

From: [Robert Venables](#)
To: [Alekka Fullerton](#); [Debra Schnabel](#); [Jan Hill](#)
Cc: [Darsie Culbeck](#); "lenban"; "Terri and Bob"; "Matt Whitman"; [Jila Stuart](#); [Robert Venables](#)
Subject: HDT RMSA report and recommendations
Date: Thursday, May 30, 2019 10:36:00 PM
Attachments: [RMSA Commercial fee draft 2019.docx](#)

Haines Borough Assembly members:

The Historic Dalton Trail Road Maintenance Service Area (RMSA) board met on Tuesday, May 28 at noon in the assembly chambers. This meeting was held primarily to address 2 issues (review of RMSA code with its use of zones for revenue collection and the consideration of a commercial fee schedule). The Borough Manager had requested that the board meet by the 28th so that recommendations could be forwarded to the assembly during this budget cycle (normally the board does not meet during the busy summer season but chose to come to town, during the lunch hour to accommodate the Chilkat Lake property owners who live and/or work in town).

With the full board present, public comment was taken on the current model of zones within the RMSA. There was complaint from individual Chilkat Lake property owners who questioned the fairness and applicability of the assessment method which results in a high mil rate attributed to RMSA expenses.

For as long as anyone can remember (30+ years?), the state DOT and Chilkat Lake property owners have bifurcated the classification and use of the 4-mile road and created a parking lot/turn-around at approximately the 2-mile mark (at the edge of the Covenant Life Center property) where winter maintenance ends. This model was adopted by the board many years ago and the first 2 miles of Chilkat Lake Road has been recognized as the "areawide" arterial that is used in varying degrees by all of the residents in the service area (beginning at the Haines Highway, crossing the new bridge and providing access to the Porcupine Road, Corrina and Eagle Bluff Drive and beyond the "turn-around" to the Tsirku River landing that provides access to Chilkat Lake).

While the Chilkat Lake property owners present at the meeting did not see much value in the winter maintenance and would prefer not to pay for it, in reality very little of the RMSA costs are associated with winter maintenance. The state is able to run their highway plows over the first 2 miles of road quickly and the billings are minimal.

In practice, the Chilkat Lake property owners and other recreational users do use the first 2 miles of road to the current parking area which is on private (Covenant Life) property and provided at no cost. It is a more secure area to park and specific to the Lake use (Porcupine Road recreationists park at the bridge often causing congestion).

The real value to the Chilkat Lake property owners is year-round. The road was upgraded and chip-coated and is now maintained with cold-patch and brushing as needed. In the past couple of years, \$4,850 was spent on repairing the culverts at the Landing and the current ice bridge was purchased with grant-matching funds from the RMSA. All property tax receipts are tracked and kept in a

dedicated account for needs specific to Chilkat Lake (and each separate zone). In the spring, a contract goes out to remove the ice bridge and open up the last 2 miles of road if needed.

Rather than look at the high mil rate numerically, we asked the Borough CFO to provide an example of what maintenance is really costing in dollars to judge how fair the system is and if the property tax payers are getting value. A typical lot can be worth up to \$50,000 as could a cabin (some are more, others less). According to the CFO:

*For 2019 the proposed mills are .39 for the general RMSA and .23 for the Chilkat Lake Subzone so it would be $\$100,000 \times 0.62 / 1000 = \62 for the year or **\$5.17 per month**.*

The RMSA board felt that the answer was self-evident and while the zone taxation system may not be perfect, it is fair and a good value received. The borough attorney has also reviewed the matter and this was his conclusion

From: Brooks Chandler

Sent: Tuesday, May 7, 2019 10:12 AM

Subject: RE: Dalton Trail RMSA

Got it. As long as this is working and everyone understands I suppose there is no need to amend the code just for the sake of clarity and improvement.

But things would be clearer if this was described as a service area with 3 geographic subzones not 4 and if a proper map showing the boundaries between the 3 subzones was formally adopted by code ordinance and if the references to "attached plat" were deleted from code. "Chilkat Lake Road" is not really a "subzone" just a separately tracked and accounted for cost.

Brooks Chandler

Boyd, Chandler, Falconer & Munson LLP

The board has worked with the borough clerk to clarify code and include language (7.08.050 B) on the process to add new parcels as improvements are made in subdivisions with access through the RMSA. The RMSA board recommends adoption of Ordinance #19-04-531.

Commercial fees

Borough code (7.08.050 D) states the board "shall" develop a fee schedule for commercial users. Attached is the board's draft recommendation. It is recognized that some of the commercial users do participate in many ways, mostly with in-kind contributions which are very valuable. However, often those efforts are not documented and there is not a system in place to insure that all commercial users participate in the upkeep of the road systems their businesses use.

It was brought up during public comment that many of these businesses spend a lot of money in Haines and generate significant sales tax revenue. Their request was that the assembly consider diverting a portion of sales tax revenue to the RMSA for maintenance needs. Currently sales tax revenue is collected outside of the townsite service area (1.5%) but those funds are dedicated to capital projects – not maintenance. It is not clear if there is currently legal authority to do that or if a change in code would be required, if the assembly were to choose this method.

The board recommends and requests that the borough assembly move forward with examining options for commercial fees that would provide additional revenue to the RMSA so that the burden of maintaining the roads does not fall solely on the property owners within the RMSA. It is believed that the public process required to implement such a commercial fee structure will allow for additional input and the best solution possible.

The board also heard updates on the summer maintenance plans for brushing, grading and fixing potholes with the 3 pallets of cold-patch ordered for the RMSA. Raw TV has recently paid for the grading of Porcupine Road. A question was raised from the public asking if the Chilkat Indian Village is contributing to any maintenance of these roads since it is a joint agreement with the Haines Borough that allowed them to receive federal funds each year (and if not, should the borough roads still be a part of their inventory?). The manager responded that a letter had been sent 2 years ago and Klukwan had then declined to participate. The board asked the manager to revisit the issue.

It was asked how “fair” it was to use the maintenance costs of the first 2-mile segment of the Chilkat Lake Road as an aggregate cost for all the adjoining zones. At some point there needs to be a recognition of a common good – very similar to why the school, pool, library, museum, etc. are considered to be areawide functions paid for equally by all (many highway property tax owners would like to only pay for their personal use of those facilities). The board is willing to look at other revenue models (none were offered) but in light of the actual dollars spent (\$5.17 monthly, in the Chilkat Lake example), the current system seems legal, fair and is not an onerous burden.

Thank you for considering both the revised ordinance and the commercial fee draft proposal.

The Historic Dalton Trail Road Maintenance Service Area Board of Directors.



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