

Haines Borough
Borough Assembly Meeting #276

AGENDA

August 26, 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, MPA
Assembly Member

Joanne Waterman,
Assembly Member

George Campbell,
Assembly Member

Jerry Lapp,
Assembly Member

David Sosa, MPA
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 – Chilkat Center Report

8C – Museum Report

9A – Planning Commission Minutes

9B – Museum Minutes

11A2 – Resolution 14-08-584

4. APPROVAL OF MINUTES – 8/12/14 Regular

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

6. MAYOR'S COMMENTS/REPORT

7. PUBLIC HEARINGS

A. Resolution 14-07-580

A Resolution of the Haines Borough Assembly opposing the passage of the initiative to legalize recreational marijuana in Alaska and urging voters to defeat ballot measure 2.

*This resolution was submitted by Assembly Member Berry. On 7/29, the assembly scheduled it for a public hearing during this meeting. The mayor has drafted a substitute resolution for consideration. **Motion:** Adopt Resolution 14-07-580.*

B. Ordinance 14-07-384 – Second hearing

An Ordinance of the Haines Borough placing a proposition on the October 7, 2014 Haines Borough General Election ballot to amend Borough Charter Section 16.04 to remove the requirement for a runoff election if a candidate does not receive at least 40% of votes cast to be elected to borough office.

*This ordinance is in response to one of the assembly's 2014 legislative priorities. It was introduced on 7/29 and had a first hearing on 8/12. **Motion:** Adopt Ordinance 14-07-384.*

C. Ordinance 14-07-385 – Second hearing

An Ordinance of the Haines Borough to amend Borough Code Section 11.48.50 to provide that candidates receiving the greatest number of votes cast shall be declared the winners of an election even if the greatest number of votes cast is less than 40% of the total votes cast and to eliminate the requirement for a runoff election.

*This ordinance amends the borough code pursuant to voter ratification of the proposition in Ordinance 14-07-384. It was introduced on 7/29 and had a first hearing on 8/12. **Motion:** Adopt Ordinance 14-07-385.*

D. Ordinance 14-07-386 – Second hearing

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

*This ordinance is recommended by the borough manager. It was introduced on 7/29 and had a first hearing on 8/12. **Motion:** Adopt Ordinance 14-07-386.*

7A. PUBLIC HEARINGS ---continued---

E. Ordinance 14-07-387 – Second hearing

A non-code Ordinance of the Haines Borough approving the sale to Haines Brewing Company Inc. of Lot [TBD], Primary School Subdivision Plat No. 2014-[TBD], Haines Recording District, First Judicial District, State of Alaska.

*The manager conducted the negotiations for a negotiated land sale, as directed by the assembly on 6/25, and he took the sales proposal to the Planning Commission as required by code. The commission recommends it be considered by the assembly. It was introduced on 7/29 and had a first hearing on 8/12. **Motion:** Adopt Ordinance 14-07-387.*

F. Ordinance 14-07-388 – Second hearing

An Ordinance of the Haines Borough authorizing the issuance of General Obligation Bonds in an aggregate amount not to exceed \$3,938,141 to finance up to three projects for capital improvements to school facilities of the Borough; authorizing submission to the qualified voters of the Borough at the regular Election to be held on October 7, 2014, of three propositions, one for each of the capital improvement projects authorized by this ordinance; appropriating funds for those projects that are approved by the voters; and providing for an effective date.

*This ordinance was prepared by the borough's bond counsel. He advised a single ordinance could place multiple propositions on the ballot, and the first draft included a ballot question for four different school major maintenance projects. Following the first public hearing on 8/12, the assembly amended the ordinance to remove the proposition pertaining to the school locker rooms. It was introduced on 7/29. **Motion:** Adopt Ordinance 14-07-388.*

G. Ordinance 14-08-389 – First hearing

An Ordinance of the Haines Borough providing for the addition or amendment of specific line items to the FY15 budget.

*This ordinance is recommended by the borough manager. It was introduced on 8/12. The ad hoc non-profit funding committee recommends an additional amendment to appropriate Title III funds to one of the applicants. **Motion:** Advance Ordinance 14-08-389 to a second public hearing on 9/9/14.*

8. STAFF/FACILITY REPORTS

A. Borough Manager – 8/26/14 Report

*B. Chilkat Center – Facility Report of July 2014

*C. Sheldon Museum – Staff Report of July 2014

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

*A. Planning Commission – Minutes of 7/10/14

*B. Museum Board of Trustees – Minutes of 7/31/14

C. Assembly Standing Committee Reports

10. UNFINISHED BUSINESS

11. NEW BUSINESS

A. Resolutions

1. Resolution 14-08-583

A Resolution of the Haines Borough Assembly authorizing the allocation of FY15 Budgeted Funds to Non-profit Organizations.

*This resolution is recommended by the FY15 ad hoc Non-profit Funding Committee. **Motion:** Adopt Resolution 14-08-583.*

*2. Resolution 14-08-584

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a contract with Stickler Construction Company for the Administration Building Roof Replacement project for an amount not-to-exceed \$89,005.

*This resolution is recommended by the Director of Public Facilities. **Motion:** Adopt Resolution 14-08-584.*

11. NEW BUSINESS ---continued---

B. Ordinances for Introduction

1. Ordinance 14-08-390

An Ordinance of the Haines Borough to amend Borough Code Sub-Section 5.18.080 to allow requests for special ski events to be submitted prior to a ski season for the borough manager's approval.

*This ordinance was requested by Assembly Member Campbell. **Motion:** Refer Ordinance 14-08-390 to the Commerce Committee and staff for a recommendation to come to the assembly on 9/9/14.*

C. Other New Business

1. Sales Tax Exemption Request – Foundation for the Chilkat Center for the Arts

Explanation/History: *Foundation for the Chilkat Center for the Arts, a 501(c)3 organization, has applied for sales tax exemption status as allowed by HBC 3.80.050(13). The borough has granted sales tax exemption certificates to other non-profit organizations. **Motion:** Approve the request from Foundation for the Chilkat Center for the Arts for sales tax exemption status, and authorize the borough clerk to issue an exemption certificate.*

12. CORRESPONDENCE/REQUESTS

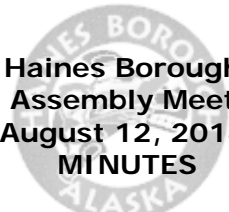
A. Comments re. Chilkoot River Corridor – T.Ely

13. SET MEETING DATES

14. PUBLIC COMMENTS

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

16. ADJOURNMENT


Haines Borough
Borough Assembly Meeting #275
August 12, 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: Deputy Mayor Jerry **LAPP**, and other Assembly Members Debra **SCHNABEL**, Joanne **WATERMAN**, Dave **BERRY**, George **CAMPBELL**, and Diana **LAPHAM**. **Absent:** Mayor Stephanie **SCOTT**.

Staff Present: David **SOSA**/Borough Manager, Julie **COZZI**/Borough Clerk, Bill **MUSSER**/Chief of Police, Leslie **ROSS**/Tourism Director, Helen **ALTEN**/Museum Director, and Jila **STUART**/Finance Director.

Visitors Present: Karen **GARCIA**/CVN, Margaret **FRIEDENAUER**/KHNS, Ginger **JEWELL**/School District Superintendent, Bill and Libby **KURZ**, Janet **KURZ**, Mike **CASE**, Paul **WHEELER**, Jeanne **KITAYAMA**, Sean **GAFFNEY**/AMG, Marlena **SAUPE**, Craig **ANSELL**, 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 – Fire Department Report
- 9A – PRAC Minutes
- 9B – DRC Report
- 11A2 – Resolution 14-08-581
- 11A3 – Resolution 14-08-582
- 11B1 – Ordinance 14-08-389
- 11C2 – Election Policy re. Polling Place Visitation
- 12A – ADOT Letter re. Telecommuting

Motion: **WATERMAN** moved to “approve the agenda/consent agenda,” and it was amended to add to the agenda Other New Business item 11C3–Reconsider 7/29 vote on AMG permit and remove from the consent agenda 9A-PRAC minutes, and 11A2-Resolution 14-08-581. The motion, as amended, carried unanimously.

*4. **APPROVAL OF MINUTES** – 7/29/14 Regular

5. **PUBLIC COMMENTS**

SAUPE spoke against Resolution 14-08-582 saying the cabin at Chilkat State Park is a wrong fit for nightly rentals. **SCHNABEL** noted that resolution was adopted as part of the consent agenda.

B.KURZ said even when unpopular topics arise, the assembly must make the necessary decisions and lead from the front, not behind.

6. **MAYOR’S COMMENTS/REPORT**

Mayor **SCOTT** is at the Alaska Municipal League/Alaska Conference of Mayors summer meetings in Nome.

7. **PUBLIC HEARINGS**

A. **Ordinance 14-07-384** – First hearing

An Ordinance of the Haines Borough placing a proposition on the October 7, 2014 Haines Borough General Election ballot to amend Borough Charter Section 16.04 to remove the requirement for a runoff election if a candidate does not receive at least 40% of votes cast to be elected to borough office.

Deputy Mayor **LAPP** opened and closed the public hearing at 6:45pm; there were no public comments.

Motion: **BERRY** moved to “advance Ordinance 14-07-384 to a second public hearing on 8/26/14,” and the motion carried 5-1 with **CAMPBELL** opposed.

B. Ordinance 14-07-385 – First hearing

An Ordinance of the Haines Borough to amend Borough Code Section 11.48.50 to provide that candidates receiving the greatest number of votes cast shall be declared the winners of an election even if the greatest number of votes cast is less than 40% of the total votes cast and to eliminate the requirement for a runoff election.

Deputy Mayor **LAPP** opened and closed the public hearing at 6:49pm; there were no public comments.

Motion: **BERRY** moved to “advance Ordinance 14-07-385 to a second public hearing on 8/26/14,” and the motion carried 5-1 with **CAMPBELL** opposed.

C. Ordinance 14-07-386 – First hearing

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

Deputy Mayor **LAPP** opened and closed the public hearing at 6:49pm; there were no public comments.

Motion: **BERRY** moved to “advance Ordinance 14-07-386 to a second public hearing on 8/26/14,” and the motion carried unanimously.

D. Ordinance 14-07-387 – First hearing

A non-code Ordinance of the Haines Borough approving the sale to Haines Brewing Company Inc. of Lot [TBD], Primary School Subdivision Plat No. 2014-[TBD], Haines Recording District, First Judicial District, State of Alaska.

Deputy Mayor **LAPP** opened and closed the public hearing at 6:51pm; there were no public comments.

Motion: **BERRY** moved to “advance Ordinance 14-07-387 to a second public hearing on 8/26/14,” and the motion carried 5-1 with **WATERMAN** opposed.

E. Ordinance 14-07-388 – First hearing

An Ordinance of the Haines Borough authorizing the issuance of General Obligation Bonds in an aggregate amount not to exceed \$4,722,079 to finance up to four projects for capital improvements to school facilities of the Borough; authorizing submission to the qualified voters of the Borough at the regular Election to be held on October 7, 2014, of four propositions, one for each of the capital improvement projects authorized by this ordinance; appropriating funds for those projects that are approved by the voters; and providing for an effective date.

Deputy Mayor **LAPP** opened and closed the public hearing at 7:02pm; there were no public comments.

Motion: **BERRY** moved to “advance Ordinance 14-07-388 to a second public hearing on 8/26/14,” and it was amended to remove Proposition #4 from the ordinance (and renumber the remaining propositions to be in sequence). The motion carried unanimously, as amended.

8. STAFF/FACILITY REPORTS

A. Borough Manager – 8/12/14 Report

SOSA summarized his written report. He also provided an update on the process to hire a Community & Economic Development Director.

***B. Fire Department – Report of July 2014**

9. COMMITTEE/COMMISSION/BOARD REPORTS & MINUTES

A. Parks and Recreation Advisory Committee – Minutes of 6/18/14

Motion: **WATERMAN** moved to “accept the PRAC minutes,” and the motion carried unanimously.

***B. Downtown Revitalization Committee – Report**

C. Assembly Standing Committee Reports

SCHNABEL reported the last committee meeting did not have a quorum but those present did talk about the signage ordinance and tax incentives.

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

A. Resolutions

1. Resolution 14-08-579

A Resolution of the Haines Borough Assembly approving the Borough's participation in a proposed refinancing by the Alaska Municipal Bond Bank of certain of the Bond Bank's general obligation bonds, which provided funds to purchase the Borough's General Obligation School Bond, 2005, under a loan agreement between the Borough and the Bond Bank; and authorizing the Borough's finance director to approve a revised schedule of principal and interest payments on the Borough's 2005 Bond, in accordance with the loan agreement, if the Bond Bank successfully refinances its bonds.

There were no public comments.

Motion: BERRY moved to "adopt Resolution 14-08-579," and the motion carried unanimously.

2. Resolution 14-08-581

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a purchase order with Cal Worthington Ford of Anchorage to purchase a pickup for Public Works for an amount not-to-exceed \$34,248.

There were no public comments.

Motion: WATERMAN moved to "adopt Resolution 14-08-581," and the motion carried unanimously.

* 3. Resolution 14-08-582

A Resolution of the Haines Borough Assembly requesting that the Alaska Department of Natural Resources, Division of Parks & Outdoor Recreation (DPOR), make the Chilkat State Park cabin available for public use for a nightly fee using DPOR's online cabin rental system.

The motion adopted by approval of the consent agenda: "adopt Resolution 14-08-582."

B. Ordinances for Introduction

* 1. Ordinance 14-08-389

An Ordinance of the Haines Borough providing for the addition or amendment of specific line items to the FY15 budget.

The motion adopted by approval of the consent agenda: "Introduce Ordinance 14-08-389 and set a first public hearing for 8/26/14."

C. Other New Business

1. Board Appointments

An appointment application has been received for a seat on the Museum Board. The mayor plans to make the appointment and seeks assembly confirmation.

Motion: BERRY moved to "confirm the mayor's appointment of Ginger Jewell to the Museum Board of Trustees for a term ending November 2017," and the motion carried unanimously.

* 2. Policy re. Borough Clerk Visits to Polling Places on Election Day.

On 5/27/14, the assembly passed a motion directing "the manager to establish a written election policy that the clerk or assistant will visit each polling place on Election Day and then bring the policy to the assembly." The motion adopted by approval of the consent agenda: "confirm the administrative policy requiring the borough clerk or assistant to visit each Borough Election Day polling place."

3. Reconsideration of 7/29 Vote Concerning AMG's Canoeing Permit

This item was added during approval of the agenda.

Motion: LAPHAM moved to "reconsider her vote on the 7/29/14 motion concerning the Alaska Mountain Guides' permit," and the motion to reconsider carried 4-2 with WATERMAN and SCHNABEL opposed. This returned the following motion back to the table as though it had never been voted on:

"Postpone consideration of the Alaska Mountain Guides' tour permit request pending development of a plan to address the carrying capacity and congestion in the Chilkoot River Corridor and establish a moratorium until there is a plan."

LAPHAM, who voted on the prevailing side, explained her reasoning for wanting to reconsider her vote: subsequent to the 7/29 meeting, she received new information and wanted further discussion.

The new vote on the motion failed with **LAPP**, **LAPHAM**, **BERRY**, and **CAMPBELL** opposed.

Motion: **LAPHAM** moved to "direct the manager to research the plan and bring it back to the assembly the first meeting in September," and it carried 4-2 with **CAMPBELL** and **BERRY** opposed.

Motion: **CAMPBELL** moved to "direct the staff to issue the permit as requested by Alaska Mountain Guides," and the motion carried 4-2 with **SCHNABEL** and **WATERMAN** opposed.

12. CORRESPONDENCE/REQUESTS

*** A. Letter from ADOT Commissioner Kemp** – response to Mayor's 7/7/14 telecommuting letter

13. SET MEETING DATES

A. Commerce Committee Meeting – Tuesday, 8/19, 5:30pm, Topic: signage and solid waste management plan

14. PUBLIC COMMENTS

15. ANNOUNCEMENTS/ASSEMBLY COMMENTS

16. ADJOURNMENT – 8:38 p.m.

Motion: **WATERMAN** moved to "adjourn the meeting," and the motion carried unanimously.

ATTEST:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-490

Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Opposition to the November Ballot Measure 2 (Legalization of Marijuana)	1. Resolution 14-07-580 - DRAFT 2. Memo from Mayor Scott with proposed substitute resolution 3. State Attorney General's opinion and summary of the initiative 4. List of citizens opposed to the resolution (submitted to the borough clerk 8/19/14)
Originator: Assembly Member Dave Berry	
Originating Department:	
Date Submitted: 7/22/14	

Full Title/Motion:
Motion: Adopt Resolution 14-07-580.

Administrative Recommendation:

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ n/a	\$	\$	n/a

Comprehensive Plan Consistency Review:	
Comp Plan Goals/Objectives:	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>Ballot Measure 2 is the result of a citizen's initiative petition, and it will appear on the November 4 state election ballot. Assembly Member Dave Berry requested this resolution be considered by the assembly; it opposes Ballot Measure 2. On 7/29/14, the borough assembly scheduled a public hearing for 8/26/14 even though hearings are not required for resolutions.</p> <p>Mayor Scott has drafted a substitute resolution for assembly consideration.</p>

Referral:	
Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:	
Meeting Date(s): 7/29, 8/26/14	Public Hearing Date(s): 8/26/14
	Postponed to Date:

A Resolution of the Haines Borough Assembly opposing the passage of the initiative to legalize recreational marijuana in Alaska and urging voters to defeat ballot measure 2.

WHEREAS, ballot measure 2 would legalize, commercialize, and industrialize recreational marijuana in the State of Alaska for adults 21 and over; and

WHEREAS, the use and delivery of marijuana is still a violation of federal law under the Controlled Substances Act; and

WHEREAS, the use of marijuana has been found to have negative physical, mental, behavioral and social health consequences and is associated with diseases of the heart, brain, lungs, and vascular system; and

WHEREAS, the legalization of marijuana is predicted to produce significant net economic costs to the State of Alaska; and

WHEREAS, ballot measure 2 is an extreme measure that would legalize not only marijuana but also potent and dangerous chemical concentrates and drug-infused edibles that appeal to children; and

WHEREAS, ballot measure 2 will have negative impacts on our workforce, workforce safety, and employability; and

WHEREAS, ballot measure 2 is a harmful measure that ignores the severe problems that have been created by the legalization of recreational marijuana in other states, including public health hazards such as hash oil explosions, increases in driving under the influence, and deaths from edibles; and

WHEREAS, the commercialization and industrialization of marijuana will involve Outside interests seeking to aggressively market to and profit on Alaskans, including young people; and

WHEREAS, this initiative would result in extensive advertising of marijuana, marijuana concentrates (such as Butane Hash Oil, Shatter, and Earwax) and marijuana accessories in Anchorage; and

WHEREAS, our community supports the health and well-being of our adults and children,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly opposes the passage of the initiative to legalize recreational marijuana in Alaska and urges voters to defeat ballot measure 2.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2014.

Stephanie Scott, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

Memorandum

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

August 20, 2014

To: Haines Borough Assembly

Cc: Dave Sosa, Manager
Julie Cozzi, Clerk

From: Stephanie Scott, Mayor, Haines Borough

Subject: Resolution 14-07-580 in Opposition to Proposition 2: Mayor's Substitute

The Alaska Conference of Mayors, meeting in Nome, August 13, 2014 unanimously adopted the resolution shown below in italics. It is a modification of Resolution 14-07-580 that came before you July 29 and is before you for a public hearing August 26. I participated in editing the resolution that was ultimately passed by the Alaska Conference of Mayors. I was especially concerned to emphasize the fiscal impact to municipal resources that the measure is expected to have. I was particularly keen to emphasize this aspect after a conversation with an Alaskan State Trooper who explained that while Alaska Statutes governing a local option to prohibit alcohol sales in a municipality provide for enforcement by Alaskan State Troopers, the local option in the amendment to AS 17, does not. In other words, should the Haines Borough elect to establish some level of local control as provided by Sec. 17.38.110, the only area where that law could be enforced is the townsite. This seems awkward to me, if not prohibitively expensive, should the community opt for local control.

I also wanted the resolution to express a measured opposition so I removed words that I felt might indicate a fearful response (like "extreme").

Initially, I recommended eliminating the "WHEREAS" regarding the impact to the workforce. However, I reversed my position after hearing testimony from Mayors about increases in insurance rates due to an employer's inability to ascertain that an employee was or was not under the influence. Testing for "real time" use is expensive (requires a blood test), if not inaccessible, in rural locations.

I admit that there will come a time when the legalization and regulation of marijuana may make sense, but I do not believe that we have the regulation and enforcement tools well enough in hand at this time. It is my understanding that other states are re-examining their

legislation and will be amending statutes to account for problems. I recommend that we allow the “test” states more time to perfect the regime before we jump aboard.

Please consider the Mayor’s Substitute for Resolution 14-07-580 (attached).

Resolution adopted unanimously by the Alaska Conference of Mayors

WHEREAS, ballot measure 2 would legalize, commercialize, and industrialize recreational marijuana in the State of Alaska for adults 21 and over;

WHEREAS, the use and delivery of marijuana is still a violation of federal law under the Controlled Substances Act;

WHEREAS, the use of marijuana has been found to have negative physical, mental, behavioral and social health consequences;

WHEREAS, the legalization of marijuana is predicted to produce significant net economic costs to the municipalities and cities in the areas of public safety, emergency services and other health and social services;

WHEREAS, ballot measure 2 will have negative impacts on our workforce, workforce safety, and employability;

WHEREAS, ballot measure 2 as written includes the legalization of all forms of marijuana, including potent and dangerous chemical concentrates and drug-infused edibles that appeal to children;

WHEREAS, ballot measure 2 ignores the severe problems that have been created by the legalization of recreational marijuana in other states, including public health hazards such as hash oil explosions and deaths from edibles;

WHEREAS, this initiative would result in extensive advertising of marijuana, marijuana concentrates;

WHEREAS, the provision for local control can be anticipated to result in increased costs to local municipalities associated with regulation;

THEREFORE, the Alaska Conference of Mayors opposes the passage of the initiative to legalize recreational marijuana in Alaska and urges voters to defeat ballot measure 2.

HAINES BOROUGH, ALASKA
RESOLUTION No. 14-07-580

A Resolution of the Haines Borough Assembly opposing the passage of the initiative to legalize recreational marijuana in Alaska and urging voters to defeat ballot measure 2.

WHEREAS, ballot measure 2 would legalize, commercialize, and industrialize recreational marijuana in the State of Alaska for adults 21 and over; and

WHEREAS, the use and delivery of marijuana is still a violation of federal law under the Controlled Substances Act; and

WHEREAS, the use of marijuana has been found to have negative physical, mental, behavioral and social health consequences and ~~is associated with diseases of the heart, brain, lungs, and vascular system;~~ and

WHEREAS, the legalization of marijuana is predicted to produce significant net economic costs to the **municipalities and cities in the areas of public safety, emergency services and other health and social services** ~~State of Alaska;~~ and

WHEREAS, ballot measure 2 ~~is an extreme measure that~~ **as written includes the legalization of all forms of marijuana, including** potent and dangerous chemical concentrates and drug-infused edibles that appeal to children; and

WHEREAS, ballot measure 2 will have negative impacts on our workforce, workforce safety, and employability; and

WHEREAS, ballot measure 2 ~~is a harmful measure that~~ ignores the severe problems that have been created by the legalization of recreational marijuana in other states, including public health hazards such as hash oil explosions, ~~increases in driving under the influence,~~ and deaths from edibles; and

WHEREAS, ~~the commercialization and industrialization of marijuana will involve Outside interests seeking to aggressively market to and profit on Alaskans, including young people;~~ and

WHEREAS, this initiative would result in extensive advertising of marijuana, marijuana concentrates ~~(such as Butane Hash Oil, Shatter, and Earwax) and marijuana accessories in Anchorage;~~ and

WHEREAS, the provision for local control can be anticipated to result in increased costs to local municipalities associated with regulation; and

WHEREAS, our community supports the health and well-being of our adults and children,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly opposes the passage of the initiative to legalize recreational marijuana in Alaska and urges voters to defeat ballot measure 2.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2014.

June 11, 2013

The Honorable Mead Treadwell
Lieutenant Governor
P.O. Box 110015
Juneau, Alaska 99811-0015

Re: *Review of Initiative Application for "An Act to Tax and Regulate the Production, Sale, and Use of Marijuana."*
A.G. File No. JU2013200236

Dear Lieutenant Governor Treadwell:

You asked us to review an application for an initiative entitled "An Act to tax and regulate the production, sale, and use of marijuana" ("13PSUM"). Because the application complies with the specific constitutional and statutory provisions governing the initiative process, we recommend that you certify the application.

I. Summary of the proposed bill.

A. Brief summary and background.

The bill proposed by this initiative would provide for the taxation and regulation of the production, sale, and use of marijuana. The bill provides for the personal use of marijuana and imposes various restrictions on personal cultivation, public use, and the operation of marijuana-related facilities. The bill also allows the legislature to create a Marijuana Control Board in the Department of Commerce, Community, and Economic Development, provides for the adoption of regulations, and allows for local control of the manufacture and sale of marijuana (but probably not the local prohibition of personal use). Finally, the bill imposes an excise tax on the sale or transfer of marijuana, and provides for the enforcement and administration of that tax.

B. Sectional summary.

The bill proposed by this initiative is eight pages long, single-spaced, and consists of three sections. The first section adds a new chapter to Title 17 of the Alaska Statutes consisting of 14 new statutes. The second section adds a new chapter to Title 43 of the

Alaska Statutes consisting of three new statutes. The third section adds a severability clause to the bill.

Section 1. This section would add a new chapter, AS 17.38, Regulation of Marijuana, to the Alaska Statutes consisting of fourteen provisions:

- **AS 17.38.010. Purpose and findings.** This provision states the Act's intent to legalize marijuana for use by persons age 21 or older, in the interest of allowing law enforcement to focus on violent and property crimes and to promote individual freedom. The statute would provide that the production and sale of marijuana should be regulated such that legitimate businesses—not criminal actors—sell marijuana and that such sale should be conducted in a manner that protects consumers and promotes public health and safety. Finally, the statute would provide that the Act does not intend to abrogate or diminish rights or responsibilities under the Alaska Constitution or federal law.
- **AS 17.38.020. Personal use of marijuana.** This statute would legalize the personal use of marijuana for persons age 21 or older. Specifically, the statute would permit: the possession, use, display, purchase, or transportation of marijuana accessories or one ounce or less of marijuana; the possession, growth, processing, or transporting of no more than six marijuana plants (with three or fewer being mature, flowering plants) and possession of the marijuana on the premises where the plants were grown; the transfer of one ounce or less of marijuana and up to six immature marijuana plants to a person who is 21 years of age or older without remuneration; the consumption of marijuana in a non-public location; and assisting another person who is 21 years of age or older in any of the above activities.
- **AS 17.38.030. Restrictions on personal cultivation, penalty.** This statute would impose certain restrictions on the personal cultivation of marijuana. Specifically, marijuana plants must be: cultivated in a location where the plants are not subject to naked-eye public view; reasonably secure from unauthorized access; cultivated only on property lawfully possessed by the cultivator or with the property owner's consent. The statute would impose a maximum \$750 fine for a violation.

- **AS 17.38.040. Public consumption banned, penalty.** This statute would ban the public consumption of marijuana and would permit a maximum \$100 fine for a violation.
- **AS 17.38.050. False identification, penalty.** This statute would prohibit a person under 21 years of age from presenting false identification to purchase or attempt to purchase marijuana or marijuana accessories, or access a marijuana establishment. The statute would provide for a \$400 maximum fine for a violation.
- **AS 17.38.060. Marijuana accessories authorized.** This statute would legalize the manufacture, possession, purchase, distribution, and sale of marijuana accessories by and to persons age 21 years of age or older.
- **AS 17.38.070. Lawful operation of marijuana-related facilities.** This statute would legalize certain activities conducted by a validly registered retail marijuana store, marijuana cultivation facility, marijuana product manufacturing facility, marijuana testing facility, or any such establishment's authorized owner, agent, or employee, as long as that person is 21 years of age or older. Generally, the statute would provide that such an establishment may purchase, possess, display, store, transport, deliver, transfer, receive, harvest, process, or package marijuana and marijuana products subject to certain restrictions. The statute would provide that such an establishment may be penalized for violations of the Act or duly adopted rules of the Alcoholic Beverage Control (ABC) Board or local governments pursuant to the Act. Finally, the statute would provide that the provisions of AS 17.30.020 (Controlled Substances) do not apply to marijuana establishments.
- **AS 17.38.080. Marijuana Control Board.** This statute would permit the legislature to create a Marijuana Control Board in the Department of Commerce, Community, and Economic Development to assume the duties of the ABC Board under AS 17.38.
- **AS 17.38.090. Rulemaking.** This statute would require the ABC Board to adopt regulations to implement AS 17.38 no later than nine months after the Act's effective date. Generally, such regulations must include regulations governing marijuana establishments and cover such topics as: procedures subject to the Administrative Procedure Act to apply for, receive, and revoke the registration of a marijuana establishment; a

schedule of registration fees; qualifications for registration; security requirements and requirements to prevent the sale of marijuana to persons under 21 years of age; labeling requirements, advertising and display restrictions, and health and safety standards for marijuana and marijuana products; and civil penalties for failure to comply with the regulations. This statute would provide that the ABC board shall not require a consumer to present any personal information other than a government-issued identification to prove age at a retail marijuana store, and that such a store shall not be required to acquire personal information about consumers.

- **AS 17.38.100. Marijuana establishment registrations.** This statute would govern the application process for registering a marijuana establishment. The statute would vest this duty primarily in the ABC Board, acting in conjunction with local governments as applicable. The statute would impose various timeframes for the processing of such applications. The statute would provide that each registration must specify where the establishment would operate, and that books and records of such establishments would be subject to the ABC Board's inspection.
- **AS 17.38.110. Local control.** Generally, this statute would allow a local government to: prohibit the operation of a marijuana cultivation, manufacturing, testing, or retail facility through the enactment of an ordinance or through voter initiative; enact ordinances to govern the time, place, and manner of marijuana establishment operations; designate a local regulatory authority to process applications to register a marijuana establishment and create procedures surrounding this application process subject to the Administrative Procedure Act.
- **AS 17.38.120. Employers, driving, minors and control of property.** This statute provides that the Act is not intended to: require any employer to permit or accommodate the use, possession, transfer, display, transportation, sale, or growth of marijuana in the workplace; allow driving under the influence of marijuana or supersede related laws; permit the transfer of marijuana with or without remuneration to a person under age 21; or prohibit a person, employer, or any other entity who occupies, owns or controls private property from prohibiting or controlling the use, display, transfer, distribution, sale, or growth of marijuana on that property.

- **AS 17.38.130. Impact on medical marijuana law.** This statute would provide that nothing in the Act is intended to limit the privileges or rights of a medical marijuana patient or caregiver under AS 17.37.
- **AS 17.38.900. Definitions.** This statute would define fourteen different terms used throughout the Act.

Section 2. This section adds a new chapter, AS 43.61, Excise Tax on Marijuana, to the Alaska Statutes, consisting of three provisions:

- **AS 43.61.010. Marijuana tax.** This statute would impose a \$50 per ounce (or proportionate part) excise tax on the sale or transfer of marijuana from a marijuana cultivation facility to a retail marijuana store or marijuana product manufacturing facility. The marijuana cultivation facility would pay the tax. The Department of Revenue could exempt certain parts of the marijuana plant from the tax or could establish a lower rate for certain parts of the plant.
- **AS 43.61.020. Monthly statement and payments.** This statute would require each marijuana cultivation facility to send monthly tax statements and payments to the Department of Revenue based on the amount of marijuana sold or transferred to retail marijuana stores and marijuana product manufacturing facilities during the preceding month.
- **AS 43.61.030. Administration and enforcement of tax.** This statute would subject a marijuana cultivation facility to the civil penalties under AS 43.05.220 for delinquent payments under the Act and allow for the revocation of a delinquent facility's registration pursuant to regulations adopted under the Act.

Section 3. This section is a standard severability clause providing that if any portion of the Act is found invalid, the remainder will not be affected.

II. Analysis.

Under AS 15.45.070, the lieutenant governor must review an application for a proposed initiative and within sixty calendar days of receipt either "certify it or notify the initiative committee of the grounds for denial." The application for the 13PSUM initiative was filed on April 16, 2013. The 60th calendar day after the filing date is June 15, 2013. Under AS 15.45.080, certification shall only be denied if: "(1) the

proposed bill to be initiated is not confined to one subject or is otherwise not in the required form; (2) the application is not substantially in the required form; or (3) there is an insufficient number of qualified sponsors.”

A. Form of the proposed bill.

In evaluating an initiative application, you must determine whether the application is in the “proper form.”¹ Specifically, you must decide whether the application complies with “the legal procedures for placing an initiative on the ballot, and whether the initiative contains statutorily or constitutionally prohibited subjects which should not reach the ballot.”²

The form of a proposed initiative bill is prescribed by AS 15.45.040, which requires four things: (1) the bill be confined to one subject; (2) the subject be expressed in the title; (3) the enacting clause state: “Be it enacted by the People of the State of Alaska”; and (4) the bill not include prohibited subjects. The prohibited subjects are the dedication of revenues, the making or repealing of appropriations, the creation of courts, defining the jurisdiction of courts or prescribing their rules, or enacting local or special legislation.³

This initiative bill meets the first three requirements. It is confined to one subject—the production, taxation, sale, and use of marijuana. The subject is expressed in the title, “An act to tax and regulate the production, sale, and use of marijuana.” And the required enacting clause is present.

With respect to the final requirement, in determining whether an initiative bill contains a prohibited subject, the Alaska Supreme Court has adopted a “deferential attitude toward initiatives,”⁴ and has consistently recognized that the constitutional and statutory provisions pertaining to the use of the initiative should be liberally construed in

¹ Alaska Const. art. XI, § 2.

² *McAlpine v. Univ. of Alaska*, 762 P.2d 81, 87 n.7 (Alaska 1988).

³ AS 15.45.010; *see* Alaska Const. art. XI, § 7 (also prohibiting dedication of revenue, the creation of courts, defining the jurisdiction of courts or prescribing their rules).

⁴ *Yute Air Alaska, Inc. v. McAlpine*, 698 P.2d 1173, 1181 (Alaska 1985).

favor of allowing an initiative to reach the ballot.⁵ Indeed, the court has “sought to preserve the people’s right to be heard through the initiative process wherever possible.”⁶ Analyzing the bill with these principles in mind, we conclude that the initiative bill contains no prohibited subject and satisfies the fourth requirement relating to the form of an initiative.

1. Does 13PSUM Contain a Prohibited Subject?

As noted above, an initiative may not be proposed to dedicate revenue, make or repeal appropriations, create courts, define the jurisdiction of courts or prescribe their rules, or enact local or special legislation.⁷ Proposed initiative 13PSUM does not create a court, define the jurisdiction of a court or prescribe a court rule. The bill applies statewide and therefore is not a local or special act. Nor does the bill dedicate revenue or make or repeal an appropriation.⁸ Accordingly, it contains no prohibited subject.

⁵ *McAlpine*, 762 P.2d at 91; *Yute Air*, 698 P.2d at 1181.

⁶ *Pebble Ltd. P’ship ex rel. Pebble Mines Corp. v. Parnell*, 215 P.3d 1064, 1076 (Alaska 2009).

⁷ AS 15.45.010; Alaska Const. art. XI, § 7.

⁸ The Alaska Supreme Court has approved the imposition and distribution of taxes through ballot initiative. *See, e.g., North West Cruiseship Ass’n of Alaska, Inc. v. State, Office of Lieutenant Governor, Div. of Elections*, 145 P.3d 573 (Alaska 2006) (initiative imposing certain taxes and other requirements on cruise ships allowed on 2006 statewide primary election ballot); *see also City of Fairbanks v. Fairbanks Convention and Visitors Bureau*, 818 P.2d 1153 (Alaska 1991) (placing on the ballot an initiative reallocating hotel bed tax revenues). Further, neither the creation of a Marijuana Control Board nor the imposition of duties on the ABC Board makes an appropriation, because courts have held that laws that “merely create new government programs or liabilities do not constitute appropriations.” *McAlpine*, 762 P.2d at 90. The creation of the Marijuana Control Board is committed to the legislature’s discretion. The Alaska Supreme Court has held that an initiative would make an appropriation where it would “designate the use of state assets in a manner that is executable, mandatory, and reasonably definite with no further legislative action.” *Id.* at 91. Nothing in 13PSUM meets that definition.

2. Does 13PSUM Raise Any Additional Constitutional Concerns?

Initiative 13PSUM includes a statement of purpose and findings, providing that the bill is not intended to diminish the constitutional right to privacy under *Ravin v. State*,⁹ nor “require any individual or entity to engage in any conduct that violates federal law, or exempt any individual or entity from any requirement of federal law, or pose any obstacle to federal enforcement of federal law.” We briefly address *Ravin* and relevant federal drug control laws in light of these statements.

In 1975, the Alaska Supreme Court held in *Ravin v. State* that the right to privacy under the Alaska Constitution permits an adult to use and possess small amounts of marijuana in the home. Accordingly, *Ravin* sets Alaska’s minimum constitutional standard for such activity. Because 13PSUM expands rather than restricts the personal use of marijuana, we believe the bill is facially consistent with *Ravin*.

The interplay between restrictive federal drug control laws and permissive state laws that allow the medical or personal use of marijuana raises complex, often highly academic questions of federalism, pre-emption, and enforcement.¹⁰ The federal Controlled Substances Act (CSA) strictly prohibits the manufacture, distribution, and possession of marijuana, including for medical use.¹¹ But like many other states, Alaska

⁹ 537 P.2d 494 (Alaska 1975).

¹⁰ Under the doctrine of preemption: “[i]f state law purports to authorize something that federal law forbids or to penalize something that federal law gives people an unqualified right to do, then courts would have to choose between applying the federal rule and applying the state rule, and the Supremacy Clause [U.S. Const. Art. VI, Clause 2] requires them to apply the federal rule.” Caleb Nelson, *Preemption*, 86 Va. L. Rev. 225, 261 (2000). However, there are constraints on Congress’s preemption authority, and at least one scholar has closely examined the CSA, medical marijuana, and “the states’ underappreciated power to legalize activity that Congress bans” in that context. See Robert A. Mikos, *On the Limits of Supremacy: Medical Marijuana and the States’ Overlooked Power to Legalize Federal Crime*, 62 Vand. L. Rev. 1421 (2009).

¹¹ 21 U.S.C. § 801; see *United States v. Oakland Cannabis Buyers’ Coop.*, 532 U.S. 483 (2001) (holding that no implied medical necessity exception exists to prohibitions on manufacturing and distribution of marijuana established by the CSA).

already has laws—namely the medical marijuana statutes in AS 17.37¹² and the *Ravin* case—that are in apparent conflict with the CSA.¹³ So to the extent 13PSUM implicates concerns of pre-emption and enforcement, existing Alaska law already presents these issues.

In any event, a court would almost certainly refuse to entertain these types of substantive challenges at the certification stage, both for jurisdictional reasons related to standing and ripeness,¹⁴ and because pre-election judicial review of a ballot measure is limited and circumscribed, extending only to prohibited subject matter and clearly unconstitutional proposals.¹⁵ Indeed, our office has previously advised the certification of ballot measures that attempted to legalize marijuana for personal use.¹⁶

In short, 13PSUM must be construed in favor of constitutionality.¹⁷ In reviewing an initiative application for certification, our role is not to identify all conceivable constitutional vulnerabilities in the proposed bill. To the contrary, the Alaska Supreme Court has consistently held that absent a clear prohibition on the use of the initiative

¹² Alaska’s medical marijuana laws were enacted by ballot measure in 1998 (1998 Ballot Measure No. 8 (97PSDM)); *see also* AS 11.71.060(a) (Misconduct involving a controlled substance in the sixth degree).

¹³ *See Mikos, supra* note 10, at 1427-32.

¹⁴ *See, e.g., State v. ACLU of Alaska*, 204 P.3d 364, 374-75 (Alaska 2009) (refusing to entertain constitutional challenge to a newly amended statute prohibiting the possession and use of marijuana, because the challenge was pre-enforcement and therefore not ripe for review).

¹⁵ *See State v. Trust the People*, 113 P.3d 613, 624 (Alaska 2005) (“pre-election judicial review may extend only to subject matter restrictions that arise from a provision of Alaska law that expressly addresses and restricts Alaska’s constitutionally-established initiative process or to proposals that are clearly unlawful under controlling authority”).

¹⁶ *See* 2001 Inf. Op. Att’y Gen. (Nov. 9; 663-02-0066) (recommending certification of ballot measure 01MRNA, which proposed to decriminalize and regulate marijuana).

¹⁷ *See, e.g., Whitesides v. State, Dep’t of Pub. Safety, Div. of Motor Vehicles*, 20 P.3d 1130, 1139 (Alaska 2001) (where reasonable to do so, court will construe statute to avoid constitutional problems).

process or controlling authority directly on point, an initiative bill must proceed to the ballot.¹⁸

You have the authority to deny certification only if you determine that the measure violates any of the liberally construed constitutional and statutory restrictions on initiatives.¹⁹ As discussed above, we do not believe such violations exist. With respect to other constitutional challenges “grounded in general contentions that the provisions of an initiative are unconstitutional,” you may deny certification only if “controlling authority leaves *no room for argument* about its unconstitutionality.”²⁰ We find no such controlling authority, and so we cannot say that this initiative bill is clearly unconstitutional on its face, or that the people should be denied access to the initiative process on that basis.

B. Form of the application.

The form of an initiative application is prescribed in AS 15.45.030, which provides as follows:

The application must include the

- (1) proposed bill;
- (2) printed name, the signature, the address, and a numerical identifier of not fewer than 100 qualified voters who will serve as sponsors; each signature page must include a statement that the sponsors are

¹⁸ See, e.g., *Trust the People*, 113 P.3d at 624; see also *Alaska Action Ctr., Inc. v. Municipality of Anchorage*, 84 P.3d 989, 992 (Alaska 2004) (“The executive officer may only reject the measure if controlling authority leaves no room for argument about its unconstitutionality. The initiative’s substance must be on the order of a proposal that would mandate local school segregation based on race in violation of *Brown v. Board of Education* before the clerk may reject it on constitutional grounds. And absent controlling authority, the court should not decide this type of challenge until the initiative has been enacted by the voters.”) (internal citations and quotations omitted). (continued)
(continued) The roles of the lieutenant governor and a municipal clerk are analogous in the statewide and municipal initiative certification context, respectively. *Kodiak Island Borough v. Mahoney*, 71 P.3d 896, 898 (Alaska 2003).

¹⁹ *Alaska Action Ctr.*, 84 P.3d at 992.

²⁰ *Id.* (internal citations and quotations omitted) (emphasis added).

qualified voters who signed the application with the proposed bill attached; and

- (3) designation of an initiative committee consisting of three of the sponsors who subscribed to the application and represent all sponsors and subscribers in matters relating to the initiative; the designation must include the name, mailing address, and signature of each committee member.

The application on its face meets the first and third requirements, as well as the latter portion of the second requirement regarding the statement on the signature page. With respect to the first clause of the second requirement, we understand that the Division of Elections has determined that the application contains the signatures and addresses of not fewer than 100 qualified voters.

C. Number of qualified sponsors.

As noted above, we understand that the Division of Elections has determined that the application contains the signatures and addresses of not fewer than 100 qualified voters.

III. Proposed ballot and petition summary.

We prepared a ballot-ready petition title and summary for your consideration. It is our practice to provide you with a title and summary to assist you in compliance with AS 15.45.090(2) and AS 15.45.180. Under AS 15.45.180, the title of an initiative is limited to twenty-five words and the body of the summary is limited to the number of sections in the proposed law multiplied by fifty. "Section" in AS 15.45.180 is defined as "a provision of the proposed law that is distinct from other provisions in purpose or subject matter." Alaska Statute 15.45.180 requires that the ballot proposition "give a true and impartial summary" of an initiative bill, and the Alaska Supreme Court has held that such a summary should provide "an accurate depiction of the scope and substance of the initiative."²¹

Technically this initiative bill has only three "sections," but these three sections create two new chapters of the Alaska Statutes consisting of eighteen new statutory

²¹ *Pebble Ltd.*, 215 P.3d at 1084.

provisions. All of these provisions are distinguishable in purpose, if not subject matter. If the bill were treated as three sections, the summary would be limited to 150 words.

It is not possible to accomplish these mandates by summarizing this initiative bill in 150 or fewer words. Given the extensive statutory changes in multiple chapters, we think the proper approach is to treat these eighteen new statutory provisions as separate sections for purposes of summary preparation. Therefore the maximum number of words for the summary may not exceed 900. We used 523 words in the summary and thirteen words in the title of the following proposed summary, which we submit for your review:²²

**An Act to Tax and Regulate the Production,
Sale, and Use of Marijuana.**

This bill would tax and regulate the production, sale, and use of marijuana in Alaska.

The bill would make the use of marijuana legal for persons 21 years of age or older. The bill would allow a person to possess, use, show, buy, transport, or grow set amounts of marijuana, with the growing subject to certain restrictions. The bill would ban the public use of marijuana. The bill would prohibit a person under 21 years of age from using false identification to buy or try to buy marijuana or marijuana accessories.

The bill would allow validly registered marijuana-related entities and persons 21 years of age or older who own or are employed by these entities to make, possess, buy, distribute, sell, show, store, transport, deliver, transfer, receive, harvest, process, or package marijuana and marijuana products, subject to certain restrictions. Alaska Statute 17.30.020 (Controlled Substances) would not apply to these entities.

The bill would require the Alcoholic Beverage Control (ABC) Board to implement parts of the bill. But the bill would also let the legislature create a Marijuana Control Board to assume these duties. The bill would require the ABC Board to adopt regulations governing marijuana-related entities. The regulations would need to cover certain topics and be subject to certain restrictions. The bill would also create procedures for registering a marijuana-related entity. The procedures would be managed by the ABC board and local governments.

²² At the request of your office, and consistent with past practice, we worked with the sponsors of the initiative in developing this summary.

The bill would allow a local government to prohibit the operation of marijuana-related entities. A local government could do that by enacting an ordinance or through voter initiative. The ordinances could cover the time, place, manner, and registration of a marijuana entity's operations.

The bill would allow a person 21 years of age or older to possess, use, show, buy, or transport marijuana accessories. Marijuana accessories are products individuals use to grow or consume marijuana. The bill would also allow persons 21 years of age or older to make marijuana accessories and to distribute or sell them to persons who are 21 years of age or older.

The bill states that it is not intended to require an employer to allow marijuana use, transportation, possession, sale, growth, or transfer, or prevent an employer from prohibiting these activities. The bill does not intend to supersede laws prohibiting driving under the influence of marijuana. The bill does not intend to prohibit schools, correction facilities, hospitals, or private persons or entities from restricting marijuana on their property. The bill does not intend to limit the state's existing medical marijuana laws.

The bill would impose a \$50 per ounce (or proportionate) excise tax on the sale or transfer of marijuana from a cultivation facility to a retail store or marijuana product manufacturing facility. The marijuana cultivation facility would pay the tax and send monthly tax statements to the Department of Revenue. The Department of Revenue could exempt certain parts of the marijuana plant from the tax. It could also establish a lower tax rate for certain parts of the plant.

The bill defines numerous terms. The bill contains a statement of purpose and findings. The bill would impose civil fines and penalties for violations.

Should this initiative become law?

This summary has a Flesch test score of 39.9. Although this figure falls short of the target readability score of 60 set out in AS 15.80.005, the nature of the bill makes it difficult to provide a summary with a higher readability score. This is likely due to the length and complexity of the bill and the use of long, complicated terms in the bill such as "marijuana cultivation facility" and "marijuana product manufacturing facility." The use of these terms cannot be avoided without compromising the accuracy of the summary. We have otherwise tried to use simple words in the summary.

We note that this office has previously recommended a proposed ballot summary with a Flesch test score of 33.8 for a complicated ballot initiative, and that summary was

upheld verbatim by the Alaska Supreme Court.²³ We therefore believe a court would uphold this summary as well.


IV. Conclusion.

For the foregoing reasons, we find that the proposed bill and application are in the proper form and that the application complies with the constitutional and statutory provisions governing the use of the initiative. We therefore recommend that you certify the initiative application and notify the initiative committee of your decision. You may then begin to prepare petitions in accordance with AS 15.45.090.

Please contact us if we can be of further assistance in this matter.

Sincerely,

MICHAEL C. GERAGHTY
ATTORNEY GENERAL

By: 
Elizabeth M. Bakalar
Assistant Attorney General

²³ See 2007 Op. Att’y Gen. (Oct. 17; 663-07-0179); *Pebble Ltd.*, 215 P.3d at 1082-84.

Resolution 14-07-580

A Resolution of the Haines Borough Assembly opposing the passage of the initiative to legalize recreational marijuana in Alaska and urging voters defeat ballot Measure 2.

This draft resolution was submitted by Assembly Member Berry. Mayor Scott recommends a public hearing be held before this goes to an assembly vote, and Mr. Berry concurs. Motion: Schedule Resolution 14-07-580 for a public hearing to be held on 8/26/14.

RECEIVED Haines Borough
AUG 19 2014
Clerk's Office

THE FOLLOING IS A PETITION SIGNED BY PEOPLE WHO ARE OPPOSED TO THIS RESOLUTION!!!!!!

Petition summary and background	Schedule Resolution 14-07-580 for a public hearing to be held on 8/26/14.
Action petitioned for	We, the undersigned, are concerned citizens who urge our leaders to act now to oppose the resolution # 14-07-580 submitted by assembly member Dave Berry which we believe is an attempt to undermine the democratic process of voting.

Printed Name	Signature	Address	Comment	Date
Carla Chavez	<i>Carla Chavez</i>	PO Box 855 Haines, AK 99827	I believe in my vote counting	7-26-14
DEREK DAVISON	<i>DD</i>	PO BOX 416 HAINES, AK 99827	MY VOICE WILL NOT BE SILENCED!	7/26/14
Kindred Davison	<i>Kindred Davison</i>	PO BOX 416 Haines AK 99827	My vote counts	8/26/14
Dean Lari	<i>Dean Lari</i>	P.O. Box 855 Haines AK 99827	Against any form of governing bodies	7/29/14
Don Wright	<i>Don Wright</i>	PO Box 135 Haines AK	my Right's should not be taken away.	7/29/14
KURT ROBBINS	<i>Kurt Robbins</i>	PO Box 874 Haines		7/29/14
KEVIN FORSTER	<i>Kevin Forster</i>	PO Box 508 HAINES AK		7/29/14
DAVID KAMMERER	<i>David Kammerer</i>	P.O. Box 1468, Haines, AK	The borough has no right to tell me how to vote.	7/29/14

Printed Name	Signature	Address	Comment	Date
Jeff Alvine		Box 1761 Haines, AK 99827	X	7/29/14
L. Anne Finnen		Box 15415 Haines 99827		7/30/14
ALAN HAINES		PO BOX 1443 HAINES 99827		8-1-14
Steph R Smith		Box 938 Haines AK 99827		8-1-14
Michael George		Box 1016, Haines, AK 99827		8-1-14
Shalimar George		Box 1016 Haines AK 99827		8-1-14
Cassandra Miller		Box 153 Haines AK 99827		8/1/14
JOSHUA BENESS		Box 721 HAINES AK 99827		8/1/14
Danielle Lezier		Box 1088 Haines AK 99827		8/1/14
CHRISTOPHER E. MARQUARDT		Box 955 Haines AK 99827		8/1/14
FRED EINSBRUGH		Box 56 Haines AK 99827		8/1/14
Rita Brouillette		Box 1715 Haines, AK 99827		8-1-14
Michael Case		Box 1563 Haines AK 99827		8-1-14
Vincent Sinder		P.O. Box 906 Haines AK 99827	Please don't tell me my vote doesn't matter	8/1/14
TRUDI L BLUME		P.O. Box 1508 Haines AK		8/1/14
Maris Ben		P.O. Box 2844 Haines AK	This is not void	8/1/14

Printed Name	Signature	Address	Comment	Date
Steve Daly		Box 55 Haines AK 99827		8-1-14
David Benjamin		721 Haines 99827		8-1-14
Michael Macis		PO Box 335 Haines		8/1/14
Teresa Katzeek		Box 335 Haines		8/1/14
Brian Manning		HC60 Box 2203		8/1/14
Richard Woods		HC60 Box 2609 Haines		8-1-14
KARL C THOMSON		P.O. Box 621		8-1-14
Philip		HC60 Box 2625		8-1-14
Alexis		PO Box 945		8-1-14
Brittany Miller		PO Box 700 Haines, AK 99827		8-1-14
Jerry Povey		PO Box 44 99827		8-1-14
Stuart Wood		PO BOX 958 99827		8-1-14
Arianna M.		PO BOX 958 99827		8-1-14
John Price		PO Box 536 Haines AK 99827		8-1-14
Kevin Hansen		PO Box 536 Haines AK 99827		8-1-14
David Lehr		PO Box 954 Haines AK		8-1-14

Printed Name	Signature	Address	Comment	Date
PATRICK PRICE	<i>Patrick Price</i>	420 Front st.	Legalize it!	4/20
William D Heerman	<i>William D Heerman</i>	POB 448	2!!!	8/1/14
Patty O'Brien	<i>Patty O'Brien</i>	Haines AK		8/1/14
Steve Wood	<i>Steve Wood</i>	7.5 mile long h w	Legalize it!	8/1/14
Caron Peters	<i>Caron Peters</i>	537 Haines AK	Legalize	8/1/14
Brandy Peters	<i>Brandy Peters</i>	" "	Better than drunk drivers	8/1/14
Derek Laid	<i>Derek Laid</i>	4237 Riverside Dr.	Its for the good of all man kind!	8/1/14
Charles W. Davis	<i>Charles W. Davis</i>	PO Box 921 HAINES AK	Its just MEDS.	8/1-14
David Routh	<i>David Routh</i>	PO Box 567	YES	8-1-14
MIKE L. DINKS JR	<i>Mike L. Dinks Jr</i>	PO Box 1574	"Love of Nat. meds."	8-1-14
NEIL Kinsbeck	<i>Neil Kinsbeck</i>	PO Box 792		8-1-14
Logan Simpson	<i>Logan Simpson</i>	HC 60 Box 2892		8/1/14
Elizabeth Stearns	<i>Elizabeth Stearns</i>	P.O. Box 1516		8/01/14
John Hill	<i>John Hill</i>	PO Box 268		8/1/14
Kara Murphy	<i>Kara Murphy</i>	PO Box 108		8/1/14
Dezra Legino	<i>Dezra Legino</i>	PO Box 967		8-3-14



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-489

Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Amend Borough Code to remove requirement for 40% of the vote (pursuant to voter ratification of Ord 14-07-385)	1. Ordinance 14-07-385
Originator: Borough Clerk	
Originating Department: Administration	
Date Submitted: 7/14/14	

Full Title/Motion:
Motion: Adopt Ordinance 14-07-385.

Administrative Recommendation:

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$ n/a	\$	\$

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

Summary Statement:
<p>The assembly met as a Committee of the Whole on 5/6/14 and developed local legislative priorities for FY15. One of the priorities is "retirement" of the charter and code requirement for a candidate to have at least 40% of votes cast in order to be elected to office. That change first requires a charter amendment that involves voter approval. That part is being handled with Ordinance 14-07-384 (see Agenda Bill 14-488) that would put the question on the 10/7/14 ballot.</p> <p>An ordinance to amend code does not require voter approval, so Ordinance 14-07-385 is being introduced separately. If adopted, this ordinance will only become effective if the charter is amended.</p>

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

Assembly Action:
Workshop Date(s): _____ Public Hearing Date(s): 8/12, 8/26/14 Meeting Date(s): 7/29, 8/12, 8/26/14 Tabled to Date: _____

An ordinance of the Haines Borough to amend Borough Code Section 11.48.50 to provide that candidates receiving the greatest number of votes cast shall be declared the winners of an election even if the greatest number of votes cast is less than 40% of the total votes cast and to eliminate the requirement for a runoff election.

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 Charter.

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. Amendment of Code Section 11.48.050. Section 11.48.050 of the Haines Borough Code is amended, as follows:

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

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 a simple majority 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.~~ **The candidate for mayor receiving the most votes shall be elected. The candidates receiving the most votes for borough assembly or school board shall be elected based on the number of votes received starting with the candidate receiving the most votes until all seats to be filled at any election have been 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 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 11.48.040.~~

Section 4. Effective Date. This ordinance shall become effective only if the proposition described in Ordinance No. 14-07-384 is approved by a majority of the qualified voters voting on the proposition at the October 7, 2014 Haines Borough General Election in which case this ordinance shall take effect thirty days after certification of the results of the 2014 election.

Haines Borough
Ordinance No. 14-07-385
Page 2 of 2

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

Stephanie Scott, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

Date Introduced:	07/29/14
Date of First Public Hearing:	08/12/14
Date of Second Public Hearing:	08/26/14



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-488

Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Put Question on the October 7, 2014 ballot to amend the charter to remove requirement for 40% of the vote	1. Ordinance 14-07-384 2. 2014 Local Legislative Priorities
Originator: Borough Clerk	
Originating Department: Administration	
Date Submitted: 7/14/14	

Full Title/Motion:
Motion: Adopt Ordinance 14-07-384.

Administrative Recommendation:

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$ n/a	\$	\$

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

Summary Statement:
<p>The assembly met as a Committee of the Whole on 5/6/14 and developed local legislative priorities for FY15. One of the priorities is "retirement" of the charter and code requirement for a candidate to have at least 40% of votes cast in order to be elected to office. Ordinance 14-07-384 is in response to this and adoption would put the charter amendment question on the 10/7/14 ballot because amending the charter requires voter ratification.</p> <p>An ordinance to amend code does not require voter approval, so Ordinance 14-07-385 is being introduced separately (see Agenda Bill 14-489). If adopted, that ordinance will only become effective if the charter is amended.</p>

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

Assembly Action:	
Workshop Date(s):	Public Hearing Date(s): 8/12, 8/26/14
Meeting Date(s): 7/29, 8/12, 8/26/14	Tabled to Date:

An ordinance of the Haines Borough placing a proposition on the October 7, 2014 Haines Borough General Election ballot to amend Borough Charter Section 16.04 to remove the requirement for a runoff election if a candidate does not receive at least 40% of votes cast to be elected to borough office.

BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is a non-code ordinance authorizing placing a proposed amendment to the Haines Borough Charter on the ballot for the 2014 general municipal election.

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. Proposed Amendment of Charter Section 16.04. It is hereby determined to be for a public purpose and in the public interest of the Haines Borough to place a question on the October 7, 2014 regular Haines Borough General Election ballot that would amend the Haines Borough Charter, to delete the requirement to hold a runoff election if no candidate receives at least 40 percent of the votes cast as follows:

NOTE: STRIKETHROUGH ITEMS ARE DELETED

Charter Section 16.04 Election Procedures

All borough elections shall be nonpartisan. The assembly by ordinance shall establish procedures for regular and special borough elections, including provisions for absentee voting.

~~If no candidate receives more than 40 percent of the votes, the seat will be filled by the winner of a runoff election between the two candidates receiving the most votes.~~

In case of a tie vote for borough office, the assembly shall determine the successful candidate by lot.

Section 4. The Borough shall submit the following proposition to the qualified voters of the Haines Borough at the October 7, 2014 Haines Borough General Election:

PROPOSITION No. 1

AMEND CHARTER 16.04 TO DELETE REQUIREMENT FOR A RUNOFF ELECTION WHEN
NO CANDIDATE RECEIVES FORTY PERCENT OF VOTES CAST

Shall Section 16.04 of the Haines Borough Charter be amended to remove the requirement for a runoff election if no candidate receives 40% of the votes cast, as follows?

Charter Section 16.04 Election Procedures

All borough elections shall be nonpartisan. The assembly by ordinance shall establish procedures for regular and special borough elections, including provisions for absentee voting.

~~If no candidate receives more than 40 percent of the votes, the seat will be filled by the winner of a runoff election between the two candidates receiving the most votes.~~

In case of a tie vote for borough office, the assembly shall determine the successful candidate by lot.

Section 5. Section 3 of this ordinance shall become effective only if the proposition described in Section 4 is approved by a majority of the qualified voters voting on the proposition at the October 7, 2014 Haines Borough General Election and shall take effect thirty days after certification of the results of the election. The remaining sections of this ordinance shall become effective immediately upon adoption by the Haines Borough Assembly.

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

Stephanie Scott, Mayor

Attest:

Julie Cozzi, MMC, Borough Clerk

Date Introduced: 07/29/14
Date of First Public Hearing: 08/12/14
Date of Second Public Hearing: 08/26/14

Memorandum

Haines Borough
Office of the Mayor
103 Third Avenue S.
Haines, Alaska 99827
sscott@haines.ak.us

May 14, 2014

To: Haines Borough Assembly

Cc: Dave Sosa, Borough Manager
Julie Cozzi, Clerk
Jila Stuart, Finance Director

From: Stephanie Scott, Mayor, Haines Borough

Subject: FY15 Local Legislative Priorities – updated as a result of May 13, 2014
Assembly meeting

The Haines Borough Assembly met as a Committee of the Whole May 6 to develop local legislative priorities for FY15. The Assembly agreed that the list is fluid; is not yet prioritized, and will be re-visited to formalize and adopt.


During the May 13, 2014, Assembly meeting, Lutak Dock repair was added to the list.

I have emphasized (bold) the items can impact on the FY15 budget, either as an amendment (added expense which could result in an increase in mill rate) prior to adoption, or as an adjustment to allocation of revenue to meet added expense as a budget amendment after adoption.

The “working” list follows:

- Solid Waste management – establish borough wide regulation
- **Sewer Treatment Plant....go beyond design, get structure stabilized**
- **Borough’s participation in utility extension**
- Retirement of 40% requirement for election of Assembly and Mayor in Charter and code
- Modification of requirements to provide for water/sewer hookup
- Modification of notification for zoning changes and conditional use permits to capture more of the neighborhood (present requirement is to notify property owners within 200 feet of activity)
- Resolution of water delivery measurement perceived inequity: residential meter vs. flat rate

- **Provide training for Assembly members and staff with respect to engaging state legislators and agencies to address local issues**
- Provide oversight for septic system owners to prevent contamination of ground water and wells
- **Examine pros and cons of engaging a professional lobbyist to represent the Haines Borough in Juneau**
- Examine our regulations and practices with the goal of achieving a “business friendly” reputation
- **Redesign the Capital Improvement Fund to distinguish between CIP and operating expense that is maintenance**
- **Lutak Dock repair**



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-492Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: FY14 Budget Amendment	1. Ordinance #14-07-386
Originator: Jila Stuart	
Originating Department: Finance	
Date Submitted: July 24, 2014	

Full Title/Motion:

Motion: Adopt Ordinance 14-07-386.

Administrative Recommendation:

The borough manager recommends adoption.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$0	\$0	\$0	n/a

Comprehensive Plan Consistency Review:Comp Plan Goals/Objectives:
n/aConsistent: Yes No n/a**Summary Statement:**

During the 2013 legislative session, House Bill 65 passed providing "on-behalf" funding for Public Employees Retirement System (PERS) employers for the FY14 fiscal year. Through on-behalf funding the State of Alaska provides funding which reduces the PERS rate paid by employers from the actuarially determined rate of 35.68% of gross wages (in FY14) to the "effective rate" of 22%. This Haines Borough budget amendment reflects the anticipated revenue received from the State of Alaska in the form of reduced PERS payments.

Referral:

Referred to:

Referral Date:

Recommendation:

Meeting Date:

Assembly Action:

Meeting Date(s): 7/29, 8/12, 8/26/14

Public Hearing Date(s): 8/12, 8/26/14

Postponed to Date:

HAINES BOROUGH, ALASKA
ORDINANCE # 14-07-386

**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:

During the 2013 legislative session, House Bill 65 passed providing “on-behalf” funding for Public Employees Retirement System (PERS) employers for the FY14 fiscal year. Through on-behalf funding the State of Alaska provides funding which reduces the PERS rate paid by employers from the actuarially determined rate of 35.68% of gross wages (in FY14) to the “effective rate” of 22%. This Haines Borough budget amendment reflects the anticipated revenue received from the State of Alaska in the form of reduced PERS payments.				
		Current FY14 Budget	Proposed FY14 Budget	Fund Balance Increase / (Decrease)*
01-01-09-4341	State Revenue – Other	\$0	\$313,000	\$313,000
01-01-10-6116	PERS on-behalf – Pd by State	\$0	(\$313,000)	(\$313,000)
Total				\$0

* 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: 07/29/14
Date of First Public Hearing: 08/12/14
Date of Second Public Hearing: 08/26/14



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-479

Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Sale of Portion of Lot 8, Primary School Subdivision to Haines Brewing Co.	1. Ordinance 14-07-387 - DRAFT 2. Negotiated Sale Agreement - DRAFT 3. PC Recommendation to Consider the Proposal
Originator: Borough Manager	
Originating Department: Administration	
Date Submitted: 6/20/14	

Full Title/Motion:

Motion: Adopt Ordinance 14-07-387.

Administrative Recommendation:

The borough manager recommends adoption.

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	Property will be on the Tax Roll

Comprehensive Plan Consistency Review:

Comp Plan Goals/Objectives: Objective 3E, p. 107-8
"acceptable incentives to encourage businesses" (see below)

Consistent: Yes No

Summary Statement:

The borough received an application from Haines Brewing Company for purchase of borough-owned real property, specifically a portion of Lot 8, Primary School Subdivision. On 6/12, the planning commission passed a motion recommending this portion be classified for sale as proposed. On 6/24, the assembly passed the following motion: "classify a portion of Lot 8, Primary School Subdivision for sale, as recommended by the planning commission; direct the borough manager to proceed with the process of subdividing the lot; and authorize the manager to dispose of the classified area by the negotiated sale method." The manager has conducted the negotiations, as directed, and took the sales proposal to the Planning Commission as required by borough code. The commission recommends it be considered by the assembly. Note: the survey has been completed and, after the sale is approved by the assembly, the surveyor will prepare the plat showing the existing Lot 8 as two new separate lots; the lot being sold will have its own number to be added to the sale agreement with a new plat # prior to signatures and recording.

Referral:

Referred to: Planning Commission
Recommendation: Recommend the Sales Proposal

Referral Date:
Meeting Date: 6/12 and 7/10/14

Assembly Action:

Meeting Date(s): 6/24, 7/29, 8/12, 8/26/14
Public Hearing Date(s): 8/12, 8/26/14
Postponed to Date:

A NON CODE ORDINANCE OF THE HAINES BOROUGH APPROVING THE SALE TO HAINES BREWING COMPANY INC. OF LOT [TBD], PRIMARY SCHOOL SUBDIVISION PLAT NO. 2014-[TBD], HAINES RECORDING DISTRICT, FIRST JUDICIAL DISTRICT, STATE OF ALASKA.

LEGISLATIVE FINDINGS

WHEREAS, Lot [TBD], Primary School Subdivision Plat No. 2014-[TBD], Haines Recording District, First Judicial District, State of Alaska (“the Property”) has previously been classified for sale by the Assembly with the advice of the Planning Commission; and

WHEREAS, the Assembly has previously directed the Borough Manager to commence negotiations for the sale of the Property; and

WHEREAS, negotiations have been substantially completed and an agreement on most terms regarding the sale of the Property has been drafted for review and approval by the Assembly and has been reviewed by the Planning Commission;

NOW, THEREFORE, BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is for the specific purpose of approving a sale of Lot [TBD], Primary School Subdivision, Plat No. 2014-[TBD] Haines Recording District, State of Alaska (“the Property”) and shall not 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. Purpose. This ordinance authorizes the sale of the Property to Haines Brewing Company Inc. upon the terms and conditions of a negotiated purchase and sale agreement.

Section 5. Authority. This ordinance is adopted under the authority granted the Assembly by HBC 14.20.010, HBC 14.20.020 and HBC 14.20.100 to approve the disposal of real property by negotiation.

Section 6. Authorization and Approval. The Borough Manager is hereby authorized to complete the process of sale of the Property upon the terms and conditions set forth in the Agreement for Sale and Purchase of Real Estate attached hereto.

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: 07/29/14
Date of First Public Hearing: 08/12/14
Date of Second Public Hearing: 08/26/14

AGREEMENT FOR SALE AND PURCHASE OF REAL ESTATE

For good and valuable consideration the receipt whereof is hereby acknowledged, the Haines Borough, an Alaska municipal corporation (“**Haines**” or “**Borough**” or “**Seller**”) and Wheeler & Kitayama, LLC, (“**Buyer**”), an Alaskan company, hereby agree as follows:

1. Property to Be Sold.

(a) Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following-described real property and improvements:

Lot X, Primary School Subdivision, Plat No. 2014-XX, Haines Recording District, First Judicial District, State of Alaska.

A 20,000 square feet area containing approximately 0.459 acres (the “**Property**”).

(b) At the Closing, Seller shall convey to Buyer all of the Property by Limited Warranty Deed in the form attached as Exhibit A subject to the following:

(i) Rights-of-way and easements of record acquired by any person or entity, public or private, including, but not limited to, public rights-of-way.

(ii) All restrictions, regulations, requirements, laws, ordinances, resolutions and orders of all boards, bureaus, commissions, departments and bodies of any municipal, state or federal authority.

(iii) Provisions and reservations as made applicable by terms of the U.S. Patent or by law.

(iv) A right for reversion whereby the Property will be reconveyed to Seller if the Improvements required by this Agreement have not been substantially completed within three (3) years of Closing.

(c) Buyer shall execute a Reverter Agreement as set forth in Exhibit B.

2. Price.

Property Purchase Price. Buyer shall pay Seller eighty-six thousand six hundred dollars (\$86,600) (“Purchase Price”). The Purchase Price shall be paid by Buyer at closing in cash, by a bank cashier’s check, or by wire transfer, in readily available funds into escrow with First American Title Company (The “Title Company”) (Attention: _____, 8251 Glacier Highway, Juneau, AK 99801. Within ten (10) days after the Effective Date of this Agreement, Buyer shall deposit with the Title Company the sum of eight thousand six hundred and sixty dollars (\$8,660) to be held as a nonrefundable earnest

money payment (Earnest Money). At Closing, this earnest money shall be disbursed to Seller and credited to the Buyer.

3. Title Insurance.

(a) Seller, at Buyer's cost, shall provide to Buyer within fourteen (14) days of mutual execution of this Agreement a Preliminary Commitment to Issue Title Insurance for the Property. In the event that Buyer gives notice of a valid Material Title Defect within seven (7) days of receipt of said Preliminary Commitment, this Agreement shall terminate without further obligation on the part of either party. "Material Title Defect" shall include any matter affecting title which a reasonable person would consider to be a serious defect.

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

(c) Buyer may, at Buyer's sole option and expense, purchase Buyer's title insurance. Likewise if Seller wishes to purchase a Title Insurance policy for itself, it may do so at its own expense.

4. Conditions Precedent to Closing. The following matters shall be completed prior to or coincident with Closing or waived in writing by the parties ("Conditions Precedents to Closing"):

(a) At BUYER's expense, as required by HBC 14.20.100(D), a survey must be completed and a new plat created that subdivides the existing Lot 8 into two new lots and establishes a legal description for the parcel being purchased; and

(b) Seller and Buyer have complied with their respective obligations as set forth in Sections 5 and 6.

5. Seller's Obligations. Provided that (i) all Conditions Precedent to Closing set forth in Section 4 have been satisfied, (ii) this Agreement has not been cancelled, and (iii) Buyer has delivered (or will deliver) all items required to be delivered, then Seller shall deposit with Title Company at or before the Closing the following:

(a) The original Deed, duly executed by Seller, substantially in the form attached as Exhibit A;

(b) An original Reverter Agreement, duly executed by Seller, substantially in the form attached as Exhibit B; and

(c) Documents reasonably required by the Title Company such as an executed settlement statement or evidence of Seller's authority.

6. Buyer's Obligations. Provided that (i) all Conditions Precedent to Closing set forth in

Section 4 have been satisfied, (ii) this Agreement has not been cancelled, and (iii) Seller has delivered (or will deliver) all items required to be delivered, then Buyer shall deposit with Title Company prior to the Closing date:

- (a) The Purchase Price in cash or by wire transfer.
- (b) An original Reverter Agreement, duly executed by Buyer, substantially in the form attached as Exhibit B; and
- (c) Documents reasonably required by the Title Company such as an executed settlement statement or evidence of Buyer's authority.

7. Closing.

(a) The closing ("Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of First American Title Company at 8251 Glacier Highway, Juneau, AK 99801. The delivery of all sums due Seller pursuant to Section 2 above and the recording of documents by Title Company shall occur not later than _____ (the "Closing Date"). All funds and documents shall be deemed simultaneously delivered on and as of the Closing Date. The Closing may occur on such earlier date as Buyer and Seller may agree but the Closing Date may not be extended without the written approval of both Seller and Buyer.

(b) In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified in writing by both parties to the contrary within five (5) days after such date, return to the depositor thereof all items which may have been deposited with Title Company hereunder except the Earnest Money which shall be disbursed to Seller. Any such return shall not, however, relieve either party hereto of any liability it may have for its wrongful failure to close.

(c) Possession. Possession of the Property shall be delivered to Buyer on the Closing Date.

8. Remedies for Breach. Seller and Buyer shall have all remedies available by law and equity for any breach of this Agreement, including, but not limited to, the remedy of specific performance and the exercise of Seller's right of reverter.

9. Construction of Improvements. On or before three (3) years from the date of Closing, Buyer shall complete the construction of a Brewery on the Property ("the Improvements"). Upon completion of the Improvements Buyer shall promptly give Seller an appropriate notice of completion.

10. Hazardous Substances. Buyer acknowledges and agrees that there may be spilled, leaked or discharged Hazardous Substances (as defined below), or other substances on or in the groundwater or surface water of the Property which may contain oil, petroleum, hydrocarbons,

asbestos, solvents, paints, thinners or other materials, substances or waste which are, or may, become regulated as hazardous or toxic under federal, state or local law, and the release or discharge of which is, or may become, prohibited by law, that Buyer has knowingly and voluntarily determined that its obligations under this Agreement need not be contingent upon the results of any assessment or inspection of the Property for any such substances by an engineer, contractor or other consultant.

11. As Is, Where Is Sale, Release and Indemnification.

Seller sells and buyer buys the property hereunder “as is” and “where is.” Seller shall have no liability or responsibility to buyer whatsoever for any violations of any law, regulation, building code, ordinance or other legal requirement of any kind whatsoever applicable to the property as may be discovered at any time, including but not limited to material (or non-material) hazardous substances contamination, violations of building or safety codes, latent defects, deterioration or problems or liabilities of any kind. Buyer hereby releases seller from and shall indemnify, defend and hold seller harmless from any and all liabilities, costs, expenses or claims of any kind whatsoever arising out of or in connection with the property, including but not limited to any that may date to or originate during the time of ownership of all or any of the property by seller or its predecessors in interest; **provided, however**, that buyer does not hereby release seller from and shall have no responsibility to indemnify, defend and hold seller harmless from liabilities, costs, expenses or claims,

If any; (1) for damages to land other than the property sold hereunder as shall directly and entirely result from and be caused by acts of seller, its agents or employees which were performed on land other than the property sold hereunder. The intent of the parties is that buyer has had already and shall continue to have a thorough opportunity to inspect and study the property before the closing, but that once such closing occurs, seller walks away from the property so conveyed and from any and all legal liability or responsibility of any kind whatsoever arising out of or in connection with such property, except as expressly stated herein, and that seller shall have, after the closing, no further responsibility or liability to buyer or any other person or entity for any claims of any kind that may arise as to or in connection with the property.

Neither seller, nor any of its officers, directors, employees, agents, attorneys, or representatives have previously nor does under this agreement make any representations or warranties, and none of the persons or entities described above shall in any way be liable for or with respect to:

- (A) The condition of the property or the suitability of the property for buyer’s intended use, or for any use whatsoever;
- (B) The presence or existence of any hazardous substances, asbestos, oil or other petroleum product contamination or any other material as to which the discharge, leakage, spillage or presence on the property would be regulated by applicable state or federal law. Buyer purchases the property “as is” and “where is” and

assumes the responsibility and risks of all defects and conditions of the property including the prior contamination (and releases and agrees to indemnify, defend and hold seller harmless from the same), including but not limited to environmental hazards and deterioration from age, weather, disuse, limited maintenance or other causes. Buyer acknowledges that buyer has had the opportunity and will have the opportunity to inspect the property and will be relying entirely thereon.

Buyer acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents or understandings, this agreement constitutes the entire understanding of the parties with respect to the subject matter hereof, and supersedes all such prior or contemporaneous oral or written representations, statements, documents or written agreement and shall remain unaffected by any representations, statements or understandings subsequent to the date hereof which shall not be represented by a mutually executed amendment to this agreement.

The terms of this Paragraph shall survive the Closing.

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

SELLER:

Haines Borough
P.O. Box 1201
Haines, AK 99827

BUYER:

Wheeler & Kitayama, LLC
P.O. Box 911
Haines, AK 99827

With a courtesy copy to:

Brooks W. Chandler
Boyd, Chandler & Falconer, LLP 911 W. 8th Avenue, Suite 302
Anchorage, AK 99501 Facsimile No. 907/274-3698

13. Costs. Each party shall bear its own costs and attorney fees, except as expressly provided herein. Unless specifically made the responsibility of one party elsewhere in the Agreement, all other fees and closing costs in connection with the Closing shall be paid by Buyer as required by HBC 14.20.060(A). Any and all prepaid expenses or income of any kind and all taxes and assessments shall be prorated.

14. Brokers. Seller represents to Buyer that Seller has not dealt with any broker or real estate agent regarding the Property of this transaction. Buyer represents to Seller that Buyer has not dealt Agreement for Sale and Purchase of Real Estate

with any broker or real estate agent regarding the Property of this transaction. Each party shall be responsible to defend, indemnify and hold harmless the other as to any claim made by any person or entity for a commission claimed due as a consequence of the indemnifying party's acts or conduct.

15. Access to Premises. At all times during normal business hours prior to the Closing, Buyer shall, upon reasonable notice to Seller, have reasonable access to the Property for the purpose of making such inspections, examinations, tests or surveys of the Property as Buyer may reasonably desire.

16. Survival of Terms and Waiver. The terms and condition of this Agreement shall survive the Closing and are expressly intended to bind the parties notwithstanding any statute of limitations.

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

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

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

20. Law and Venue. This Agreement shall not be governed by and construed under the laws of the State of Alaska. Venue of any dispute shall be the Superior Court of the State of Alaska in Juneau, Alaska.

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

22. Warranties of Authority. Each party and each natural person who executes this Agreement on behalf of such party acknowledges, warrants, and represents for the benefit of the other party to this Agreement: (a) that such person is duly authorized and empowered to execute this Agreement on behalf of such party; (b) that such party has been duly formed and organized and is in good standing; (c) that all necessary and appropriate resolutions and actions by such party's managers or ordinances by such party's governing body authorizing such party to enter into, execute, and perform this Agreement and the transactions contemplated by this Agreement have been obtained; and (d) that all steps have been taken and acts performed that are conditions precedent to making this Agreement valid, enforceable, and binding against such party in accordance with its terms and conditions.

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

DATED: _____

SELLER:

HAINES BOROUGH

By: _____
David Sosa

Its: Borough Manager

DATED: _____

BUYER:

WHEELER & KITAYAMA, LLC

By: _____
Paul Wheeler

Jeanne Kitayama

Its: Principals

STATE OF ALASKA)
)
ss. FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledge before me this _____ day of _____, 2014, by David Sosa, Borough Manager of the Haines Borough, a municipal corporation, on behalf of the municipality.

NOTARY PUBLIC FOR ALASKA
My Commission Expires: _____

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledge before me this _____ day of _____, 2014, by Paul Wheeler and Jeanne Kitayama, the principals of Wheeler and Kitayama, LLC, an Alaskan limited liability company.

NOTARY PUBLIC FOR WASHINGTON
My Commission Expires: _____

REVERTER AGREEMENT

This REVERTER AGREEMENT is dated as of this ____ day of _____, 2014, by and between the Haines Borough, having and address of P.O. Box 1209, Haines, AK 99827 (“Seller), and Wheeler and Kitayama, LLC, having an address of P.O. Box 911, Haines, AK 99827 (“Buyer”).

RECITALS

- A. The Seller has conveyed to the Buyer that certain real estate described on Exhibit “A” (the “Property”) pursuant to a Deed of even date herewith between the Seller and Buyer.
- B. Pursuant to paragraph nine (9) of that certain Agreement for Sale and Purchase of the Property, the Buyer has agreed to construct certain Improvements on the Property (the “Improvements”).
- C. The Deed provides that if the Buyer does not construct the Improvements then the Property shall revert to the Seller.

NOW THEREFORE, in consideration of the transfer of the Property to the Buyer and other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. Buyer agrees at its sole cost and expense to complete the construction of the Improvements by no later than [TBD], 2017 (the “Completion Date”).
- 2. In the event the Improvements are not completed by the Completion Date, the Property shall revert to and thereafter become fee simple real estate owned by the Seller. Upon the request of the Seller, the Grantor will provide a general warranty deed to the Property in form and substance acceptable to the Seller evidencing the reconveyance of the Property.
- 3. During the construction of the Improvements, Buyer will not place any additional liens or encumbrances on the Property except as consented to by the Seller. In that regard, the Seller agrees not to unreasonably withhold its consent to any construction loan financed

with a commercial bank or similar lender intended to fund the construction and development of the Improvements. In such an event, the Seller will enter into a Subordination Agreement in form and satisfactory to such lender. Upon completion of the Improvements satisfactory to the Seller, the Seller agrees to issue a letter acknowledging the release of the reverter rights described herein.

4. This Agreement shall be binding upon the parties hereto and shall be binding upon and inure to the benefit of their successors and assigns.
5. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Alaska.
6. This Agreement may only be modified or amended by a written agreement signed by authorized representatives of the parties hereto.

WITNESS the following signatures as of the year and date first above written.

DATED: _____

SELLER:

HAINES BOROUGH

By: _____

David Sosa

Its: Borough Manager

DATED: _____

BUYER:

WHEELER AND KITAYAMA, LLC

By: _____

Paul Wheeler and Jeanne Kitayama

Its: Principals

LIMITED WARRANTY DEED

The Grantor, the Haines Borough of P. O. Box 1209, Haines, AK 99827, for valuable consideration, conveys and warrants to Wheeler and Kitayama, LLC, of P.O. Box 911, Haines, AK 99827, all interests which it has in that certain real property in the Haines Recording District, First Judicial District, State of Alaska (“the Property”), described as follows:

Lot [TBD], Primary School Subdivision, Plat No. 2014-[TBD].

Subject to:

1. Rights-of-way and easements of record acquired by any person or entity, public or private, including but not limited to public rights-of-way.
2. All restrictions, regulations, requirements, laws, ordinances, resolutions and orders of all boards, bureaus, commissions, departments and bodies of any municipal, state or federal authority.
3. Provisions and reservations as contained in the U.S. Patent or made applicable by law, including, but not limited to, rights or interests under the public trust doctrine.
4. The express condition that title to the property conveyed herein shall revert to the Grantor without necessity of reentry should Grantee fail to substantially complete construction of Improvements to the Property as described in the Agreement for Sale and Purchase of the Property by [TBD], 2017.

DATED this _____ day of _____, 2014.

HAINES BOROUGH

By: _____
David B. Sosa
Its: Borough Manager

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by David B. Sosa, the Borough Manager of the Haines Borough, on behalf of the Borough.

NOTARY PUBLIC FOR ALASKA
My Commission Expires: _____

RECORD IN HAINES RECORDING DISTRICT

AFTER RECORDING, RETURN TO:

Brooks W. Chandler
Boyd, Chandler & Falconer
911 W. 8th Ave., Suite 302
Anchorage, AK 99501



Haines Borough
**PLANNING COMMISSION
RECORD OF DECISION**

DATE: July 10, 2014

TO: Borough Assembly

FROM: The Haines Planning Commission

PLANNING COMMISSION DECISION:

Motion: Lende moved to “recommend the Assembly further consider the proposal from Haines Brewing Company.” The motion passed unanimously.

RATIONALE: Portion of Lot 8, Primary School Subdivision is currently zoned Commercial. The Haines Brewing Company is defined as “light industrial commercial” in the code. They propose to locate an apartment in the building, so the use of the property is classified as “Combination, residential/industrial/commercial (R/I/C)” which allows “Use-By-Right” in a commercial zone, as per HBC 18.70.040.

SUBMITTED BY _____ (signature)

A handwritten signature in black ink, appearing to read "Rob Goldberg", is written over a horizontal line.

Rob Goldberg
Planning Commission Chair



Haines Borough
Assembly Agenda Bill

Agenda Bill No.: 14-491

Assembly Meeting Date: 8/26/14

Business Item Description:		Attachments:
Subject: October 7, 2014 Election Ballot Questions re. General Obligation Bonds for School Major Maint. Projects	Originator: Assembly / School Board	1. Ordinance 14-07-388 2. Estimated annual debt service requirements 3. Description of Bond Projects 4. 7/24/14 Memo from the Manager 5. 8/6/14 Memo from the Mayor
Originating Department:	Date Submitted: 3/4/14 during Joint Meeting	

Full Title/Motion:
Motion: Adopt Ordinance 14-07-388.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required
\$ See attached estimates	\$	\$

Comprehensive Plan Consistency Review:

Comp Plan Policy Nos.: 4.5.4, Page 52; Objective 2B; Objective 17A(3)	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---

Summary Statement:

This ordinance was prepared by the borough's bond counsel. He advised a single ordinance could place multiple propositions on the ballot, and the first draft included a ballot question for four different school major maintenance projects. Following the first public hearing on 8/12, the assembly amended the ordinance to remove Proposition #4 from the ordinance (and renumber the remaining propositions to be in sequence). Proposition #4 pertained to the school locker rooms. The attached memos from the manager and mayor explain the reasons for delaying that project.

Adoption of this ordinance will place three ballot measures on the October 7, 2014 Haines Borough General Election ballot.

Referral:

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

Assembly Action:

Workshop Date(s):	Public Hearing Date(s): 8/12, 8/26/14
Meeting Date(s): 7/29, 8/12, 8/26/14	Tabled to Date:

AN ORDINANCE OF THE HAINES BOROUGH AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$3,938,141 TO FINANCE UP TO THREE PROJECTS FOR CAPITAL IMPROVEMENTS TO SCHOOL FACILITIES OF THE BOROUGH; AUTHORIZING SUBMISSION TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 7, 2014, OF THREE PROPOSITIONS, ONE FOR EACH OF THE CAPITAL IMPROVEMENT PROJECTS AUTHORIZED BY THIS ORDINANCE; APPROPRIATING FUNDS FOR THOSE PROJECTS THAT ARE APPROVED BY THE VOTERS; AND PROVIDING FOR AN EFFECTIVE DATE.

RECITALS:

WHEREAS, the Haines Borough School District (the "District") has advised the Assembly of Haines Borough (the "Borough") that it is in the best interests of the District and its students and staff, and residents of the Borough to provide for the capital improvements to facilities of the District described below (the "Projects"); and

WHEREAS, the Assembly wishes to authorize the issuance of not to exceed \$3,938,141 aggregate principal amount of general obligation bonds (the "Bonds") to pay costs of the Projects, subject to voter approval of the separate projects, as provided in this ordinance; and

WHEREAS, the District has applied for approval from the Alaska Department of Education and Early Development ("DEED") for reimbursement by the State of Alaska of a portion of the debt service on the Bonds in accordance with AS 14.11.100(a), subject to annual appropriation by the state legislature; and

WHEREAS, the constitution and laws of the State of Alaska require bond authorizations to be submitted to the qualified voters of the Borough for their ratification or rejection, and the Assembly wishes to submit three questions relating to the three capital improvement projects to the voters at the regular October 7, 2014 election;

NOW, THEREFORE, BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is not of a permanent and general nature and will not be codified.

Section 2. Findings; Capital Improvements. It is hereby found and declared that the public welfare and benefit require that the Borough undertake the following capital improvements to school facilities in the Borough (the "Projects"), each subject to a separate ballot proposition as provided in Section 4 of this ordinance:

- Haines High School: mechanical system upgrades to the Vocational Education Building.
- Haines High School: replacement of air handling unit.
- Haines High School: roof replacement.

The cost of all necessary design, architectural, engineering, legal, and other consulting services, inspection and testing, administrative and relocation expenses, on- and off-site utilities, purchases of furnishings and equipment, and other costs incurred in connection with

the Projects shall be deemed a part of the costs of the Projects. The Borough shall determine the specifications for the Projects.

The Borough will determine how to apply available funds to accomplish as nearly as may be each of the Projects approved by the voters. If proceeds of the Bonds, plus other funds of the Borough legally available for this purpose, are insufficient to accomplish all of the improvements comprising the voter-approved Projects, the Borough will use the available funds, including Bond proceeds, to pay the cost of those improvements included among the voter-approved Projects that the Borough deems most necessary and in the best interest of the Borough, subject to DEED approval, if required.

If the Assembly determines that it has become impracticable to accomplish one or more of the voter-approved Projects, or portion thereof, because of changed conditions, incompatible development or costs substantially in excess of those estimated, the Borough will not be required to undertake those improvements and may apply the Bond proceeds or any portion thereof to the payment of principal of or interest on the Bonds or to other capital improvements to District facilities, subject to DEED approval, if required.

If proceeds of the Bonds remain unexpended and unencumbered for costs of the voter-approved Project, those remaining Bond proceeds may be applied to pay the cost of other capital improvements to District facilities or to pay debt service on the Bonds, as the Assembly shall determine, subject to DEED approval, if required.

Section 3. Authorization of Bonds. To provide all or a portion of the funds necessary to pay or reimburse costs of the Projects and costs of issuance of the Bonds, the Borough will issue and sell its general obligation bonds in an aggregate principal amount not to exceed \$3,938,141 (the "Bonds"). The Bonds will be issued in an amount not exceeding the amount approved by the voters of the Borough and not exceeding the amount permitted by the constitution and laws of the State of Alaska. The balance, if any, of the cost of the voter-approved Projects will be paid out of any other legally available funds, including grants. The Bond proceeds may only be used for capital purposes.

The Bonds will be general obligations of the Borough, and the full faith, credit and resources of the Borough will be pledged to the payment of principal of and interest on the Bonds. Unless paid from other sources, both principal of and interest on the Bonds will be payable out of annual tax levies to be made upon all taxable property within the Borough without limitation as to rate or amount and in excess of any constitutional, statutory or local tax limitation.

The Bonds will be issued and sold in the amounts and at the time or times as the Assembly finds necessary and advisable and as permitted by law. The Bonds may be issued in one or more series and mature in the amounts and at the times within a maximum term of 20 years from the date of issuance of the Bonds, all as authorized by the Assembly and as provided by law. The date, form, interest rates, terms, redemption provisions, maturities, covenants and manner of sale of the Bonds shall be as hereafter provided by ordinance or resolution of the Assembly. After voter approval of one or more of the Bond propositions set forth in Section 4 of this ordinance, and in anticipation of the issuance of the Bonds, the Borough may issue short-term obligations as authorized by the laws of the State of Alaska.

Section 4. Bond Election. Three propositions to approve this ordinance and approve issuing Bonds to pay costs of the three Projects identified in Section 1 of this ordinance will be submitted to the qualified voters of the Borough for their ratification or rejection at the regular election to be held in the Borough on October 7, 2014. The bond propositions will be in substantially the following form:

HAINES BOROUGH

PROPOSITION 2

\$1,711,027 GENERAL OBLIGATION BONDS
VOC-ED BUILDING MECHANICAL UPGRADES

Shall Haines Borough incur debt and issue general obligation bonds in a principal amount not to exceed \$1,711,027, maturing within a maximum of 20 years, to pay costs of mechanical system upgrades to the vocational education building at Haines High School, as further described in Ordinance No. 14-07-388, and shall Ordinance No. 14-07-388 of the Borough authorizing the issuance of bonds for this purpose be approved?

BONDS Yes

BONDS No

* * * * *

HAINES BOROUGH

PROPOSITION 3

\$412,367 GENERAL OBLIGATION BONDS
HAINES HIGH SCHOOL AIR HANDLING UNIT REPLACEMENT

Shall Haines Borough incur debt and issue general obligation bonds in a principal amount not to exceed \$412,367, maturing within a maximum of 20 years, to pay costs of replacing the air handling unit at Haines High School, as further described in Ordinance No. 14-07-388, and shall Ordinance No. 14-07-388 of the Borough authorizing the issuance of bonds for this purpose be approved?

BONDS Yes

BONDS No

* * * * *

HAINES BOROUGH

PROPOSITION 4

\$1,814,747 GENERAL OBLIGATION BONDS
HAINES HIGH SCHOOL ROOF REPLACEMENT

Shall Haines Borough incur debt and issue general obligation bonds in a principal amount not to exceed \$1,814,747, maturing within a maximum of 20 years, to pay costs of replacing the roof at Haines High School, as further described in Ordinance No. 14-07-388, and shall Ordinance No. 14-07-388 of the Borough authorizing the issuance of bonds for this purpose be approved?

BONDS Yes

BONDS No

Section 5. Cooperation with DEED. Borough staff is directed to take all actions necessary and desirable to cooperate with the District to seek DEED approval for reimbursement of debt service on the voter-approved Bonds, subject to annual appropriation by the state legislature.

Section 6. Appropriation and Reimbursement. If the issuance of Bonds for one or more of the Projects is ratified at the election authorized by this ordinance, the Borough anticipates that prior to the issuance of those Bonds it may be necessary or desirable to pay certain costs of the voter-approved Projects. Therefore, the Assembly hereby appropriates from the Borough's general fund so much of the total authorization as may be necessary to carry out the provisions of this ordinance, including paying costs of the voter-approved Projects and costs of issuance of the voter-approved Bonds. The amounts expended under the appropriation made in this section will be reimbursed to the general fund from the proceeds of sale of those Bonds or short-term obligations authorized by this ordinance. The Assembly hereby declares that this section constitutes a declaration of the Borough's intent to reimburse the general fund from proceeds of tax-exempt bonds within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended.

Section 7. Notice. The Borough Clerk will provide for notice, publication and posting of this ordinance and the three ballot propositions authorized by this ordinance in accordance with the provisions of the Borough Code of Ordinances and state law. The Borough Clerk will also provide for the publication of notice of the total existing bond indebtedness of the Borough, in form and content as prescribed by AS 29.47.190(b), at least once a week for three consecutive weeks, the first such notice to be published at least 20 days before the date of the election.

Section 8. Severability. If any one or more of the provisions of this ordinance is for any reason held to be invalid, such invalidity shall not affect or invalidate any other provision of this ordinance or the Bonds, but this ordinance and the voter-approved Bonds shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision that is for any reason held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

Section 9. Effective Date. This ordinance will become effective from and after the date of its passage, as provided in Section 2.12.030(B) of the Haines Borough Code of Ordinances.

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: 07/29/14
Date of First Public Hearing: 08/12/14
Date of Second Public Hearing: 08/26/14



Estimated annual debt service requirements in dollars and mills for proposed school projects

The Borough has been approved for 70% debt reimbursement by the State of Alaska DEED for the four school projects listed below. The following chart shows an estimate of the annual debt service required to finance these projects and the estimated property tax mills needed to levy the Borough's required 30% payment.

	Estimated Project Cost	Estimated Annual Debt Pmt*	DEED 70% Debt Reimbursement	
			Annual Amt Needed with 70% reimbursement	Mills needed at 2014 Values
High School and Vocation Ed. Buildings				
High School Air Handling Unit	\$ 412,367	\$ 30,510	\$ 9,153	0.03
Vocational Ed. Mechanical Upgrades	1,711,027	126,596	37,979	0.13
High School Roof Repairs	1,814,747	134,270	40,281	0.14
	<u>3,938,141</u>	<u>291,377</u>	<u>87,413</u>	<u>0.30</u> **

* Assumes a 20-year repayment schedule at 4.2% interest rate

**0.30 mills represents \$30 per year in taxes on a \$100,000 home.

Project Title: Haines Borough - Vocational Education Building Mechanical Upgrades

Brief Project Description:

The Vocational Education Building was constructed in 1978, and most of the mechanical systems were installed at that time. Other than the sawdust collection system and aboveground fuel oil storage tank, the mechanical systems have reached or exceeded their service life. Consultants have provided plans for energy-efficient mechanical systems of 25-year life projection, plus electrical upgrades and hazardous materials remediation.

Detailed Project Description and Justification:

The Vocational Education Building serves students in the Haines Borough School District. Constructed in 1978, the facility is a single-story steel building with slab on grade. The building initially was used as an automotive and metal shop. The metal shop area has been modified into a wood shop.

Murray & Associates, P.C. in August 2012 prepared a schematic design that outlined mechanical and electrical upgrades at the

The project includes demolition and architectural work and several upgrades to improve safety. For example, the fire suppression sprinkler system will be modified to ensure coverage of all areas, and sprinkler heads and piping throughout the facility will be replaced. Fire alarm devices will be provided to satisfy the National Fire Protection Association and Americans with Disabilities Act. Also, all emergency wash equipment will be replaced.

The schematic design lists improvements to systems for fuel, the small engine parts cleaning tank, and toilet, welding station and vehicle exhaust. The heating plant will be renovated in its entirety, and the ventilation system will feature a new air handling unit. A new building automation system would result from installing direct digital controls on all points in the facility for more efficient scheduling, operation of, and monitoring of the mechanical systems. The oil/water separator system will be revamped to route discharge to the storm system; currently, discharges are to the sanitary sewer system, in violation of municipal code. Electrical upgrades will be made to power distribution and lighting systems and mechanical equipment circuits.

Murray also surveyed for hazardous materials and recommended removing asbestos-containing duct tape from the ventilation system in the fan loft and from the original ventilation system in the shops, and removing all fluorescent bulbs and ballasts.

Project Title: Haines High School Roof Replacement

The existing high school roof is either reaching or has reached the end of its life expectancy. This project will provide for the replacement of the existing roof of the high school with a new EPDM or PVC roof. Scope of work includes removal and disposal of existing membrane,

contingency for unforeseen rot replacement needs and additional roof drains to mitigate standing water on the surface of the roof.

Project Title: Haines High School Air Handling Units replacement

Murray & Associates, P.C. prepared a January 2013 report that examined the air handling units located above the art room at Haines High School. The assessment focused on the condition and noise problems of ventilation units one, two and three at the school. Murray's long-term recommendation to replace all three units has an estimated cost of \$247,000. The report noted the noise level in the art classroom with all fans operating was measured at 62 decibels, at the upper end of acceptable noise levels for classrooms. The fans make rumbling, air and vibration noises, resulting from turbulence, exposed ductwork and, possibly, poor bearings. A condition survey from 2004 found the units had fewer than 10 years of serviceability left, but planned improvements were scrapped during the value engineering process for the 2008 school expansion, due to budget concerns at the time. The new units are quieter and more efficient, and provide students relief from vibration and air noise. The three units have been replaced, and the cost breakdown included a budget for demolition, plus mechanical, electrical and controls work. To date this work is substantially complete. This is an opportunity for the Haines Borough to recover more than half of the funds already expended for this project.



July 24, 2014

From: Borough Manager
To: Borough Assembly

SUBJ: General Obligation Bonds to Finance a Plan for Capital Improvements to School Facilities of the Borough

Assembly Members,

On this month's agenda there is an ordinance related to financing a plan for capital improvements to school facilities. This letter provides background and history of the issues leading to the ordinance and identifies some impacts to potential reimbursement of costs as a result of information received from Department of Education and Early Development over the past several weeks.

Background: On 4 March 2014 a Joint Assembly-School Board meeting was held during which the Assembly and School District Voted on the Major Maintenance Projects Status and Action Plan. Two motions were introduced and adopted:

Motion #1: Adopt a resolution to request the legislature to fund the Department of Education and Early Development (DEED) Capital Improvement Projects (CIP) funding through the Department of Education.

Motion #2: Authorize the staff to proceed with the application process to place bond measures on the 2014 ballot.

List of Projects: The following CIP items were identified for action:

- High School Air Handling Unit (Project 1)*
- Vocational Education Mechanical Upgrades (Project 2)*
- **High School Locker Room (Project 3)***
 - The high school locker room is located below the pool locker room. Leakage from the pool locker room and mechanical systems has damaged the High School locker room.
- **Pool Locker Room (Project 6)**
 - The pool locker room project includes upgrades to the locker rooms, mechanical upgrades to the pool, and ADA compliance upgrades primarily focused on the pool building. This project is about much more than the locker room and is actually very focused on essential mechanical upgrades

Bundled
Projects

SUBJ: General Obligation Bonds to Finance a Plan for Capital Improvements to School Facilities of the Borough

and ADA compliance. It would be helpful to change the name to something that more accurately reflects the goals of the project such as: ***“Haines Pool Mechanical Systems Upgrade and ADA Compliance Project”***

- Mosquito Lake Mechanical Systems Upgrade (Project 5)
- High School Roof Replacement (Project 7)*

Projects denoted with an asterisk () were approved at 70% funding in a letter from DEED received on Wednesday 23 July via e-mail initiated by Ms. Lori Weed, School Finance Specialist II, Division of School Finance, Facilities, Department of Education and Early Development.

For more information on the specifics of the pool mechanical status and proposed projects see **Figures 1 & 2** below and the 2011 Jensen, Yorba, Lott Locker pool conceptual design study. This is a compendium of all reports on this facility since 2001 and is available on the Borough website at: \\Fileprint\File Cabinet\#PROJECTS\#OPEN PROJECTS\School & Pool Locker Rooms Renovation

<p>POOL LOCKER ROOM MECHANICAL SYSTEMS Existing Condition and Analysis <i>Mechanical Systems:</i> The mechanical systems were installed during the original construction of 1982. Hydronic hot water heating is also provided from the High School heating plant via heating piping routed through the underground tunnel entering the space in the northwest corner of the first floor Storage room adjacent to under pool/gym storage area. A tempering valve station is located in the first floor storage room that serves the hot water system.</p> <p>Ventilation unit VU-2 supplies heating and ventilation air to the locker room areas with roof mounted exhaust fan EF-5 exhausting air out of the toilet and shower areas. VU-2 unit is located in the mezzanine area above the pool lobby adjacent to pool ventilation VU-2.</p> <p>Exhaust fan EF-5 may have been replaced within the last 10 years but overall the ventilation/exhaust system nearing 30 years old is reaching its useful service life. The ventilation volumes are sufficient for delivering heating air and exhausting air but the system being full outside air/full exhaust is not efficient with no waste heat captured. The interior of the</p> <p>Haines School/Pool Locker Rooms Haines, Alaska</p>	<p>DRAFT</p>	<p>Mechanical System Condition Survey Page 2 of 4</p>
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Figure 1

SUBJ: General Obligation Bonds to Finance a Plan for Capital Improvements to School Facilities of the Borough

Murray & Associates, P. C. Consulting Engineers

SURVEY REPORT

PO Box 21081, Juneau, Alaska 99802-1081 (907) 780-6151 Fax: (907) 780-6182

ductwork is dirty and needs cleaning. The fans need thorough cleaning. The automatic controls of the system were upgraded recently but cover basic functions only.

Ventilation unit VU-1 serves the pool area and consists of a VU-2 with economizer section, EF-1 returning air to VU-1 or exhausting it out through a separate cross flow heat exchanger. Recent major maintenance work was done by owner recently within 2 years but the system has reached its useful life also, is in a poor location for ease of maintenance and expensive for repairs, and does not have the proper controls for managing its energy efficiency parameters.

Locker Room Architectural: Similar to locker rooms below. Ceilings and floors are old, worn looking with many locations of leakage and small repairs. Major maintenance of ceilings and floors will be required within 5-10 years. Lighting in area works but is from old inefficient fixtures and lamps with little diversity in control of lights. Hazardous materials such as asbestos pipe fittings or asbestos in wall board/joints are unknown at this time; however given the age of construction it is less likely that some hazardous materials are present compared to the school locker rooms.

Figure 2

Updates from DEED & SERRC: Since the authorization by the Assembly and the School Board the staff has coordinated with DEED and the Southeast Regional Resource Center (SERRC) to move the identified projects forward. A key benefit of obtaining funding through DEED is that there is a reimbursement of up to 70% on approved projects. Essentially, if full state funding were obtained the cost would be split with the Borough funding 30% and the State (DEED) funding 70%.

During the course of the staff's conversations with DEED and SERRC those organizations noted that the pool employees are Borough employees not School District Employees, the equipment and facilities are wholly owned and operated by the Borough, and the Borough charges the school for use of the facility. Based on this assessment DEED considers the Pool Building a Borough Building and not a school building. This disqualifies the pool from any level of debt reimbursement through DEED.

SUBJ: General Obligation Bonds to Finance a Plan for Capital Improvements to School Facilities of the Borough

After communications with both SERRC and DEED, and especially in light of the school/Borough MOU, the pool was removed from DEED’s school inventory list. In light of this development we have submitted an application to DEED for high school locker room renovations for \$783,938 without inclusion of the previously proposed pool renovations. The Borough staff continues to coordinate with DEED and SERRC for alternatives to fund the Pool Locker Room project. An option to consider is adjusting the MOU with the School so that the school would not have to pay the Borough for use of the facility. This might make the facility and the project eligible for partial funding (below 70%) but would mean a loss of payment for the school to the Borough of the percent not funded through grants. In a phone call with DEED on Monday 21 July, The Manager and the CFO discussed options. One of the key criteria that DEED looks at is inclusion of pool related activities in the academic curriculum and in this area we are deficient. We also requested information on those communities whose pools receive partial funding so that we can see if we have similar usage. We await input from DEED on this request.

Bottom Line: A GO bond for the Pool Locker room would not receive any reimbursement and would be wholly funded by the Borough. The architects’ revised estimate for just the pool locker room and mechanical remodel without the new elevator and stair (to reduce costs) is about \$975,000. It would cost approximately an additional \$400,000 to fund the project as originally envisioned.

Additional Note: If the school bond passes for upgrades to the school locker rooms, the pool work should be done concurrently as any work completed on the school locker rooms is likely to be damaged by leakage from the Pool Locker Room and associated mechanical equipment.

Current Status: Debt reimbursement applications were prepared, submitted, and approved to DEED for the following projects:

Haines Voc Ed Building Mechanical Upgrades:	\$1,711,027.00
Haines High School Air Handler Replacement:	\$412,367.00
Haines High School Locker Room Renovation:	\$783,938.00
Haines High School Roof Replacement:	\$1,814,747.00

Anticipated Mil Rates & Debt Service: The following assessment in **Figure 3** was produced by the Borough Finance Officer on 24 July 2014:

SUBJ: General Obligation Bonds to Finance a Plan for Capital Improvements to School Facilities of the Borough

Estimated annual debt service requirements in dollars and mills for school and non-school projects

July 24, 2014 version

The Borough has been approved for 70% debt reimbursement by the State of Alaska DEED for the four school projects listed below. The following chart shows an estimate of the annual debt service required to finance these projects and the estimated property tax mills needed to levy the Borough's required 30% payment. The lower half of the table shows estimated debt service and mills for other projects which may require bond funding in the next 3-5 years if other sources of funding cannot be identified. Note that although a mill equivalent is given for enterprise fund projects debt service for these projects would more likely be repaid with user fees to the extent that is possible.

	Estimated Project Cost	Estimated Annual Debt Pmt*	DEED 70% Debt Reimbursement	
			Annual Amt Needed with 70% reimbursement	Mills needed at 2014 Values
School Projects (30% paid by Haines Taxpayers / 70% Paid by State of AK)				
High School and Vocation Ed. Buildings				
High School Air Handling Unit	\$ 412,367	\$ 30,510	\$ 9,153	0.03
Vocational Ed. Mechanical Upgrades	1,711,027	126,596	37,979	0.13
High School Locker Room	783,938	58,002	17,401	0.06
High School Roof Repairs	1,814,747	134,270	40,281	0.14
	<u>4,722,079</u>	<u>349,379</u>	<u>104,814</u>	<u>0.36 **</u>
Non-School Projects (100% paid by Haines Taxpayers)				
Swimming Pool Facility Repairs & Upgrades	975,000	72,139	n/a	0.25
Completion of Harbor Expansion	11,000,000	813,873	n/a	2.81
Lutak Dock Repairs	6,000,000	443,931	n/a	1.53
Wastewater Treatment Plant Upgrades	3,000,000	221,965	n/a	0.77
	<u>20,975,000</u>	<u>1,551,908</u>		<u>5.35 **</u>

* Assumes a 20-year repayment schedule at 4.2% interest rate

**0.36 mills represents \$36 per year in taxes on a \$100,000 home.

5.35 mills represents \$535 per year in taxes on a \$100,000 home.

Figure 3

Ordinance Structure: The borough's bond counsel advised that a single ordinance could authorize multiple ballot measures to be placed on the ballot, and he has drafted a proposed ordinance containing a ballot question for each of the above four projects. As with any ordinance, the assembly may choose to amend it. Staff requests an assembly discussion of whether to submit an ordinance including the pool locker room outlining the following options:

Option 1: Propose 5 projects (1,2,3,5,6) as separate bond measures.

- Advantages: Each measure is voted on individual merits. 4 of five projects funded at 70% grant level.
- Disadvantages: De-links projects 3 and 6. Project 6 must be completed if Project 3 is approved or else Project 3 will continue to incur damage from mechanical systems related to project 6. Additionally, there is no grant funding anticipated for Project 6.

SUBJ: General Obligation Bonds to Finance a Plan for Capital Improvements to School Facilities of the Borough

Option 2: Propose 5 projects (1,2,3,5,6) as 4 bond measures with two projects (3 & 6) linked.

- Advantages: Links Projects 3 and 6 to the same bond measure and ensures concurrent work on linked projects. 4 of five projects funded at 70% grant level.
- Disadvantages: There is no grant funding anticipated for Project 6 and failure of the combined measures means Project 3 will be delayed

Option 3: Propose 3 projects (1,2,5) as Bond measures and delay 2 projects (3,6) until a determination on partial grant funding is made by DEED

- Advantages: Focuses bond measures on projects with approved grant funding and provides additional time to make a determination of partial funding availability for Projects 3 & 6. Retains required link between Projects 3 & 6.
- Disadvantages: Project 3 will be delayed

Additional Data: The funding requested for project at the \$1.4 million level is sufficient to address the mid-term items noted within the 2011 Jensen, Yorba, Lott condition study. In 2011 the condition study noted that 6.2 million dollars of work was required to address long term costs. Several projects have been completed since that report and others are being bid (lights for the pool). Other emergency maintenance has been accomplished that addressed some of the items noted in the 2007 condition report. I have requested that the Facilities Director make a more thorough determination of what has been accomplished, what projects are pending, and what this proposed project will accomplish and determine how far along the original condition study this will bring us. We will also need to factor in inflationary increases to the origin estimate of long-term costs. Some key questions to study are to what extent these upgrades will extend the life of the facility and to what extent does this life cycle extension justify the costs/investment.

- Current Pool Membership: 322 members
- FY 14 Usage rates: 14,428 visits
- FY 14/15 Operating Budgets: \$242,646/\$235,719
- FY 14/15 Revenue Under Expenditures: \$196,146/\$195,719

Respectfully Submitted,

David B. Sosa

Memorandum

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

August 6, 2014

To: Haines Borough Assembly

Cc: Dave Sosa, Manager
Julie Cozzi, Clerk
Anne Marie Palmieri, President, Haines Borough School Board
Ginger Jewell, Superintendent Haines Borough School District

From: Stephanie Scott, Mayor, Haines Borough

Subject: High school locker room repair (Ordinance 14-07-388, Proposition 4);
pool mechanical systems upgrades and ADA compliance

I urge the Assembly to withdraw Proposition 4, High School Locker Room Repair, at this time (move to remove Proposition 4 from Ordinance 14-07-388) and work with the school district to redesign the school district's relationship to the pool.

I recommend this course of action for two reasons:

1) The pool mechanical system is in disrepair. The proposed repair costs between \$995,000 - \$1.4 million. It's disrepair impacts the high school locker room which also needs to be repaired, mainly because of leakage related to the pool mechanical system, for an estimated cost of \$783,938. Consultants and the Borough Facilities Director assert that repair to the one requires repair to the other. However, Ordinance 14-07-388 does not include the proposition to bond for repairs to the pool mechanical systems, in part because repairs to the pool do not qualify for debt reimbursement from the state. This is so because we have administratively removed the pool from the school, thus removing the opportunity for debt reimbursement. But the school buildings and the pool remain physically "one," so much so that the condition of the pool impacts the condition of the high school locker rooms. I presume that the pool was added on to the school initially to capitalize on state programs for school construction.

2) It is possible to acquire some level of debt reimbursement for pool repairs through the DEED program if we confer with the School District. According to conversations with DEED (Department of Education and Early Development), detailed in the Manager's July 29th report, repairs to the pool mechanical system will

qualify for some level of state reimbursement if pool related activities are included in the academic curriculum and if the MOU between the School District and the Borough is adjusted.

The difference between the pool as part of our school curriculum and the pool as wholly independent from the school is the difference between taxpayers funding as little as 30% of the repairs and taxpayers fully funding 100% of the project. Negotiation with the school district on behalf of savings for taxpayers seems a course of action with a probability of a positive outcome, though taking the time to have the conversation, come to an agreement, and persuade DEED to qualify the pool as part of the school will delay the needed repairs. I am willing to risk the delay in service of the possibility of capturing an outside funding source for pool repair.

I also look forward to the opportunity to highlight the goal behind the initial impetus to build a pool in Haines: water safety.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-498
Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: FY15 Budget Amendment Ordinance	1. Ordinance 14-08-389 - DRAFT 2. Budget Amendment Worksheet 3. Memo from the Clerk re. Funds for Promotional Campaign
Originator: Finance Director	
Originating Department: Finance	
Date Submitted: 8/4/14	

Full Title/Motion:
Motion: Advance Ordinance 14-08-389 to a second public hearing for 9/9/14.

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: _____
Consistent: Yes No

Summary Statement:
This provides for the addition or amendment of the FY 14 budget. Revisions include: 1) reduce projections for FY15 property tax receipts; 2) appropriate Sewer Fund user fees to reroute and repair the main on Mathias; 3) budget for a grant from the State of Alaska for fish waste disposal; and 4) appropriate areawide general funds to conduct a promotional campaign for ballot initiatives sponsored by the Haines Borough.

Referral:
Referred to: _____ Referral Date: _____
Recommendation: _____ Meeting Date: _____

Assembly Action:
Meeting Date(s): 8/12, 8/26/14
Public Hearing Date(s): 8/26/14
Postponed to Date: _____

HAINES BOROUGH
ORDINANCE # 14-08-389

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, 2014 through June 30, 2015.

Section 4. Purpose. To provide for the addition or amendment of specific line items to the FY15 budget as follows:

(1) To reduce projections for FY15 property tax receipts. Increased senior exemption applications and appeals of real property values resulted in lower than anticipated tax bills.				
		Current FY15 Budget	Proposed FY15 Budget	Fund Balance Increase / (Decrease)*
01-01-09-4011	Property Tax – Areawide General	\$1,645,000	\$1,607,500	(\$37,500)
02-01-09-4011	Property Tax – Townsite Service Area	414,000	405,500	(8,500)
25-01-00-4021	Property Tax – Fire Dist. #1	203,000	198,500	(4,500)
75-01-00-4021	Property Tax – Library Bond	14,100	13,785	(315)
76-01-00-4021	Property Tax – 2005C School Bond	388,400	379,715	(8,685)
Total reduction in projected property tax revenues				(\$59,500)
(2) To appropriate \$20,000 of Sewer Fund user fees to reroute and repair the main on Mathias. The total project cost is estimated to be \$60,000 but \$40,000 appropriated from the CIP fund in FY15 for “Townsite Water & Sewer Line Repairs/Upgrades” will be used for the balance. The current unrestricted reserves for the sewer fund are approximately \$750,000.				
		Current FY15 Budget	Proposed FY15 Budget	Fund Balance Increase / (Decrease)*
91-50-00-7392	Sewer Fund Project Expenditures	\$0	\$20,000	(\$20,000)
(3) To budget for a grant from the State of Alaska for Haines Borough Fish Waste Disposal. This grant was approved by the Assembly with resolution #14-03-540.				
		Current FY15 Budget	Proposed FY15 Budget	Fund Balance Increase / (Decrease)*
31-01-00-4341	State of Alaska Revenue	\$0	\$37,500	\$37,500
31-01-00-7392	Project Expenditures	\$0	\$37,500	(\$37,500)
Net cost to Borough for Fish Waste Disposal				\$0
(4) To appropriate \$3,000 of areawide general funds to conduct a promotional campaign for ballot initiatives sponsored by the Haines Borough.				
		Current FY15 Budget	Proposed FY15 Budget	Fund Balance Increase / (Decrease)*
01-01-11-7340	Assembly Advertising	\$3,750	\$6,750	(\$3,000)

* 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: 08/12/14
Date of First Public Hearing: 08/26/14
Date of Second Public Hearing: ___/___/___

HAINES BOROUGH

Proposed Amendments to the FY15 Budget - Ordinance #14-08-389



	Area-wide General	Townsite General	Fire Service Areas	Library Bond	School Bond	Sewer Enterprise Fund*	
FUND	01	02	25	75	76	91	
Projected Fund/Cash Balance as of 06/30/2014 \$	2,478,403	1,498,858	48,954	1,271	2,755	852,995	
FY15 Adopted BUDGET Excess Revenue Over (Under) CASH Expense	(19,694)	(279,708)	(8,903)	(48)	107	(5,275)	Totals
Proposed Amendments:							-
1. Adjustments to property tax revenues	(37,500)	(8,500)	(4,500)	(315)	(8,685)		(59,500)
2. Mathias sewer main project						(20,000)	(20,000)
3. Fish waste disposal grant							-
4. Ballot initiative promotion	(3,000)						(3,000)
PROPOSED Excess Revenue Over (Under) CASH Expense	(60,194)	(288,208)	(13,403)	(363)	(8,578)	(25,275)	(82,500)
Proposed Fund/Cash Balance 06/30/2015 \$	2,418,209	1,210,650	35,551	908	(5,823)	827,720	(82,500)
Annual Operating Budget	4,833,694	1,219,088					
Projected Fund Balance as % of Operating Budget	50%	99%					
Amount in excess of 6 months of operating budget	1,362	601,106					

* The cash balance is shown instead of the fund balance and the cash budget is shown which does not include depreciation expense



Memo from the Clerk

Date: August 12, 2014
To: Mayor and Assembly
Cc: Borough Manager
From: Julie Cozzi, MMC, Borough Clerk
Re: Assembly Promotion of Ballot Measures

FY15 budget amendment Ordinance 14-08-389 is offered for introduction on the 8/12 assembly agenda. One of the amendments appropriates funds to conduct a promotional campaign for the propositions anticipated to be on the Haines Borough Election ballot in October.

A municipality may use public funds to influence the outcome of an election concerning a ballot proposition or question, but only if the funds have been specifically appropriated. [AS 15.13.145\(b\)](#) and [2 AAC 50.356\(a\)](#).

So, assuming the assembly wishes to conduct a promotional campaign, the questions are:

- 1. How much to appropriate** (\$3,000 was placed in the draft ordinance as a starting point for discussion, and there is no requirement to use all that is appropriated),
- 2. What promotional methods to use**, and
- 3. Who will design the materials** (past efforts have involved the mayor and a couple of assembly members).

The last time the assembly promoted a ballot proposition was 2012 when the borough opted out of the state's financial disclosure requirements. \$1,500 was appropriated, and \$882 was ultimately expended. The expenses included printing and postage for a mass box-holder mailing and two CVN display ads.

Since Proposition #1 (40% election percentage) and the bond measures are quite dissimilar, it would be very difficult to promote them within the same ads. Each message should be very clear, and trying to have everything together would tend to muddle things for the voter. Therefore, I recommend separate promotional campaigns.

In my opinion, a box-holder mailing is the least effective means for getting the word out; a large number of the mailers seem to end up in the recycle bins at the post office, for one thing. In this age of technology, I would recommend the assembly consider the following methods, some of which would have little to no cost:

- CVN display ads, paid commentaries, and letters to the editor
- KHNS advertising, news-spots, and interviews such as *Talk Around Town*
- Colorful posters on bulletin boards all over the area
- Mailings to those on the permanent absentee voter list and those who have applied for an absentee ballot
- Prominent information on the borough's website
- Community Website advertising
- School Board helping to promote the bond measures
- Officials speaking to various groups/organizations, e.g. Chamber of Commerce
- Other Ideas?



MANAGER'S REPORT

DATE: August 22, 2014
TO: Mayor and Borough Assembly
FROM: David B. Sosa, Borough Manager

BOROUGH ADMINISTRATION MISSION

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

Manager's Comments:

Employee Recognition: I would like to commend Jedediah Blum-Evitts for his work at the library. In addition to all of the extra duties he has taken on since first starting at the library, he has also proven himself to be a center of calm and professionalism during an emergency. On July 20th, a library patron passed out while in the library and hit her head, causing a head wound with excessive bleeding. Jedediah responded with calm and concern and promptly called EMS. (Kudos to this crew, as well). A week or so later, the patron returned to thank him for his attention and care. Following the incident, Jedediah was able to recognize that it would be beneficial for our organization to review our procedures for emergency situations, particularly when dealing with bodily fluids. I commend him for the way in which he dealt with the situation, his caring and concern for the individual, and his ability to look at the procedures the library should review and update in emergency situations, however rare they may occur.

Economic Development Incentive Program: A revised draft was submitted to the Commerce Committee via e-mail on Tuesday, 19 August.

Economic Development Director Hiring: Two applicants were interviewed and the hiring committee is reviewing the interview results and will provide a hiring recommendation by Friday, 29 August.

Excursion Inlet Visit: On 18 August members of the Assembly and Borough Staff visited Excursion Inlet and met with local residents and representatives from Ocean Beauty. We toured the plant facilities, learned about current projects, and were apprised of concerns regarding the harbor facilities, the bridge to the reservoir, and a desire by Ocean Beauty for a easement to allow for additional water pipes. The manager has tasked appropriate staff to look into the items and report back.



Supervisor Training: From 27-29 August Department Heads will participate in a Supervisors Training Course offered by Ms. Mila Cosgrove, the Human Resources Director for the City and Borough of Juneau. Availability for these key individuals will be limited during that time but the additional skill sets and knowledge gained will enable Department Heads to more effectively carry out their responsibilities translating to more effective service for the community.

SATP Meeting: On 10 September representatives from State DOT will be on hand to take comment on the Southeast Alaska Transportation Plan. The draft of this plan was provided some time ago and a link to the plan was included in the Managers Update of 22 July 2014. There will be an opportunity for Assembly and select staff to meet with the group on the 10th at 10:00 AM in the Borough Conference room. The report can be accessed at <http://dot.alaska.gov/sereg/projects/satp>

PILT: On 24 June the Manager reported to the Assembly that the DOI came up with an estimate of \$344,205 for the Borough's PILT payment this year. This amount is based on a calculation of Federal entitlement acreage of 956,983 within the Borough's boundaries. Last year's calculation used a Federal entitlement acreage total of 1,104,660. Since that time the Manager coordinated with Ms. Sally Smith of Senator Begich's office and learned that historically the Federal government estimated the amount of land for PILT. Recently the Federal government conducted a GPS survey and determined the actual acreage was less than previously thought. The Senator's office is looking into the possibility of a means to contest the finding. More to follow.

ICMA Conference: Between September 11 and September 18 2014 the Manager will be attending the International City County Management Association Conference in Charlotte, NC. During the Manager's absence his duties will be handled by the Borough Clerk

Hails & Farewells

Hails: The Administration welcomes Ms. Donna Lambert as a Part Time Office assistant! (see Clerk's Section below for more details)

Fair Winds and Following Seas: On Friday, 22 August 2014 the Borough Administration bid a fond farewell to Ms. Christina Baskaya. Christina was a temporary hire who served as a Special Projects Coordinator for Community & Economic Development. In this capacity she moved several critical projects forward including the Bio-mass project, the Picture Point development Project, and served as staff liaison to both the Downtown Revitalization Committee and the Parks & Recreation Committee. In the conduct of her duties Christina also coordinated with legislative aides, committee and commission members, local officials, and members of the community. Her interaction was always at the

highest level of professionalism, ably showcasing the capability of Borough Staff and engendering good will with the community. Christina's talent for organization and coordination was always evident and was instrumental in orchestrating the Manager's Town Hall, US Senator Lisa Murkowski's visit, and the Borough Booth at the SEAK Fair. Her efforts facilitated civic engagement, kept projects on-track, and helped shape the environment for the incoming Community & Economic Development Director. She was an energetic and very capable contributor to our team and she will most certainly be missed. Bravo Zulu for a job well done!



Clerk's Office

New Hire: Hired Donna Lambert as part-time office assistant...first day August 20. This budgeted, entry-level position is primarily responsible for processing the borough's incoming and outgoing mail, as well as receptionist and general office duties.

Elections: Assisted more than 130 early voters for the state's primary election and also busy gearing up for the borough's general election in October. The borough candidate filing period ended at 5pm on August 20, and the official list of candidates is available on the borough's website. Applications are available in the office and on the website for absentee by mail and absentee by fax voting. Early voting for the borough election will begin September 22.

Community & Economic Development

Picture Point: Picture Point Design Committee met on Aug. 21, 2014. A restroom design was chosen and will be presented to the assembly at a later meeting. A "Welcome to Haines" sign with totem from AIA was presented to the group. The committee decided to pursue the order of the sign with some changes, such as non-carved wording. They also want staff to research possibility for burn pits to be stationed at Area 2.

Wood Pellet Heating: Two RFQs and one interest letter from wood pellet suppliers were submitted by Aug. 20, 2014. The suppliers proposed pricing for pellets and delivery options to Haines. This research was completed to source a reliable, economical supply chain of wood pellets for the Borough should they decide to install wood pellet boilers in up to 10 Borough facilities using the AEA Grant funding.

Parks and Recreation Committee: PARC members met on Aug. 21st to discuss updates to certain projects such as Trail Markers for State Parks, park maintenance on Battery Point and 7 Mile Saddle and the Chilkat Cabin use letter. Jon Hirsh resigned from the committee and Rich Chapell was elected as the new committee chair. Committee also voted to request the Mayor to appoint Ginger Jewell and Jon Gellings to PARC.

Facilities & Public Works:

Borough Radio Communication System and E-911

The contractor is waiting for the FCC to approve the new narrowband license applications that were submitted by the Borough.

High School Air Handling Units

This project is substantially complete. The contractor has been made aware of a few minor contractual obligations and will submit a schedule for final completion by August 24, 2014

Third Avenue Reconstruction

The last of the concrete for this project was poured on August 19, 2014. If weather permits final grading in preparation will take place the week of August 23 with paving to be complete by September 5, 2014.

Picture Point

Topographical surveying was completed and submitted to the Borough on July 14. A design proposal from PND has been submitted and staff is currently in the permit process with the State.

Library Building Controls Conversion

This work is substantially complete. The contractor will submit a schedule to return to Haines in September to complete the staff training.

Chilkat Center for the Arts Window Replacement

Proposals were opened on August 18, 2014. Stickler Construction of Haines is the apparent low bidder. The proposed amount is within the amount that was budgeted through the FY15CIP.

Borough Administration Building Roof

On August 18, the Borough opened sealed bids for the re-roofing of the administration building. This project will include framing a pitched roof over the portion of the facility that currently has a flat roof. The existing roofing material are cedar shingles. The new roof will be asphalt shingles. Stickler Construction of Haines is the apparent low bidder. This project is funded through the CIP process.

Oslund Dr. Paving

The chip seal surface on approximately 1,200' of Oslund Dr. was removed to allow for the installation of a new water line in 2013. This area will be paved in conjunction with the upcoming Third Ave. paving and it will be funded in part by DEC.

Finance: NSTR

Fire & Emergency Services: NSTR

IT: NSTR

Land Assessment-Planning & Zoning:

P&Z:

- H2O/Sewer maps in progress
- Picture point project (State ROW permit)
- Processing land use permits
- Reviewing amended Picture Point Subdivision Plat

Assessing

- Human Resource Building Assessment completed & submitted to Manager
- Mosquito Lake Facility assessment (site visit complete, written report in progress)

- Archive info for Kochu Trust senior exemption for land being prepped for Manager to submit to legal
- Elks Lodge manifest error research & calculation on tax overpayment in progress
- Coordinating with finance on tax billing & scheduled meeting on September 9 for database review by all staff involved

Legal: NSTR

Library:

Mechanical controls - Eric Persson, of Meridian Systems of Anchorage, was here the week of August 4th along with an electrician to work on updating our mechanical controls. The work plan was changed somewhat once Meridian Systems had a complete look at our existing system. They will return in three weeks to train us on monitoring the system via internet. Both the library and facilities staff will have access.

Internet Sped: While in Anchorage at the Alaska Library Network Board meeting, the Director was able to meet with OWL staff and talk with GCI to move forward with increasing our internet speed. The work order is now in place to increase our connection from 1.5 to 3mb/s. The monthly cost will be \$135, a \$55 per month increase. This cost is covered by the Friends of the Library.

Employment: The Library is currently advertising for a Library Aide position, 10 hours a week with a starting wage of \$11.06. This position is part of our FY15 budget request. Applications will be reviewed beginning the end of next week.

Grants: Currently working on the Public Library Assistance FY14 grant report, annual statistical report, and updated technology plan due to the State Library by October 1. The final financial reimbursement form for current IMLS Enhancement grant due September 30th. The final narrative report is due December 30th. FY15, IMLS Basic Grant amount of \$7,000 has been requested. FY15, Public Library Assistance grant amount will be \$6,650.

Police:

Hiring Interviews: completed with 2 of 3 applicants being considered for the position vacated by Sgt. Ford and will be finished with interviews by next week.

Staffing Levels: low in dispatch with 2 out on LOA and the temp position filled by Dispatcher Turner ending at the end of this month when she returns to school.

Recent events of note during the last 2 weeks: 1 unattended death on Small Tracts (8/20) still under investigation; 8/13 assisted AST with injury collision on Lutak (injuries minor); and wrote another minor injury collision for AST on 8/20 at 7 ½ mile on the Highway (AST off duty).

Ports & Harbors:

Drilling: Drilling and sampling to begin on 2 September for bedrock and environmental sampling for Portage Cove Harbor expansion. Notice posted around town, on the radio, newspaper and at the harbor.

Grants: PHAC forwarding letter requesting Alaska Department of Sport Fishing grant money for launch ramp and boarding float in South Portage Cove Harbor. Additional work

has been done to find funding for harbor expansion project and Lutak upgrades through state and federal authorities.

Improvements:

Safety Ladders: Harbor staff Installed 16 safety ladders throughout harbor with Richard Boyce Memorial Fund and the Haines Borough Harbor matching money.

Ice House: Continue to work on the ice delivery floats and system to streamline.

Sheldon Museum & Cultural Center : NSTR

Tourism:

Visitor Center It has been a busy few weeks at the Visitor Center with almost 2000 visitors coming through in the past 2 weeks. With main staff member, Tammy Piper, gone on vacation this past week it is very evident how necessary it is to often have two people out front to assist visitors. The new Tourism Director has had a good week learning the front end of the Visitor Center and has enjoyed the one on one time with our wonderful visitors to Haines.

PC Dock & Ship Visits The visiting Oosterdam on August 13th had just about sold out tours all day, putting us to capacity on our tours offered for this large ship. The Statendam visits the following Wednesdays are consistently not as full or busy. A good reminder that next year we will have the Oosterdam and the Zaandam in port – giving us two large ships for Wednesdays.

Chilkoot Corridor The Tourism Director has been busy meeting with concerned tour operators and public members about the Chilkoot Lake situation. There is much concern with the moratorium being lifted (from both sides) and any additional tours being permitted in the Chilkoot.

FAM Trip The Tourism Department will be hosting a FAM trip made up of leaders of the Adventure Travel market August 24-26th. This trip has been put together by Tanya Carlson (former Tourism Director) of ATIA. This should be a great group to have in Haines to promote our town as the “Adventure Capital of Alaska”

Chilkat Center for the Arts

A Community Facility Operated by the Haines Borough

(907) 766-3573

facsimile (907) 766-3574

E-mail business@khns.org

Facility Administration Report

July 2014



Usage:

July, an already slow month for classes at the Chilkat Center, has lost Yoga Fundamentals and Guys Yoga. Marnie Hartman, the instructor, has opened her own studio at the fort and as of August, is hosting classes in the old fire hall. Strongwomen and Melina's yoga along with several of the Jujutsu classes still on hiatus until September, impacting our dependable monthly income. We had a visiting summer teacher who tried to do run a six-week mid-afternoon yoga but couldn't attract any students, probably a result of late promotion, mid-summer goings on and lack of name recognition. The evening time opening up will be an opportunity for some new discipline, no doubt. KHNS will promo the time availability to see if we can fill that time.

The Lynn Canal Community Players hosted the Children's Theater Conservatory which ran for three weeks culminating in the production, Puss'n'Boots.

The Chamber of Commerce hosted one of their monthly luncheons at the CCA in July and the kitchen continues to be used throughout the summer both by Sarah Jaymot and in a more limited way by the Rainbow Glacier Tours.

Nancy McGrew offered a 4-week mid-day yoga class for part of June, early part of July which was well attended and then she took it down to the Zumba studio. Certainly the impetus for starting one's own business in a new space is high but why teachers are decamping CCA to rent space from another teacher has to do with the ambiance, sound system and lighting options is what I've been told, as well as cost. I know the heating situation was frustrating last winter but they are aware of all the work that has been done to try and fix that. Hopefully we can attract some new users.

Maintenance

The spring planting of the front of the CCA building has flourished giving members of the FCCA, CCA and KHNS many opportunities to practice our meditative weed pulling but well worth the welcoming air the landscaping brings to the center.

Things on the maintenance list:

Window replacement in the KHNS production and broadcast studios as well on the north side of the building. Dance Studio windows are unable to ventilate the room. We're worried that tenants unable to regulate temperature either in winter or summer will look for other options.

- Front door of the building and back door off the handicapped ramp have worn latches - front door has been sticking and back door doesn't close all the way.
- The area in the basement ladies bathroom that was patched up during the 2013 conference needs to be addressed with a long term solution.
- Railing for stairs at front side of building – in winter these steps can be dangerous. Do we want to block them off in winter?

Submitted by Facilities Manager, Kay Clements, July 2014

Chilkat Center for the Arts			
7/31/2014			
Contact	Function	Participants	Amount
	Dance Studio		
Marnie Hartman	Yoga	80	135.00
Melina Shields	Yoga (summer hiatus)	0	0.00
Chorus Bishop	Seibukan Jujutsu (summer hiatus for most classes) bill credited against window cleaning	78	255.00
Nancy McGrew	Yoga Mon and Wed July	19	45.00
	Lobby		
Well and Fit	Morning Muscles	72	135.00
St Michael's	Sunday Services	120	300.00
Well and Fit	Strongwomen (summer hiatus)	0	0.00
Haines Chamber of Commerce	Luncheon	35	75.00
	Conference Room		
KHNS	Board meeting July 15	8	n/c
FCCA	Board meeting July 10	7	n/c
	Auditorium		
LCCP	Children's Theater	40	1500.00
	Kitchen		
Sarah Jaymot	Sarah J's Shoppe	2	250.00
Joe Ordonez	Rainbow Glaciers fish cutting	2	75.00
			2770.00
	Seibukan Jujutsu - trade out for window cleaning of CCA		-255.00
	June Totals	463	2515.00

Sheldon Museum and Cultural Center

Director's Report: July 2014

Visitor count: 2,528 visitors (731 more than last year)

Volunteer hours: 274

Website: July 2014 = 1,457 page views / 669 unique visitors

Year to Date = 16,570 page views

Collections:

Archives:

- 18 Reference requests significantly increased the time staff spent with researchers in July. Requests included:
 - 6.5 hours of staff time helping Gold Rush Alaska TV crew find historic film footage and still photos of the town. This included transferring VHS film to digital media.
 - Two donors checked on their donations and added provenance to them.
 - Dan Henry requested oral history tapes of Native elders for his August class.
 - Early Fort Seward pictures for Helen to present at Arts Confluence Workshop.
 - Aly Zeiger researched canneries for Anastasia's class to be held in August.
 - Micah True, a Canadian University Professor, researched the Whale House artifacts trial.

Camps

The Haines Science Camp has been a successful partnership for both organizations. We have enjoyed having children at the museum every day. They have used the Fish Camp exhibit, the upstairs gallery and the staff kitchen. The children are comfortable and respectful in the museum. The museum provides hot cocoa on cold, rainy days. The camp meets in the back yard of the museum and walks to Tlingit Park as needed. The backyard shed is used for camp supplies and activities. The children play more active games in the museum's back yard. These camps were held in July:

- July 14-18: Sustainability Camp (7th through 8th grades)
- July 21-25: How Glaciers Carved the Mountains (7th through 8th grades)
- July 28-31: Art is All Around Us Nature Camp (1st through 3rd grades)

Exhibits and Related Programming

- John Hagen, Jr.'s "Chilkat Beach in Monochrome: Landscape Studies in Black & White" closed July 12. It has been popular with visitors and locals.
- Ma'or Cohen's "Breathing Room" Acrylic Paintings exhibit opened July 18 and runs through August 30, 2014.

- The Sheldon Museum and Cultural Center had a float in the July 4th parade. It featured the friendship pole and four elders from our community. Special thanks to Erma and John Schnabel and Char and Smitty Katzeek for riding in our float. Special thanks to Steve Virg-in for driving our float and loaning us the flat bed trailer.
- The children's Fish Camp continues to be highly used by visitors. It is quite successful at bringing children in and holding their interest. For the fall, we will be installing a harvest area with food processing activities.
- Our intern, Alyssa Magnone, left July 16th. She completed multiplex exhibit panels on the Clara Nevada. They have not been printed and installed yet.
- Upgraded our White Fang exhibit by displaying the newly acquired clapper and new signage for the dog sled already on display.
- Jim Heaton has been carving the totem pole outside of the museum on Wednesdays. We plan to unveil it on August 23 as part of a fundraiser for the museum.
- The old Alaska Marine Highway System exhibit was reinstalled by board member Dave Pahl. (Thank you Dave!)

Fundraising

- Held a public meeting to introduce the New Pathways project to our stakeholders in Haines. Established the calendar for our future workshops and projects.
- Worked on the Totem Trot fundraising walk/run to be held Aug. 13.

Server and Network Administration

- Maintenance:
 - 2 updates for windows/outlook were installed in July.
- Upgrades & Resolved Issues:
 - Backup Exec was upgraded. However, we are still having frequent missed backups due to hangs and also simply a lack of disk space. An additional 1TB RD drive was ordered, received and is now in operation to help with this. Warren is recommending that we upgrade Backup Exec to the latest version (via Techsoup). He has noticed that the latest version doesn't have as many hangs as the version that we are using.
 - Server filling up; Expanded Hard drive space – Warren Johnson and Blythe expanded the server's "storage capacity" by installing two additional hard drives and set it to Raid 1. This means we now have two 1TB mirrored hard drives for a total of 2 TB of space on the server. Mirrored hard drives are a standard method for creating server redundancy so that if a hard drive fails you don't lose your data. This is in addition to the backups that are regularly run via Backup Exec.

Upcoming Activities

- Create a coffee/hot drinks area in the museum foyer during August.

- August 23, 2014: Totem Trot – a 5 K fun run/walk fundraiser for the Sheldon Museum followed by a totem pole unveiling at the museum. We are looking for runners, volunteers and sponsors.
- Final Six Week Spotlight exhibit - Alexandra Feit: Wax Paintings: September 5 - October 18, 2014
- Website overhaul and upgrade

Upcoming Haines Science Camps:

- Aug. 4-8, 2014: Sustainability Camp (4th through 6th Grade)
- Aug. 11-15, 2014: Naturalist Camp (7th through 8th Grade)

New Pathways Project with Rasmussen Foundation, EMCarts and Foraker Group:

New Pathways Virtual Workshops:

Sept. 16, Sept. 30, Oct. 21, 2014

Dec. 16, 2014 and Jan. 6, Jan. 20, 2015

Mar. 3, Mar. 24, Apr. 14, 2015

New Pathways Anchorage Workshops:

February 26, 2015 and May 7, 2015

New Pathways Coaching Sessions in Haines:

December 1, 10:30 a.m. to 3:30 p.m.

January 26, 2015 (Time is ferry dependent)

May 4, 2015 (Time is ferry dependent)

AASLH meeting (St. Paul, MN): Sept 17-20, Helen Alten will attend

Museums Alaska (Seward, AK): October 1 – 4, most of staff will attend

Doll Fair Exhibit: October 18-31



**Haines Borough
Planning Commission Meeting
July 10, 2014
MINUTES**

Approved

1. **CALL TO ORDER/PLEDGE TO THE FLAG** – Chairman **Goldberg** called the meeting to order at 6:30 p.m. in Assembly Chambers and led the pledge to the flag.
2. **ROLL CALL** – **Present:** Chairman Rob **Goldberg**, Commissioners Lee **Heinmiller**, Heather **Lende**, Andy **Hedden**, Robert **Venables**, Danny **Gonce**, and Don **Turner III**.
Staff Present: Stephanie **Scott**/Mayor and Tracy **Cui**/Planning & Zoning Technician III.
Also Present: Timothy **Wolf**, Tiana **Taylor**, Jeanne **Kitayama**, Paul **Wheeler**, Jan **Hill**, and Debra **Schnabel** (liaison).
3. **APPROVAL OF AGENDA**
The applicant for Item 8A requested a postponement of her conditional use proposal. The reason for the postponement was that her application was incomplete. The commission decided to remove Item 8A from the agenda.
Motion: **Venables** moved to “approve the agenda as amended”. **Gonce** seconded it. The motion carried unanimously.
4. **APPROVAL OF MINUTES** – June 12, 2014 Regular Meeting Minutes
Motion: **Venables** moved to “approve the June 12, 2014 regular meeting minutes as amended”. The motion was amended to add details on Item 8A Chilkat Lake Road Rezoning Petition, add explanations about “temporary residences” on Item 7A Planning & Zoning Report, and reword the motion of Item 10D1 Classification of Borough Lands for Sale. **Heinmiller** seconded it. The motion carried unanimously.
5. **PUBLIC COMMENTS**
Mayor **Scott** thanked the commissioners for attending the Energy Round Table.
Surveyor **Wolf** introduced himself to the commission.
6. **CHAIRMAN’S REPORT**
Goldberg said 34 planners from Alaska’ largest to some of its smallest communities responded to a 5-question survey about Alaska Downtowns that Barbara Sheinberg initiated. He read the survey report and realized a lot of small communities have the same problems we do. The report also provides some successful solutions on downtown improvements.
Goldberg encouraged the commissioners to attend the Fort Seward Wayside Interpretation Workshop between July 15 and 17.
7. **STAFF REPORTS**
A. Planning & Zoning Report
Cui reported monthly land use permitting, enforcement activities, and the status of on-going projects.

Cui said recently an RV park owner requested placement of a moveable dry cabin in his RV Park for renting purposes. The property is zoned light industrial commercial. After checking the Borough code, it appears that the proposed use does not perfectly fall under any of the categories in the Borough zoning chart. **Cui** asked for commissioners' thoughts on this issue. The commission directed **Cui** to work with the Borough manager on interpretation of code, and make the final decision.

Lende asked the status on George Edwards' junk yard abatement order. **Cui** said in consideration of Mr. Edwards' physical and financial situation, the manager offered Mr. Edwards an additional six months to correct the violation.

8. **PUBLIC HEARINGS**

A. **Kim Chetney – Lodging Rental Conditional Use Proposal** (postponed)

B. **Tiana Taylor – Guest House Conditional Use Proposal**

Motion: **Lende** moved to “approve Taylor’s conditional use proposal with the condition of requiring code-compliant water & sewer connections to the cabin”.

Heinmiller seconded it. The motion carried unanimously.

9. **UNFINISHED BUSINESS** – None

10. **NEW BUSINESS**

A. **Historic District/Building Review** – None

B. **Haines Borough Code Amendments**

1. **Setback Regulations in the General Use Zone & Construction Declaration Information Sheet**

Goldberg said the current code requires that construction of fences within the required setback is subject to a permit. The commissioners discussed this requirement and decided that it is not a good idea to require land use permits to construct fences Borough wide because the Borough does not have land use permit applications outside of the townsite service area. Therefore, the commission determined to add “fences outside of the townsite service area” on the list of exemptions to the setback requirements.

Motion: **Turner** moved to “recommend the Assembly adopt substitute ordinance 13-12-358”. **Venables** seconded it. The motion carried unanimously.

The commission approved the new construction declaration form that comes with an information sheet that will explain the zoning regulations and setbacks for the applicant’s location.

C. **Project Updates** – None

D. **Other New Business**

1. **Primary School Subdivision, Portion of Lot 8**

Motion: **Lende** moved to “recommend the Assembly further consider the proposal from Haines Brewing Company”. **Turner** seconded it. The motion carried unanimously.

The site is currently zoned Commercial. The Brewing Company is defined as “light industrial commercial” in the code. They propose to construct an apartment in the building, so the use of the property is classified as “Combination,

residential/industrial/commercial (R/I/C)” which allows “Use-By-Right” in a commercial zone, per HBC 18.70.040.

11. **COMMISSION COMMENTS**

Venables said he would like to see a drawing showing the inventory of vacant lots and buildings within the downtown area. It will be helpful to determine how to make those properties useful and marketable, especially the Borough-owned properties.

More discussion ensued.

12. **CORRESPONDENCES** - None

13. **SET MEETING DATES** – The next regular Planning Commission meeting is scheduled for 6:30 p.m. on Thursday, August 14, 2014.

14. **ADJOURNMENT**– 8:00 p.m.

SHELDON MUSEUM AND CULTURAL CENTER, INC
Board of Trustees Meeting Minutes
Thursday, July 31, 2014, 9:00 a.m. at the Sheldon Museum

CALL TO ORDER: 9:05 a.m. by Board President Jim Heaton

ATTENDANCE: BOARD: Jim Heaton, Michael Marks, Lorrie Dudzik, Bob Adkins, John Hagen, Anastasia Wiley, Dave Pahl and Jim Shook (via telephone) STAFF: Helen Alten and Blythe Carter BOROUGH LIAISON: Absent
GUESTS: Ginger Jewell, prospective Board member

ADDITIONS TO THE AGENDA: Committee assignments (under Old Business)

APPROVAL OF AGENDA: M/S Michael & Anastasia to approve agenda - approved unanimously

APPROVAL OF MINUTES: M/S Anastasia & Michael to approve minutes of last meeting - approved unanimously.

STAFF REPORT: A complete Staff Report was included in the Board's packet. Helen stressed:

- Staff is in overdrive and working hard. SMCC had 500 more visitors this July over July '13, \$2000 increase in admissions, more reference requests, more research requests, more filming requests, etc.
- Borough Manager Dave Sosa and Mayor Stephanie Scott are both promoting Haines resources, including SMCC.
- Suggested remake of the upstairs lobby, to include free coffee/tea and/or White Fang exhibit OR a free wi-fi station with refreshments/White Fang downstairs. Consensus was to try coffee/White Fang upstairs and see how it works.
- Helen introduced visitor Ginger Jewell, the new HBSD Superintendent, as a possible new SMCC Board Member.

PRESIDENT'S REPORT:

- Jim reviewed the duties of Board Members, stressing that the Board deals exclusively with the Museum and not with other entities.
- A physical walkway between the school, the library, and the museum was discussed. It is referred to as the Cultural Corridor.
- Anastasia distributed a handout illustrating the sharing and support concept with SMCC as a hub supporting several other local organizations.
- Helen will put the New Pathways slide show on the SMCC web site. A New Pathways discussion followed.
- Virtual Museum – a museum quality program on Native Culture, for statewide distribution, available to schools, etc . The State is developing an online Alaska History course that we could participate with.
- SMCC cannot support any other entity with staff time, financial support or legal support. SMCC needs to encourage the concept of historic preservation, which is a Borough responsibility. Jim & Anastasia will work on this.

OLD BUSINESS:

- We removed Jerrie Clarke from all bank accounts,
- SE Alaska State Fair – Blythe will be selling framed prints, the work schedule is finished, Anastasia has offered to buy all left over photos.
- Fund Raising – The Totem Walk is scheduled. Details available at www.totemtrot.com. Volunteers are still needed.
- Board Donations – needs to be cash, not in-kind. Specific purposes can be specified.
- Eldred Rock – The Borough states that Borough funds are to be spent on SMCC only, not on Eldred Rock. A discussion followed regarding repayment for time spent by Karen Meisner on Eldred Rock business. M/S Michael & Dave that any SMCC/Eldred Rock connections be dissolved and all finances be separated. Passed.
- Board Position – M/S Dave & Michael that Ginger Jewell be accepted as our new SMCC Board Member. Unanimous.
- Collections Position – still needs to be accomplished.
- New Pathways – A Foraker Group mentor has been appointed (Laurie Wolf). John H. will be SMCC's additional representative for their virtual workshop.
- AASLH Workshop – 13 Alaska museums have expressed interest for May 2015.
- Marketing Street Signs – 8 or 9 signs are still not installed. We'll notify Carlos and see what can be done. Jim & Bob will do large signage for the back of the building.

- Committee Sign-up Sheet was passed around. Assignments will be posted on the website.

NEW BUSINESS:

- We need to actively solicit donations of White Fang memorabilia for our exhibit.
- New Photo/Reproduction price list – discussion tabled until next meeting.

NEXT BOARD MEETING: Monday, August 18, 2014 at 1:00 p.m.

MEETING ADJOURNED: at 10:47 p.m.

Respectfully submitted,

Bob Adkins, Secretary



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-499

Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Recommend FY15 Funding for Non-profit Organizations	1. Resolution 14-08-583 2. Committee Recommendations (Memo & Attachments) 3. Memo from P.Randles re. the Process 4. FY15 Application and Scoring Matrix
Originator: Mayor	
Originating Department:	
Date Submitted: 8/18/14	

Full Title/Motion:
Motion: Adopt Resolution 14-08-583.

Administrative Recommendation:

Fiscal Impact:		
Expenditure Required	Amount Budgeted	Appropriation Required
\$ See attached spreadsheet	\$ See attached spreadsheet	\$ Title III - \$16,995

Comprehensive Plan Consistency Review:	
Comp Plan Policy Nos.: Page 269, Community Services goal	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
Eleven community organizations and non-profit corporations requested funds utilizing the criteria approved by the assembly. The FY15 ad hoc Non-Profit Funding Committee reviewed each application using a scoring matrix to objectively determine the extent to which the application achieved the required criteria. Funding requests were adjusted based on the scoring, the limits specified in the FY15 borough budget, and determination by the committee that the applicant was providing a service to the public. The committee's recommendations are presented to the assembly in resolution form.

Referral:
Sent to: ad hoc Non-Profit Funding Committee Date: 6/10/14
Recommendation: as attached Refer to: Meeting Date: Various

Assembly Action:
Workshop Date(s): Public Hearing Date(s):
Meeting Date(s): 8/27/14 Tabled to Date:

A Resolution of the Haines Borough Assembly authorizing the allocation of FY15 Budgeted Funds to Non-profit Organizations.

WHEREAS, the Haines Borough Assembly limited the funds to be granted to locally-controlled community organizations and non-profit corporations in the FY15 budget, as follows:

\$32,482 from Fund 01: Areawide General Fund (Community Chest)
\$28,750 from Fund 20: Medical Service Area Fund
\$16,995 from Fund 21: Title III Forest Receipts
\$16,100 from Fund 23: Economic Development/Tourism; and

WHEREAS, eleven community organizations and non-profit corporations requested FY15 funds; and

WHEREAS, the ad hoc Non-Profit Funding Committee employed a scoring matrix to objectively determine the extent to which the application achieved the prescribed criteria; and

WHEREAS, funding requests were adjusted based on scores derived from utilization of the matrix, the limits specified in the FY15 Haines Borough Budget, and determination by the committee that the applicant was providing a service to the public,

NOW, THEREFORE, BE IT RESOLVED by the Haines Borough Assembly that the community organizations and non-profit corporations applying for FY15 funding be allocated as follows and as described in the attached document appended to this resolution:

Fund 01 Community Chest

Lynn Canal Counseling	\$1,250
Southeast Senior Services	\$6,000
Chilkat Valley Preschool	\$13,357
Southeast Alaska Independent Living (SAIL)	\$4,000
Alaska Avalanche Info Center	\$2,000
Haines Friends of Recycling	\$2,500
Haines Dolphin Swim Team	\$2,500
Haines Hot Shots	\$875

Fund 02 Medical Service Area

Lynn Canal Counseling	\$28,750
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Fund 21 Title III Forest Receipts

Takshanuk Watershed Council – After School Forest Education Program	\$16,995
--	----------

Fund 23 Economic Development/Tourism

Southeast Alaska State Fair	\$13,600
Chilkat Snowburners	\$2,500

Adopted by a duly-constituted quorum of the Haines Borough Assembly on the ____ day of _____, 2014.

Attest:

Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

Memorandum

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

August 19, 2014

To: Haines Borough Assembly

Cc: Dave Sosa, Manager
Julie Cozzi, Clerk

From: Stephanie Scott, Mayor, Haines Borough

Subject: Request for Concurrence of Allocation of funding for non-profits for FY15; and an appropriation of funds from Title III be added to the budget amendment before the Assembly August 26, 2014

The attached allocation recommendation was developed by Non-Profit Scoring/Allocation Committee members Stephanie Scott, Diana Lapham, Dave Sosa, and Jila Stuart. Committee members Dave Berry and Joanne Waterman were unable to attend, however, Mr. Berry did score all applications and his scores were included in the final ranking.

The Committee agreed to allocate funds in such a manner that final funding would stay within the budget set by the Assembly in the FY15 budget, with one exception.

The Takshanuk Watershed Council applied for a project that falls within the allowed distribution of Title III funds. (See the attached rules regarding these funds). The Haines Borough presently holds \$280,000 in Title III funds. There were no appropriations from this funding source in the FY15 Budget.

The Non-Profit Scoring/Allocation Committee requests that the Assembly move to concur with its recommendation and further requests the Assembly to move to add an appropriation from Title III funds to appropriate \$16,995 to the Takshanuk Watershed Council for an after-school forest education program to the budget amendment presently before the Assembly.

Attachments:

- Spread sheet outlining the allocation of funds for non-profits for FY15
- Rules for Expending Title III funds

FY15 Haines Borough Non-Profit Funding Request Scoring Results

Committee Ideas from 8-6-2014 Meeting

Overall Rank	Applicant Name	Total Score	% of Total Possible	"Grade"	Fund Requested	FY15 Amt Requested	FY14 Amt Award	% Funding Recommend	general	med svc	econdev	Title III*	Recommended Award	Notes
1	Lynn Canal Counseling	300	92%	A	Medical Svc	30,000	25,500	100%	1,250	28,750			30,000	Full Request (use 2 funds)
2	Southeast Senior Services	299	92%	A	General	6,000	6,176	100%	6,000				6,000	Full Request
3	Chilkat Valley Preschool	298	92%	A	General	13,357	11,010	100%	13,357				13,357	Full Request
4	Southeast AK Independent Living	297	91%	A	Medical Svc	4,000	3,250	100%	4,000	-			4,000	Full Request (use general)
5	Southeast Alaska State Fair	272	84%	B	Econ. Dev.	17,000	17,000	80%			13,600		13,600	80% of Request
6	Alaska Avalanch Info Center	269	83%	B	General	2,500	-	80%	2,000				2,000	80% of Request
7	Takshanuk Watershed Council	256	79%	C	Title III	33,990	29,959	50%				16,995	16,995	50% of Request (bgt amend?)
8	Haines Friends of Recycling	255	78%	C	General	5,000	4,887	50%	2,500				2,500	50% of Request
9	Chilkat Snowburners	251	77%	C	Econ. Dev.	5,000	500	50%			2,500		2,500	50% of Request
10	Haines Dolphin Swim Team	249	77%	C	General	5,000	3,184	50%	2,500				2,500	50% of Request
11	Haines Hot Shots	213	66%	D	General	5,000	-	17.5%	875				875	17.5% of Request
Totals									32,482	28,750	16,100	16,995	94,327	
Budget									32,500	28,750	17,500	-		
(over)/under Budget									18	-	1,400	(16,995)		

*Funding out of Title III would require a budget amendment



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Community and Regional Affairs

Sarah Palin, Governor
Emil Notti, Commissioner
Tara Jollie, Director

RECEIVED Haines Borough

January 8, 2008

JAN 10 2008

Clerk's Office

The Honorable Fred Shields
Mayor
Haines Borough
P.O. Box 1209
Haines, AK 99827

RE: FY 08 NATIONAL FOREST RECEIPTS PAYMENT

Dear Mayor Shields:

I am pleased to announce the Haines Borough's FY 08 National Forest Receipts payment in the amount of \$531,081.57. The payment has been requested and you should receive it shortly. This payment was calculated in accordance with state law that requires a borough's payment from the National Forest Receipts Program be proportional to the area of the national forest located within its boundaries. Following is a breakout of the Haines Borough's payment for public schools/roads and Title III projects.

Public Schools/Roads Payment: \$451,419.33

The National Forest Receipts payment for public schools/roads must be expended on the operation, maintenance, repair, or construction of public schools and roads.

Title III Projects Payment: \$79,662.24

The National Forest Receipts payment for Title III projects must be expended on the following authorized uses:

- 1) Reimbursement for search and rescue and other emergency services, including fire fighting, performed on Federal lands and paid for by the municipality;
- 2) Reimbursement for all or part of the costs incurred by the municipality to pay the salaries and benefits of their employees who supervise adults or juveniles performing mandatory community service on Federal lands;

Haines Borough
January 8, 2008
Page Two

3) Acquisition of easements on a willing seller basis to provide for nonmotorized access to public lands for hunting, fishing, and other recreational purposes and conservation easements;

4) Establishing and conducting forest-related after school programs;

5) Educating homeowners in fire-sensitive ecosystems about the consequences of wildfires and techniques in home siting, home construction, and home landscaping that can increase the protection of people and property from wildfires;

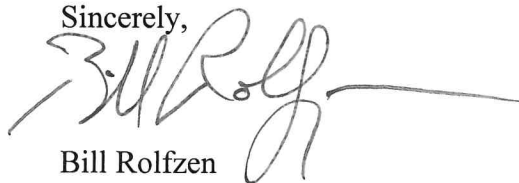
6) Planning efforts to reduce or mitigate the impact of development on adjacent Federal lands and to increase the protection of people and property from wildfires.

Before expending the Title III project funds, the municipality must give public notice of the proposed Title III project(s) and provide for a minimum 45 day public comment period. The public notice must be provided by either (1) publication of a description of the proposed Title III project(s), at least one time, in a newspaper of general circulation in the municipality, or (2) posting a notice of the description of the proposed Title III project(s) in at least three public and prominent locations in the municipality, to remain posted for the entire comment period. The public notice must include the mailing address for comments from interested parties to be received by the municipality. After the 45-day comment period had ended, the municipality may amend the proposed Title III project(s) based upon comments received or institute the project(s) as described in the public notice.

The Haines Borough will be required to submit an accounting report next fiscal year that documents the expenditure of its public schools/roads and Title III project payments.

Should you have any questions regarding your FY 08 National Forest Receipts payment, please me at 465-4733.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Rolfzen", with a long horizontal line extending to the right.

Bill Rolfzen
Program Administrator

MEMORANDUM

August 18, 2014

TO: Haines Borough Assembly

FROM: Pam Randles

pamrandles@me.com

(907) 982-1824

SUBJECT: The Non-Profit Process

Title III: Over the past several years, the Title III Forest Receipts funds have been a topic of discussion and source of ambiguity. Title III funds were dispersed to the Borough until 2007, and these funds are restricted in their use. Authorized uses for Title III projects include:

- Search, rescue, and emergency services
- Community service work camps
- Easement purchases.
- Forest related educational opportunities.
- Fire prevention and county planning.
- Community forestry.

The current balance in the Title III account is \$269,000.

The Takshanuk Watershed Council has applied for funds under forest related educational opportunities for several years. Each year the process for Title III has been different with changing deadlines and requirements, but it can be boiled down to two methods: apply as part of the Manager's budget in March, or apply with the other non-profit funding. This year we were told to wait until after the Manager's budgeting process, and apply with the non-profits. But the non-profit process did not include Title III.

I would like to suggest that Title III be listed as a fourth category in the non-profit funding RFP (along with Community Chest, Medical Services and Tourism and Economic Development) with a budgeted amount and the authorized uses listed.

Non-Profit Proposals: The current process for rating proposals and allocating funds has been awkward.

Grant Partially Funded: When a proposal is submitted, the amount requested is what it will take to complete the scope of work (SOW). If a lesser of the amount is given, the organization may not be able to complete the SOW as written in the proposal, and could be accused of not keeping their end of the agreement. I suggest that the Borough either grant the full amount, or give the organization the opportunity to revise their proposal.

Rating Proposals: When the proposals are rated, the rating percentage was used to determine the amount given to the organization. Last year, the rating system gave a percent and that became the percent of the grant (i.e. if a proposal got 75% of the total points, it got 75% of the funds requested). This year, the percent was given a grade (A, B, C), and the amount of funding was massaged to fit in to

the funding budget. So every proposal receiving a minimal grade received some percentage of its request, depending on the Borough's budgeted amount.

Many funding agencies rank their proposals and give 100% to the top ranked proposals until the budget is met.

One way to level the playing field might be to include grant maximum amounts in the RFP. For example, Community Chest grants might be a maximum of \$5000, so if the Assembly decided to budget \$30,000, the top six grants would be funded.

Economic Development: The other concern I have is asking organizations about how they contribute to economic development. That makes sense for some organizations, but for other non-profits their mission may be educational, community service, serving the disabled or mentally ill, or other activities that may not contribute obviously or directly to economic development. I suggest those applying for Tourism and Economic Development grants respond to that question, but that others not be asked to do that.

Thank you for taking the time to read this.

Haines Borough



GRANTS FOR NON-PROFIT ORGANIZATIONS

APPLICATION MATERIALS FOR FISCAL YEAR 2015

Complete grant applications to be returned to the
Municipal Clerk's Office

Grant Deadline – July 15, 2013 5:00 PM

For further information, please contact

Julie Cozzi, Municipal Clerk

Haines Borough

Box 1209

(907) 766-2231

jcozzi@haines.ak.us

**GRANTS FOR
NONPROFIT ORGANIZATIONS FROM THE HAINES
BOROUGH

PROCEDURES**

Applications are due in the Haines Borough Clerk's office by 5 PM, August 1, 2014.

Please submit the original and five (5) copies of the Summary Sheet and Elements A through G from Table A (7 pages plus the Summary Page.) Only one set of Required Documents needs to be submitted.

Table A outlines the rating schedule for grant applications from non-profits from the Haines Borough. Please limit your response to each element to the number of pages specified, with the exception for "Required Documentation." Please supply the required documentation as a separate, clearly labeled attachment so that staff may easily ascertain that each required document is supplied.

Refer to Table B for an explanation of "Grant Category."

Refer to **Action Summary** <http://www.hainesalaska.gov/-planningzoning/comprehensive-plan-adopted> to respond to Element B: Statement of Need, to cite the alignment of your request with the Haines Borough Comprehensive Plan.

All applications will be scored by an ad hoc committee of the Assembly and Borough Administration composed of the Mayor, three members of the Assembly, the Finance Director, and the Manager or his designee. Recommendation for funding will be made to the Assembly by August, 2014.

SUMMARY SHEET

Name of Organization: _____

Name of Contact Person: _____

Phone: _____ Email: _____

Mailing address: _____

Grant Category (please apply for only one grant category):

- General Fund (Community Chest)
- Medical Service Area Fund
- Tourism and Economic Development

Dollars Requested: _____

Brief Description of the Purpose of the Grant: _____

I, _____, do hereby certify that all information provided for this grant application is accurate and complete to the best of my knowledge.

Name: _____

Title: _____ Date: _____

Table B.

<u>Grant Category and Description</u>	<u>Amount Budgeted for Appropriations from Assembly for FY15</u>
<p>General Fund (Community Chest)</p> <p>Description: Revenue for this fund comes from property tax, and from state and federal sources. Funds can be appropriated for any services that are approved for delivery area-wide by the Haines Borough Charter (see Charter Article VI: Powers).</p>	<p>\$32,500</p>
<p>Medical Service Area Fund</p> <p>Description: Revenue for this fund comes from a 0.5% sales tax levied area-wide (except in Excursion Inlet) for ambulance service and financial support for local medical service. (See HBC 3.25.020)</p>	<p>\$28,760</p>
<p>Tourism and Economic Development</p> <p>Description: Revenue for this fund comes from a 1% sales tax levied area-wide for tourism and economic development. (See HBC 3.23.010)</p>	<p>\$17,500</p>

Description of Grant Application Procedures, Requirements & Restrictions

- Advertising for nonprofit organizations grants shall begin after ratification of the next fiscal year budget.
- Complete applications must be received in the Municipal Clerk's office by the due date. The due date for annual applications is July 15, by 5 p.m.
- All timely received and complete applications shall be reviewed and scored by the Mayoral appointed, Assembly confirmed, scoring committee.
- Applicants must be current with all Haines Borough liabilities when the application is filed in order for the application to be considered, including sales taxes, property taxes, utility payments, lease payments, loan payments, promissory notes, etc.
- Grant monies shall not be used to pay for any tax debt (federal, state, or municipal).
- Nonprofit organizations can only receive one Nonprofit Organization grant during the same fiscal year.
- Grant monies not awarded or used during the fiscal year will rollover as nonprofit grant funds for the next fiscal year. Any rollover monies will be counted towards the total grant funds to be appropriated for the next fiscal year toward any of the grant categories.

A Progress and Financial Report must be submitted to the Finance Director no later than June 30th of the fiscal year. Any grant funds not spent during the fiscal year shall be returned to the Haines Borough. Failure to timely submit complete reports or refund unspent grant monies shall result in the nonprofit organization being ineligible in the next fiscal year for general fund grants for nonprofit organizations.



Scored by: _____

Date Scored: _____

FY15 HAINES BOROUGH Non-Profit Grants Table A.

Organization: _____

***Please submit each category on its own page for scoring purposes.**

Category	Description	Maximum Page Length*	Total Points Possible	
A. Detailed Plan For Funds	<ul style="list-style-type: none"> • Describe what will be done with the funds. • Who will do it? • Who will be served? • When will this service be provided? • Explain reasoning for grant category (Medical Service, Economic Development, or General) • Outcome -describe the tangible community benefit • Outcome - how will you measure success? 	1	10	
B. Statement Of Need	<ul style="list-style-type: none"> • Explain how the need you are proposing to address has been documented. • Does the funding from this request help leverage other funds for the project? • Alignment of request with the goals and objectives in the Haines Borough Comprehensive Plan (See Action Summary http://www.hainesalaska.gov/-planningzoning/comprehensive-plan-adopted.) 	1	10	
C. Organizational Capacity	<ul style="list-style-type: none"> • Track record (toot your horn) • Board qualifications & involvement • List of grants received or pending for prior and current years. • % of total revenue from the Borough. Other additional financing secured / committed. 	1	10	
D. Contributes to Economic Development	<ul style="list-style-type: none"> • Explain how funds will be used to stimulate the Haines economy. 	1	5	
E. Serves Vulnerable Haines Residents	<ul style="list-style-type: none"> • Will funds provide essential services for children, the elderly, disabled, or other vulnerable populations in Haines? If yes please explain. 	1	5	

F. Broad Community Support	<ul style="list-style-type: none"> Evidence of broad community support for the organization. Number of members / beneficiaries served in the last year –in the last 3 years. Petitions / letters of support. 	1	10	
G. Budget	<ul style="list-style-type: none"> Is the project budget appropriate to meet the need? Does the need justify the expenditure? 	1	10	
H. Timely Submission	<ul style="list-style-type: none"> Application is complete and on time. 	N/A	5	
I. Required Documentation	<ol style="list-style-type: none"> Copy of IRS 990 form and audit, if applicable. Copy of non-profit documentation (IRS 501c3). Current State of Alaska business license. Minutes of meeting where the governing body approved request. Organization structure including names of the board of directors and the executive director if applicable. If funded in FY14, written report of use of funds. Statement of assets, revenues, and expenditures for previous year. Detailed budget for current year, including funds for this project. 	N/A		
Total Score (65 possible)				

Applications receiving an average score of 38 points or lower are eliminated from funding. Available funding will be distributed to qualifying applicants as available based on scoring.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-502

Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Contract with Stickler Construction Company for Administration Building Roof Replacement	1. Resolution 14-08-584 2. Request for Sealed Bids 3. Bid Results
Originator: Director of Public Facilities	
Originating Department: Public Facilities	
Date Submitted: 8/18/14	

Full Title/Motion:
Motion: Adopt Resolution 14-08-584.

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
\$ 89,005	\$ 89,005	\$ 0	Reduced Maintenance Costs

Comprehensive Plan Consistency Review:	
Comp Plan Goals/Objectives: Objective 2B, page 56-57	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>The Administration Building Roof Replacement project includes framing a pitch roof over the existing flat roof and replacing the existing cedar shingles with new, asphalt architectural shingles. The Haines Borough recently issued a request for sealed bids from qualified, licensed contractors for the project. The Borough obtained two sealed bids: 1) Stickler Construction Company for \$89,005; and 2) Rite-Way Roofing for \$152,680. The Director of Public Facilities has reviewed the bids and recommends award to the apparent low bidder, Stickler Construction Company. The Haines Borough Assembly appropriated \$75,000 in the FY15 budget's Capital Improvement Projects (CIP) fund to replace Administration Building roofing. The Borough has sufficient funding for deferred maintenance to cover the remainder of this contract. This aligns with the Borough's comprehensive plan (Objective 2B): "Systematically address deferred maintenance at Borough facilities. Identify which facilities should be repaired and which have outlived their useful life. For those that should be repaired, identify priorities for repair now, what can wait 2-5, or 10 years."</p>

Referral:	
Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:	
Meeting Date(s): 8/26/14	Public Hearing Date(s):
	Postponed to Date:

A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a contract with Stickler Construction Company for the Administration Building Roof Replacement project for an amount not-to-exceed \$89,005.

WHEREAS, the Administration Building Roof Replacement project includes framing a pitch roof over the existing flat roof and replacing the existing cedar shingles with new, asphalt architectural shingles; and

WHEREAS, the Haines Borough recently issued a request for sealed bids from qualified, licensed contractors for the project; and

WHEREAS, the Haines Borough obtained two sealed bids: 1) Stickler Construction Company for \$89,005; and 2) Rite-Way Roofing for \$152,680; and

WHEREAS, the Director of Public Facilities has reviewed the bids and recommends award to the apparent low bidder, Stickler Construction Company; and

WHEREAS, the Haines Borough Assembly appropriated \$75,000 in the FY15 budget's Capital Improvement Projects (CIP) fund to replace Administration Building roofing; and

WHEREAS, the Borough has sufficient funding for deferred maintenance to cover the remainder of this contract,

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly authorizes the Borough Manager to enter into a contract with Stickler Construction Company for the Administration Building Roof Replacement project for an amount not-to-exceed \$89,005.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this ____ day of _____, 2014.

Attest:

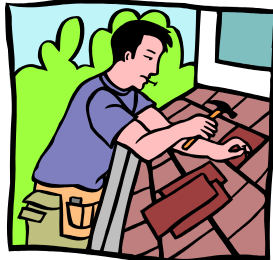
Stephanie Scott, Mayor

Julie Cozzi, MMC, Borough Clerk

HAINES BOROUGH PUBLIC NOTICE

REQUEST FOR SEALED BIDS

ADMINISTRATION BUILDING ROOF REPLACEMENT



Notice is hereby given that the Haines Borough, Alaska, will receive sealed competitive BIDS from qualified and licensed electrical contractors for the following project: "Administration Building Roof Replacement," until 2:00 p.m., Local Time, Monday, **August 18, 2014**, at the Office of the Borough Clerk, Borough Administration Building, 103 Third Ave. S, P.O. Box 1209, Haines, Alaska 99827. The bid opening will be shortly after 2:00 p.m. on the same date in the Borough Administration Building conference room. Bids may be hand-delivered or mailed. Bids will not be accepted by email or fax.

Project Description: The contractor(s) will provide all time, labor, and materials to replace the roof at the Haines Borough Administration Building, including framing a pitch roof over the existing flat roof and replacing the existing cedar shingles with new, asphalt architectural shingles. The project is located in Haines, Alaska. Work shall be completed by November 28, 2014.

Bidding, Contract and Technical Questions:

Attn: Corey Wall
MRV Architects, PC
1420 Glacier Ave. #101
Juneau, Alaska 99801
Telephone: (907) 586-1371
Email: corey@mrvarchitects.com

Bid forms are available at no charge on the Haines Borough website: www.hainesalaska.gov/rfps for viewing and printing. Alternatively, you may request printing from the clerk's office.

Each bid shall be accompanied by a certified or cashier's check or Bid Bond, in the amount of 5 percent of the Total Bid Price payable to the Haines Borough, as a guarantee that the Bidder, if its Bid is accepted, will promptly execute the Agreement. A Bid shall not be considered unless one of the forms of Bidder's security is enclosed with it. All bids must be submitted with copies of current Alaska and Haines Borough Business Licenses and a current Alaska Contractor's License.

The Haines Borough reserves the right to reject any or all bids, to waive any informality in a bid, and to make award to the lowest responsive, responsible bidder as it may best serve the interest of the Borough.

HAINES BOROUGH
Administration Building Roof Replacement

BID SCHEDULE

Bid of Stickler Construction Co (hereinafter called *Bidder*), doing business as (underline one) a corporation, partnership or individual, to the Haines Borough (hereinafter called *Borough*). The Bidder agrees to furnish to the Haines Borough all information and data that may be requested to give evidence that the undersigned is properly qualified to carry out the obligations of the Contract Documents.

The undersigned Bidder agrees, if this bid is accepted, to furnish all tools, equipment, supplies, manufactured articles, labor, materials, services and incidentals, and to perform all work necessary to complete the work required under the Invitation to Bid by the completion dates and to accept as full payment the Contract Price stated on this Bid Form, and in the manner stipulated by the Request for Bids, subject to any negotiated changes in the work that might increase or decrease the contract amount. The Borough reserves the right to reject any and all bids and negotiate with the responsible bidder submitting the lowest bid amount.

Bidder accepts all of the terms and conditions of the Request for Bids and, if this bid is accepted, will furnish, within ten calendar days after the Notice of Intent to Award letter, the following documents required by borough code for this project:


1. Contract document or Agreement;
2. [Proof of insurance: general liability, auto insurance, worker's compensation];
3. Any overdue unpaid debts owed the borough must be current prior to award;
4. Payment and Performance bonds, if applicable; and
5. Subcontractor report, if applicable.

Bidder acknowledges receipt of the following addenda: Addendum #. ^{#1} AS Initials: ^{#2} AS Addendum #. _____ Initials: _____

Total BASE BID (Price in Digits): \$39,005⁰⁰

BIDDER INFORMATION:

Principal Contact: David Stickler
Business Name: Stickler Const. Co.
Business Physical Address: 41 N Sawmill Rd
Business Mailing Address, if different: P.O. Box 655
Phone: 766-2949 Fax: _____ Email: Sticklerconstructionco@yahoo.com


Bidder's Authorized Signature
David Stickler
Printed Name

8-18-14
Date

.....

552 W 58th Avenue, Suite E
Anchorage, AK 99518
(907) 561-2131
Fax (907) 561-4882
ritewayroofing@alaska.net

Rite-Way Roofing Inc.

August 18, 2014

Subject: Bid Modification

To whom it may concern;

Rite-Way Roofing would like to modify our bid for the Administration Building Roof Replace.
Please reduce our bid by \$47,320.00. Thank you!

If you have any questions, please feel free to call.

Warm Regards,

Jaime Smith
Office Assistant
907-561-2131
Rite-Way Roofing

RECEIVED HAINES ROOFING
Aug 19 2014
Clerk's Office



HAINES BOROUGH
Administration Building Roof Replacement

BID SCHEDULE

Bid of Riteway Roofing Inc (hereinafter called *Bidder*), doing business as (underline one) a corporation, partnership or individual, to the Haines Borough (hereinafter called *Borough*). The Bidder agrees to furnish to the Haines Borough all information and data that may be requested to give evidence that the undersigned is properly qualified to carry out the obligations of the Contract Documents.

The undersigned Bidder agrees, if this bid is accepted, to furnish all tools, equipment, supplies, manufactured articles, labor, materials, services and incidentals, and to perform all work necessary to complete the work required under the Invitation to Bid by the completion dates and to accept as full payment the Contract Price stated on this Bid Form, and in the manner stipulated by the Request for Bids, subject to any negotiated changes in the work that might increase or decrease the contract amount. The Borough reserves the right to reject any and all bids and negotiate with the responsible bidder submitting the lowest bid amount.

Bidder accepts all of the terms and conditions of the Request for Bids and, if this bid is accepted, will furnish, within ten calendar days after the Notice of Intent to Award letter, the following documents required by borough code for this project:

1. Contract document or Agreement;
2. [Proof of insurance: general liability, auto insurance, worker's compensation];
3. Any overdue unpaid debts owed the borough must be current prior to award;
4. Payment and Performance bonds, if applicable; and
5. Subcontractor report, if applicable.

Bidder acknowledges receipt of the following addenda: Addendum #. 1 Initials: KS Addendum #. 2 Initials: KS

Total BASE BID (Price in Digits): 200,000.00

BIDDER INFORMATION:

Principal Contact: Ken Starling

Business Name: Rite Way Roofing Inc

Business Physical Address: 552 W. 58th AVE Suite E Anchorage AK 99518

Business Mailing Address, if different: _____

Phone: 561 2131 Fax: 561 4982 Email: Ken-Starling@yahoo.com



Bidder's Authorized Signature

Ken STARLING

Printed Name

8-18-14

Date



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-503
Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Amend Borough Code to Allow Requests for Special Ski Events to be Submitted Prior to Ski Season	1. Ordinance 14-08-390 2. Memo from Assembly Member Campbell
Originator: Assembly Member Campbell	
Originating Department:	
Date Submitted: 8/19/14	

Full Title/Motion:
Motion: Refer Ordinance 14-08-390 to the Commerce Committee and staff for a recommendation to come to the assembly on 9/9/14.

Administrative Recommendation:

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 0	\$ 0	\$ 0	N/A

Comprehensive Plan Consistency Review:	
Comp Plan Goals/Objectives: Objective 5I, page 201	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary Statement:
<p>This ordinance was requested by Assembly Member Campbell. As stated in the attached memo from Campbell, "The primary desire in looking to change code is to allow events to be scheduled well before ski season. Presently, only during the ski season can there be a request for even a temporary change to areas of skiing. This is restrictive and does not allow for the planning and advertising that would be associated with any but small local events."</p> <p>The mayor requests referring this ordinance to the Commerce Committee and staff for a recommendation to come back to the assembly.</p>

Referral:	
Referred to:	Referral Date:
Recommendation:	Meeting Date:

Assembly Action:	
Meeting Date(s): 8/26/14	Public Hearing Date(s):
	Postponed to Date:

An ordinance of the Haines Borough to amend Borough Code Sub-Section 5.18.080 to allow requests for special ski events to be submitted prior to a ski season for the borough manager’s approval.

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 Charter.

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. Amendment of Code Sub-Section 5.18.080(G). Sub-Section 5.18.080(G) of the Haines Borough Code is amended, as follows:

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

5.18.080 Commercial ski tours, commercial ski productions and special ski competition events.

G. Temporary Additions to Approved Commercial Ski Tour Areas.

~~1. A permittee may request the addition of territory to the “Haines Borough Approved Commercial Ski Tour Areas” map for a special ski competition event. All such requests shall be made only during a season and shall expire at the end of that season. Requests shall be submitted to the manager. All requests shall be in writing, be accompanied by a diagram showing the proposed additional area with reasonable specificity and shall explain the reasons for the proposal.~~ **A company may request the manager allow temporary use of closed areas for special events lasting no more than 14 days of skiing.**

~~2. No later than seven days after receipt of a request submitted in compliance with subsection (G)(1) of this section, the manager shall prepare a written recommendation to the assembly. The Manager will make his decision within 14 days.~~

~~3. The assembly may act on the manager’s recommendation by resolution. If the assembly approves the temporary addition of territory, the “Haines Borough Approved Commercial Ski Tour Areas” map shall be amended by designating the additional territory as “temporary” and identifying the dates for which the additional territory is approved.~~

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: 08/26/14
Date of First Public Hearing: ___/___/___
Date of Second Public Hearing: ___/___/___

Change to Title 5.18- event allowance

(submitted by George Campbell, August 19, 2014)

The primary desire in looking to change code is to allow events to be scheduled well before ski season. Presently, only during the ski season can there be a request for even a temporary change to areas of skiing. This is restrictive and does not allow for the planning and advertising that would be associated with any but small local events.

Events are not only for participants, but for spectators. With the present areas allowable for heli-ski use there are no locations suitable for a competitive spectator event to be viewed from the roadside.

Allowing the manager two weeks is to ensure that all pertinent information can be gathered prior to a decision. Contact with Fish and Game, BLM and other agencies may be needed; these tasks will be in addition to the daily duties the staff presently must perform. Giving two weeks allows for research, but also limits the period in which requesting parties must wait to begin their planning process.

The present boundaries for heli-ski have been set through a political process. These boundaries were reviewed, recommendations were offered, then the Assembly changed the results for political reasons. With this in mind, I believe that it would be in the Borough's best interest to limit the political debate on short temporary land use and put trust in our staff. This will also limit delays in announcing decisions.

The subject of heli-skiing has become an emotional polarizing one. The financial drain the Assembly has allowed for the 'management' of these tours is considerable when including the attorney cost, staff and Assembly's time. The actual impact to the random public is low, and the danger to the public is also low.

Our Assembly presently spends little time and money ensuring safety of visitors and community members in the summer. Most citizen's lives are impacted by numerous busses, vans, trailers with rafts, kayaks and hordes of people. We as a community consider this part of doing business, and allow the staff to manage all but the very basic permit approvals.

I believe that it is appropriate to treat the heli-ski industry in the manner in which we treat summer tours. Causing more terse and emotional public meetings for a two week event in the winter is not in the Borough's best interest. Our staff should be trusted to approve temporary use in keeping with the Assembly desires for the best interest of the Borough.



**Haines Borough
Assembly Agenda Bill**

Agenda Bill No.: 14-500
Assembly Meeting Date: 8/26/14

Business Item Description:	Attachments:
Subject: Sales Tax Exemption Application from Foundation for the Chilkat Center for the Arts	1. Application for sales tax exemption from Foundation for the Chilkat Center for the Arts 2. Current list of sales tax exempt organizations in the borough
Originator: Borough Clerk	
Originating Department: Administrator	
Date Submitted: 8/18/14	

Full Title/Motion:
Motion: Approve the request from Foundation for the Chilkat Center for the Arts for sales tax exemption status, and authorize the borough clerk to issue an exemption certificate.

Administrative Recommendation:

Fiscal Impact:

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$0	\$0	\$0	Loss of Sales Tax Revenue

Comprehensive Plan Consistency Review:
Comp Plan Goals/Objectives: _____
Consistent: Yes No

Summary Statement:
Foundation for the Chilkat Center for the Arts, a 501(c)3 organization, has applied for sales tax exemption status as allowed by HBC 3.80.050(13). The borough has granted sales tax exemption certificates to other non-profit organizations.

Referral:
Referred to: _____ Referral Date: _____
Recommendation: _____ Meeting Date: _____

Assembly Action:
Meeting Date(s): 8/26/14 Public Hearing Date(s): _____
Postponed to Date: _____



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

**APPLICATION FOR SALES TAX EXEMPTION CERTIFICATE
HAINES BOROUGH**

THE FOLLOWING ORGANIZATION: Foundation for the Chilkat Center
for the Arts

a non-profit corporation, organized under the laws of the State of ALASKA, hereby applies for a Sales Tax Exemption Certificate in the Haines Borough. As a representative of the organization, I hereby certify that I am familiar with said corporation, that it is organized exclusively for religious, education or charitable purposes, and that the following information is true and correct.

Local Address of Organization: Box 464, Haines

Date of Incorporation: 4/17/12 **Federal Employer I.D. #:** 92-0155562

Describe the Organizations Current and/or Proposed Activity in the Borough (Provide Attachments if Necessary):

Any lawful purposes including but not limited to promoting and providing for the Chilkat Center and the arts and culture of the Chilkat Valley.

Attach a copy of the Bylaws or Articles of Incorporation. Also attach a copy of your letter of 501(c) 3, 501(c) 4, 501(c) 8 or 501(c) 19 exemption from the Internal Revenue Service.

Annette Smith
Organization Representative
Print Name: Annette Smith
Title: Secretary / Treasurer
Phone: 766-2708
Email: _____

DECLINED BY THE ASSEMBLY ON _____

Reason: _____

APPROVED BY THE ASSEMBLY ON _____

Haines Borough Mayor

Assigned Sales Tax Exemption Number

Date: _____

RECEIVED
AUG 12 2014
Haines Borough



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Susan K. Bell, Commissioner
Don Habeger, Director

Division of Corporations, Business and Professional Licensing

Office Use Only

COR

Articles of Incorporation

Domestic Nonprofit Corporation

AS 10.20.151 & .153

The undersigned natural person(s) of the age of 19 years or more, acting as incorporator(s) of a corporation under Alaska Statutes 10.20.151 & .153 hereby executes the following document and sets forth

ARTICLE 1 Entity Name

Entity Legal Name Foundation for the Chilkat Center for the Arts

ARTICLE 2 Purpose

Indicate the purpose of the corporation (may include 'any lawful') and, separately, the 6 digit NAICS Industry Grouping Code that most clearly describes the initial activities of the company

Purpose Any lawful purposes including but not limited to promoting and providing for the Chilkat Center for the Arts and the arts and culture of the Chilkat Valley.

NAICS Code 81340 - Civic & Social Organizations
711310 - PROMOTERS OF PERFORMING ARTS, SPORTS, AND SIMILAR EVENTS WITH FACILITIES

ARTICLE 3 Registered Agent

Registered agent name and address (must include a physical address in Alaska)

First/Middle/Last Annette G Smith

Physical

Mailing

#1 THEATRE DRIVE
#4 FORT SEWARD DRIVE
HAINES, AK, UNITED STATES, 99827

P. O. BOX 1128 *new H64*
P. O. BOX 1152
HAINES, AK, UNITED STATES, 99827

ARTICLE 4 Directors

Initial board of directors (must be at least 3)

Name	Address
Tresham G Gregg III	P. O. BOX 776, HAINES, AK, UNITED STATES, 99827

RECEIVED

AUG 12 2014

Haines Borough

Annette G Smith	BOX 1152, HAINES, AK, UNITED STATES, 99827
Leslie Ross	P. O. BOX 1646, HAINES, AK, UNITED STATES, 99827
Lorraine M Dudzik	P. O. BOX 1101, HAINES, AK, UNITED STATES, 99827
Tara Bicknell	P. O. BOX 868, HAINES, AK, UNITED STATES, 99827
Kerry Cohen	P. O. BOX 956, HAINES, AK, UNITED STATES, 99827

ARTICLE 5 Optional Provisions

Please indicate which article you are continuing and/or insert any desired additional provisions authorized by Alaska Statutes. Additional articles should be a continuation of the numbering as it appears on this form.

Has optional provisions? []

Signatures

The printed name and signature of the Incorporators (at least 3) who are natural persons of the age of at least 19 years or more. Persons who sign documents filed with the commissioner that are known to the person to be false in material respects, is guilty of a class A misdemeanor.

Annette G Smith - Signed 04/17/2012 11:08 AM

Tresham G Gregg III - Signed 04/17/2012 11:08 AM

Tara Bicknell - Signed 04/17/2012 11:08 AM

Lorraine M Dudzik - Signed 04/17/2012 11:08 AM

Leslie Ross - Signed 04/17/2012 11:08 AM

Kerry Cohen - Signed 04/17/2012 11:08 AM

NOTE

Bylaws are not required to be filed with this office; they are to be maintained by the entity. If you include your bylaws, they will be returned, without being filed for record.


NOTE

Articles with optional provisions require a review from our registered examiners. Our processing time is approximately 10 to 15 business days, and we will notify you by mail when the review has been completed.

INITIAL REPORT

After filing your Articles of Incorporation, visit the Corporations Section at on our website, select Online Filing, and file the initial report for this entity.

501(c)(3) Letter

 **IRS** Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248344558
Oct. 07, 2013 LTR 4168C 0
92-0155562 000000 00
00015344
BODC: TE

FOUNDATION FOR THE CHILKAT CENTER
FOR THE ARTS
% ANNETTE SMITH
PO BOX 464
HAINES AK 99827



50990

Employer Identification Number: 92-0155562
Person to Contact: Mr. Burns
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Sep. 26, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in December 1998.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

RECEIVED
AUG 12 2014
Haines Borough

0248344558
Oct. 07, 2013 LTR 4168C 0
92-0155562 000000 00
00015345

FOUNDATION FOR THE CHILKAT CENTER
FOR THE ARTS
% ANNETTE SMITH
PO BOX 464
HAINES AK 99827

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,

Richard McKee

Richard McKee, Department Manager
Accounts Management Operations

**SALES TAX EXEMPT
NON-PROFIT ORGANIZATIONS**

The following non-profit organizations are registered and approved to be exempt from paying sales tax in the Haines Borough. ANY NON-PROFIT ORGANIZATION THAT IS NOT LISTED SHALL BE CHARGED SALES TAX FOR THEIR PURCHASES. Please encourage those who insist they are exempt and not on this list, to stop by the Haines Borough office for further information. For questions and updates, please call 766-2231. Thank you.

<u>EXEMPT #</u>	<u>NAME OF ORGANIZATION</u>	<u>AUTHORIZED PERSONNEL</u>
101	Lynn Canal Community Players Box 118, Haines	Annette Gregg
102	Northern Light Network/KRSA Box 369, Glenallen, Ak. 99588	Phillip Bauer, III
103	Sheldon Museum & Cultural Center Chilkat Valley Historical Society Box 269, Haines	Jerrie Clark Jim Heaton
104	Ak. Chilkat Bald Eagle Preserve Foundation, Box 213, Haines	
105	S.E. Alaska State Fair Box 385, Haines	Ross Silkman
106	Ak. Community Develop. Corp. 6250 Tuttle Place #5, Anchorage, Ak. 99507	Patrick Shiflea
107	Haines Headstart Box 192, Haines	Karen Bryant
108	Haines Chamber of Commerce Box 1449, Haines, Ak. 99827	Jamie Knudsen
109	Echo Ranch Bible Camp Box 156, Haines, Ak. 99827	
110	Chilkat Center for the Arts Box 1004, Haines	Kay Clements
111	Lynn Canal Counseling Services Box 90, Haines	Beckie Chapin
112	Lynn Canal Broadcasting Box 1109, Haines	Kay Clements
113	Chilkat Valley Pre-School Box 1165, Haines	Sarah Elliott
114	Salvation Army Box 550, Haines	Kevin & Tina Bottjen
115	Klukwan Assembly of God Church Box 422, Haines	Odis Ganey

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Non-Profit Organizations

<u>EXEMPT #</u>	<u>NAME OF ORGANIZATION</u>	<u>AUTHORIZED PERSONNEL</u>
116	Tlingit-Haida Regional Housing Box 32237, Juneau, Ak. 99803	Joyce Nelson
118	Full-Gospel Christian Assoc. Box 1121, Haines	Stewart Adams
119	S.E. Ak. Area Council, Boy Scouts 9220 Lee Smith Drive Juneau, Alaska 99801	Lane Stumme
120	Sacred Heart Catholic Church Box 673, Haines	Joe Adreano
121	Tongass Alaska Girl Scouts Troops #98, #99, #100, #101, #104	
122	Covenant Life Center HC 60, Box 2665, Haines, Ak. 99827	Roberta Lane
123	Covenant Life College HC 60, Box 2665, Haines, Ak. 99827	Leonard V. Banaszek
124	Haines Emblem Club Box 361, Haines	Michele Stigen
125	Friends of Recycling Box 822, Haines	Frank Holmes Melissa Aronson
126	Chilkat Valley Bahai School Box 143, Haines	Georgia Haisler
127	Port Chilkoot Bible Church Box 156, Haines	Bill Diggins
128	Haines Presbyterian Church Box 264, Haines	Ron Horn
129	Haines Christian Center/Assembly of God Box 730, Haines	Anthony Nelson
132	Alaska Indian Arts, Inc. Box 271, Haines	Lee Heinmiller

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Non-Profit Organizations

<u>EXEMPT #</u>	<u>NAME OF ORGANIZATION</u>	<u>AUTHORIZED PERSONNEL</u>
133	American Bald Eagle Foundation Box 49, Haines	Cheryl McRoberts
134	Hospice of Haines Box 1034, Haines, Ak. 99827	Nancy Schnabel Beth MacCready
136	Haines Senior Citizen Center Inc. Box 801, Haines, Ak. 99827	Leslie Whittington
136.1	Haines Senior Village Box 835, Haines, Ak. 99827	Anne Hanssen
137	Haines Women's Club Box 36, Haines, Ak. 99827	Susan Johnston
138	Haines Animal Rescue Kennel Box 1533, Haines, Ak. 99827	Steve Vick
139	Tlingit-Haida Central Council 320 W. Willoughby, Suite 300 Juneau, Ak. 99801	John Katzeek
140	Duck's Unlimited Haines Chapter Box 628, Haines, Ak. 99827	Michelle Stigen
141	Friends of the Library Box 1089, Haines, Ak. 99827	Sara Chapell
142	Haines Arts Council Box 505, Haines, Ak. 99827	Tom Heywood
143	Church of Jesus Christ LDS Box 916, Haines, Ak. 99827	Dave Berry
144	Rural Ak. Comm. Action Program (RURAL CAP) P.O. Box 200908, Anchorage, Ak. 99510	Diane Mathesen
146	Haines Sportmans Assoc. Inc. Box 677, Haines, ak. 99827	James Studley
147	American Legion Post #12 Box 452, Haines, 99827	Jim Moran
148	Lynn Canal Conservation, Inc. Box 964, Haines, Ak. 99827	Scott Carey

Non-Profit Organizations

<u>EXEMPT #</u>	<u>NAME OF ORGANIZATION</u>	<u>AUTHORIZED PERSONNEL</u>
150	Northern S.E. Regional Aquaculture Assoc. (NSRAA) Box 1263, Haines, Ak. 99827	Tom Henderson
151	REACH, Inc. Box 1484, Haines, Ak. 99827	Rod Moline
152	Peninsula Home Health Care Box 926, Haines, Ak. 99827	Lisa Schwartz
153	S.E. Ak. Regional Health Consortium (SEARHC), Box 1549, Haines, Ak. 99827	Marcia Scott (Local Contact)
155	Rainbow Glacier Camp Box 432, Haines, Ak. 99827	Lucy Tate
157	Haines Cornerstone Church Box 588, Haines, Ak. 99827	
158	SEAPRO 540 Water St., Suite 201 Ketchikan, Ak. 99901	Marie-Jeanne Cadle
159	LaLeche League of Haines Box 1624, Haines, Ak. 99827	Donna Lambert
160	AWARE, Inc. P.O. Box 20809, Juneau, Ak. 99802	Amy Maio
161	Nenana Ice Classic Box 00272 , Nenana, Ak. 99760	Cherrie Forness, Manager
162	Big Brother Big Sister Box 148, Haines, Ak. 99827	Office Closed
163	Haines Dolphins Swim Team Box 1367, Haines, Ak. 99827	Suzanne Vuillet-Smith D. Downer, S. Bradford
164	Tlingit Haida Regional Electrical Authority P.O. Box 210149 Auke Bay, Ak. 99821	Exempt by Code - A Political Subdivision of the State
165	Chilkoot Indian Association Box 490, Haines, Ak. 99827	Exempt by Code Tribal Govt.
166	Alaska Native Brotherhood & Sisterhood Box 749, Haines, Alaska 99827	Applying for Fed. Exemption
167	The Hammer Museum Box 702, Haines, Alaska 99827	David R. Pahl
168	Haines Elks Lodge Box 29, Haines, Alaska 99827	John Winge

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Non-Profit Organizations

169	Catholic Community Services Haines Senior Center Box 801, Haines, Ak. 99827	Rosemary Hagevig/Juneau
170	Haines Assisted Living, Inc. (HAL) c/o Box 916, Haines, Ak. 99827 (formerly St. Vincent de Paul, St. Lucy Conference)	Vince Hansen
171	Takshanuk Watershed Council Box 1029, Haines, Alaska 99827	Brad Ryan
172	Haines Baptist Church Box 1245, Haines, Alaska 99827	Russell Simpson
173	American Red Cross of Alaska 3200 Hospital Dr., Suite 203 Juneau, Ak. 99801	Shad Engkilterra
174	Alaska Arts Confluence Box 1664, Haines, Ak. 99827	Judy Erekson
175	Impact Counseling Services, Inc. Box 631, Haines, Ak. 99827	Emily Zimbrich
176	The Alaska Community Foundation 400 L Street, Ste 100, Anchorage, Ak. 99501	Annette Erickson
177	S.E. Alaska Independent Living (SAIL) Box 183, Haines, Ak. 99827	Sierra Kaden
178	Alaska Chilkoot Bear Foundation, Inc. Box 1188, Haines, Ak. 99827	Richard Folta
179	St. Lucy's Senior Living Box 916, Haines, Ak. 99827	Vince Hansen
180	Uglys of Haines Box 698, Haines, Ak. 99827	Chuck Mitman
181	Great Alaska Council, BSA 3117 Patterson St., Anchorage, Ak. 99504	Clifford Cvismore
182	New Hope Fellowship HC60 Box 3161, Haines, Ak. 99827	Sage Thomas
183	Great Bear Foundation of Montana Box 1616, Haines, Ak. 99827	Shannon Donahue

SALES, SERVICES AND RENTALS TO OR BY A FOREIGN GOVERNMENT, THE U.S. GOVERNMENT, THE STATE OF ALASKA AND ITS POLITICAL SUBDIVISIONS AND MUNICIPALITIES AND THEIR POLITICAL SUBDIVISIONS ARE EXEMPT FROM SALES TAX. PAYMENT MUST BE MADE BY PURCHASE ORDER, GOVERNMENT CHECK, GOVERNMENT CHARGE CARDS OR THE SALE MUST BE BILLED TO THE GOVERNMENTAL ENTITY. CASH, PERSONAL CHECKS OR PERSONAL CHARGE CARDS FROM GOVERNMENT EMPLOYEES AT THE TIME OF THE SALE ARE NOT TAX-EXEMPT SALES. IF A CUSTOMER IS PERSONALLY KNOWN BY THE MERCHANT AND THE MERCHANT IS ASSURED THAT A PARTICULAR CASH SALE WOULD BE EXEMPT (SUCH AS A SCHOOL TEACHER PURCHASING A FEW SUPPLIES FOR HIS/HER CLASS FROM PETTY CASH FUNDS), THAT TYPE OF CASH SALE COULD BE SALES TAX EXEMPT

Thom Ely
POB 1014
Haines, AK 99827

Haines Borough Assembly
POB 1209
Haines, AK 99827

August 14, 2014

Dear Assembly, Mayor and Manager,

I'm disappointed in the decision to rescind the moratorium on new commercial tours in the Chilkoot corridor and lake area. This was done without public notice, which subverts the public process. It appears that behind the scenes lobbying pressured some Assembly Members to reverse their previous decision in a hasty manner.

Unfortunately hype and hysteria prevailed. The sky is not falling and the cruise lines won't be pulling out of Haines if Alaska Mountain Guides is not allowed this year to expand their tour portfolio at Chilkoot Lake. The Assembly did not do what they said they would at the last meeting when the moratorium on new tours was voted for. There is no plan to deal with congestion at the lake. State Parks has not come up with a plan.

This is why we have local jurisdiction and planning on our Borough lands, so that when the Federal or State Government fails to act we can protect our interests. Those interests represent the public and private sector. It is Government's job to weigh the costs and benefits and act accordingly.

Municipalities all over the country have local codes and ordinances that regulate business within their boundaries. Some Assembly members think that this is the wrong thing to do. Without proper planning and analysis of things like carrying capacity and sustainability, public lands can quickly be degraded and the experience for locals and visitors compromised in the name of corporate profits.

Chilkoot Lake and corridor is the most popular tourist destination in Haines. Alaska Mountain Guides takes many visitors a day out there and their presence is evident both on the lake and on the road. A mix of tour businesses use the area, and many spoke out in favor of the moratorium. It is important to respect, both tour operators, visitors and locals access to this public resource.

The project that the State has identified and funded will do nothing to alleviate the congestion at Chilkoot and will only degrade the scenic quality of the corridor with viewing platforms along the riverbank. The current situation calls for less vehicles and people, not more.

It is discouraging to see our governing body make a decision then back track on it. Unfortunately that seems to be the norm. Waffling and indecision does not put faith in the ability of our Government to lead and represent us. Please take this into consideration before you vote.

Sincerely,
Thom Ely