the cryptosporidium and giardia followed by UV light to inactivate the remainder. Chlorination would still be used to treat for bacteria and viruses.

Following is a very preliminary estimate of the total project costs for these improvements to the Piedad Springs water system:

**ESTIMATED PROJECT COSTS
HAINES 2014 PIEDAD SPRINGS WATER TREATMENT
MAY 12, 2014**

Item	Description	Est. Cost
1	Demolition and Disposal of Existing Building and Equipment to be Replaced	\$10,000
2	Construct New Building	\$60,000
3	Replace Transmission Line to Piedad Springs (900' +/- 6" HDPE) @ \$150/ft	\$135,000
4	Spring Box Improvements	\$10,000
5	Cryptosporidium/Giardia Filters (2 @ \$5,000 each)	\$10,000
6	UV Systems (3 @ \$4,000 each)	\$12,000
7	Chlorine Disinfection System	\$5,000
8	Chlorine Contact HDPE Water Tank (12,000 gallons)	\$20,000
9	Piping, Valves, Meters, Solenoid Shutoff Valves	\$15,000
10	Instrumentation	\$20,000
11	Electrical	\$80,000

Estimated Construction Total	\$377,000
Design (10%), Inspection (10%), Administration and Permitting (5%), Contingency (25%)	\$188,500
Estimated Project Total	\$565,500

A rough rule of thumb for estimating total project costs at this stage of a project is to estimate 10% of estimated construction cost for design, 10% for inspection, 5% for Borough administration and 25% for contingency. On that basis the estimated total project cost for grant and loan purposes (without the benefit of having prepared a design) would be about \$565,500.

We anticipate the following tasks are necessary to prepare bid ready documents for this project:

- Conduct a preliminary site visit of the project to identify design considerations, such as construction site issues, collecting as-built records etc.;
- Prepare Alaska Department of Environmental Conservation Plan Review and Waiver Checklists for Water Systems and submit to ADEC for review and approval;

- Prepare AutoCad digital water system drawings for the following
 - a. Existing building and electrical demotion.
 - b. New water treatment building and foundation details.
 - c. New transmission line to the existing Piedad Springs.
 - d. Improvements to the spring box at Piedad Springs to better protect the source.
 - e. New cryptosporidium/giardia cartridge filters meeting the requirements under the EPA Surface Water Treatment Rule and NSF Standard 61.
 - f. New ultraviolet light disinfection system for inactivation of cryptosporidium and giardia as a secondary barrier as required under the Surface Water Treatment Rule.
 - g. New chlorine disinfection system for treatment of bacteria and viruses.
 - h. New water tank to provide the necessary contact time for inactivation of viruses.
 - i. Building piping, valves, meters, and other control features.
 - j. Prepare all electrical, instrumentation and controls drawings
- Prepare specifications and bidding documents for the water system project;
- Incorporate the Alaska Department of Environmental Conservation's EEO, DBE, MBE requirements, Davis Bacon requirements and current Davis Bacon wage rates and the "Buy America" contract language if State or Federal grant or loan money is used;
- Prepare Engineer's Estimate of the probable cost of construction along with a Bid Schedule for the project;
- Printing and duplicating project Contract Documents for distribution to prospective bidders and to Borough staff.
- Provide bidding period services while the project is being advertised for bid, including participating by phone in a Pre-Bid Meeting in Haines with the prospective bidders and responding to questions and preparing bid addenda during the bid period as needed.

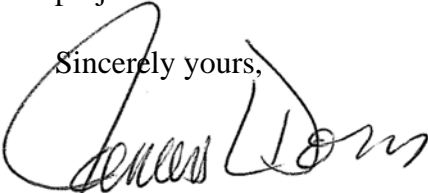
Our proposed fee for the work described above is \$35,700.

We have not included project inspection and construction management in this budget. Historically Haines has made arrangements for a local resident Haines inspector. If you

would like us to provide project inspection and construction management services for this project we would be happy to provide you a fee estimate as the project is advertised for construction bids.

Please let me know if you have any questions about any of the work items or the proposed fee. If the scope of work and fee proposal for the Piedad Springs Water Design is acceptable, please sign this letter as indicated below and email it to me at jdorn.carsondorn.com or you can fax it to me at 586-5917 indicating the Borough's authorization to proceed with the. We appreciate being considered for this important project and look forward to working with Haines to see that it is successfully completed.

Sincerely yours,



James L. Dorn P.E.
Principal

Haines Borough Representative

Date



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-470
Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Clarify management of the Chilkat Center	1. Ordinance 14-05-381
Originator: Borough Manager	
Originating Department: Administration	
Date Submitted: 5/23/14	

Full Title/Motion:
Motion: Introduce Ordinance 14-05-381 and set a first public hearing for 6/10/14.

Administrative Recommendation:
This ordinance is recommended by the borough manager.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	

Comprehensive Plan Consistency Review:
Comp Plan Goals/Objectives: _____
Consistent: Yes No

Summary Statement:
This ordinance clarifies management of the Chilkat Center for the Performing Arts to reflect the current arrangement of having a management agreement approved by the assembly. The ordinance also further clarifies the role of the Chilkat Center Advisory Board.
Note: The Borough Attorney has reviewed and supports adoption of this ordinance.

Referral:
Referred to: _____ Referral Date: _____
Recommendation: _____ Meeting Date: _____

Assembly Action:
Meeting Date(s): 5/27/14 Public Hearing Date(s): _____
Postponed to Date: _____

An Ordinance of the Haines Borough amending Haines Borough Code Title 2 Chapter 2.104 to clarify management of the Chilkat Center for the Performing Arts.

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 is effective upon adoption.

Section 4. Amendment of Chapter 2.104 Chapter 2.104 of the Haines Borough Code is hereby amended as follows:

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

**Chapter 2.104
CHILKAT CENTER FOR THE PERFORMING ARTS**

Sections:

2.104.010 Chilkat Center for the Performing Arts.

2.104.020 Chilkat Center **Advisory Board**.

~~2.104.030 Organization of the Chilkat Center board.~~

2.104.040 ~~030~~ **Board vacancies—Filling vacancies. Powers and Duties.**

2.104.050 ~~040~~ **Duties and responsibilities of the Chilkat Center board Fiscal Matters.**

2.104.010 Chilkat Center for the Performing Arts.

The Chilkat Center for the Performing Arts, **is** an educational, cultural and convention facility serving the Haines community, ~~including~~ **and includes** a building **facility and assets** owned and staffed by the Haines Borough, ~~and its other assets, is operated and administered in its entirety by a Chilkat Center board of trustees.~~ **The staffing may be in the form of a management agreement approved by the assembly.**

2.104.020 Chilkat Center **Advisory Board**.

There shall be an advisory board known as tThe Chilkat Center **Advisory Board** shall consist **composed** of seven members who shall serve staggered terms of three years. **The board shall organize itself and function according to the provisions of Chapter 2.60 HBC. All appointments to the board shall be made according to the provisions of HBC 2.60.030.** The Chilkat Center **managing** director shall be an ex officio member of the board. **Members shall serve until their successors have been confirmed by the assembly. There shall be no pay for board membership.**

~~2.104.030 Organization of the Chilkat Center board.~~

~~A. The board shall elect a chairperson, a vice chairperson, a secretary and a treasurer who shall hold their offices for one year.~~

~~B. The board shall operate under the bylaws of the Chilkat Center for the Performing Arts.~~

~~C. Board meetings shall be held as often as required, but no less than quarterly. Once approved by the board, a copy of the board meeting minutes shall be delivered to the borough clerk for inclusion in the assembly's next meeting packets.~~

~~2.104.040~~ **2.104.030** Board vacancies – Filling vacancies. **Powers and Duties.**

~~A member's position on the board shall be deemed vacated if the member fails to attend three consecutive meetings without being excused by the board. All appointments to the board shall be made according to the provisions of HBC 2.60.055.~~

A. The Chilkat Center Advisory Board shall advise the assembly through the manager on the formulation of policies governing the operation of the Chilkat Center for the Performing Arts.

B. The board shall submit periodic reports to the borough as may be determined by the assembly.

~~2.104.050~~ **2.104.040** Duties and responsibilities of the Chilkat Center board **Fiscal Matters.**
~~The Chilkat Center board shall:~~

~~A. Advise the borough assembly in the operation, maintenance and promotion of the Chilkat Center~~ **The borough may allocate funds from its budget to assist in the operation of the Chilkat Center for the Performing Arts;**

~~B. On or before February 15th of each year, submit to the borough manager a detailed and itemized estimate of probable revenues and expenditures for the next fiscal year~~ **The managing director through the board shall submit an annual budget and sources of income for the coming year to the borough manager for consideration by the assembly.**

~~C. Make rules and regulations for the administration and control of the Chilkat Center program;~~

~~D. Have authority to allocate borough-appropriated funds for staffing within the scope of the collective bargaining agreement with the Local 71 Union.~~

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____ DAY OF _____, 2014.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/27/14
Date of First Public Hearing: ___/___/___
Date of Second Public Hearing: ___/___/___



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-471

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Authorize Execution of a New Lease of the Chilkat Center with Lynn Canal Broadcasting, Inc.	1. Ordinance 14-05-382 2. Proposed 2014 Lease 3. Previous Lease
Originator: Borough Clerk	
Originating Department: Administration	
Date Submitted: 5/1/2014	

Full Title/Motion:
Motion: Advance Ordinance 14-05-382 to a second public hearing on 6/10/14.

Administrative Recommendation:
The borough manager recommends adoption.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ none	\$	\$	

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: 11.1.3, Page 275	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-------------------------------------------------	---------------------------------------------------------------------------------

Summary Statement:
Lynn Canal Broadcasting (KHNS) has been leasing a portion of the borough's Chilkat Center building since 1980. Since 2005, KHNS has managed the facility in lieu of making a lease payment. The manager believes it is in the borough's best interest to enter into a new 5-year lease that provides for the same arrangement. The borough manager will seek assembly approval by resolution of a new management agreement prior to adoption of this lease.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 5/27/14	Public Hearing Date(s):
	Postponed to Date:

An Ordinance of the Haines Borough authorizing a new lease of the Chilkat Center with Lynn Canal Broadcasting for the purpose of operating a non-profit, public FM broadcasting facility.

WHEREAS, HBC 14.16.060 provides that “[t]he lease of any borough land may be made to any state or federal agency, nonprofit organization, or political subdivision of the state for less than the appraised value, and for a consideration to be determined by the assembly to be in the best interests of the borough”; and

WHEREAS, the nonprofit organization known as Lynn Canal Broadcasting, Inc. (KHNS) has been leasing a portion of the borough’s Chilkat Center building, situated on Lot 1A, Block M, Port Chilkoot Subdivision, for the sole purpose of operating a full-service, non-profit, public FM broadcasting facility; and

WHEREAS, the leased premises is approximately 1,744 square feet of commercial space (“the Rental Space”) located above the lobby, adjacent to the projection room, on the second floor of the Building including: storage space in the northwest corridor, office space located on the 2nd floor south corner, and the small storage closet off and above the board room; and

WHEREAS, KHNS has leased this property since June 18, 1980 with the initial lease being for 25 years and a subsequent renewal lease was for five years effective July 1, 2005; and

WHEREAS, the 2005 lease document included an option to renew the Lease for three additional terms of five years each on the terms then offered by the borough, and to secure that right, tenant had to give notice of renewal to Borough Manager in writing not less than 60 days before the end of the then term of June 30, 2010; and

WHEREAS, there is no evidence of a written notice of lease renewal from KHNS nor is there any evidence the borough did not intend to continue the arrangement, therefore a new lease is recommended; and

WHEREAS, the value of the leased premises is determined to be \$1.34 per square foot for a total value of \$2,337 per year; and

WHEREAS, it is the intent of the parties to execute a new, separate Memorandum of Understanding regarding management of the Chilkat Center (“MOU”), and the sole compensation for the management would continue to be in the form of a waiver of the borough’s right to collect rent under this lease agreement until such time as the MOU would cease to exist at which time borough’s right to collect rent shall be immediately and automatically reinstated with a rental rate appropriate for that year of the lease; and

WHEREAS, the assembly concurs the continued leasing of this borough building by KHNS is in the public interest at this time; and

WHEREAS, Borough Charter 3.03(8) stipulates that the leasing of borough property must be granted by the assembly by ordinance,

NOW THEREFORE BE IT ENACTED, by the Haines Borough Assembly, that it is hereby determined to be for a public purpose and in the public interest of the Haines Borough to enter that it is hereby determined to be for a public purpose and in the public interest of the Haines Borough to authorize the borough manager to execute a new lease with Lynn Canal

Haines Borough
Ordinance No. 14-05-382
Page 2 of 2

Broadcasting, Inc. for use of the specified portion of the Chilkat Center for the sole purpose of operating a full-service, non-profit, public FM broadcasting facility under the conditions of the attached lease agreement, and for a period of 5 years with renewal options.

Section 1. Classification. This ordinance is a non-code ordinance.

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.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____ DAY OF MAY, 2014.

Stephanie Scott, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/27/14
Date of First Public Hearing: ___/___/___
Date of Second Public Hearing: ___/___/___

**HAINES BOROUGH
LEASE AGREEMENT**

Draft

This Lease Agreement effective May 1, 2014, is adopted this ____ day of _____, 2014, and is entered into by and between the **Haines Borough**, of P. O. Box 1209, Haines, Alaska 99827 (“Landlord”) and **Lynn Canal Broadcasting, Inc.**, an Alaska non-profit corporation of P. O. Box 1109, Haines, Alaska 99827 (“Tenant” or “KHNS”).

Recitals

A. Landlord is the owner of the building and property known as the Chilkat Center for the Arts and having the physical address of 1 Theatre Drive, Haines, Alaska 99827 (“the Building”).

B. Tenant desires to lease a portion of the Building.

C. To facilitate the mutual goals of Landlord and Tenant, the parties hereby enter into this Lease to document the terms and conditions under which Tenant will lease a portion of the Building.

1. Premises. Landlord hereby rents to Tenant approximately 1,744 square feet of commercial space (“the Rental Space”) located above the lobby, adjacent to the projection room, on the second floor of the Building including: storage space in the northwest corridor, office space located on the 2nd floor south corner, and the small storage closet off and above the board room. The gross leased area of the Rental Space shall be measured from the interior surfaces of walls less the storage in the northern corridor. No deduction shall be made for columns and/or other structural or mechanical elements within the Rental Space. Tenant may have the nonexclusive use of common areas which include entryways, stairways, hallways, restrooms. Tenant may have use of other Facility rooms, on a space available basis, for KHNS business meetings including annual meetings, but it is not intended for more than two fund-raising events per year.

2. Term. The term of this Lease shall be for five (5) years, beginning on May 1, 2014, and ending on May 1, 2019, subject to renewal or earlier termination as described below.

3. Rent and Security Deposit. Tenant shall pay rent to the Landlord at the base rate of \$1.34 per square foot per month. Landlord agrees to forego the advance collection of a security and cleaning deposit, but wholly reserves its right to seek a full recovery of damages from Tenant in the event of a rent arrearage and/or in the event the premises are returned in a damaged or unclean condition, reasonable wear and tear excepted.

It is the intent of the parties to execute a separate Memorandum of Understanding Regarding Management of the Chilkat Center (“MOU”). If and when such MOU is executed, the parties may agree therein that the Tenant’s obligation to pay rent is suspended, and the Borough’s right to collect rent from the Tenant is waived, until such time as the MOU expires or is terminated by either party. If an MOU is executed with such an agreement, then, unless otherwise provided for in the MOU, the Tenant’s obligation to pay rent, and the Landlord’s right to collect rent, shall be immediately and automatically reinstated as of the effective date of the expiration or termination of the MOU. The reinstated rental rate shall be the rental rate that would be appropriate for that year of the lease, had rent been paid in prior years, without regard to whether any rent was actually paid in prior years.

4. Renewal. Provided Tenant is not then in default, , Tenant shall have an option to renew the Lease for three additional terms of five years each on the terms then offered by Landlord. To secure this right, Tenant shall give notice of renewal to Borough Manager in writing not less than 60 days before the end of the then Term as set out in Section 2.

5. Parking. Landlord shall provide Tenant non-exclusive parking rights in the Building’s parking lot, for Tenant’s use during the term of this Lease, subject to the restrictions stated in Section 6. Tenant shall not park in or block, nor permit its employees or visitors to park in or block, the driveway access to the Building.

6. Dangerous and Noxious Substances. Tenant shall not knowingly engage in or allow any activity, anywhere in the Building, by its own agents or anyone else, involving any hazardous and/or dangerous substance or conduct, including but not limited to flammable or toxic liquids, gases, paints, chemicals, or fumes; explosives; matches or lighters; or open or closed flames. Tenant shall not store any such item in any area of the Rental Space or adjacent to the Building, and shall not permit anyone else to do so. Tenant shall not store in or near the Building any item that could pose a danger to the Building or anyone in the Building, including but not limited to explosive, combustible, flammable, or noxious substances.

7. Storage Outside the Building. Tenant shall not store, nor permit anyone else to store, any item outside the Building or outside the Rental Space as identified in paragraph 1. Tenant’s parking spaces shall be used only to park a motor vehicle that leaves the parking space at least once daily.

8. Utilities/Services. The Tenant shall be responsible for utilities and services as follows:

<u>Utilities</u>	<u>Paid By</u>
KHNS Telephone & internet access.....	Tenant (100%)
Janitorial (within Tenant’s rental Space).....	Tenant (100%)
Electricity – KHNS meter.....	Tenant (100%)
Electricity – Chilkat Center meter.....	Landlord (100%)
Heat.....	Landlord (100%)
Water/Sewer.....	Landlord (100%)
Snow removal/plowing	Landlord (100%)
Trash collection for KHNS.....	Tenant (100%)
Other services/utilities.....	Tenant (100%)

Special electrical wiring, plumbing and other requirements shall be undertaken at Tenant’s sole expense and only with Borough Manager’s prior written consent.

9. Use. The Rental Space is leased to Tenant solely for the use and operation of a full-service, non-profit, public FM broadcasting facility. No other use is permissible without Landlord’s prior written consent. Tenant shall at all times comply with all applicable laws, ordinances and regulations of duly constituted authorities now or hereafter in effect, with respect to Tenant’s conduct or use of the Rental Space or any other portion of the Building.

Tenant shall not use the Rental Space or any other part of the Building in any manner that will increase risks covered by insurance or result in an increase in the rate of insurance or a cancellation of any insurance policy, nor shall Tenant use the Rental Space in any manner that will interfere with

any other tenant's or occupant's quiet enjoyment of the premises. This prohibition includes, but is not limited to, habitation of the Rental Space.

Tenant agrees that nothing in this Article or in this Lease shall create any third-party beneficiary rights or relationship in Tenant or in any other entity.

Tenant agrees to use the entire Rental Space, adequately staffed, during the entire term of this lease and any renewal thereof, and to conduct its business at all times in good faith, and in a reputable manner. Tenant shall not conduct any going out of business or bankruptcy sale in the Rental Space without Borough Manager's expressed, written consent.

10. Access and Security. Except during Tenant's normal business hours, which Tenant agrees shall be 7:30am to 5:00pm M-F, Tenant shall keep all doors locked and other means of entry to the premises (rental space) closed and secured. Tenant will provide the Landlord keys for each door to the Rental Space. Tenant shall not change any such lock without prior consent of the Borough Manager. Tenant agrees to pay the costs of additional keys and locks, without demand, in the event that Tenant causes Landlord to have to install additional locks or purchase additional keys.

Tenant shall maintain any personal property in or about the Rental Space at Tenant's sole risk. Landlord assumes no responsibility for damage to Tenant's property or loss or theft of such property from the building or the Building. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as Landlord may deem to be advisable for the adequate protection of the property.

11. Signs and decor. Tenant may display one or more signs, subject to Borough Manager's advance approval of the size, design, and placement of any and all signs. No sign, picture, advertisement or notice shall be displayed, inscribed, painted or affixed to the Building except those expressly approved by Borough Manager.

Tenant shall decorate the Rental Space in a manner Landlord considers to be tasteful. Landlord retains the right in its absolute discretion to exclude from the Building any decoration or display on grounds of taste or on any other grounds. Tenant is encouraged to seek Borough Manager's concurrence in any decorative scheme it considers before undertaking it; without Borough Manager's advance concurrence, any such scheme is undertaken at Tenant's own risk.

12. Return of Premises. Tenant agrees to return the Rental Space in good order, condition and repair at the expiration or sooner termination of the term, excepting only reasonable wear and tear arising from normal use thereof. At such time, Tenant will surrender the Rental Space without further demand, in a neat and clean condition, and will deliver all keys to Landlord. Tenant agrees that holding over its occupancy at the expiration or sooner termination of this Lease will result in the creation of a month-to-month tenancy at the rental rate in effect at the time. Landlord shall have the option to treat as abandoned and retain or dispose of all personal property belonging to Tenant that Tenant fails to remove from the Rental Space upon return of the premises to Landlord, or Landlord may remove these items and store them at Tenant's expense.

13. Maintenance, Alterations, and Moving. Before Tenant may make tenant improvements, it must comply with every applicable provision of this Lease, including but not limited to proof of insurance.

Subject to other provisions of this Lease, Landlord shall maintain all structural elements of the Building, as well as all mechanical systems, basic lighting systems and electrical systems serving the Building.

Tenant agrees to pay Landlord, within 30 days, upon demand the cost of repairing any damage to the Rental Space or other property of Landlord caused by any act, omission, or negligence of Tenant or Tenant's employee, agent, servant, invitee, or guest.

Landlord shall have the right to make changes, additions, and alterations to the Building. Landlord will use reasonable efforts to avoid disturbing Tenant's decorations or operations within the Rental Space in connection with such changes, additions, and alterations.

Tenant shall not make any alteration, addition, or improvement in the Rental Space without the consent of Borough Manager in writing, which consent shall not be unreasonably withheld. All such alterations, additions and improvements shall be at the sole cost and expense of Tenant, and shall be coordinated with Borough Manager. All alterations, additions and improvements shall remain when Tenant returns the premises to Landlord, unless otherwise specified in Tenant's written request and consented to by Borough Manager.

Furniture and bulky articles shall be moved in or out of the Rental Space only at such hours and in such manner as shall least inconvenience other tenants and occupants of the Building, and when and as Landlord shall decide; and no article of over 100 pounds per square foot or 500 pounds in the aggregate shall be moved into the Rental Space without the consent of Landlord.

14. Cleaning. Tenant will keep the Rental Space in a clean, sanitary and safe condition at all times. Tenant is responsible for disposing of all trash, empty boxes, and other disposable material.

15. Insurance. During the term of this lease and any and all renewals or extensions hereof, Tenant shall keep in full force and effect a comprehensive commercial liability insurance policy, including public liability and property damage, covering all of Tenant's activities with respect to the leased premises in an amount not less than Five-Hundred Thousand Dollars (\$500,000.00), with Landlord named as an additional insured under the policy. Tenant shall also insure, and Landlord shall bear no responsibility for loss or damage to, Tenant's personal property and trade fixtures in the leased premises in an amount equal to the replacement cost of such property and trade fixtures. Tenant shall provide Landlord with appropriate Certificates of Insurance showing compliance with this paragraph.

During the term of this lease and any and all renewals or extensions hereof, Landlord shall keep the building that is the subject of this lease, insured against damage and destruction by fire, vandalism and other perils in an amount equal to the replacement value of the building.

16. Indemnification. Tenant shall indemnify and hold Landlord and Landlord's agents, officers, affiliates, and employees harmless against any and all claims, demands, liability, causes of action, suits, or judgments including expenses and legal fees incurred in connection with such matters, for death or injuries to persons or for loss of or damage to property arising out of or in connection with the use and occupancy of the Building by Tenant or by Tenant's agents, employees, or invitees.

17. Liens. Tenant shall keep the Rental Space and the Building free from any lien arising out of any work performed, material furnished or obligation incurred by Tenant. If a mechanic's lien is filed, Tenant shall immediately cause the same to be discharged, but Tenant shall have the right to contest any such lien. If Tenant shall fail to cause such lien to be discharged within 30 days after being notified of the filing thereof and before judgment or sale thereunder, then Landlord may discharge the same, and the amount so paid by Landlord and all costs and expenses incurred by Landlord in procuring the discharge of such lien, including reasonable attorneys' fees, shall immediately be due and payable by Tenant to Landlord. Nothing contained in this lease shall be construed as consent on the part of Landlord to subject Landlord's interest in the Rental Space or the Building to any lien.

18. Inspection by Landlord. Tenant permits Landlord to enter the Rental Space to inspect it, to enforce or carry out any provision of this Lease, to perform required maintenance or repairs, or to make additions, alterations, or modifications. In the event of an emergency, Landlord may enter without prior notice, but will notify the tenant immediately. In the event that no emergency exists, Landlord will give Tenant 24 hours' notice before entering during non-business hours.. In exercising its rights under this paragraph, Landlord shall make a reasonable effort not to interfere with Tenant's operations or disturb Tenant's quiet use and enjoyment of the Rental Space.

19. Default. The occurrence of any one or more of the following events shall constitute a material default in breach of this Lease by Tenant:

- a. unless excused by circumstances permitting the suspension of rent payment(s) under section 3 of this Lease, failure to make any payment required under this Lease as and when due, where such failure shall continue for a period of three days after Tenant's receipt of written notice from Landlord;
- b. failure to observe or perform any of the covenants, conditions, rules, or any other nonfinancial provisions of this Lease, other than the making of any payment, where the failure shall continue for a period of seven days after Tenant's receipt of written notice of the failure from Landlord; and/or
- c. filing of a petition in insolvency or bankruptcy, or a statement of insolvency.

In the event of any default by Tenant under this Lease, in addition to any other remedy, Landlord shall also have the right, with or without terminating this Lease, to reenter and relet the Rental Space. Tenant hereby agrees to pay Landlord the cost of recovering possession of the premises, including attorney's fees, paralegal fees, and costs; the expenses of reletting; and any other costs or damages arising out of Tenant's default. Tenant hereby waives all rights of notice to quit in the event of any abandonment of the Rental Space.

20. Miscellaneous.

- a. Entire Agreement. This Lease, along with its exhibits, shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party.
- b. Timeliness. Time is of the essence of this Lease.

c. Construction. Tenant has had the opportunity to have legal counsel review this Lease on its behalf. The rule of construction that ambiguity is construed against the drafter will not apply.

d. Signatures. This Lease may be signed in counterparts, and a facsimile signature is as valid as an original.

e. Notices. Any notice, request, or other communication required or permitted to be given or made under this Lease shall be made when hand delivered, or mailed, by registered or certified mail, and addressed as follows:

If to Landlord:

Haines Borough
P.O. Box 1209
103 Third Avenue S.
Haines, AK 99827
Phone: 907-766-2231
Fax: 907-766-2716

If to Tenant:

Lynn Canal Broadcasting, Inc.
PO Box 1109
Haines AK 99827
Phone: 907-766-2020
Fax: 907-766-2022

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

Haines Borough

By: David B. Sosa

Title: Borough Manager

Lynn Canal Broadcasting

By: Kay Clements

Title: General Manager

Signature Date: _____

Signature Date: _____

**HAINES BOROUGH
LEASE AGREEMENT**

This Lease Agreement effective as of July 1, 2005, is entered into by and between the **Haines Borough**, of P. O. Box 1209, Haines, Alaska 99827 ("Landlord") and **Lynn Canal Broadcasting, Inc.**, an Alaska non-profit corporation of P. O. Box 1109, Haines, Alaska 99827 ("Tenant" or "KHNS").

Recitals

A. Landlord is the owner of the building and property known as the Chilkat Center for the Arts and having the physical address of 1 Theatre Drive, Haines, Alaska 99827 ("the Building").

B. Tenant desires to lease a portion of the Building.

C. To facilitate the mutual goals of Landlord and Tenant, the parties hereby enter into this Lease to document the terms and conditions under which Tenant will lease a portion of the Building.

1. Premises. Landlord hereby rents to Tenant approximately 1,744 square feet of commercial space ("the Rental Space") located above the lobby, adjacent to the projection room, on the second floor of the Building including: storage space in the northwest corridor, office space located on the 2nd floor south corner, and the small storage closet off and above the board room. The gross leased area of the Rental Space shall be measured from the interior surfaces of walls less the storage in the northern corridor. No deduction shall be made for columns and/or other structural or mechanical elements within the Rental Space. Tenant may have the nonexclusive use of common areas which include entryways, stairways, hallways, restrooms. Tenant may have occasional use of other Facility rooms, on a space available basis, for KHNS business meetings including annual meetings but is not intended for fund-raising events.

2. Term. The term of this Lease shall be for five (5) years, beginning on July 1, 2005, and ending on June 30, 2010, subject to renewal or earlier termination as described below.

3. Rent and Security Deposit. Tenant shall pay rent to the Landlord at the base rate of \$1.25 per square foot per month. Landlord agrees to forego the advance collection of a security and cleaning deposit, but wholly reserves its right to seek a full recovery of damages from Tenant in the event of a rent arrearage and/or in the event the premises are returned in a damaged or unclean condition, reasonable wear and tear excepted.

It is the intent of the parties to execute a separate Memorandum of Understanding Regarding Management of the Chilkat Center ("MOU"). If and when such MOU is executed, the parties may agree therein that the Tenant's obligation to pay rent is suspended, and the Borough's right to collect rent from the Tenant is waived, until such time as the MOU expires or is terminated by either party. If an MOU is executed with such an agreement, then, unless otherwise provided for in the MOU, the Tenant's obligation to pay rent, and the Landlord's right to collect rent, shall be immediately and automatically reinstated as of the effective date of the expiration or termination of the MOU. The reinstated rental rate shall be the rental rate that would be appropriate for that year of the lease, had rent been paid in prior years, without regard to whether any rent was actually paid in prior years.

4. Renewal. Provided Tenant is not then in default, , Tenant shall have an option to renew the Lease for three additional terms of five years each on the terms then offered by Landlord. To secure this right, Tenant shall give notice of renewal to Borough Manager in writing not less than 60 days before the end of the then Term as set out in Section 2.

5. Parking. Landlord shall provide Tenant non-exclusive parking rights in the Building’s parking lot, for Tenant’s use during the term of this Lease, subject to the restrictions stated in Section 6. Tenant shall not park in or block, nor permit its employees or visitors to park in or block, the driveway access to the Building.

6. Dangerous and Noxious Substances. Tenant shall not knowingly engage in or allow any activity, anywhere in the Building, by its own agents or anyone else, involving any hazardous and/or dangerous substance or conduct, including but not limited to flammable or toxic liquids, gases, paints, chemicals, or fumes; explosives; matches or lighters; or open or closed flames. Tenant shall not store any such item in any area of the Rental Space or adjacent to the Building, and shall not permit anyone else to do so. Tenant shall not store in or near the Building any item that could pose a danger to the Building or anyone in the Building, including but not limited to explosive, combustible, flammable, or noxious substances.

7. Storage Outside the Building. Tenant shall not store, nor permit anyone else to store, any item outside the Building or outside the Rental Space as identified in paragraph 1. Tenant’s parking spaces shall be used only to park a motor vehicle that leaves the parking space at least once daily.

8. Utilities/Services. The Tenant shall be responsible for utilities and services as follows:

<u>Utilities</u>	<u>Paid By</u>
KHNS Telephone & internet access	Tenant (100%)
Janitorial (within Tenant’s rental Space).....	Tenant (100%)
Electricity – KHNS meter.....	Tenant (100%)
Electricity – Chilkat Center meter	Landlord (100%)
Heat.....	Landlord (100%)
Water/Sewer.....	Landlord (100%)
Snow removal/plowing	Landlord (100%)
Trash collection for KHNS.....	Tenant (100%)
Other services/utilities	Tenant (100%)

Special electrical wiring, plumbing and other requirements shall be undertaken at Tenant’s sole expense and only with Borough Manager’s prior written consent.

9. Use. The Rental Space is leased to Tenant solely for the use and operation of a full-service, non-profit, public FM broadcasting facility. No other use is permissible without Landlord’s prior written consent. Tenant shall at all times comply with all applicable laws, ordinances and regulations of duly constituted authorities now or hereafter in effect, with respect to Tenant’s conduct or use of the Rental Space or any other portion of the Building.

Tenant shall not use the Rental Space or any other part of the Building in any manner that will increase risks covered by insurance or result in an increase in the rate of insurance or a cancellation

of any insurance policy, nor shall Tenant use the Rental Space in any manner that will interfere with any other tenant's or occupant's quiet enjoyment of the premises. This prohibition includes, but is not limited to, habitation of the Rental Space.

Tenant agrees that nothing in this Article or in this Lease shall create any third-party beneficiary rights or relationship in Tenant or in any other entity.

Tenant agrees to use the entire Rental Space, adequately staffed, during the entire term of this lease and any renewal thereof, and to conduct its business at all times in good faith, and in a reputable manner. Tenant shall not conduct any going out of business or bankruptcy sale in the Rental Space without Borough Manager's expressed, written consent.

10. Access and Security. Except during Tenant's normal business hours, which Tenant agrees shall be 7:30am to 5:00pm M-F, Tenant shall keep all doors locked and other means of entry to the premises (rental space) closed and secured. Tenant will provide the Landlord keys for each door to the Rental Space. Tenant shall not change any such lock without prior consent of the Borough Manager. Tenant agrees to pay the costs of additional keys and locks, without demand, in the event that Tenant causes Landlord to have to install additional locks or purchase additional keys.

Tenant shall maintain any personal property in or about the Rental Space at Tenant's sole risk. Landlord assumes no responsibility for damage to Tenant's property or loss or theft of such property from the building or the Building. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as Landlord may deem to be advisable for the adequate protection of the property.

11. Signs and decor. Tenant may display one or more signs, subject to Borough Manager's advance approval of the size, design, and placement of any and all signs. No sign, picture, advertisement or notice shall be displayed, inscribed, painted or affixed to the Building except those expressly approved by Borough Manager.

Tenant shall decorate the Rental Space in a manner Landlord considers to be tasteful. Landlord retains the right in its absolute discretion to exclude from the Building any decoration or display on grounds of taste or on any other grounds. Tenant is encouraged to seek Borough Manager's concurrence in any decorative scheme it considers before undertaking it; without Borough Manager's advance concurrence, any such scheme is undertaken at Tenant's own risk.

12. Return of Premises. Tenant agrees to return the Rental Space in good order, condition and repair at the expiration or sooner termination of the term, excepting only reasonable wear and tear arising from normal use thereof. At such time, Tenant will surrender the Rental Space without further demand, in a neat and clean condition, and will deliver all keys to Landlord. Tenant agrees that holding over its occupancy at the expiration or sooner termination of this Lease will result in the creation of a month-to-month tenancy at the rental rate in effect at the time. Landlord shall have the option to treat as abandoned and retain or dispose of all personal property belonging to Tenant that Tenant fails to remove from the Rental Space upon return of the premises to Landlord, or Landlord may remove these items and store them at Tenant's expense.

13. Maintenance, Alterations, and Moving. Before Tenant may make tenant improvements, it must comply with every applicable provision of this Lease, including but not limited to proof of insurance.

Subject to other provisions of this Lease, Landlord shall maintain all structural elements of the Building, as well as all mechanical systems, basic lighting systems and electrical systems serving the Building.

Tenant agrees to pay Landlord, within 30 days, upon demand the cost of repairing any damage to the Rental Space or other property of Landlord caused by any act, omission, or negligence of Tenant or Tenant's employee, agent, servant, invitee, or guest.

Landlord shall have the right to make changes, additions, and alterations to the Building. Landlord will use reasonable efforts to avoid disturbing Tenant's decorations or operations within the Rental Space in connection with such changes, additions, and alterations.

Tenant shall not make any alteration, addition, or improvement in the Rental Space without the consent of Borough Manager in writing, which consent shall not be unreasonably withheld. All such alterations, additions and improvements shall be at the sole cost and expense of Tenant, and shall be coordinated with Borough Manager. All alterations, additions and improvements shall remain when Tenant returns the premises to Landlord, unless otherwise specified in Tenant's written request and consented to by Borough Manager.

Furniture and bulky articles shall be moved in or out of the Rental Space only at such hours and in such manner as shall least inconvenience other tenants and occupants of the Building, and when and as Landlord shall decide; and no article of over 100 pounds per square foot or 500 pounds in the aggregate shall be moved into the Rental Space without the consent of Landlord.

14. Cleaning. Tenant will keep the Rental Space in a clean, sanitary and safe condition at all times. Tenant is responsible for disposing of all trash, empty boxes, and other disposable material.

15. Insurance. During the term of this lease and any and all renewals or extensions hereof, Tenant shall keep in full force and effect a comprehensive commercial liability insurance policy, including public liability and property damage, covering all of Tenant's activities with respect to the leased premises in an amount not less than Five-Hundred Thousand Dollars (\$500,000.00), with Landlord named as an additional insured under the policy. Tenant shall also insure, and Landlord shall bear no responsibility for loss or damage to, Tenant's personal property and trade fixtures in the leased premises in an amount equal to the replacement cost of such property and trade fixtures. Tenant shall provide Landlord with appropriate Certificates of Insurance showing compliance with this paragraph.

During the term of this lease and any and all renewals or extensions hereof, Landlord shall keep the building that is the subject of this lease, insured against damage and destruction by fire, vandalism and other perils in an amount equal to the replacement value of the building.

16. Indemnification. Tenant shall indemnify and hold Landlord and Landlord's agents, officers, affiliates, and employees harmless against any and all claims, demands, liability, causes of action, suits, or judgments including expenses and legal fees incurred in connection with such matters, for

death or injuries to persons or for loss of or damage to property arising out of or in connection with the use and occupancy of the Building by Tenant or by Tenant's agents, employees, or invitees.

17. Liens. Tenant shall keep the Rental Space and the Building free from any lien arising out of any work performed, material furnished or obligation incurred by Tenant. If a mechanic's lien is filed, Tenant shall immediately cause the same to be discharged, but Tenant shall have the right to contest any such lien. If Tenant shall fail to cause such lien to be discharged within 30 days after being notified of the filing thereof and before judgment or sale thereunder, then Landlord may discharge the same, and the amount so paid by Landlord and all costs and expenses incurred by Landlord in procuring the discharge of such lien, including reasonable attorneys' fees, shall immediately be due and payable by Tenant to Landlord. Nothing contained in this lease shall be construed as consent on the part of Landlord to subject Landlord's interest in the Rental Space or the Building to any lien.

18. Inspection by Landlord. Tenant permits Landlord to enter the Rental Space to inspect it, to enforce or carry out any provision of this Lease, to perform required maintenance or repairs, or to make additions, alterations, or modifications. In the event of an emergency, Landlord may enter without prior notice, but will notify the tenant immediately. In the event that no emergency exists, Landlord will give Tenant 24 hours' notice before entering during non-business hours.. In exercising its rights under this paragraph, Landlord shall make a reasonable effort not to interfere with Tenant's operations or disturb Tenant's quiet use and enjoyment of the Rental Space.

19. Default. The occurrence of any one or more of the following events shall constitute a material default in breach of this Lease by Tenant:

- a. unless excused by circumstances permitting the suspension of rent payment(s) under section 3 of this Lease, failure to make any payment required under this Lease as and when due, where such failure shall continue for a period of three days after Tenant's receipt of written notice from Landlord;
- b. failure to observe or perform any of the covenants, conditions, rules, or any other nonfinancial provisions of this Lease, other than the making of any payment, where the failure shall continue for a period of seven days after Tenant's receipt of written notice of the failure from Landlord; and/or
- c. filing of a petition in insolvency or bankruptcy, or a statement of insolvency.

In the event of any default by Tenant under this Lease, in addition to any other remedy, Landlord shall also have the right, with or without terminating this Lease, to reenter and relet the Rental Space. Tenant hereby agrees to pay Landlord the cost of recovering possession of the premises, including attorney's fees, paralegal fees, and costs; the expenses of reletting; and any other costs or damages arising out of Tenant's default. Tenant hereby waives all rights of notice to quit in the event of any abandonment of the Rental Space.

20. Miscellaneous.

a. Entire Agreement. This Lease, along with its exhibits, shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party.

b. Timeliness. Time is of the essence of this Lease.

c. Construction. Tenant has had the opportunity to have legal counsel review this Lease on its behalf. The rule of construction that ambiguity is construed against the drafter will not apply.

d. Signatures. This Lease may be signed in counterparts, and a facsimile signature is as valid as an original.

e. Notices. Any notice, request, or other communication required or permitted to be given or made under this Lease shall be made when hand delivered, or mailed, by registered or certified mail, and addressed as follows:

If to Landlord:

Haines Borough
P.O. Box 1209
103 Third Avenue S.
Haines, AK 99827
Phone: 907-766-2231
Fax: 907-766-2716

If to Tenant:

Lynn Canal Broadcasting, Inc.
PO Box 1109
Haines AK 99827
Phone: 907-766-2020
Fax: 907-766-2022

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

Haines Borough

By *Robert Venables*
Title *Borough Manager*

Lynn Canal Broadcasting

By *John HEORICK*
Title *General Manager*

John Heorick
1/6/2000



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-472

Assembly Meeting Date: 5/27/14

Business Item Description:	Attachments:
Subject: Allow Off-Premises Signs on Private Property	1. Ordinance 14-05-383 2. Memo from the Mayor 3. Memo from the Planning & Zoning Technician 4. 2011 Recommendation from the Planning Commission
Originator: Borough Clerk	
Originating Department: Administration	
Date Submitted: 5/19/2014	

Full Title/Motion:
Motion: Advance Ordinance 14-05-383 to a second public hearing on 6/10/14.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ none	\$	\$	

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Page 95	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
----------------------------------------	---------------------------------------------------------------------------------

Summary Statement:

The comprehensive plan talks about supporting and strengthening the many existing businesses in Haines that are engaged in retail trade. It also stresses the importance of maintaining quality of life which includes the environment and appearance of the town. This ordinance allows off-premises signs on private property with documented permission from the property owner and also restricts the signs to a certain size. This ordinance attempts to strike a balance between allowing businesses "off the beaten path" to promote and regulating the signage. Large billboard signs would still be prohibited. Also, since an off-premises sign would have to count as part of a business's permitted signage total, it should restrict their use. The planning commission recommended handling this by conditional use, but a former G.A.S. committee struggled with that as well as how to handle state signage regulations. This ordinance addresses the state requirements and also proposes to handle off-premises signs simply as part of the borough's existing sign permit process.

Referral:

Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:

Meeting Date(s): 5/27/14	Public Hearing Date(s):
	Postponed to Date:

An Ordinance of the Haines Borough amending Haines Borough Code Title 18, Chapter 18.90 to allow the placement of off-premises signs on private property.

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 is effective upon adoption.

Section 4. Amendment of Chapter 18.90. Haines Borough Code Chapter 18.90 is amended, as follows:

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

18.90.010 Purpose.

The purpose of these sign regulations is to encourage the effective use of signs as a means of communication in the borough; to maintain and enhance the aesthetic environment; to ensure the business community quality signs to adequately identify and market their businesses; to improve pedestrian and traffic safety; to minimize the possible adverse effect of signs on adjacent public and private property; and to enable the fair and consistent enforcement of these sign regulations.

18.90.020 Applicability – Effect.

All signs erected, constructed, altered or replaced in the townsite planning/zoning district must comply with the requirements of this chapter **and with AS 19.25.075-19.25.180 as it may apply**. There shall be no variances from the requirements of this chapter.

18.90.030 Permits.

A. All signs require a permit issued by the borough unless exempted by HBC 18.90.060. A permit application for a sign may be considered part of a land use permit application or may be considered separately. There shall be a fee for a sign permit application if considered separately.

B. Sign permit applications shall include plans for all signs to be placed. The plans shall illustrate sign elevations, cross sections, dimensions, placement, materials and lighting, or any similar information.

C. A sign permit application will be reviewed and either approved or disapproved by the manager **or designee** within three working days after receipt of a complete application.

18.90.040 Number of signs.

A. The number of allowable signs per business shall be limited to four and shall include all wall-mounted, projecting, portable, ~~or~~ freestanding, **or off-premises** signs. Each business shall be limited to one freestanding sign.

B. Each separate business in a building containing more than one business shall be allowed up to four signs, provided the total sign area per building wall does not exceed the maximum sign area allowed for that building wall.

C. Projecting Signs. The number of projecting signs per business shall be limited to two, each having no more than two sign faces.

18.90.050 Required setback, placement, construction and lighting standards.

A. All signs shall be located so as to achieve their purpose without constituting a hazard to vehicles or pedestrians.

B. Projecting Signs. No part of a projecting sign shall extend within three feet of a street curb or traveled way. If hung under a canopy, marquee or awning, a projecting sign shall have no less than seven feet of clearance between the bottom of the sign and the sidewalk. Projecting signs shall not extend above the building roof peak or eave.

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.

D. Off premises signs are allowable on private property with a notarized letter of consent from the property owner.

∅ E. All permanent signs shall be constructed of rigid, permanent and weather-resistant materials.

18.90.060 Signs exempt from regulation under this chapter.

The following signs shall be exempt from regulation under this chapter, provided these signs, if placed on private property, conform to the setback and placement standards set forth in HBC 18.90.050-~~-. **These signs are still subject to AS 19.25.075-19.25.180 as it may apply.**~~

A. Signs required by law, or temporary signs serving as public notice of a public event;

B. Works of art, including murals, that do not contain a commercial message;

C. Holiday lights or decorations;

D. Traffic control, parking, directional or informational signs or devices, provided they contain no commercial message;

E. Real estate signs up to six square feet advertising the sale, lease or rental of property upon which they are placed;

F. Temporary display window signs on the interior surface of windows;

G. Permanent signs in existence before June 19, 1996. Such signs shall not be replaced, moved, enlarged, altered, or reconstructed except in compliance with this chapter;

H. Political signs up to 24 square feet in area displayed on private property. Such signs may be erected no more than 60 days prior to the election date and must be removed no later than seven days following the election date;

I. Small informational signs related to the operation of a business, such as "Open/Closed" or credit card signs;

J. Construction signs not exceeding 32 square feet erected during construction, alteration or repair of a structure;

K. Signs of less than two square feet giving information about a residential building or its occupants;

L. Signs on vehicles used for commercial purposes containing information related to the vehicle's commercial use. Vehicle signs shall be attached to the surface of the vehicle and shall not project from the vehicle surface more than the sign thickness. Vehicle signs include painted or magnetic signs;

M. Temporary signs used to advertise casual and isolated sales not made in the regular course of business. Such signs shall be located on private property and utilized only while the items for sale are available on that site. No more than one sign shall be allowed on the site for this purpose. The sign shall be portable, no larger than 16 square feet in area, shall not include the name of any business, but may show the name of a product for sale. The sign shall be removed from the site at the end of the business day. No temporary sign exempted under this subsection shall be allowed for more than two consecutive days at any one site.

18.90.070 Prohibited signs.

The following signs are prohibited in the borough in areas where signs are regulated:

A. Beacons;

B. Pennants, except for temporary uses of no more than 10 days;

C. Signs which extend more than four feet above the roof of a building measured from the elevation of the roof where the sign is attached. The top of the sign shall not exceed the 30-foot building height restriction;

D. Flashing or blinking signs;

~~E. Off-premises signs, except as allowed by HBC 18.90.070(A)(7);~~

~~F.~~ F. Portable signs on public property such as streets, sidewalks, alleys and other public property, including sandwich signs, with the following exception:

1. Until such time as the borough assembly shall determine that traffic patterns have changed rendering this exception no longer advisable, Portage Street, in the significant structures area, shall be exempt from this prohibition; provided, that the portable sign is placed no closer than three feet from the curb, is adjacent to the property on which the business advertised on the sign is located and meets all other requirements of this chapter;

~~G.~~ G. Inflatable signs and tethered balloons;

~~H.~~ H. Temporary signs made of paper or such other temporary material. Manufactured signs made of Tyvek, plastic or similar materials are allowed if they are attached securely to a building, they are maintained in good condition and their area is counted in the total sign area allowed for that building wall;

~~I.~~ I. Signs advertising activities or products no longer offered on the premises. Such signs shall be removed within 90 days of the cessation of that business activity on that property;

~~J.~~ J. Signs designed to be transported, towed or moved on wheels (see off-premises signs, subsection (E) of this section);

~~K.~~ K. Signs extending from a vehicle by more than the thickness of the sign;

~~L.~~ L. Placement or distribution of handbills, flyers or bumper stickers on public property, except on public bulletin boards.

L. Billboards, defined as any signboards, signs, displays, notices or forms of outdoor advertising that do not strictly comply with the provisions of this chapter.

18.90.090 Sign standards – Commercial, waterfront, waterfront industrial, heavy industrial, light industrial/ commercial, rural mixed use and multiple use zones.

A. Allowed Signs.

1. Freestanding signs, provided the total height of the sign, including supports, is the lesser of 16 feet or the height of the commercial building.

2. Projecting signs.

3. Wall-mounted signs.

4. Portable signs.

5. Neon signs mounted in windows.

6. Internally lit signs.

7. Banners announcing public, civic or nonprofit events, provided the banner also receives approval of the State **Alaska** Department of Transportation if placed across a state highway **or within a state right of way**, is placed no more than 15 days prior to the event and is removed within two days of the completion of the event. Banners placed across a street shall maintain a clearance of 18 feet between the bottom of the banner and the street.

8. Temporary off-premises signs **on public property** advertising community events sponsored by a public, civic or nonprofit organization; provided **approval is first obtained from the Alaska Department of Transportation if the sign is to be placed within a state right of way and**, that such signage is in place for no longer than 10 days.

9. An off-premises sign on private property shall not exceed 16 square feet in area per sign face, no more than two sign faces per sign structure, and a maximum height of four feet.

B. Dimensional Standards. Total sign area per building wall shall not exceed 10 percent of the total square foot area of that building wall or 32 square feet, whichever is greater.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS ____ DAY OF _____, 2014.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 05/27/14
Date of First Public Hearing: ___/___/___
Date of Second Public Hearing: ___/___/___

Memorandum

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

DRAFT

May 21, 2014

To: Haines Borough Assembly

Cc: Dave Sosa, Manager
Julie Cozzi, Clerk
Rob Goldberg, Chair, Planning Commission

From: Stephanie Scott, Mayor, Haines Borough

Subject: Off-premises signs

Three years ago the community began to wonder how to provide for signage for businesses tucked into side streets or at least, “off the main drag.” The preferred solution of the typical business in this situation – exemplified by the Chilkat Bakery or Dejon Delights – is to display “off premises” signs either as free-standing sandwich boards or signs affixed to another building or post.

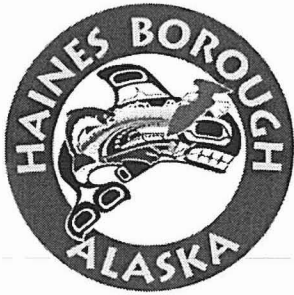
The problem is that Haines Borough Code does not allow “off premises” signs (18.90.070 (E)) unless they are temporary (18.90.090 (A) (8)). Code provides a standard for free-standing signs (18.90.090 (A) (1)) which presumably applies to sandwich signs. In other words, free-standing signs are allowed, if they conform to a standard and if they are on the business’s premises.

One solution to this situation was proposed by the planning commission – to allow an off-premises sign with a conditional use permit – and the Assembly at the time asked the Government Affairs and Services Committee to weigh in. The committee did meet but as they delved into Alaska signage law (since there are so many state rights of way in town) the matter took on a frustrating complexity. The borough clerk proposed a substitute draft for the committee’s consideration. Unfortunately, the ordinance effort has languished.

As you know, our conditional use permit process requires a \$150 fee, consideration and recommendation from the manager according to 8 criteria, a public hearing before the Planning Commission, and a decision by the Planning Commission. Upon

reflection, utilization of the conditional use permit process for this purpose seems laborious for the impact that the off-premises sign could have for the community.

Please consider introducing the proposed ordinance that would modify code to allow a business owner to apply for a sign permit (\$25 fee) for an off-premises sign on private property under 18.90.030. The additional qualification in order to be eligible for an off-premises sign permit would be a notarized letter of consent from the owner of the premises on which the sign is to be placed, and compliance with size restrictions.



HAINES BOROUGH
Planning & Zoning Department
P.O. Box 1209
Haines, AK 99827-1209
907-766-2231 Ext. 23
907-766-2716 (fax)

May 23, 2014

To: Haines Borough Assembly
From: Tracy Cui
Planning & Zoning Technician
Re: ORD_14-05-383 Title 18 Off-Premises Signs

Julie Cozzi asked I provide you with advice regarding the above-listed draft ordinance. I have reviewed and revised the proposed ordinance with minor changes.

The ordinance is to regulate the erection and placement of certain off-premise signs in Haines. The purpose of the ordinance is to protect and promote the economic development of the tourist industry and provide for the protection of the quality of life for residents and visitors.

The Planning Commission discussed this topic and recommended the Assembly further consider adopting the ordinance in 2011. As a planner, I am aware of the needs for local businesses to adequately identify their products and services. I am also aware of the importance of providing reasonable regulations while safeguarding the interest of local businesses.

I am willing to move forward with it if this is also the intent of the Assembly. Thank you for considering this. Please let me know if you have any questions.

Haines Borough
**BOROUGH ASSEMBLY
ACTION REQUEST**

DATE: June 22, 2011

To: Borough Assembly


FROM: Haines Borough Planning Commission

PLANNING COMMISSION ACTION: M/S: Hedden/Maynard: To recommend that the Borough Assembly adopt ordinance 11-06-270 to amend Haines Borough Code 18.90.050 & 18.90.070 to allow the display of off premises signage as a conditional use. The motion passed unanimously 5 to 0.

RATIONALE: The allowance of off premises signage would be helpful in promoting local businesses that are not on main thoroughways to travelers.

PLANNING COMMISSION REQUEST: To adopt ordinance xx-xxx-xx to amend HBC 18.90.050 & 18.90.070 to allow the display of off-premises signage as a conditional use.

SUBMITTED BY

 (signature) 6/22/2011

Lee Heinmiller
Planning Commission Chairman



Memo from the Clerk

Date: May 27, 2014
To: Mayor and Assembly
Cc: Borough Manager
From: Julie Cozzi, MMC, Borough Clerk
Re: Administrative Appeal of an Abatement Order – Paul Nelson

On May 5, 2014, the borough issued a nuisance abatement order to Paul Nelson. As is his right under HBC 8.12.130, he submitted a timely appeal of that order. The code is very specific about the process with the first step being simply for the clerk to present the appeal to the assembly and then with the assembly's direction, the clerk is to determine a date, time, and place for the hearing to take place no later than 60 days from the date of the appeal letter.

There is no other action for the assembly to take during the May 27 meeting. This is NOT the hearing. This is NOT the time to hear from the appellant or other interested persons. That opportunity will come during the actual hearing. Therefore, this item is on the consent agenda since it involves only acknowledging receipt of the appeal and directing the clerk to schedule the hearing.

It is my intention to schedule the hearing for June 10, 6:30 p.m., in the borough assembly chambers.

HBC 8.12.130 Appeal to assembly.

A. A person entitled to service under HBC 8.12.080 may appeal a notice and order or an action of the abatement official concerning abatement of a public nuisance, by filing at the office of the clerk, within 15 days from the date of service of such order, a written appeal to the assembly.

B. Upon receipt of an appeal filed pursuant to this section, the clerk shall present it at the next regular or special meeting of the assembly.

C. Within five days of the assembly meeting referred to in subsection (B) of this section, and as directed by the assembly, the clerk shall fix a date, time, and place for the hearing by the assembly, or shall notify the appellant that the appeal has been rejected for lack of timeliness. Such hearing date shall not be less than 10 days or more than 60 days from the date the appeal was filed with the clerk.

Motion needed during 5/27 meeting:

"Accept the appeal as timely-filed and direct the borough clerk to schedule a date, time, and place for the hearing by the assembly, such date to be no later than July 13, 2014 (60 days from date of appeal)."

Attachments: 1) Nelson Appeal received May 14, 2014
2) Abatement Order dated mailed May 5, 2014

Paul A. L. Nelson
P. O. Box 858
Haines, Alaska 99827
907-766-2458 (days)
907-303-0130 (cell)

RECEIVED Haines Borough
MAY 14 2014
Clerk's

May 14, 2014

Haines Borough
Julie Cozzi, Haines Borough Clerk
P. O. Box 1209
Haines, Alaska
99827

RE: Appeal to the Assembly as per HBC 8.12.130

Dear Julie,

I am filing this Notice of Appeal to the Assembly to Appeal the allegations of violation of the following Haines Borough Codes (HBC):

HBC 8.08 Littering, 8.08.020(E), 8.08.010, 8.12, and 8.12.020(B)

This Notice of Appeal to the Assembly is timely. The notice of the alleged violations of HBC from the Haines Borough to me is dated May 1, 2014.

Please contact me if any further action or information is needed from me to begin the Appeal process.

Sincerely,

Paul A. L. Nelson

HAND DELIVERED TO THE HAINES BOROUGH CLERK on 5/14/2014

cc: file



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

May 5, 2014

Paul Nelson
PO Box 858
Haines, AK 99827

Via Email: paul.bigfoot@gmail.com

Re: Solid Waste Disposal on Private Property
C-SKY-0B-1700; Lot 17, Block B, Skyline Estates Subdivision

Dear Mr. Nelson:

At your request I have reviewed the letter you wrote to the Borough Manager dated May 2, 2014. Thanks for your prompt response on this matter. Additionally, I have had discussions with the Borough Manager, the Director of Public Facilities, and the State representatives. We have determined your deposits of material on the above-listed property to be in violation of Haines Borough code and State of Alaska Regulations.

Please comply with the letter sent to you on May 1, 2014 requiring correction of the violations as one of the followings:

- Remove the unpermitted material specifically glass and other rubbish that had been dumped on the site; or
- You may appeal this notice to the assembly by filing with the clerk, an appeal in writing in accordance with the appeal procedure provided under HBC 8.12.130 within 15 days from the date of this notice, or
- If you wish to apply and qualify for ADEC's approval to use crushed glass as fill under 18.AAC 60.007(c) you must provide ADEC with a written detailed description of your plan and include construction drawing of your project; otherwise, you are required to remove them from the site. If you have questions regarding this matter, please feel free to contact ADEC Municipal Landfill Specialist Ms. Sandra Woods at (907) 465-5318.

Additionally, you must cease dumping unpermitted material to the site and you are required to take one of the above-listed options by May 12, 2014. This is the final decision.

Please contact the Borough if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tracy Cui', with a stylized flourish at the end.

Tracy Cui
Haines Borough Planning & Zoning Technician III

Cc: David Sosa, Manager, Haines Borough
Julie Cozzi, Clerk, Haines Borough
Carlos Jimenez, Director of Public Facilities, Haines Borough
Douglas Buteyn, Northern Solid Waste Program Coordinator
Sandra Woods, Municipal Landfill Specialist



A program dedicated to the fullest development of the whole child.

Chilkat Valley Preschool

PO Box 1165 Haines AK 99827

(907) 766-3213

cvpreschool@aptalaska.net

www.chilkayvalleypreschool.org

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RE: Chilkat Valley Preschool Letter of Support

Dear Stephanie,

Chilkat Valley Preschool is moving forward with securing funding for our new facility. We would like to request a letter of support for Chilkat Valley Preschool from the Haines Borough. This will be an important part of providing our funders the proof of support of our program outside of financial donations. It would be much appreciated if you could provide us the letter at your earliest convenience.

We appreciate all your time and effort in assisting us with our mission to be a provider of quality early childhood education for our community.

Sincerely,

Renee Hoffman
Chilkat Valley Preschool

STAFF

Janet Hayes
Lead Teacher

Josie Allen
Assistant Teacher

Meghan Elliott
Assistant Teacher

Renee Hoffman
Office Manager

DRAFT

May 21, 2014

Commissioner Cora Campbell
Alaska Department of Fish and Game
1255 West 8th Street
Box 25526
Juneau, Alaska 99802-5526
dfg.commissioner@alaska.gov

Re: Dungeness Crab Fishery in the Haines Area Waters

Dear Commissioner Campbell:

We are following up on concern for the sustainability of the Dungeness crab stock in the waters of Chilkat Inlet, Lutak Inlet and Lynn Canal north of Seduction Point.¹

Last June² we raised a similar concern based on anecdotal reports of local subsistence crabbers pulling an average of 2 legal crabs per pot. We believed the reports to be reliable. We suggested an out-of-cycle agenda change to the Board of Fish so that crab management might be considered for 2014. You declined this request.

The Upper Lynn Canal Fish & Game Advisory Council now suggests an alternate management strategy for the Dungeness fishery in our waters (attached). They will present their proposal to the Board of Fish in 2015. They recommend that a catch per unit of effort (CPUE) be “assessed during commercial openings utilizing the ADFG fish ticked data.” And if “A CPUE result of 2 or lower” is observed, harvest of Dungeness crabs by commercial, sport, and personal use fishers will be closed; and remained closed until a CPUE of 2.1 is attained.

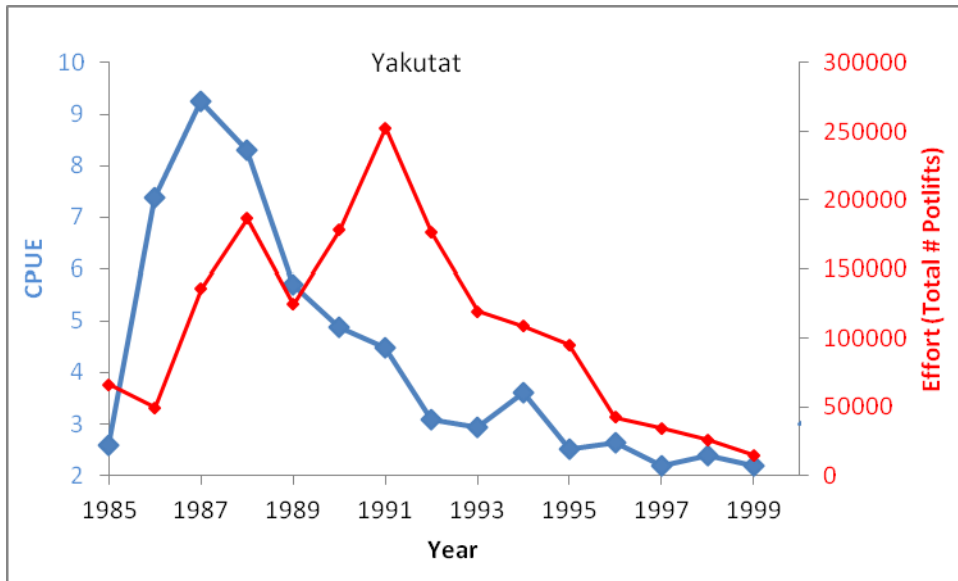
What concerns us is the correlation between the trend to a lower CPUE in the Upper Lynn Canal and the history of the collapse of the Dungeness fishery in Yakutat.

¹ Registration Area A., Districts 115, Sub-Districts 115-32, 115-33, 115-34.

² June 18 Letter to Commissioner Campbell from the Haines Borough

According to the Fishery Management Report No. 11-62, 2012 Report to the Board of Fisheries on Southeast Alaska/Yakutat Dungeness Crab Fisheries ³ states that the Yakutat Dungeness crab fishery was designated as collapsed in 2000 with a CPUE of 2.2 (see Table 3.1, page 34). To our knowledge, this fishery has not been reopened.

The Advisory Council reports that crabbing in the Upper Lynn Canal has become “intensive” and “highly-competitive,” based on the total number of commercial pot lifts as recorded by the department from commercial harvest fish tickets. According to the Council,



to the Council, “Since 2007, catch-per-unit-effort (CPUE) of

commercial crabs harvested in statistical areas 115-31-35 have declined from 7.8 in 2006/2007 to 2.8 in 2013, a statistically significant decline of 12.7% per year.” This trend seems similar to the trend line in the CPUE for the Yakutat Area D from the years 1987-1995 just prior to the fisheries collapse. See Figure 2 below.

³ Messmer, Bishop, Siddon and Stratman, November 2011, Alaska Department of Fish and Game, Divisions of Sport Fish and Commercial Fisheries, page

Figure 2. Commercial Dungeness crab CPUE and fishing effort (pot lifts) for the Yakutat area data from the ADF&G “2012 report to BOF”

The alternate management strategy (alternate to 3S – size, sex, season) proposed for the 2015 season for our area emerges from the Department’s own observation that the “classical 3-S management usually is not effective to manage intensive, highly-competitive fisheries” (Alaska Department Fish and Game report to Board of Fish, 2012).

Our concern is: will 2015 be too little, too late to impose this management strategy and to avoid collapse?

We are not fishery biologists. Our interest is to preserve the opportunity for our residents to utilize the natural resources that surround us in perpetuity. We request that you consider the data that has been provided to us relative to the sustainability of the Dungeness fishery in the waters of Chilkat Inlet, Lutak Inlet and Lynn Canal north of Seduction Point and advise a course of action.

Thank you.

Sincerely,

Stephanie Scott, Mayor, Haines Borough on behalf of the Haines Borough Assembly

Attachment: Upper Lynn Canal Fish and Game Advisory Council April 2014
Proposal to the 2015 Board of Fish

Southeast Dungeness crab Proposal to BOF

April 2014

5 AAC 32.035. Closure of Dungeness crab registration areas and special procedures

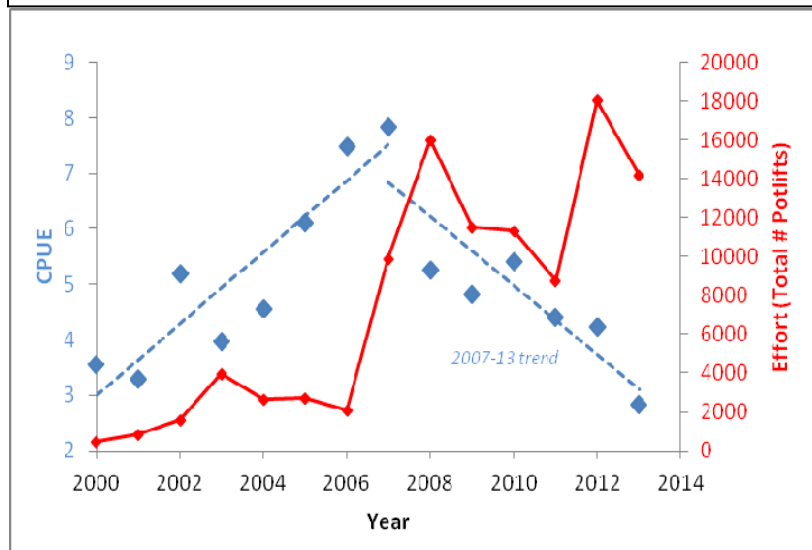
- 2. What is the issue you would like the board to address and why?

The ADF&G currently utilizes a 3S (3S- size, sex, season) management system on a region wide scale for sustaining harvest levels of Dungeness crab in Region A. However the ADF&G has been unable to provide the ULCAC with meaningful interpretation of available data as it relates to 5AAC 32.035 for the portion of the Region A that lies within the Upper Lynn Canal ACs jurisdiction. As a result the AC recommends utilizing existing data (CPUE) currently collected by the ADF&G to establish a threshold to ensure sustainability for all users groups.

In a 2012 report to the Board of Fish, the department states the “classical 3-S management usually is not effective to manage intensive, highly-competitive fisheries”. Due to declines in crab in other areas of Region A (2012 ADF&G report to BOF) and the development of new local markets since 2006, the upper Lynn Canal has seen an increase in commercial harvest, followed by a significant decrease in crab harvest rates, indicative of population decline (Figure 1). Since 2007, catch-per-unit-effort (CPUE) of commercial

crabs harvested in statistical areas 115-31-35 have decline from 7.8 in 2006/2007 to 2.8 in 2013, a statistically significant decline of 12.7% per year (Figure 1). Subsistence crabbers have reported to the local AC, a significant decline in their catch rate as well. During this same time period (2006 - 2013), the total number of commercial pot lifts, as recorded by the department from commercial harvest fish tickets, has increased from 2,096 (2006) to 14,210 (2013) with a peak of 18,034 pot lifts in 2012 (Figure 1).

Figure 1. Commercial Dungeness crab CPUE and fishing effort (pot lifts) for Districts 115-31-35, 2000-2013 data from the ADF&G “pers.



The ADF&G has reliable data on CPUE for commercial harvest in this area only back to the year 2000. From 2000 - 2007, CPUE increased at a rate of 12.3% per year, from 3.2 to 7.5, indicative of population increase. During this increase, commercial effort was low at 469 - 2,096 pot lifts per year (Figure 1.). The coincident large increase in pressure and decline in the crab population suggests the current management plan is not adequate to sustain local crab populations. Given the observed 60% declines in CPUE since 2007, coupled with an

approximate 600% increase in commercial effort (Figure 1), we believe this local area cannot support this rate of commercial, sport, and personal use harvest, as well as subsistence harvests. In a 2012 report to the BOF concerning Dungeness crab in southeast Alaska, the ADF&G expressed concern that the current Region A harvest rate may be unsustainable, as “trends in recruit composition of the harvest indicate that the fishery is increasingly dependent on annual recruitment” such that a smaller portion of strong year classes are carried over to buffer the fishery against the effects of a poor year class”. A fishery dependent on annual recruitment suggests that, localized areas within the region, with limited markets and fisheries, could be in danger of overexploitation, if pressure should dramatically increase, as we have observed in our area. This suggests the current plan is failing to manage crab populations at the appropriate spatial scale to ensure viable populations and sustainable yield for multiple user groups near communities. We arbitrarily choose the management criteria of a minimum of 2 CPUE for harvest openings of legal size crab due to lack of guidance provided by the ADF&G and an assumed threshold of 2 crabs per pot being economically viable for the commercial fleet.

The regulation should be adopted in order to establish and maintain a sustainable Dungeness crab harvest for all users groups in the upper Lynn Canal and the waters of Dist 115. If the regulation is not changed and pressure remains high throughout the area, Dist. 115 crab harvest rates could continue to decline leading to a full commercial closer and further reduced opportunity for subsistence use. We recommend the Board take action now to reduce the rate of decline in CPUE as measured by the ADF&G and ensure a future harvest of Dungeness crab in upper Lynn Canal. We believe the current management methods lack precautionary measures to prevent collapses of available harvest, as occurred in Yakutat and Prince William Sound. We considered many options including, partial closure to commercial only, limited by season, and area, with sunset clauses in hopes of ensuring a return of commercial harvest to the area if sustainable. We considered full closures to all user groups, limits on number of pots that could be fished, log books, and several other options; however our decisions continued to be limited by the lack of data available about Dungeness crab in our area. Therefore we recommend the department actively manage Dist 15 for all users.

- **3.** What solution do you recommend? In other words, if the board adopted your solution, what would the new regulation say? (Please provide draft regulatory language, if possible.)

5 AAC 32.035. Closure of Dungeness crab registration areas and special procedures

(2): catch per unit of effort and rate of harvest

Should be changed to read:

(2): catch per unit of effort (CPUE) and rate of harvest,

(a) CPUE for all waters of Dist. 115 shall be assessed during commercial openings utilizing the ADFG fish ticket data. A CPUE result of 2 or lower shall trigger a closure of dungeness harvest by commercial, sport, and personal use fishers. The fishery will remain closed until a CPUE of 2.1 or above is attained.

No Cost options considered by ULCAC to assess CPUE following closures

Option1: Close the fishery for 24 months following a CPUE of 2 or fewer crab per pot. After 24 months, the fishery would again open and be assessed based on the harvest CPUE. No additional cost to implement.

Option2: Following a closure due to a CPUE of 2 or fewer crab per pot, and prior to the next season, one or more commercial fishing vessels would test fish to assess CPUE. Costs would be covered by the sale of their harvested crab.

Submitted by:

Upper Lynn Canal AC

Haines, AK 99827