

**Haines Borough**  
**Borough Assembly Meeting #481**  
**AGENDA**

**January 23, 2024 - 6:30pm**

**Location: In Assembly Chambers and on ZOOM**

**Thomas Morphet**  
Mayor

**Natalie Dawson**  
Assembly Member

**Gabe Thomas**  
Assembly Member

**Kevin Forster**  
Assembly Member

**Debra Schnabel**  
Assembly Member

**Ben Aultman-Moore**  
Assembly Member

**Craig Loomis**  
Assembly Member

**Annette Kreitzer**  
Borough Manager

**Alekka Fullerton**  
Borough Clerk

**Kiersten Long**  
Deputy Clerk

**Haines Borough ZOOM information** (You must download Zoom first)

Webinar ID: 815 9230 2037

Passcode: 244048

- 1. CALL TO ORDER/PLEDGE TO THE FLAG/ROLL CALL**
- 2. 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:

3A - Approve Minutes from 1/9/24 Regular Assembly Meeting

11C2 – Marijuana License Renewal – Flower Mountain Farms

- \*3. APPROVAL OF MINUTES** -Approve the following minutes:

A. 1/9/24 Regular Assembly Meetings minutes

- 4. PUBLIC COMMENTS** – [For any topics not scheduled for public hearing. Individual comments are limited to 3 minutes unless another yields 3 minutes to the speaker in advance] *Note: during this section of the agenda, the assembly will listen and take notes. No official action will be taken at this time.*

- 5. ASSEMBLY COMMENTS**

- 6. MAYOR’S REPORT AND COMMENTS**

A. **Chilkat Bald Eagle Preserve Advisory Council Governor’s Executive Order**

- 7. PUBLIC HEARINGS** - None

- 8. STAFF/FACILITY REPORTS**

A. **Borough Manager Report** – January 18, 2024

B. **CFO Report** – January 18, 2024

- 1. Max Mertz Presentation Regarding the FY23 Financial Audit**

C. **Tourism Director Report**

- 9. COMMITTEE/COMMISSION/BOARD REPORTS & APPROVED MINUTES –**

A. **Planning Commission – 12/14/23 Minutes**

B. **Property Tax Assessment Ad Hoc Advisory Board 12/13/23 and 12/20/23 Minutes**

C. **Commerce Committee – 11/16/23 Minutes**

- 10. UNFINISHED BUSINESS** – None

- 11. NEW BUSINESS**

A. **Resolutions** (Individual comments are limited to 3 minutes unless another yields 3 minutes to the speaker in advance)

## 11. NEW BUSINESS

### A. Resolutions - *Continued*

1. **Resolution 24-01-1084**  
A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a Professional Services Agreement with Appraisal Company of Alaska, LLC to provide contract Assessor Services for the Haines Borough.
2. **Resolution 24-01-1085**  
A Resolution of the Haines Borough Assembly Authorizing the Borough Manager to Enter into a Contract with Windward Strategies to Provide Federal Lobbying Services for \$36,000.
3. **Resolution 24-01-1086**  
A Resolution of the Haines Borough Assembly Authorizing the Borough Manager to Enter into a Contract with Theodore W. Popely, PC to Provide State Lobbying Services for \$48,000.

OR

4. **Resolution 24-01-1087**  
A Resolution of the Haines Borough Assembly Authorizing the Borough Manager to Enter into a Contract with Reid Harris, Harris Advocacy to Provide State Lobbying Services for \$36,000.

### B. Ordinances for Introduction – None

### C. Other New Business

1. **Porcupine Trail FEMA Appeal**
- \*2. **Marijuana License Renewal- Flower Mountain Farms**  
*The Alcohol and Marijuana Control Office (AMCO) has notified the borough of a pending marijuana license renewal for a Standard Marijuana Cultivation Facility for Flower Mountain Farms, located at 17 Helms Loop Spur in Haines. The AMCO, prior to its final renewal approval, is giving the local government an opportunity to make a statement, if desired. The Haines Borough Police Department has no objection to the reissuance of the license. **Proposed Motion:** The Haines Borough has no objection to the renewal of the marijuana cultivation license for Flower Mountain Farms.*

## 12. CORRESPONDENCE

## 13. SET MEETING DATES

## 14. PUBLIC COMMENT

## 15. ANNOUNCEMENTS/ASSEMBLY COMMENTS/DIRECTION TO OFFICERS

## 16. ADJOURNMENT

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

**Present:** Mayor Thomas **MORPHET**, Assembly Members Gabe **THOMAS**, Debra **SCHNABEL**, Kevin **FORSTER**, Craig **LOOMIS**, Natalie **DAWSON** and Ben **AULTMAN-MOORE**.

**Staff Present:** Annette **KREITZER**/Manager, Alekka **FULLERTON**/Clerk, Kiersten **LONG**/Deputy Clerk,

**Visitors Present:** Thom **ELY**, Richard **CLEMENT**, Ayana **YOUNG**, Patty **CAMPBELL**, Don **TURNER** Jr., Ellen **LARSEN**, Kim **ROSATO**, Eric **HOLLE**, Katie Emma **BEGLEY**, Ayana **YOUNG**, Nora **ZIMMERLY**, Erika **MERKLIN**, Kristin **HATHHORN**, Aaron **BRAKEL** (Southeast Alaska Conservation Counsel) and 69 others on zoom.

2. **APPROVAL OF AGENDA & CONSENT AGENDA**

**Motion:** **AULTMAN-MOORE** moved to "remove item 3B from the consent agenda and moved to hear item 11C7 to be moved to be heard after item 6A."

**Motion:** **THOMAS** moved to "approve the agenda and the consent agenda" and the motion carried unanimously.

\*3. **APPROVAL OF MINUTES: Minutes from 11/28/23 and 12/12/23 Regular Assembly Meeting and the 12/22/23 Special Assembly Meeting.**

*Note: The Minutes were approved by approval of the consent agenda: "Approve minutes from 11/28/23 Regular Assembly Meeting Minutes, 12/12/23 Regular Assembly Meeting Minutes, and the 12/22/23 Special Assembly Meeting Minutes".*

**Motion:** **SCHNABEL** moved to accept the corrected minutes and the motion carried unanimously.

4. **PUBLIC COMMENTS:**

**ELY** – Questions about Lutak Dock project  
**CLEMENT** - Concerned about population decrease  
**YOUNG** – Questions about Lutak Dock project  
**CAMPBELL** – Support of Lutak Dock and questioned executive session  
**LARSEN** – Worried about violating MARAD requirements  
**ROSATO** – Lutak Dock is not big enough to ship ore  
**HOLLE** – Worried about financial exposure from FEMA and MARAD  
**TURNER** – Current Assembly Members have caused the problems  
**MERKLIN** – Concerns about Mosquito Lake Facility MOU  
**HATHHORN** – Does not support current Lutak Dock project  
**ZIMMERLY** – Respect program requirements  
**BRAKEL** – Southeast Alaska Conservation Counsel

5. **ASSEMBLY COMMENTS:**

**DAWSON** – Has not contacted MARAD or Senators  
**SCHNABEL** – Thank you for plowing walkway in Tlingit Park  
**FORSTER** – You can call him by his first name

**6. MAYOR'S REPORT and COMMENTS:**

Mayor announced Strategic Planning with Mila Cosgrove on 2/3/24 from 1-5, location TBD and provided an update on contract Assessor

**A. Proclamation for Community Builder Award – Four Winds Resource Center**

\*\* Clerk's Note: Item 11C7 was heard at this time.

**7. PUBLIC HEARINGS**

**A. Ordinance 23-11-663 – Second Hearing**

**An Ordinance of the Haines Borough, Providing for the Addition or Amendment of Specific Line Items to the FY24 Budget.**

The Mayor opened and closed the public hearing at 8:16 pm since no member of the public chose to speak with respect to this issue.

**Motion:** SCHNABEL moved to "Adopt Ordinance 23-11-663 with an amendment to appropriate \$10,000 to oppose the APT rate increase" and the motion carried unanimously.

**8. STAFF/FACILITY REPORTS**

**A. Borough Manager Report – January 4, 2024**

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

**A.** Property Tax Assessment Ad Hoc Advisory Board – 11/30/23 and 12/11/23 minutes

**B.** Planning Commission – 11/9/23 Minutes

**C.** Ports and Harbors Advisory Committee – 11/16/23 Minutes

**10. UNFINISHED BUSINESS - None**

**11. NEW BUSINESS**

**A. Resolutions**

**1. Resolution 24-01-1082**

**Resolution of the Haines Borough Assembly authorizing the Borough Manager to execute a change order with Agnew::Beck for an additional \$78,130 to complete the Comprehensive Plan Revision**

No member of the public chose to speak with respect to this Resolution.

**Motion:** SCHNABEL moved to "Adopt Resolution 24-01-1082," and the motion carried unanimously.

**2. Resolution 24-01-1083**

**Resolution of the Haines Borough Assembly Supporting Efforts to Improve Competitiveness and Resilience of the Alaska Seafood Industry.**

Katie Emma **BEGLEY** asked the Assembly NOT to support this Resolution.

**Motion:** SCHNABEL moved to "Adopt Resolution 24-01-1083" and the motion carried 4-1 with **DAWSON** in opposition.

**B. Ordinances for Introduction – None**

**11. NEW BUSINESS - Continued**

**C. Other New Business**

- \*1. Boards and Commissions:** Confirmation of Mayor's Reappointment of Norman Hughes to the Ports and Harbors Advisory Committee with a seat termination date of 11/252 and Jenty Fowler to the Library Advisory Board with a seat termination date of 11/26.

***Note: The Mayor's reappointments of Norman Hughes to PHAC and Jenty Fowler to LAB were approved by approval of the consent agenda.***

- 2. Comprehensive Plan Update - Verbal**

- 3. Motion for Reconsideration Regarding Borough Attorney RFP:**

Assembly Member Loomis has indicated he would like to move to reconsider the motion regarding the Borough Attorney RFP. The motion for reconsideration is timely and allowed since HBC 2.10.170 provides that the motion must be made at the original meeting or the next meeting, must be made by an individual on the prevailing side and must not have passed out of the hands of the Assembly. If the motion for reconsideration is successful, the debate shall resume before the vote was taken, the matter may be amended and debate shall be limited to 25 minutes (with an individual assembly member limited to 5 minutes).

**Motion: LOOMIS** moved to "Reconsider the timing of the Borough Attorney RFP," and the motion 4-2 with **THOMAS** and **SCHNABEL** in opposition.

**Motion: LOOMIS** moved to "I move we instruct the Manager to advertise RFP's for Haines Borough legal counsel with a closing deadline of March 1, 2024 for said proposals,"

**Primary Amendment: DAWSON** moved to "amend the motion to have the RFP issued by March 15, 2024," and the motion carried 5-1 with **THOMAS** in opposition.

And the motion, as amended, carried 5-1 with **THOMAS** in opposition.

- 4. Motion to Refer Development of Anti-Bullying Policy to the Government Affairs and Services Committee**

**Motion: LOOMIS** moved to "Refer the development of an Anti-Bullying Policy to the Government Affairs and Services Committee," and the motion carried unanimously.

- 5. Amendment of Heliskiing Flight Rules, GPS Data Collection, Submission, and Compliance Policy**

**Motion: FORSTER** moved to "Adopt the Manager's recommendations with the amendment to appropriate permit funds to support InfoX subscriptions either directly or through a credit and require the sharing of that information with the Haines Avalanche Center," and the motion carried unanimously.

- 6. Draft Response Letter to Chilkat Indian Village**

Mayor Morphet was asked to draft a response letter to CIV for Assembly approval.

**Motion: SCHNABEL** moved to "inform CIV that we are not supporting an EIS at this time," and the motion carries 4-2 with **LOOMIS** and **AULTMAN-MOORE** in opposition.

**Motion: FORSTER** moved to extend the meeting past 10:00 pm and the motion carried 4-2 with **THOMAS** and **AULTMAN-MOORE** in opposition.

\*\* Clerk's Note: A 10-minute recess was taken at this time.

**11. NEW BUSINESS**

**C. Other New Business – Continued**

**7. Lutak Dock Update/Discussion including Borough Attorney**

**Motion: FORSTER** moved to "Direct the Manager to communicate with R&M as our Owner Advisor regarding what it would take to get an unbiased comparison of the maintenance and lifespan of the current design and the original design for Lutak Dock, and if the cost is reasonable, we should request that comparison," and the motion carried 5-1 with **THOMAS** in opposition.

**Motion: THOMAS** moved to "Direct the Clerk to draft a proposition for a charter amendment that would prohibit ore storage and shipment at Lutak Dock," and the motion carried unanimously.

**Motion: SCHNABEL** moved to "table the rest of this matter to be heard at the end of New Business," and the motion carried unanimously.

*\*\* Clerk's Note: This matter was tabled at this point to be heard after New Business.*

**Motion: THOMAS** moved to "move into executive session as allowed by AS 44.62.310(C)(1)(A) to discuss with the borough attorney matters, the immediate knowledge of which would clearly have an adverse effect upon the finance of the government unit; the Borough Manager, Borough Clerk, Deputy Clerk and Borough Attorney are invited to attend" and the motion carried 5-1 with **THOMAS** in opposition.

**8. Assembly/Manager Communications –**

The Mayor requests the Assembly discuss:

(1) Assembly/Manager Communications

**Motion: FORSTER** moved to "Refer the creation of a Manager's Report template to the GASC," and the motion carried unanimously.

(2) Assembly/Manager procedures

(3) Manager workload

**12. CORRESPONDENCE –**

**A. DNR Public Notice – Requesting Input on a Proposed Relinquishment of State Entitlement Lands**

**B. HEDC Report – Haines Homebuilding Report**

**13. SET MEETING DATES –**

**A. Manager Evaluation/Review- The Evaluation forms sent out by 1/12 with the evaluations due back from the Assembly to the Mayor by 1/19 with a Committee-of-the Whole evaluation meeting on 1/25 at 5:30 pm.**

**B. Strategic Planning Saturday, February 3, 2024 from 1-5 location:TBD**

**14. PUBLIC COMMENT: SARGENT- hire a project manager**

**TURNER – Apology to DAWSON**

**BEGLEY – Reduce the budget**

**15. ANNOUNCEMENTS/ASSEMBLY COMMENTS/DIRECTION TO OFFICERS**

**16. ADJOURNMENT at 11:25 pm.**

ATTEST:

\_\_\_\_\_  
Thomas C. Morphet, Mayor

\_\_\_\_\_  
Aleka Fullerton, MMC, Borough Clerk

HOUSE JOURNAL

1252 January 16, 2024

EO 132

EXECUTIVE ORDER NO. 132

Eliminating the Alaska Chilkat Bald Eagle Preserve Advisory Council. was read the first time and referred to the Resources Committee.

The Governor's transmittal letter dated January 15 follows:

"Dear Speaker Tilton:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting an Executive Order relating to the Alaska Chilkat Bald Eagle Preserve Advisory Council. Pursuant to my authority under Article III, Section 23 of the Alaska Constitution to make changes in the organization of the Executive Branch and in the assignment of functions among its units, this Order will eliminate the Alaska Chilkat Bald Eagle Preserve Advisory Council and reassign its statutory functions, duties, and powers to the Department of Natural Resources. The elimination of the Alaska Chilkat Bald Eagle Preserve Advisory Council is in the best interest of efficient administration.

This Executive Order will encourage the development of expertise, eliminate duplication of functions, and provide a single point of responsibility for the development and monitoring of the management plan for the Alaska Chilkat Bald Eagle Preserve in order to increase performance and accountability.

Sincerely,

/s/

Mike Dunleavy

Governor"

## MANAGER'S REPORT

DATE: January 18, 2024  
TO: Mayor and Borough Assembly  
FROM: Annette Kreitzer, Borough Manager

### **Assembly Follow-up:**

1) Work with the Friends of Mosquito Lake School & Community Center/Four Winds Resource Center to produce a new MOU for administration of the Borough facility known as the Mosquito Lake School. – *We currently have an MOU with the FOMLSCS/FWRC, however we are still negotiating over funds raised and costs to the Borough vs other Borough facilities. Have had to set this aside to deal with more pressing issues. We are working with Delta Western to fuel more often and to do some barebones plowing to allow fuel delivery.*

### **Administration**

#### **HIRING:**

- We are evaluating:
  - Police Chief position – Met with newly reconstituted Public Safety Advisory Board and Friends of Police regarding promoting Sgt. Josh Dryden to the position. The next step is to work with Sgt. Dryden on contract terms, and to discuss staffing.
  - IT support for the Library and potentially some position restructuring – this is still a work in progress.
  - Fire Chief position – NO UPDATE - We anticipate AP Triton to begin the Operational Audit-Fire Department Strategic Planning project this month. Following advice from Fire Chiefs and Administrators of other departments which have been either all volunteer or a mix of volunteer/paid staff, I initiated a request for proposals to assess the fire department's current practices and culture and to provide a road map for the next five years. This will assist the Fire Chief, Manager and Assembly in strengthening the department.

#### **GRANT UPDATES:**

SS4A – Safe Streets for All: We'll be meeting with the grant agency the week of February 5 to go over the grant agreement. The Haines Borough and Chilkoot Indian Association entered into an MOU in July 2023 to leverage our expertise and resources to make Haines Borough roads safer by applying for a grant to complete a joint Safety Action Plan. The Assembly adopted Resolution 23-06-1046 in support of the effort. We received word in mid-December that



our proposal was selected for an award of \$ 198,768.00 in Federal funding to develop an Action Plan.

**DEC:**

- Lead Service Line Inventory –
- This grant application (\$74,072) is in response to requirements of the federal Lead and Copper Rule Revisions (LCRR). The LCRR requires that all Community and Non-Transient Non-Community public water systems must compile an inventory to identify the materials used for each water service line connected to their distribution system. The material of the entire service line must be included, from the main to where the line enters the building. The maximum grant amount is \$75,000, with no matching funds required.
- Meeting internally to identify potential projects for Water and Wastewater projects for DEC's FY25 State Revolving Loan Fund program. Focus is on safety for employees and age of infrastructure.

**COMPREHENSIVE PLAN:**

- January 21 is the deadline for providing comments on the Interactive Comment Map at this link: <https://hainescompplanrevision.com/>
  - Here is the revised project schedule:
  - **January 21st** – Comment Map Closes.
  - **Week of February 5th** – Public Review Draft is released for a 45-day Comment Period.
  - **Week of February 12th** – Consultant Team visits Haines to launch and get initial feedback on the Public Review Draft. Tentative joint work session with the Planning Commission and Assembly, open houses in the Upper Valley and Townsite, and many other small group or community events to get feedback on the Draft Plan.
  - **Early February through end of March** – 45-Day Comment Period Opens and Closes. During this time, Agnew::Beck is planning topic-specific dialogues, in-person discussions, and other outreach to get robust and representative feedback from Haines residents and partners.
  - **Early April through May** – Plan is Revised, Finalized, and Moves through Adoption Process (with additional opportunities for community feedback!). During this time, all community input received on the Public Review Draft, will be published along with how the team is addressing those comments in the revised/Final Plan.

**OTHER ISSUES:**

- Lutak Dock- MARAD Response– As of 1/18/24, we have not had a response to our January 10, 2024 letter answering questions that MARAD had regarding the project.
- Porcupine Road/potential appeal of FEMA Determination Memo: The appeal memo putting forward the grounds for an appeal is in the packet. This memo is still being refined, but the grounds are fairly defined. We have 60 days from January 4 to provide an appeal to the

State, which has 60 days to respond to us before the appeal would be sent to FEMA. FEMA has 90 days to respond to an appeal.

- Purchase of Police Vehicle: The Assembly authorized the purchase of a Chevrolet Tahoe Police Vehicle via Resolution 23-11-1078. We purchase through the State of Alaska's contracts. The contractor, Wicked Chevrolet, was unable to secure a Tahoe for us due to high demand and low inventory. Silverado is available and provides the same level of law enforcement safety and performance upgrades that are found in the police vehicle package. The Silverado also provides more ground clearance, a locking rear differential and a beefier suspension package. This does not change the amount authorized in the resolution (\$85,000).

### **Lands/Assessment/Permitting**

- Planning Commission provided support for "uninhibited recreation, e.g. dog walking, snow machining, xc-skiing, and similar activities" typically performed at the Borough's 34-mile property which has a longstanding contamination issue.
- This designation will assist the Brownfields Application which requires a designated re-use of the site and documented community support.
- I am having legal counsel review recommendations of the Property Tax Assessment Ad Hoc Advisory Board, where there are substantial changes. The group has specifically requested the Board of Equalization structure be prioritized in this review. Staff have been attending the Ad Hoc Advisory Board meetings, making note of changes we can accomplish this assessment season, seeking legal advice on what would be necessary to implement some of the recommendations and reviewing the proposals as they relate to the entire assessment process.

### **Tourism**

- Tourism Director Rebecca (Reba) Hylton is on the agenda and looking forward to sharing her year-end tourism report.
- Revamping the Tourism website is a continuing project – taking it bit by bit.
- Working with Haines Huts & Trails by supporting a subscription to [Nordic Pulse](#), which is a real time Nordic Ski trail app showing conditions of ski trails. The app is popular in the Yukon and we believe will be popular with Haines' residents as well. The app should be available by next month. We are looking to see if we can import the information into Cityworks, which catalogs all of the Borough's streets.
- Winterfest, the Alcan 200, Kat 2 Koot Adventure Race and more are taking place February 16-17. Check the [Tourism web page](#) for more info.

### **Public Facilities/Public Works/Grants Administration**

- We have received bids for the final work on the school roof, however the bids are higher than the budgeted amount of \$500,000. There will likely be a budget amendment once the bids have been scored and evaluated.
- Projects that Public Works Director Ed Coffland reports are going out for bid shortly include:

- 1) Jena's Playground (contractor will honor original bid)
- 2) Lily Lake Water Treatment Plant upgrade is to be reviewed by DEC prior to going out for bid.

### **Ports & Harbors**

- Letnikof Harbor – Shaun McFarlane with moffatt & nichol presented initial thoughts at the Ports & Harbors Advisory Committee meeting January 18, but listened to Committee members experiences and concerns about the current facility and ideas committee members have for potential replacement of the Letnikof floats. Moffatt & nichol will bring several concepts to the committee for consideration and refining of the project.

### **Library**

- Library Director Reba Heaton provided the following statistics for 2023 library uses:
  - 57,687 patrons
  - 9,036 people attended 689 programs or meetings
  - 25,668 uses of computer stations
  - 49,984 items were borrowed
- The Library is initiating several new programs
  - Exploring Horizons – which will start out as a lunch time program, exploring different arts and mediums, beginning with wildlife sketching.
  - Mending Club – an opportunity to discuss techniques of mending clothing as there have been a number of inquiries about darning knit materials.
  - AK101 – Advice on things Alaskan, such as how to sharpen a chainsaw chain.



**HAINES BOROUGH**

**Mosquito Lake Facility Revenue & Expenditures**

2017 - 2023 Calendar Year Comparison

	2017 Jan-Dec	2018 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2023 Jan-Dec
Revenues							
Rental Income	\$ 1,600	\$ 2,050	\$ 1,250	\$ 2,000	\$ 9,594	\$ 1,475	\$ 1,200
Expenditures							
Electricity	\$ 8,325	\$ 8,038	\$ 9,757	\$ 4,090	\$ 6,876	\$ 4,764	\$ 4,283
Maintenance / Snow Removal	10,366	8,389	32,771	16,984	30,830	23,381	7,656
Heating Fuel	6,999	7,161	6,225	7,917	8,143	14,920	14,964
Property Insurance	3,033	3,294	3,874	4,783	4,899	4,532	6,936
Security Phone / Alarm	1,253	1,838	1,936	1,757	1,682	1,754	1,846
Total Expenditures	\$ 29,977	\$ 28,720	\$ 54,564	\$ 35,531	\$ 52,430	\$ 49,351	\$ 35,686
Expenditures less Revenues	\$ 28,377	\$ 26,670	\$ 53,314	\$ 33,531	\$ 42,837	\$ 47,876	\$ 34,486



Letter to the Mayor and Assembly

Fiscal Year Ended June 30, 2023

December 11, 2023

To the Honorable Mayor and Assembly of Haines Borough  
Haines, Alaska

I have audited the financial statements of Haines Borough (the Borough) as of and for the year ended June 30, 2023, and have issued my report thereon dated December 11, 2023. Professional standards require that I advise you of the following matters relating to my audit.

**My Responsibility in Relation to the Financial Statement Audit**

As communicated in my engagement letter dated May 1, 2023, my responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. My audit of the financial statements does not relieve you or management of its respective responsibilities.

My responsibility, as prescribed by professional standards, is to plan and perform my audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of my audit, I considered the internal control of the Borough solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

I am also responsible for communicating significant matters related to the audit that are, in my professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, I am not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

I conducted my audit consistent with the planned scope and timing that I previously communicated to you.

**Compliance with all Ethics Requirements Regarding Independence**

I have complied with all relevant ethical requirements regarding independence.

**Qualitative Aspects of the Entity's Significant Accounting Practices**

*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Borough is included in Note 1 to the financial statements.

There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year under audit. No matters have come to my attention that would require me, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most significant estimates represented in the financial statements were:

Management's estimate of the collectability of accounts receivable is based on historical collections. I evaluated the key factors and assumptions used to develop the estimate of the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives and depreciation is based on the expected life of an asset. I evaluated the key factors and assumptions used to develop the useful lives and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of the Borough's proportionate share of the collective net pension and other post-employment benefit (OPEB) liabilities and related deferred outflows and inflows of resources are based on information furnished by the State of Alaska and actuarial reports generated during the audit of the Public Employees' Retirement System. The liabilities and amortization of deferrals are based on guidance provided by the Governmental Accounting Standards Board. I evaluated the key factors and assumptions used to develop the estimates of the Borough's proportionate share of the collective net pension and OPEB liability and deferred outflows and inflows of resources and related amortization in determining that it is reasonable in relation to the financial statements as a whole.

#### *Financial Statement Disclosures*

The financial statement disclosures are neutral, consistent, and clear.

#### **Significant Difficulties Encountered during the Audit**

I encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that I believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require me to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require me to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following adjustments were made by me at the request of management prior to commencing audit procedures. These were recorded by management:

Adjustments for the net OPEB and net pension liabilities and related accounts as of June 30, 2023. For the primary government as a whole, the adjustments increased net pension liability by \$305,000, reduced the net OPEB asset by \$1,462,000, increased deferred outflows of resources by \$198,000, decreased deferred inflows of resources by \$3,054,000, and increased pension and OPEB expense by \$1,639,000.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Borough's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

I have requested certain written representations from management, which are included in the attached letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed me that, and to my knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings or Issues**

In the normal course of my professional association with the Borough, I generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to my retention as the Borough's auditor.

**Internal Control and Other Matters**

I have no internal control matters to bring to your attention for the current year.

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This report is intended solely for the information and use of the Mayor, Assembly and management of the Borough and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,







# HAINES BOROUGH, ALASKA

P.O. BOX 1209, HAINES, AK 99827

WWW.HAINESALASKA.GOV

PHONE: (907)766-6400 FAX: (907)766-2716

December 11, 2023

Max E. Mertz, CPA  
3140 Nowell Ave.  
Juneau, Alaska 99801

This representation letter is provided in connection with your audit of the financial statements of Haines Borough, Alaska, which comprise the statement of financial position as of June 30, 2023, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the Borough in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

## **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 1, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to your preparation of the financial statements, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.

#### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors, regulators, or others.
- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Borough has no plans or intentions that may materially affect the carrying value of classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which The Borough is contingently liable.
- We have identified and disclosed to you the laws, regulations and provisions of contracts or grant agreements that could have a direct and material effect on financial statements amounts.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - Unasserted claims or assessments that a lawyer has advised are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification™ (ASC) 450, Contingencies.

- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC-450.
- The Borough has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have elected to omit the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements, and understand that your opinion on the basic financial statements is not affected by this omission.

#### **Required Supplementary Information**

- With respect to the Budgetary Comparison schedules for the General Fund, and the Schedules of the Borough's Proportionate Share of the Net Pension and Other Postemployment Benefit Liabilities, and Schedules of Borough Contributions, accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
  - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

#### **Single Audit**

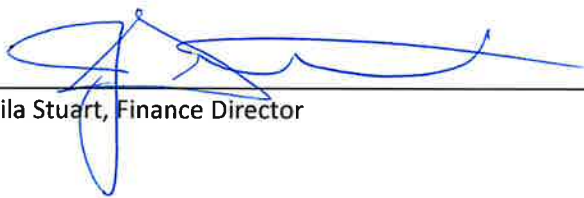
- With respect to federal and state awards, we represent the following to you:
  - We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *State of Alaska Single Audit Guide*.
  - We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) and the schedule of state financial assistance (SEFA) in accordance with *Uniform Guidance* and the *State of Alaska Single Audit Guide*, respectively.
  - We believe the SEFA and SSFA, including their form and content, are fairly presented in accordance with *Uniform Guidance* and the *State of Alaska Single Audit Guide*.
  - As part of your audit(s), you prepared the draft financial statements and related notes and SEFA and SSFA. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and SEFA and SSFA.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We believe the significant assumptions or interpretations underlying the measurement or presentation of the SEFA and SSFA, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
  - We are responsible for including the auditor's report on the SEFA and SSFA in any document that contains the schedule and that indicates that the auditor has reported on such information.
  - We have identified and disclosed all of our government programs and related activities subject to *Uniform Guidance* and the *State of Alaska Single Audit Guide* compliance audit.

- When the SEFA and SSFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date of issuance by the entity of the SEFA and SSFA and the auditor's report thereon.
  - We have, in accordance with *Uniform Guidance* and *the State of Alaska Single Audit Guide*, identified in the SEFA and SSFA, expenditures made during the audit period for all awards provided by state agencies in the form of grants, state and federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
  - We have provided to you our interpretations of any compliance requirements that have varying interpretations.
  - We have made available to you all federal and state awards (including amendments, if any) and any other correspondence relevant to federal and state programs and related activities that have taken place with federal and/or state agencies or pass-through entities.
  - We have received no requests from a federal or state agency to audit one or more specific programs as a major program. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal and state awards, including the results of other audits or program reviews or stated that there was no such noncompliance. We also know of no instances of noncompliance occurring subsequent to the period covered by the auditor's report.
  - We have disclosed to you any communications from federal and state awarding agencies and passthrough entities concerning possible noncompliance with the compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
  - We have made available to you all documentation related to the compliance requirements, including information related to state program financial reports and claims for advances and reimbursements.
  - Federal and State program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the SEFA and SSFA).
  - The copies of federal and State program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
  - We have charged costs to state awards in accordance with applicable cost principles.
  - We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by *Uniform Guidance* and *the State of Alaska Single Audit Guide*, and we have provided you with all information on the status of the follow-up on prior audit findings by state awarding agencies and pass-through entities, including all management decisions.
  - We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
  - The reporting package does not contain personally identifiable information.
  - We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
  - We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- In addition:
    - We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and

- conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
  - We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the *Uniform Guidance*.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the statement of financial position and through the date of this letter that would require adjustment to, or disclosure in, the aforementioned financial statements, other than already disclosed to you.

Haines Borough



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Jila Stuart, Finance Director



## FINANCIAL STATEMENTS

June 30, 2023

Together with Independent Auditor's Report

# HAINES BOROUGH

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Assembly of Haines Borough  
Haines, Alaska

**Report on the Audit of the Financial Statements**

***Opinion***

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haines Borough (the Borough), as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In my opinion, based on my audit and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I did not audit the financial statements of the Haines Borough School District, which represents 3.3% of total assets in the Statement of Net Position and 21% of total revenues in the Statement of Activities. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Haines Borough School District, is based on the report of the other auditors.

***Basis for Opinion***

I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Borough and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Responsibilities of Management for the Financial Statements***

The Borough's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, and pension and other post-employment schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my

inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated December 11, 2023 on my consideration of the Borough's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read 'MEM', is positioned above the date.

December 11, 2023

HAINES BOROUGH

**STATEMENT OF NET POSITION (DEFICIT)**

June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 4,312,000	\$ 300	\$ 4,312,300	\$ 1,674,011
Investments	11,580,947	-	11,580,947	-
Receivables	1,854,796	172,496	2,027,292	170,553
Internal balances, net	(4,419,557)	4,419,557	-	-
Current portion of leases receivable	20,161	3,483	23,644	-
Inventory and prepaid expenses	90,498	338,686	429,184	19,212
<b>Total Current Assets</b>	<b>13,438,845</b>	<b>4,934,522</b>	<b>18,373,367</b>	<b>1,863,776</b>
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	244,997	93,967	338,964	-
Investments	9,060,215	-	9,060,215	-
Receivables	11,465	-	11,465	-
<b>NONCURRENT ASSETS</b>				
Leases receivable, net of current portion	590,319	271,862	862,181	-
Net OPEB asset	1,556,675	135,365	1,692,040	1,504,962
Receivables, net of current portion	120,949	-	120,949	-
Capital assets, net	31,886,335	51,979,056	83,865,391	153,136
<b>Total Assets</b>	<b>56,909,800</b>	<b>57,414,772</b>	<b>114,324,572</b>	<b>3,521,874</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	739,674	67,239	806,913	529,523
<b>Total Assets and Deferred Outflows of Resources</b>	<b>57,649,474</b>	<b>57,482,011</b>	<b>115,131,485</b>	<b>4,051,397</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	446,651	146,464	593,115	729
Accrued payroll	253,191	-	253,191	49,279
Deposits	-	55,221	55,221	-
Unearned revenue	1,617,999	-	1,617,999	40,376
Current portion of long-term obligations	1,192,659	174,411	1,367,070	-
<b>Total Current Liabilities</b>	<b>3,510,500</b>	<b>376,096</b>	<b>3,886,596</b>	<b>90,384</b>
<b>NONCURRENT LIABILITIES</b>				
Compensated absences	221,325	28,855	250,180	108,000
Bonds and loans payable	3,303,199	2,761,076	6,064,275	-
Net pension liability	3,823,155	332,448	4,155,603	3,135,428
<b>Total Liabilities</b>	<b>10,858,179</b>	<b>3,498,475</b>	<b>14,356,654</b>	<b>3,333,812</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	758,505	288,216	1,046,721	159,189
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>11,616,684</b>	<b>3,786,691</b>	<b>15,403,375</b>	<b>3,493,001</b>
<b>NET POSITION (DEFICIT)</b>				
Net Investment in Capital Assets	27,390,477	49,043,569	76,434,046	153,136
Restricted for:				
Bond reserves	-	93,967	93,967	-
Medical services	355,131	-	355,131	-
Capital projects	2,105,194	-	2,105,194	-
Economic development	1,419,502	-	1,419,502	-
Permanent fund - nonexpendable	8,659,590	-	8,659,590	-
Permanent fund - expendable	533,573	-	533,573	-
Unrestricted	5,569,323	4,557,784	10,127,107	405,260
<b>Total Net Position (Deficit)</b>	<b>\$ 46,032,790</b>	<b>\$ 53,695,320</b>	<b>\$ 99,728,110</b>	<b>\$ 558,396</b>

HAINES BOROUGH

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Units	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		Total
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 1,556,499	\$ -	\$ -	\$ -	\$ (1,556,499)	\$ -	\$ (1,556,499)	\$ -
Public safety	1,485,660	5,222	445,640	-	(1,034,798)	-	(1,034,798)	-
Public works and streets	2,028,732	-	-	-	(2,028,732)	-	(2,028,732)	-
Economic development	538,550	-	-	-	(538,550)	-	(538,550)	-
Education	2,470,603	-	-	896,474	(1,574,129)	-	(1,574,129)	-
Port development	109,461	-	381,545	-	272,084	-	272,084	-
Culture, recreation and library	1,124,860	143,181	14,003	-	(967,676)	-	(967,676)	-
Interest on long-term debt	241,065	-	-	-	(241,065)	-	(241,065)	-
<b>Total Governmental Activities</b>	<b>9,555,429</b>	<b>148,403</b>	<b>841,188</b>	<b>896,474</b>	<b>(7,669,364)</b>	<b>-</b>	<b>(7,669,364)</b>	<b>-</b>
<b>Business-Type Activities</b>								
Water	833,400	473,916	-	-	-	(359,484)	(359,484)	-
Sewer	862,011	576,813	-	-	-	(285,198)	(285,198)	-
Small boat harbor	1,463,251	636,263	-	145,452	-	(681,536)	(681,536)	-
Lutak dock	232,672	339,581	-	-	-	106,909	106,909	-
Port Chilkoot dock	453,170	264,964	-	-	-	(188,206)	(188,206)	-
<b>Total Business-Type Activities</b>	<b>3,844,504</b>	<b>2,291,537</b>	<b>-</b>	<b>145,452</b>	<b>-</b>	<b>(1,407,515)</b>	<b>(1,407,515)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 13,399,933</b>	<b>\$ 2,439,940</b>	<b>\$ 841,188</b>	<b>\$ 1,041,926</b>	<b>(7,669,364)</b>	<b>(1,407,515)</b>	<b>(9,076,879)</b>	<b>-</b>
<b>Component Units</b>	<b>\$ 5,436,174</b>	<b>\$ 51,888</b>	<b>\$ 1,035,528</b>	<b>\$ -</b>				<b>(4,348,758)</b>
<b>General Revenue and Transfers</b>								
Property taxes					3,479,657	-	3,479,657	-
Sales taxes					4,722,342	-	4,722,342	-
Provided by general government					-	-	-	1,638,448
Intergovernmental revenue not restricted to specific programs					8,348,346	-	8,348,346	3,174,364
Investment income (loss)					302,300	104,210	406,510	38,694
Contributions to Permanent Fund principal - inflation proofing					363,533	-	363,533	-
Licenses and permits					59,021	-	59,021	-
Contributions and other					86,304	-	86,304	174,569
Payments in lieu of taxes					284,825	-	284,825	-
Land sales					35,978	-	35,978	-
Transfers					(495,919)	495,919	-	-
<b>Total General Revenue and Transfers</b>					<b>17,186,387</b>	<b>600,129</b>	<b>17,786,516</b>	<b>5,026,075</b>
Change in Net Position					9,517,023	(807,386)	8,709,637	677,317
Net Position (Deficit), Beginning of Year					36,515,767	54,502,706	91,018,473	(118,921)
<b>Net Position, End of Year</b>					<b>\$ 46,032,790</b>	<b>\$ 53,695,320</b>	<b>\$ 99,728,110</b>	<b>\$ 558,396</b>

HAINES BOROUGH

**BALANCE SHEETS - GOVERNMENTAL FUNDS**

June 30, 2023

	General Fund	Permanent Fund	Small Grants Special Revenue Fund	New School Debt Service	Capital Project Funds	Passenger Vessel Tax	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 4,312,000	\$ 244,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,556,997
Investments	11,580,947	9,060,215	-	-	-	-	-	20,641,162
Receivables	1,238,212	11,465	24,207	8,967	1,144,964	-	169,875	2,597,690
Due from other funds	115,843	-	1,622,094	-	1,088,633	211,790	2,166,379	5,204,739
Prepaid expenses	22,694	-	-	-	-	-	-	22,694
Inventory	67,804	-	-	-	-	-	-	67,804
<b>Total Assets</b>	<b>\$ 17,337,500</b>	<b>\$ 9,316,677</b>	<b>\$ 1,646,301</b>	<b>\$ 8,967</b>	<b>\$ 2,233,597</b>	<b>\$ 211,790</b>	<b>\$ 2,336,254</b>	<b>\$ 33,091,086</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 231,438	\$ 1,941	9,592	\$ -	\$ 128,403	\$ 7,610	\$ 67,667	\$ 446,651
Accrued payroll	253,191	-	-	-	-	-	-	253,191
Due to other funds	9,495,033	121,573	-	7,690	-	-	-	9,624,296
Unearned revenue	631,448	-	1,617,999	-	-	202,475	-	2,451,922
<b>Total Liabilities</b>	<b>10,611,110</b>	<b>123,514</b>	<b>1,627,591</b>	<b>7,690</b>	<b>128,403</b>	<b>210,085</b>	<b>67,667</b>	<b>12,776,060</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue - property taxes	138,567	-	-	-	-	-	-	138,567
Unavailable revenue - leases receivable	610,480	-	-	-	-	-	-	610,480
Unavailable revenue - land sales	-	-	-	-	-	-	29,575	29,575
<b>Total Deferred Inflows of Resources</b>	<b>749,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,575</b>	<b>778,622</b>
<b>Fund Balances</b>								
Nonspendable	90,498	8,659,590	-	-	-	-	-	8,750,088
Restricted	2,124,788	-	18,710	1,277	2,105,194	-	2,239,012	6,488,981
Assigned	706,272	533,573	-	-	-	1,705	-	1,241,550
Unassigned	3,055,785	-	-	-	-	-	-	3,055,785
<b>Total Fund Balances</b>	<b>5,977,343</b>	<b>9,193,163</b>	<b>18,710</b>	<b>1,277</b>	<b>2,105,194</b>	<b>1,705</b>	<b>2,239,012</b>	<b>19,536,404</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 17,337,500</b>	<b>\$ 9,316,677</b>	<b>\$ 1,646,301</b>	<b>\$ 8,967</b>	<b>\$ 2,233,597</b>	<b>\$ 211,790</b>	<b>\$ 2,336,254</b>	
Net position reported for governmental activities is different from fund balance due to:								
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.								31,886,335
Unearned revenues and deferred inflows of resources not available to pay for current-period expenditures are reported as earned in the Statement of Net Position.								1,002,065
Contributions to the defined pension and OPEB plan and other related amounts in the current fiscal year are deferred outflows on the Statement of Net Position.								739,674
Pension and OPEB related deferred inflows are not recognized immediately and, therefore, are not reported in the funds. These items are amortized over time.								(148,025)
Net OPEB assets are not available to pay for current prior expenditures and therefore are not reported in the funds.								1,556,675
Long-term liabilities, including bonds, compensated absences and the net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.								(8,540,338)
<b>Net Position of Governmental Activities</b>								<b>\$ 46,032,790</b>

HAINES BOROUGH

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2023

	General Fund	Permanent Fund	Small Grants Special Revenue Fund	New School Debt Service	Capital Project Funds	Passenger Vessel Tax	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes								
Property	\$ 3,102,243	\$ -	\$ -	\$ 385,478	\$ -	\$ -	\$ 14,195	\$ 3,501,916
Sales	2,302,513	-	-	-	1,219,120	-	1,200,709	4,722,342
Intergovernmental								
Federal grants and contracts	429,264	-	455,420	-	3,117,220	-	-	4,001,904
Federal payments in lieu of taxes	401,458	-	-	-	-	-	-	401,458
State grants and contracts	3,086,406	-	77,736	896,474	337,465	179,070	26,459	4,603,610
Rentals, Service and admission fees	148,403	-	-	-	-	-	-	148,403
Licenses and permits	59,021	-	-	-	-	-	-	59,021
Investment earnings (loss)	225,538	440,295	-	-	-	-	-	665,833
Contributions and other	83,924	-	2,380	-	-	-	-	86,304
<b>Total Revenues</b>	<b>9,838,770</b>	<b>440,295</b>	<b>535,536</b>	<b>1,281,952</b>	<b>4,673,805</b>	<b>179,070</b>	<b>1,241,363</b>	<b>18,190,791</b>
<b>EXPENDITURES</b>								
Current								
General government	1,010,146	23,664	-	-	-	-	12,794	1,046,604
Public safety	2,097,240	-	238,346	-	-	-	123,179	2,458,765
Public works and streets	1,212,123	-	-	-	-	-	241,174	1,453,297
Economic development	-	-	-	-	-	-	555,085	555,085
Education	1,827,340	-	-	-	-	-	-	1,827,340
Culture, recreation, and library	1,144,106	-	-	-	-	-	-	1,144,106
Debt service								
Principal	-	-	-	1,045,000	-	-	8,758	1,053,758
Interest	-	-	-	235,675	-	-	5,390	241,065
Capital outlay	-	-	-	-	4,726,570	-	-	4,726,570
<b>Total Expenditures</b>	<b>7,290,955</b>	<b>23,664</b>	<b>238,346</b>	<b>1,280,675</b>	<b>4,726,570</b>	<b>148,454</b>	<b>946,380</b>	<b>14,655,044</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,547,815	416,631	297,190	1,277	(52,765)	30,616	294,983	3,535,747
<b>Other Financing Sources (Uses)</b>								
Transfers in	388,019	450,000	-	-	989,932	-	26,200	1,854,151
Transfers out	(1,626,540)	-	(297,190)	-	(368,137)	(30,616)	(27,587)	(2,350,070)
Sale of capital assets	-	-	-	-	-	-	17,989	17,989
<b>Total Other Financing Sources (Uses)</b>	<b>(1,238,521)</b>	<b>450,000</b>	<b>(297,190)</b>	<b>-</b>	<b>621,795</b>	<b>(30,616)</b>	<b>16,602</b>	<b>(477,930)</b>
<b>Net Change in Fund Balances</b>	<b>1,309,294</b>	<b>866,631</b>	<b>-</b>	<b>1,277</b>	<b>569,030</b>	<b>-</b>	<b>311,585</b>	<b>3,057,817</b>
Fund Balances, Beginning of Year	4,668,049	8,326,532	18,710	-	1,536,164	1,705	1,927,427	16,478,587
<b>Fund Balances, End of Year</b>	<b>\$ 5,977,343</b>	<b>\$ 9,193,163</b>	<b>\$ 18,710</b>	<b>\$ 1,277</b>	<b>\$ 2,105,194</b>	<b>\$ 1,705</b>	<b>\$ 2,239,012</b>	<b>\$ 19,536,404</b>

HAINES BOROUGH

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds		\$ 3,057,817
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are capitalized and are allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital outlays	4,395,059	
Depreciation expense	<u>(1,542,280)</u>	2,852,779
<p>Other transactions involving sales of land net of cash collected. Cash collected is presented as current year income in the fund financial statements.</p>		
		(17,989)
<p>Changes in unearned revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. This amount is the change in the net amount recognized from year to year.</p>		
		63,583
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds; however, this has no effect on net position since payments are applied to debt recorded on the Statement of Net Position rather than as an expense item. This amount reflects principal payments made during the fiscal year.</p>		
		1,165,050
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Pension and other post-employment (expense) benefit, net of pension and other post-employment contributions reflected in the governmental funds		2,392,985
Change in compensated absences		2,798
<b>Change in Net Position of Governmental Activities</b>		<b>\$ 9,517,023</b>



HAINES BOROUGH

**BALANCE SHEETS - PROPRIETARY FUNDS**

June 30, 2023

	Water	Sewer	Small Boat Harbor	Lutak Dock	Port Chilkoot Dock	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 300
Receivables	31,979	52,953	25,780	32,714	29,070	172,496
Due from other funds	47,303	557,481	939,163	2,646,984	344,469	4,535,400
Inventory	82,477	9,934	23,356	-	-	115,767
Prepaid expenses	75,000	147,919	-	-	-	222,919
Lease receivable, current portion	-	-	-	3,483	-	3,483
<b>Total Current Assets</b>	<b>236,759</b>	<b>768,287</b>	<b>988,599</b>	<b>2,683,181</b>	<b>373,539</b>	<b>5,050,365</b>
<b>RESTRICTED ASSETS</b>						
Revenue bond debt service reserve instruments	-	93,967	-	-	-	93,967
<b>CAPITAL ASSETS</b>						
Land	85,584	9,000	-	-	-	94,584
Buildings, net of accumulated depreciation	17,489	2,215,701	-	-	294,974	2,528,164
Improvements other than buildings, net of accumulated depreciation	8,715,649	3,462,180	27,814,340	1,437,248	6,712,905	48,142,322
Equipment, net of accumulated depreciation	47,022	67,108	46,747	-	-	160,877
Construction in progress	129,586	388,839	11,568	523,116	-	1,053,109
<b>Total Capital Assets</b>	<b>8,995,330</b>	<b>6,142,828</b>	<b>27,872,655</b>	<b>1,960,364</b>	<b>7,007,879</b>	<b>51,979,056</b>
<b>LEASE RECEIVABLE, net of current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,862</b>	<b>-</b>	<b>271,862</b>
<b>NET OPEB ASSET</b>	<b>50,762</b>	<b>16,921</b>	<b>67,682</b>	<b>-</b>	<b>-</b>	<b>135,365</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>24,445</b>	<b>8,146</b>	<b>34,648</b>	<b>-</b>	<b>-</b>	<b>67,239</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>9,307,296</b>	<b>7,030,149</b>	<b>28,963,584</b>	<b>4,915,407</b>	<b>7,381,418</b>	<b>57,597,854</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	19,130	53,758	69,047	3,165	1,364	146,464
Loan payable - current	92,520	-	-	-	-	92,520
Bond payable - current	-	81,891	-	-	-	81,891
Deposits	11,284	9,252	34,685	-	-	55,221
Due to other funds	-	-	115,843	-	-	115,843
<b>Total Current Liabilities</b>	<b>122,934</b>	<b>144,901</b>	<b>219,575</b>	<b>3,165</b>	<b>1,364</b>	<b>491,939</b>
<b>NONCURRENT LIABILITIES</b>						
Compensated absences	11,417	11,417	6,021	-	-	28,855
Revenue bonds payable	-	711,708	-	-	-	711,708
Loans payable	1,600,468	448,900	-	-	-	2,049,368
Net pension liability	124,668	41,556	166,224	-	-	332,448
<b>Total Noncurrent Liabilities</b>	<b>1,736,553</b>	<b>1,213,581</b>	<b>172,245</b>	<b>-</b>	<b>-</b>	<b>3,122,379</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>4,828</b>	<b>1,609</b>	<b>6,434</b>	<b>275,345</b>	<b>-</b>	<b>288,216</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,864,315</b>	<b>1,360,091</b>	<b>398,254</b>	<b>278,510</b>	<b>1,364</b>	<b>3,902,534</b>
<b>NET POSITION</b>						
Net investment in capital assets	7,302,342	4,900,329	27,872,655	1,960,364	7,007,879	49,043,569
Restricted for bond reserves	-	93,967	-	-	-	93,967
Unrestricted	140,639	675,762	692,675	2,676,533	372,175	4,557,784
<b>Total Net Position</b>	<b>\$ 7,442,981</b>	<b>\$ 5,670,058</b>	<b>\$ 28,565,330</b>	<b>\$ 4,636,897</b>	<b>\$ 7,380,054</b>	<b>\$ 53,695,320</b>

HAINES BOROUGH

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	Water	Sewer	Small Boat Harbor	Lutak Dock	Port Chilkoot Dock	Total
<b>OPERATING REVENUES</b>						
Charges for services	\$ 473,916	\$ 576,813	\$ 636,263	\$ 339,581	\$ 264,964	\$ 2,291,537
<b>GENERAL REVENUES</b>						
Intergovernmental - Federal Governments	-	-	3,455	-	-	3,455
Intergovernmental - State Governments	-	141,997	-	-	-	141,997
<b>Total Operating and General Revenue</b>	<b>473,916</b>	<b>718,810</b>	<b>639,718</b>	<b>339,581</b>	<b>264,964</b>	<b>2,436,989</b>
<b>OPERATING EXPENSES</b>						
Depreciation	367,874	388,492	897,388	94,209	332,501	2,080,464
Salaries and benefits	184,399	199,296	80,949	113,622	60,765	639,031
Materials and supplies	92,950	41,479	317,233	-	4,859	456,521
Utilities	44,140	95,566	90,786	6,606	8,661	245,759
Banking and insurance	17,884	30,697	40,113	5,908	16,964	111,566
Professional services	55,485	32,656	14,580	1,324	14,512	118,557
Repairs and maintenance	33,936	33,990	10,958	260	8,615	87,759
Vehicle	4,474	3,665	10,514	10,277	4,178	33,108
Travel and training	5,047	3,834	-	250	1,950	11,081
Advertising, dues and subscriptions	464	8,863	730	216	165	10,438
<b>Total Operating Expenses</b>	<b>806,653</b>	<b>838,538</b>	<b>1,463,251</b>	<b>232,672</b>	<b>453,170</b>	<b>3,794,284</b>
<b>Operating Income (Loss)</b>	<b>(332,737)</b>	<b>(119,728)</b>	<b>(823,533)</b>	<b>106,909</b>	<b>(188,206)</b>	<b>(1,357,295)</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Investment income	3,820	12,340	19,810	63,422	4,818	104,210
Interest expense	(26,747)	(23,473)	-	-	-	(50,220)
<b>Total Nonoperating Revenue (Expense)</b>	<b>(22,927)</b>	<b>(11,133)</b>	<b>19,810</b>	<b>63,422</b>	<b>4,818</b>	<b>53,990</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(355,664)</b>	<b>(130,861)</b>	<b>(803,723)</b>	<b>170,331</b>	<b>(183,388)</b>	<b>(1,303,305)</b>
Transfers In	120,516	70,145	274,642	-	30,616	495,919
<b>Change in Net Position</b>	<b>(235,148)</b>	<b>(60,716)</b>	<b>(529,081)</b>	<b>170,331</b>	<b>(152,772)</b>	<b>(807,386)</b>
<b>Net Position, Beginning of Year</b>	<b>7,678,129</b>	<b>5,730,774</b>	<b>29,094,411</b>	<b>4,466,566</b>	<b>7,532,826</b>	<b>54,502,706</b>
<b>Net Position, End of Year</b>	<b>\$ 7,442,981</b>	<b>\$ 5,670,058</b>	<b>\$ 28,565,330</b>	<b>\$ 4,636,897</b>	<b>\$ 7,380,054</b>	<b>\$ 53,695,320</b>

HAINES BOROUGH

**STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	Water	Sewer	Small Boat Harbor	Lutak Dock	Port Chilkoot Dock	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 477,018	\$ 718,273	\$ 642,961	\$ 358,324	\$ 305,658	\$ 2,502,234
Cash paid to suppliers	(318,341)	(433,157)	(564,157)	(31,366)	(64,810)	(1,411,831)
Cash paid to employees	(225,521)	(212,415)	(137,127)	(117,105)	(60,765)	(752,933)
Net cash transferred from (to) general fund	189,897	110,692	113,679	76,082	(190,518)	299,832
<b>Net Cash Flows Provided by (Used for) Operating Activities</b>	<b>123,053</b>	<b>183,393</b>	<b>55,356</b>	<b>285,935</b>	<b>(10,435)</b>	<b>637,302</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of capital assets	(129,586)	(224,735)	(349,808)	(349,357)	(24,999)	(1,078,485)
Net cash transferred from other funds	120,516	70,145	274,642	-	30,616	495,919
Proceeds from loans	-	141,997	-	-	-	141,997
Repayment of loan payable	(91,056)	-	-	-	-	(91,056)
Interest on bonds and loan payable	(26,747)	(23,473)	-	-	-	(50,220)
Repayment of bonds payable	-	(83,282)	-	-	-	(83,282)
<b>Net Cash Flows Provided by (Used for) Capital and Related Financing Activities</b>	<b>(126,873)</b>	<b>(119,348)</b>	<b>(75,166)</b>	<b>(349,357)</b>	<b>5,617</b>	<b>(665,127)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Change in performance deposit	-	(76,385)	-	-	-	(76,385)
Cash receipts from investments	3,820	12,340	19,810	63,422	4,818	104,210
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>3,820</b>	<b>(64,045)</b>	<b>19,810</b>	<b>63,422</b>	<b>4,818</b>	<b>27,825</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and Cash Equivalents, Beginning of Year	-	-	300	-	-	300
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (332,737)	\$ (119,728)	\$ (823,533)	\$ 106,909	\$ (188,206)	\$ (1,357,295)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Depreciation	367,874	388,492	897,388	94,209	332,501	2,080,464
Pension and Other Post-Employment Benefit related	(42,002)	(13,999)	(56,005)	(3,483)	-	(115,489)
Changes in operating assets and liabilities						
Receivables	2,091	(509)	231	18,743	40,694	61,250
Due to/from other funds	189,897	110,692	113,679	76,082	(190,518)	299,832
Prepaid expenses	(75,000)	-	-	-	-	(75,000)
Inventory	-	-	15,326	-	-	15,326
Accounts payable	11,039	(182,407)	(94,569)	(6,525)	(4,906)	(277,368)
Compensated absences	880	880	(173)	-	-	1,587
Deposits	1,011	(28)	3,012	-	-	3,995
<b>Total adjustments</b>	<b>455,790</b>	<b>303,121</b>	<b>878,889</b>	<b>179,026</b>	<b>177,771</b>	<b>1,994,597</b>
<b>Net Cash Flows Provided by (Used for) Operating Activities</b>	<b>\$ 123,053</b>	<b>\$ 183,393</b>	<b>\$ 55,356</b>	<b>\$ 285,935</b>	<b>\$ (10,435)</b>	<b>\$ 637,302</b>

HAINES BOROUGH

**COMPONENT UNITS COMBINING STATEMENT OF NET POSITION**

June 30, 2023

	Haines Borough School District	Non-major Component Unit	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,522,028	\$ 151,983	\$ 1,674,011
Receivables	170,553	-	170,553
Inventory and prepaid expenses	19,212	-	19,212
Total Current Assets	1,711,793	151,983	1,863,776
<b>CAPITAL ASSETS, NET</b>	153,136	-	153,136
<b>OPEB ASSETS</b>	1,504,962	-	1,504,962
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension and OPEB, net	529,523	-	529,523
<b>Total Assets and Deferred Outflows of Resources</b>	<b>3,899,414</b>	<b>151,983</b>	<b>4,051,397</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	729	-	729
Accrued payroll and related liabilities	49,279	-	49,279
Deferred revenue	40,376	-	40,376
Total Current Liabilities	90,384	-	90,384
<b>NONCURRENT PORTION OF LONG-TERM OBLIGATIONS</b>			
Compensated absences	108,000	-	108,000
Net pension liability	3,135,428	-	3,135,428
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension and OPEB	159,189	-	159,189
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>3,493,001</b>	<b>-</b>	<b>3,493,001</b>
<b>NET POSITION</b>			
Net investment in capital assets	153,136	-	153,136
Unrestricted	253,277	151,983	405,260
<b>Total Net Position</b>	<b>\$ 406,413</b>	<b>\$ 151,983</b>	<b>\$ 558,396</b>

The accompanying notes to financial statements are an integral part of these statements.

HAINES BOROUGH

**COMPONENT UNITS COMBINING STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fee, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Haines Borough School District	Non-Major Component Unit	Total
<b>Component Units</b>							
Haines Borough School District	\$ 5,411,792	\$ 51,888	\$ 1,019,739	\$ -	\$ (4,340,165)	\$ -	\$ (4,340,165)
Non-Major Component Unit	24,382	-	15,789	-	-	(8,593)	(8,593)
<b>Total Component Units</b>	<b>\$ 5,436,174</b>	<b>\$ 51,888</b>	<b>\$ 1,035,528</b>	<b>\$ -</b>	<b>(4,340,165)</b>	<b>(8,593)</b>	<b>(4,348,758)</b>
<b>General Revenues</b>							
Provided by general government					1,605,000	33,448	1,638,448
Grants not restricted to specific programs					3,174,364	-	3,174,364
Investment income					38,409	285	38,694
Contributions and other					174,569	-	174,569
<b>Total General Revenues</b>					<b>4,992,342</b>	<b>33,733</b>	<b>5,026,075</b>
Change in Net Position					652,177	25,140	677,317
Net Position (Deficit), Beginning of Year					(245,764)	126,843	(118,921)
<b>Net Position, End of Year</b>					<b>\$ 406,413</b>	<b>\$ 151,983</b>	<b>\$ 558,396</b>

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Reporting Entity

The Haines Borough ("the Borough") was created in October 2002, when the public voted to combine the Haines Borough with the City of Haines. The Borough is incorporated under the laws of the State of Alaska as a Home Rule borough. The Borough operates under a Manager-Assembly form of government and provides the following services: public safety (police, fire, and medical services), streets and sidewalks, water and sewer, health, culture-recreation and economic development, port authority, public improvements, planning and zoning, and general administrative services.

##### Discretely Presented Component Units

The accompanying financial statements present the Borough and its component units. The Borough Assembly approves the total annual budgets of these entities and annually provides significant operating subsidies to them. In addition, the Borough levies taxes on behalf of the Haines Borough School District ("the School District"). Accordingly, the Borough is considered to be financially accountable for these entities. However, each entity has a separate governing board (the District's board is elected by the public) and the component units are therefore discretely presented in the financial statements. The component units are:

- Haines Borough School District which provides elementary and secondary education within the Borough's jurisdiction.
- Klehini Valley Volunteer Fire Department which provides fire protection in the Klehini Valley.

Information about major component units is included in the Component Unit Combining Statement of Net Position (page 12) and the Component Unit Combining Statement of Activities (page 13).

Complete financial statements for the School District may be obtained from the School District's administrative offices:

Haines Borough School District  
P.O. Box 1289 Haines, AK 99827

The other component unit does not have separately audited financial statements.

##### Government-Wide and Fund Financial Statements

The Statement of Net Position (Deficit) and the Statement of Activities display information about the primary government (the Borough) and its component units. These statements include the financial activities of the overall government. For the most part, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the Borough. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Borough, and for each function of the Borough's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges to

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Borough reports the following major governmental funds:

*General Fund* – The General Fund is the Borough's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

*Permanent Fund* – Accounts for assets held in a trustee capacity. The fund represents the cumulative net proceeds from the sale of municipal lands less construction of public improvements within local improvement districts. The principal balance of the fund cannot be spent and must be held in trust for the benefit of future residents of the Borough. Only income of the fund may be spent. The Assembly shall provide for the protection of the fund principal from the effects of inflation and may appropriate any remaining income for Borough expenses.

*Small Grants Special Revenue Fund* – Accounts for revenues and expenditures related to the Borough's small grants which included American Rescue Plan Act (ARPA) pass-through grant from the State of Alaska in the fiscal year.

*New School Debt Service* – Accounts for property tax revenue and State of Alaska grants used to make payments on the bonds that were issued to construct the new school and related projects.

*Capital Project Funds* – Accounts for amounts spent on capital improvement and replacement projects, primarily funded by government grants and sales taxes that benefit the entire Borough area.

*Passenger Vessel Tax* – Accounts for docks and harbors improvements, funded by passenger vessel taxes. The Borough did not adopt a budget for this fund for the fiscal year.

The Borough reports the following major proprietary funds:

*Water Fund* – Accounts for activities including operating the water storage and distribution systems.

*Sewer Fund* – Accounts for activities including operating the sewage treatment plant, sewage pumping stations, and collection systems.

*Small Boat Harbor Fund* – Accounts for activities including operating the small boat harbor.

*Lutak Dock Fund* – Accounts for activities including operating Lutak Dock.

*Port Chilkoot Dock Fund* – Accounts for activities including operating Port Chilkoot Dock.

Garbage service for the Borough is not operated by the Borough government, but is provided by a private business.

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when financial activities are recognized in the accounts and reported in the financial statements.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, respectively. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments (if any), are recorded only when payment is due.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the government. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Proprietary (or enterprise) funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Borough's enterprise funds are charges to customers for sales and services. The water and sewer funds also recognize as operating revenue fees intended to recover the cost of connecting new customers to the systems.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Property Taxes

Property taxes are levied on July 1 and are payable on November 1. Property taxes attach as an enforceable lien on property approximately one year from the due date. The Borough bills and collects taxes for its own and school purposes. Borough property tax revenues are recognized when they become measurable and available, which is generally when levied. Delinquent property taxes are not considered currently available, so they are reported as deferred inflow of resources in the fund financial statements.

#### Land Sales

The Borough also occasionally sells land using long-term receivable contracts. In the fund financial statements, the amounts due on the receivable contracts are not available to finance current period expenditures; therefore, they are reported as deferred inflow of resources in the fund financial statements. The amounts due on the receivable contracts are recognized as revenue when the funds are



## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

available to meet current period expenditures. These contracts are revenue for the government-wide Statement of Activities when the sale occurs.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

#### **Assets, Liabilities, Deferred Inflows and Outflows of Resources, Net Position and Fund Balance**

##### Deposits and Investments

All cash deposits are in a single financial institution and are carried at cost. The Borough considers all investments in money market funds and highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Borough pools most of its cash resources of its various funds to facilitate the management of cash. The majority of the cash balances are recorded in the general fund with amounts allocated to the appropriate funds.

Securities are stated at fair market values determined by established trading market prices and any gains and losses (realized and unrealized) are included in the Borough's financial activities. Security transactions are recorded on the trade date.

##### Receivables and Leases Receivable

All receivables are reported at gross value and, if appropriate, are reduced by the estimated portion that is expected to be uncollectible. Leases receivable are recorded at their net present value of future lease noncancellable lease payments, including all reasonably certain extensions, discounted at the Borough's estimated lending rate, which approximates its borrowing rate. Leases receivable are offset by a corresponding deferred inflow of resources until the related lease inflows are available.

##### Due to and Due from Other Funds

Interfund receivables and payables arising from interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are current obligations. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

##### Inventory

Inventory consists of fuel, parts, supplies and museum merchandise, and is stated at the lower of cost (first-in, first-out basis) or market. Reported governmental fund inventories are equally offset by a portion of fund balance classified as nonspendable in the fund financial statements, which indicates that they do not constitute "available and spendable resources" even though they are a component of net capital assets.

##### Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

##### Restricted Assets

Certain cash, investments, and receivables are classified as restricted assets in the accompanying financial statements because they are permanently held for the benefit of future residents of the Borough.

In addition, assets which are restricted for specific uses by bond covenants, grant provisions, or other requirements are classified as restricted assets.

HAINES BOROUGH

NOTES TO FINANCIAL STATEMENTS

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation, and capital assets received in a service concession arrangement are recorded at acquisition value as of the date of receipt.

The cost of normal maintenance and repairs that do not add to the value of the asset or do not materially extend asset lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Useful Life
Building structures and other improvements	10 – 40 years
Machinery and equipment	5 – 15 years
Roads, bridges and harbor infrastructure	15 – 50 years

All significant capital assets including infrastructure assets are capitalized and reported by the Borough.

Compensated Absences

It is the Borough's policy to permit employees to accumulate earned but unused personal leave benefits. All personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Unearned Revenue

Amounts received from grants and other sources, but not yet spent for their restricted purpose, are shown on the balance sheet as unearned revenue on both the government-wide and fund financial statements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund balance sheets.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Alaska Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and additions to/deductions from PERS's and TRS's fiduciary net position have been determined on the same basis as PERS and TRS, assuming the State's pension support under AS 39.35.280 is a "Special Funding Situation" as defined by GASB 68. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the OPEB assets, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Alaska

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

Public Employees' Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as PERS, and assuming the State's OPEB support under AS 39.35.280 is a "Special Funding Situation" as defined by GASB 75. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Financial Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consist of capital assets, net of accumulated depreciation, and related debt. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Borough Assembly or through external restriction imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources as budgeted by the Borough Assembly and then unrestricted resources as they are needed.

#### Fund Balance

Generally, fund balance represents the difference between the current assets, current liabilities and deferred inflows and outflows of resources. The Borough classifies its fund balances in accordance with GASB Statement No. 54 nonspendable, restricted, committed, assigned, or unassigned fund balance categories. See Note 8 for further information on the Borough's fund balance classifications.

In governmental funds, the Borough's policy regarding when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available is to consider restricted amounts to be reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, then committed amounts would be reduced first, followed by assigned and then unassigned amounts.

The Borough has not formally adopted a policy with respect to the minimum fund balance amount.

#### Reclassifications

Certain prior year financial statement balances have been reclassified to conform to the current year presentation.

#### Date of Subsequent Review

The Borough has evaluated subsequent events through the date of the Independent Auditor's Report, which is commensurate with the date the financial statements were available to be issued.

**HAINES BOROUGH**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

The appropriated budget is prepared by fund, function, and department using the modified accrual basis of accounting. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The Assembly made several supplemental budgetary appropriations during the year. The significant supplemental budgetary appropriations made were related to intergovernmental revenue, wage and related expenses, and other operating expenses.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Borough follows the practice of pooling cash equivalents of its various funds. The financial activity of the pooled cash and cash equivalents is accounted for in the General Fund. In some instances, funds may overdraw their available cash balance in the general fund. Specific fund overdrafts are treated as short-term loans and are included on the balance sheets as liabilities in “due to other funds.” Funds’ interest in pooled cash and cash equivalents is included on the balance sheets as assets in “due from other funds”. Interest income from pooled cash equivalents is allocated ratably over the various funds.

At June 30, 2023, the carrying amounts of the Borough's cash and cash equivalents balances were \$2,937,680 while the bank and other institution balances were \$3,112,323. These balances are categorized as follows:

	Bank Balance
Amount insured by the FDIC (up to \$250,000) or collateralized with securities held by the bank or other institutions	\$ 3,480,666
Uncollateralized/uninsured	-
	\$ 3,480,666

Cash and cash equivalents include amounts placed with the Alaska Municipal League Investment Pool (AMLIP) totaling \$304,788 at June 30, 2023. AMLIP is considered to be an external investment pool. Regulatory oversight of AMLIP is established by Alaska State Statute 37.23, which sets forth the requirements regarding authorized investments and reporting. The Borough’s share of its deposit with AMLIP is recorded at net asset value which is determined by the amortized cost of AMLIP’s underlying portfolio, which approximates fair value.

Cash and cash equivalents for component units other than the School District are fully insured by the FDIC.

The following is the reconciliation of various components of cash to amounts presented in the statement of net position:

	Carrying Amount
Reconciliation to statement of net position-	
Cash and cash equivalents	\$ 4,312,300
Restricted assets:	
Cash and cash equivalents	244,997
Revenue bond debt service reserve instruments	93,967
	\$ 4,651,264

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

#### Custodial Credit Risk – Cash and Cash Equivalents

Custodial credit risk for cash and cash equivalents is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. As of June 30, 2023, the Borough maintains a mater repurchase agreement with a depository financial institution, First National Bank of Alaska (FNBA), which is fully collateralized. Balances at other financial institutions are subject to coverage provided by the Federal Deposit Insurance Corporation (FDIC). Money market mutual funds and AMLIP seek to preserve a \$1 net asset value per share, collateralized by underlying securities.

#### **NOTE 4 - INVESTMENTS**

*Credit risk* – Statutes authorize the Borough to invest in obligations insured or guaranteed by the United States government or its agencies, as well as obligations of the State of Alaska or municipalities of the state, certificates of deposit, and corporate obligations of prime or equivalent quality as recognized by a nationally recognized rating organization. In addition, the Permanent Fund may be partially invested in equities.

*Custodial credit risk* – The Borough does not have a formal investment policy related to custodial credit risk, but management does not believe there is significant risk with respect to uncollateralized funds based on the nature and size of the custodian.

*Interest rate risk* – The Borough does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair market value of securities is determined by established trading market prices.

Investments made by the Borough are summarized below:

	Investment Maturities (in years)			Total
	Less than 1	1-5	6-10	
Investments held by agent in the Borough's name				
Certificates of deposit	\$ -	\$ 1,473,454	\$ -	\$ 1,473,454
U.S. Government instruments	244,318	5,805,902	-	6,050,220
Corporate debt	732,258	3,156,061	-	3,888,319
Municipal securities	-	170,874	-	170,874
<b>Total debt securities</b>	<b>\$ 976,576</b>	<b>\$ 10,606,291</b>	<b>\$ -</b>	<b>11,582,867</b>
Equity funds				9,058,295
<b>Total Investments made by the Borough</b>				<b>\$ 20,641,162</b>
Reconciliation to statement of net position:				
Investments				11,580,947
Restricted investments				9,060,215
<b>Total Investments made by the Borough</b>				<b>\$ 20,641,162</b>

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## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

The credit quality ratings of the Borough's corporate debt, municipal securities, and U.S. Government instrument investments as of June 30, 2023, as described by nationally recognized statistical rating organizations, are shown below:

	S&P Rating	Investment Fair Value	Percentage of Total
Corporate debt	A	\$ 1,448,521	12.5%
Corporate debt	A-	1,953,510	16.9%
Corporate debt	BBB	486,288	4.2%
Municipal securities	AA3	170,874	1.5%
U.S. Government instruments	AAA	5,561,235	48.0%
U.S. government agencies	AA+	488,985	4.2%
Certificates of Deposit	Not Rated	1,473,454	12.7%
		\$ 11,582,867	100.0%

#### Fair Value Measurements

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 input is quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 is used when there are no observable inputs.

At June 30, 2023, the Borough had the following recurring fair value measurements:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments in Exchange				
Traded Funds	\$ 9,058,295	\$ 9,058,295	\$ -	\$ -
Certificates of Deposit	1,473,454	-	1,473,454	-
U.S. Government Instruments	6,050,220	-	6,050,220	-
Corporate Debt	3,888,319	-	3,888,319	-
Municipal Securities	170,874	-	170,874	-
<b>Total Investment By Fair Value Level</b>	<b>\$ 20,641,162</b>	<b>\$ 9,058,295</b>	<b>\$ 11,582,867</b>	<b>\$ -</b>

Securities classified in Level 1 are valued using prices quoted in active markets for those securities. Securities classified in Level 2 are valued using a market-based model which considers yield, price of comparable securities, coupon rate, maturity, credit-quality, and dealer-provided prices. The Borough does not have any securities classified in Level 3.

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## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 5 - RECEIVABLES, DEFERRED INFLOW OF RESOURCES, AND UNEARNED REVENUE

Receivables at June 30, 2023, for the individual major and aggregate nonmajor funds were as follows:

	Taxes	Land Sale/LID Contracts	Leases receivable	Revolving Loan Contracts	Customer Charges	State and Federal Governments	Accrued Interest and Other	Total
<i>Governmental funds:</i>								
General fund	\$ 305,051	\$ -	\$ 610,480	\$ 106,375	\$ -	\$ 110,703	\$ 716,083	\$ 1,238,212
Permanent fund	-	-	-	-	-	-	11,465	11,465
Small grant special revenue	-	-	-	-	-	24,207	-	24,207
New school debt service	-	-	-	-	-	8,967	-	8,967
Capital project funds	143,083	-	-	-	-	1,001,881	-	1,144,964
Other governmental funds	155,301	14,574	-	-	-	-	-	169,875
<i>Enterprise funds:</i>								
Water fund	-	-	-	-	31,979	-	-	31,979
Sewer fund	-	-	-	-	52,953	-	-	52,953
Small boat harbor fund	-	-	-	-	25,780	-	-	25,780
Lutak dock fund	-	-	275,345	-	32,714	-	-	308,059
Port Chilkoot dock fund	-	-	-	-	29,070	-	-	29,070
<b>Total</b>	<b>\$ 603,435</b>	<b>\$ 14,574</b>	<b>\$ 885,825</b>	<b>\$ 106,375</b>	<b>\$ 172,496</b>	<b>\$ 1,145,758</b>	<b>\$ 727,548</b>	<b>\$ 3,045,531</b>
Reconciliation to statement of net position:								
Current receivables								\$ 2,027,292
Current portion of leases receivable								23,644
Leases receivable, net of current portion								862,181
Restricted receivables								11,465
Noncurrent receivables, net of current portion								120,949
								<b>\$ 3,045,531</b>

All receivables other than land sales, leases receivable (See Note 6) and revolving loans are expected to be collected within one year. Land sales are to be collected over various terms with interest charged at 10%. The current portion of these contracts is approximately \$15,000. Receivables also include \$152,474 due from Juneau Economic Development Council (JEDC) pursuant to an agreement for JEDC to establish a revolving loan fund. All loans made by the JEDC under the agreement have been repaid to JEDC.

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also recognize unearned revenue, a liability, in connection with resources that have been received, but not yet earned.

At June 30 2023, the various components of deferred inflow of resources and unearned revenue reported in the governmental funds balance sheets and the statements of net position were as follows:

	Unavailable	Unearned	Total
Property taxes receivable	\$ 138,567	\$ -	\$ 138,567
Payments in lieu of taxes, Secure Rural Schools and other	-	631,448	631,448
Leases receivable	610,480	-	610,480
Land sale/LID receivables (including accrued interest)	29,575	-	29,575
Grants and contributions	-	1,820,474	1,820,474
<b>Total Deferred Inflow of Resources/Unearned Revenue for Governmental Funds</b>	<b>778,622</b>	<b>2,451,922</b>	<b>3,230,544</b>
Amounts recognized in the government-wide financial statements:			
Property taxes receivable	(138,567)	-	(138,567)
Payments in lieu of taxes, Secure Rural Schools and other	-	(631,448)	(631,448)
Land sales/LID receivables	(29,575)	-	(29,575)
<b>Total Unearned Revenue and Deferred Inflows for Government-Wide Financial Statements</b>	<b>\$ 610,480</b>	<b>\$ 1,617,999</b>	<b>\$ 2,228,479</b>

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 6 – LEASES RECEIVABLE

Leases to third parties, including lease inflows for the fiscal year ending June 30, 2023 are as follows:

	Annual Lease Inflows
<i>Governmental funds:</i>	
General fund:	
Building Lease to the State of Alaska initiated in 2005, terminating in 2025 with no remaining options for extension. No variable lease payment provisions.	\$ 6,183
Tidelands lease to a corporation initiated in fiscal year 2020, terminating in 2050 with one optional five year extension. No variable lease payment provisions.	8,712
Property lease to a corporation initiated in fiscal year 2011, terminating in 2030 with three successive optional five-year extensions. No variable lease payment provisions.	28,480
Property lease to a corporation initiated in fiscal year 2014, terminating in 2039 with two successive optional five-year extensions. No variable lease payment provisions.	1,309
Property lease to a corporation initiated in fiscal year 2007, terminating in 2027 with three successive optional five-year extensions. No variable lease payment provisions.	6,000
<i>Enterprise funds:</i>	
Lutak Dock fund:	
Property lease to a corporation initiated in fiscal year 2020, terminating in 2030 with five successive optional five-year extensions	17,424
<b>Total annual lease inflows</b>	<b>\$ 68,108</b>

#### NOTE 7 - CAPITAL ASSETS

Capital assets for the year ended June 30, 2023 were as follows:

	Balance, June 30, 2022	Increases	Transfers/ Decreases	Balance, June 30, 2023
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land and improvements	\$ 1,151,005	\$ -	\$ -	\$ 1,151,005
Construction in progress	909,915	3,981,483	(3,036,118)	1,855,280
<b>Total Capital Assets Not Being Depreciated</b>	<b>2,060,920</b>	<b>3,981,483</b>	<b>(3,036,118)</b>	<b>3,006,285</b>
Other capital assets:				
Buildings	35,945,384	160,064	-	36,105,448
Other improvements	12,238,495	2,886,933	-	15,125,428
Furniture and equipment	5,666,126	402,698	(447,160)	5,621,664
Road network	2,050,070	-	-	2,050,070
<b>Total Other Capital Assets</b>	<b>55,900,075</b>	<b>3,449,695</b>	<b>(447,160)</b>	<b>58,902,610</b>
Less accumulated depreciation for:				
Buildings	20,221,497	743,637	-	20,965,134
Other improvements	4,509,334	398,534	-	4,907,868
Furniture and equipment	3,923,413	400,110	(447,160)	3,876,363
Road network	273,195	-	-	273,195
<b>Total Accumulated Depreciation</b>	<b>28,927,439</b>	<b>1,542,281</b>	<b>(447,160)</b>	<b>30,022,560</b>
<b>Other Capital Assets, net</b>	<b>26,972,636</b>	<b>1,907,414</b>	<b>-</b>	<b>28,880,050</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$29,033,556</b>	<b>\$ 5,888,897</b>	<b>\$ (3,036,118)</b>	<b>\$31,886,335</b>



## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

<i>Business-type activities</i>	Balance, June 30, 2022	Increases	Transfers/ Decreases	Balance, June 30, 2023
Capital assets not being depreciated:				
Land and improvements	\$ 94,584	\$ -	\$ -	\$ 94,584
Construction in progress	386,956	1,031,005	(364,852)	1,053,109
<b>Total Capital Assets Not Being Depreciated</b>	<b>481,540</b>	<b>1,031,005</b>	<b>(364,852)</b>	<b>1,147,693</b>
Other capital assets:				
Buildings	3,113,695	-	-	3,113,695
Other improvements (including distribution and collection systems)	79,392,852	364,852	(42,646)	79,715,058
Equipment	396,952	47,480	-	444,432
<b>Total Other Capital Assets</b>	<b>82,903,499</b>	<b>412,332</b>	<b>(42,646)</b>	<b>83,273,185</b>
Less accumulated depreciation for:				
Buildings	476,509	109,022	-	585,531
Other improvements (including distribution and collection systems)	29,682,384	1,932,998	(42,646)	31,572,736
Equipment	245,111	38,444	-	283,555
<b>Total Accumulated Depreciation</b>	<b>30,404,004</b>	<b>2,080,464</b>	<b>(42,646)</b>	<b>32,441,822</b>
<b>Other Capital Assets, net</b>	<b>52,499,495</b>	<b>(1,668,132)</b>	<b>-</b>	<b>50,831,363</b>
<b>Business-type Activities Capital Assets, net</b>	<b>\$52,981,035</b>	<b>\$ (637,127)</b>	<b>\$ (364,852)</b>	<b>\$51,979,056</b>

Depreciation expense was charged to functions/programs of the Borough as follows:

<i>Governmental activities</i>	
General government	\$ 166,217
Public safety	94,204
Public works and streets, including depreciation of general infrastructure assets	377,488
Economic development	13,712
Education	669,721
Port development	10,695
Culture, recreation, and library	210,244
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 1,542,281</b>
<i>Business-type activities</i>	
Water	\$ 367,874
Sewer	388,492
Small Boat Harbor	897,388
Lutak Dock	94,209
Port Chilkoot dock fund	332,501
<b>Total Depreciation Expense - Business-type Activities</b>	<b>\$ 2,080,464</b>

The Borough owns the land and buildings used by the School District and records the land, buildings, and certain equipment as part of governmental activity capital assets. At June 30, 2023, the cost and accumulated depreciation associated with these assets was \$23,655,766 and \$11,909,602, respectively.

HAINES BOROUGH

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2023, fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – Nonspendable fund balance is that portion of fund equity that cannot be spent either because it is in a nonspendable form or because it is legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balance is that portion of fund equity that has constraints placed upon the use of the resources either by an external party or imposed by law.

Committed Fund Balance – Committed fund balance is that portion of fund equity that can only be used for specific purposes determined by a formal action by the Borough Assembly. Formal action by the Assembly is required to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance – Assigned fund balance is that portion of fund equity that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent can be expressed by the governing body itself or by the Borough Manager or his designee to whom the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is that portion of fund balances not included in other spendable classifications.

As of June 30, 2023, fund balances are composed of the following:

	General Fund	Permanent Fund	Small Grants Special Revenue	New School Debt Service	Capital Projects Funds	Passenger Vessel Tax	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>								
Permanent fund	\$ -	\$ 8,659,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,659,590
Inventory	67,804	-	-	-	-	-	-	67,804
Prepaid expenses	22,694	-	-	-	-	-	-	22,694
<b>Total Nonspendable</b>	<b>90,498</b>	<b>8,659,590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,750,088</b>
<b>Restricted</b>								
Road maintenance	72,574	-	-	-	-	-	-	72,574
Fire service areas	64,137	-	-	-	-	-	-	64,137
Debt service	-	-	-	1,277	-	-	307	1,584
Capital projects	527,535	-	-	-	2,105,194	-	-	2,632,729
Medical services	-	-	-	-	-	-	355,131	355,131
Economic development	-	-	-	-	-	-	1,499,427	1,499,427
Land development	-	-	18,710	-	-	-	384,147	402,857
Townsite service area	1,460,542	-	-	-	-	-	-	1,460,542
<b>Total Restricted</b>	<b>2,124,788</b>	<b>-</b>	<b>18,710</b>	<b>1,277</b>	<b>2,105,194</b>	<b>-</b>	<b>2,239,012</b>	<b>6,488,981</b>
<b>Assigned</b>								
Passenger vessel tax Subsequent year expenditures	-	-	-	-	-	1,705	-	1,705
Permanent fund	706,272	-	-	-	-	-	-	706,272
	-	533,573	-	-	-	-	-	533,573
<b>Total assigned</b>	<b>706,272</b>	<b>533,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,705</b>	<b>-</b>	<b>1,241,550</b>
<b>Unassigned</b>	<b>3,055,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,055,785</b>
<b>Total Fund Balances</b>	<b>\$ 5,977,343</b>	<b>\$ 9,193,163</b>	<b>\$ 18,710</b>	<b>\$ 1,277</b>	<b>\$ 2,105,194</b>	<b>\$ 1,705</b>	<b>\$ 2,239,012</b>	<b>\$ 19,536,404</b>

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 9 - LONG-TERM OBLIGATIONS

The Borough's long-term obligations include general obligation debt and revenue bonds, pension and OPEB liabilities and compensated absences. General obligation bonds and loans are direct obligations of the Borough and the Borough has pledged its full faith and credit to their repayment. Revenue bonds are payable from the sewer user fees. Compensated absences included in governmental activities are generally liquidated by the general fund.

Long-term obligation activity for the year ended June 30, 2023, was as follows:

	Balance, June 30, 2022	Additions	Reductions	Balance, June 30, 2023	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and notes payable:					
Private placement USDA bonds	\$ 115,626	\$ -	\$ (8,758)	\$ 106,868	\$ 9,167
Direct placement school construction bonds	5,230,000	-	(1,045,000)	4,185,000	1,100,000
Bond premium	315,282	-	(111,292)	203,990	83,492
<b>Total bonds and notes payable</b>	<b>5,660,908</b>	<b>-</b>	<b>(1,165,050)</b>	<b>4,495,858</b>	<b>1,192,659</b>
Net pension liability	3,464,865	-	280,525	3,745,390	-
Compensated absences	224,123	-	(2,798)	221,325	-
<b>Governmental Activities Long-term Liabilities</b>	<b>\$ 9,349,896</b>	<b>\$ -</b>	<b>\$ (887,323)</b>	<b>\$ 8,462,573</b>	<b>\$ 1,192,659</b>

	Balance, June 30, 2022	Additions	Reductions	Balance, June 30, 2023	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and notes payable:					
Private placement AMBBA sewer revenue bonds	\$ 805,000	\$ -	\$ (60,000)	\$ 745,000	\$ 60,000
State of Alaska DEC loans payable	2,109,399	141,997	(109,508)	2,141,888	109,551
Bond premium	53,459	-	(4,860)	48,599	4,860
<b>Total bonds and notes payable</b>	<b>2,967,858</b>	<b>141,997</b>	<b>(174,368)</b>	<b>2,935,487</b>	<b>174,411</b>
Net pension liability	301,293	-	24,394	325,687	-
Compensated absences	24,938	3,917	-	28,855	-
<b>Business-type Activities Long-term Liabilities</b>	<b>\$ 3,294,089</b>	<b>\$ 145,914</b>	<b>\$ (149,974)</b>	<b>\$ 3,290,029</b>	<b>\$ 174,411</b>

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## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

Bonds and notes payable at June 30, 2023, are comprised of the following individual issues:

**Governmental Activities:**

\$1,155,000 2015 school construction bonds, due in annual installments of \$35,000 to \$90,000, plus interest at 2.0% to 5.25%, through June 2036 (not including unamortized premium of \$78,166 at June 30, 2022)	\$ 870,000
\$9,440,000 2014 school construction bonds, due in annual installments of \$775,000 to \$1,160,000, plus interest at 1.25% to 5.0%, through October 2025 (not including unamortized premium of 237,116 at June 30, 2022)	3,315,000
Bonds payable to the United States Department of Agriculture used for construction of new library, due in semi-annual installments of \$7,074 through September 6, 2032, including interest at 4.75%	106,868
Total governmental activities bonds payable	4,291,868
Unamortized premium	203,990
Total governmental activities bonds payable	4,495,858
Less current portion	(1,192,659)
<b>Governmental activities long-term bonds payable</b>	<b>\$ 3,303,199</b>

**Business-type Activities:**

\$1,210,000 2013 sewer revenue bonds, due in semi-annual installments of \$61,849 to \$81,856, including interest at 2%, through 2033 (not including unamortized premium of \$53,459 at June 3, 2022)	\$ 745,000
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$14,439 including interest at 1.5%, through 2034	145,418
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$3,422, including interest at 1.5%, through 2036	40,148
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$6,045 including interest at 1.5%, through 2034	60,881
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$5,499, including interest at 1.5%, through 2037	68,973
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$12,079, including interest at 1.5%, through 2038	169,483
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$60,413, including interest at 1.5%, through 2041	1,268,966
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$4,163, including interest at 1.5%, through 2041	92,317
Loan from the State of Alaska Department of Environmental Conservation, due in annual installments of \$11,628, including interest at 1.5%, through 2041	295,702
Total business-type activities bond and loans payable	2,886,888
Unamortized premium	48,599
Total business-type activities bond and note payable debt	2,935,487
Less current portion	(174,411)
<b>Business-type activities long-term bond and note payable debt</b>	<b>\$ 2,761,076</b>

**HAINES BOROUGH**

**NOTES TO FINANCIAL STATEMENTS**

In conjunction with the issuance of the above school construction bonds, the State of Alaska Department of Education and Early Development (DEED) has approved the project for a 70% reimbursement rate from the State of Alaska. As State of Alaska funding is on a reimbursement basis, the eventual payments to be received have not been recognized in these financial statements. Furthermore, the State of Alaska reduced funding amounts in fiscal year 2020 and eliminated funding in fiscal year 2021 due to budget constraints from the levels originally approved by DEED.

In the event of default, the Alaska Municipal Bond Bank Authority (AMBBA) could intercept any amounts due to the Borough from the State of Alaska to satisfy the Borough’s outstanding principal and interest payments due on the its private placement bonds sold to AMBBA.

The debt service annual requirements to amortize bond and note payable debt outstanding as of June 30, 2023, are as follows:

<b>Governmental Activities:</b>			
Year Ending June 30	Principal	Interest	Total
2024	\$ 1,192,659	\$ 241,478	\$ 1,434,137
2025	1,218,872	187,452	1,406,324
2026	1,248,740	130,656	1,379,396
2027	73,075	70,966	144,041
2028	77,978	38,753	116,731
2029-2033	427,022	140,115	567,137
2034-2038	257,512	36,929	294,441
	<b>\$ 4,495,858</b>	<b>\$ 846,349</b>	<b>\$ 5,342,207</b>

<b>Business-type Activities:</b>			
Year Ending June 30	Principal	Interest	Total
2024	\$ 174,411	\$ 58,388	\$ 232,799
2025	181,028	53,777	234,805
2026	182,667	49,159	231,826
2027	189,331	44,901	234,232
2028	191,992	41,052	233,044
2029-2033	1,047,210	145,635	1,192,845
2034-2038	549,928	53,984	603,912
2039-2043	418,920	14,170	433,090
	<b>\$ 2,935,487</b>	<b>\$ 461,066</b>	<b>\$ 3,396,553</b>

**NOTE 10 – BOND REQUIREMENTS**

The various bonds of the enterprise funds require establishment of certain cash reserves and maintenance of certain revenue levels.

The sewer revenue bonds required the establishment of a reserve account. The required reserve account was set up and fully funded in prior years. The reserve account balance at June 30, 2023, was \$93,967. These bond agreements also require that the Borough maintain sewer rates at a level which will produce an annual amount of Net Operating Revenue, as defined by the agreement, before depreciation equal to at least 1.25 times the maximum amount required each year for debt service. In fiscal year 2023, sewer fund Net Operating Revenues were \$139,107 and the debt service requirement was \$87,344 resulting in a ratio of 1.31.

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 11 – RETIREMENT PLANS

The Borough participates the State of Alaska Public Employees' Retirement System (PERS). PERS is governed by the Alaska Retirement Management Board (the "Board" or the "System"), which consists of nine trustees, as follows: the Commissioner of the Department of Administration, the Commissioner of the Department of Revenue, two trustees who are members of the general public, one trustee who is employed as a finance officer for a political subdivision participating in either the PERS or Teachers' Retirement System (TRS), two trustees who are members of PERS, and two trustees who are members of TRS. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. PERS issues a publicly available financial report that can be obtained at <http://doa.alaska.gov/drb/pers/employee/resources/index.html>.

#### Description of Plans Available to Employees

The Borough provides three types of plans to its employees through its participation in PERS. A cost-sharing multiple-employer defined benefit (DB) pension plan administered by the State of Alaska is provided, which includes a defined benefit health plan under the State of Alaska Retiree Healthcare Trust (ARHCT), a healthcare trust fund of the State of Alaska. The DB, including ARHCT, was closed to all new members effective July 1, 2006.

A Defined Contribution Pension Plan (DC Plan) provides retirement benefits for eligible employees hired after July 1, 2006, as described in the Defined Contribution Pension Plan section below. PERS also includes a Retiree Medical Plan (RMP) which provides major medical coverage to all employees of the DC Plan.

An Occupational Death and Disability (ODD) plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. Together the ARHCT, RMP and ODD plans are referred to as Other Postemployment Benefits ("OPEB"), which are further described in the Defined Benefit Other Postemployment Benefit Plans (OPEB) section below.

#### State of Alaska PERS Defined Benefit Plan

##### Benefits Provided

PERS provides retirement, disability, death, and postemployment health benefits. Benefits vest with five years of credited service. Employees enrolled prior to July 1, 1986 with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. For employees enrolled after June 30, 1986, but before July 1, 2006, the normal and early retirement ages are 60 and 55, respectively. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit.

Retirement benefits are calculated by multiplying the average monthly compensation (AMC) times credited PERS service times the percentage multiplier. The AMC is determined by averaging the salaries earned during the five highest (three highest for Police/Fire members or members hired prior to July 1, 1996) consecutive payroll years. Members must earn at least 115 days of credit in the last year worked to include it in the AMC calculation. PERS pays a minimum benefit of \$25 per month for each year of service when the calculated benefit is less.

The percentage multipliers for police/fire personnel are 2.00% for the first ten years of service and 2.50% for all service over 10 years. The percentage multipliers for all other participants are 2.00% for the first 10 years, 2.25% for the next 10 years, and 2.50% for all remaining service earned on or after July 1, 1986. All service before that date is calculated at 2.00%.

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

Postemployment healthcare benefits are provided without cost to all members first enrolled before July 1, 1986. Members first enrolled after June 30, 1986 and who have not reached age 60 may elect to pay for major medical benefits; thereafter they are provided without cost.

The Plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients, when the cost-of-living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the Plan's Administrator if the funding ratio of the Plan meets or exceeds 105%. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

#### Contributions

Contribution requirements of the active plan members and the participating employers are actuarially determined and approved by the Board as an amount that, when combined, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The DB Plans members' contribution rates are 7.5% for peace officers and firefighters, 9.6% for some school district employees, and 6.75% for general DB Plan members, as required by statute. The Borough's effective contribution rate is 22.00% of annual payroll. Alaska Statute 39.35.280 states that the State of Alaska, as a non-employer contributing entity, shall contribute each July 1, or as soon after July 1 for the ensuing fiscal year, an amount that when combined with the total employer contributions is sufficient to pay the System's past service liability at the actuarially determined contribution rate adopted by the Board for that fiscal year. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the Defined Contribution Retirement (DC) Plan payroll. The DBUL amount is computed as the difference between:

- (A) The amount calculated for the 22.00% statutory employer contribution rate on eligible salary, less
- (B) The total of the employer contributions for
  - (1) the defined contribution employer matching amount,
  - (2) major medical,
  - (3) occupational death & disability, and
  - (4) health reimbursement arrangement.

The difference is deposited based on an actuarial allocation into the DB Plan's pension and healthcare funds.

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Borough reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Borough were as follows:

Borough's proportionate share of the net pension liability	\$	4,155,603
State's proportionate share of the net pension liability associated the Borough		1,150,747
<b>Total Net Pension Liability</b>	<b>\$</b>	<b>5,306,350</b>

HAINES BOROUGH

NOTES TO FINANCIAL STATEMENTS

The Borough will record the entire net pension liability, including the State’s proportionate share, if the State of Alaska no longer contributes its proportionate share as measured by the annual State contributions and provided under Alaska Statute 39.35.280. By changing the existing statute to a higher rate above and up to the actuarially determined rate, the Borough may be required to record some or all of the State’s proportion and its contribution amounts will increase accordingly.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2022, the Borough’s proportion was .08153%, which was a decrease of .02344% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Borough recognized a net pension benefit of \$1,128,662 including revenue of \$75,173 for support provided by the State. At June 30, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ 118,810	\$ -
Borough contributions subsequent to measurement date	367,153	-
<b>Total</b>	<b>\$ 485,963</b>	<b>\$ -</b>

Of the total amount reported as deferred outflows of resources related to pensions, \$367,153 resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the measurement year (fiscal year) as follows:

Year ended June 30:	
2023 (2024)	\$ (14,125)
2024 (2025)	(36,205)
2025 (2026)	(86,914)
2025 (2026)	256,054

Actuarial Assumptions

The total pension liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.75% based on service. Graded service, from 6.75% to 2.85% for all others
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.75%.



HAINES BOROUGH

NOTES TO FINANCIAL STATEMENTS

Mortality Pre-commencement and post-commencement mortality rates were based upon the appropriate Pub-2010 Employee Table for each defined employee group with appropriate generational improvement.

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Broad domestic equity	27.00%	6.51%
Global equity (non-US)	18.00	5.70
Aggregate bonds	21.00	0.31
Opportunistic	6.00	-
Real assets	14.00	3.71
Private equity	14.00	9.61
Cash equivalents	-	(0.50)

Discount Rate

The discount rate used to measure the total pension liability was 7.%. The projection of cash flows used to determine the discount rate assumed that employer and nonemployer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Borough’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Discount rate (7.25%)	1% Increase (8.25%)
Borough’s proportionate share of the net pension liability	\$ 5,594,354	\$ 4,155,603	\$ 2,942,455

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

#### Defined Contribution Pension Plan

##### Plan Description

The Borough participates in the State of Alaska Defined Contribution Pension Plan (DC Plan), Tier 4, which provides pension benefits and certain Other Postemployment Benefits (OPEB) benefits similar to those of the defined benefit plan for eligible employees hired after July 1, 2006. The State of Alaska Healthcare Reimbursement Arrangement Plan is also provided to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. The OPEB benefits are described further below. Additionally, certain active members of the DB Plan were eligible to transfer to the DC Plan if that member had not vested in the DB Plan. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The DC Plan is administered by the System.

##### Pension Benefits

A participating member is immediately and fully vested in that member's contributions and related earnings (losses). A member shall be fully vested in the employer contributions made on that member's behalf, and related earnings (losses), after five years of service. A member is partially vested in the employer contributions made on that member's behalf, and the related earnings, in the ratio of (a) 25% with two years of service; (b) 50% with three years of service; (c) 75% with four years of service; and (d) 100% with five years of service.

##### Contributions

Alaska statutes require an 8.0% contribution rate for DC Plan members. Employers are required to contribute 5.0% of the member's compensation. For the year ended June 30, 2023 and 2022, employee contributions totaled \$155,260 and \$151,065, respectively, and the Borough recognized pension expense of \$97,037 and \$94,415 respectively.

##### Refunds

A member is eligible to elect distribution of their account 60 days after termination of employment.

##### Participant Accounts

Participant accounts under the DC Plan are self-directed with respect to investment options.

Each participant designates how contributions are to be allocated among the investment options. Each participant's account is credited with the participant's contributions and the appreciation or depreciation in unit value for the investment funds.

Record-keeping/administrative fees, consisting of a fixed amount, applied in a lump sum each calendar year, and a variable amount, applied monthly, are deducted from each participant's account, applied pro rata to all the funds in which the employee participates. This fee is for all costs incurred by the record keeper and by the State. The investment management fees are netted out of the funds' performance.

#### Defined Benefit Other Postemployment Benefit Plans (OPEB)

##### OPEB Benefits Provided

Major medical benefits under (ARHCT) are provided to retirees and their surviving spouses at no premium cost for all members hired before July 1, 1986 (Tier 1), and disabled retirees. Members hired after June

HAINES BOROUGH

NOTES TO FINANCIAL STATEMENTS

30, 1986 (Tier 2), and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996 (Tier 3)) must pay the full monthly premium if they are under age 60 and will receive benefits at no premium cost if they are over age 60. Tier 3 members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for postemployment healthcare benefits. Tier 2 members who are receiving a conditional benefit and are age eligible are eligible for postemployment healthcare benefits. In addition, peace officers and their surviving spouses with 25 years of peace officer membership service and all other members and their surviving spouses with 30 years of membership service receive benefits at no premium cost, regardless of their age or date of hire. Peace officers/firefighters who are disabled and retire between 20 and 25 years must pay the full monthly premium.

The Occupational Death and Disability Plan (ODD) provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System.

The Retiree Medical Plan (RMP) provides major medical coverage to retirees of the DC Plan. The RMP is self-insured. Members are not eligible to use this plan until they have at least 10 years of service, and are Medicare age eligible.

Contributions

Employer contribution rates for major medical OPEB benefits to the ARHCT are actuarially determined and adopted by the Board as described in the PERS defined pension plan above. The 2023 employer effective contribution rate is 22.00% of member's compensation.

Employer contributions for the ODD plan are to each member's account based on the member's compensation. For fiscal year 2023, the rates are .68% for occupational death and disability for peace officers and firefighters, and 0.30% for occupational death and disability all other members.

Employer contribution rates for the RMP plan are actuarially determined and adopted by the Board. For fiscal year 2023, the employer rate is 1.10% of member's compensation.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2023, the Borough reported a liability (asset) for its proportionate share of the net OPEB liability (asset) for each OPEB plan which reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough as its proportionate share of the net OPEB liability (asset), the related State support, and the total portion of the net OPEB liability (asset) that was associated with the Borough were as follows:

	ARHCT	ODD	RMP	Total
Borough's proportionate share of the net OPEB liability (asset)	\$ (1,592,178)	\$ (58,390)	\$ (41,472)	\$ (1,692,040)
State's proportionate share of the net OPEB liability associated the Borough	(455,195)	-	-	(455,195)
<b>Total Net OPEB Liability (Asset)</b>	<b>\$ (2,047,373)</b>	<b>\$ (58,390)</b>	<b>\$ (41,472)</b>	<b>\$ (2,147,235)</b>

The Borough will record the entire net RMP OPEB liability, including the State's proportionate share, if the State of Alaska no longer contributes its proportionate share as measured by the annual State contributions and provided under Alaska Statute 39.35.280. By changing the existing statute to a higher

**HAINES BOROUGH**

**NOTES TO FINANCIAL STATEMENTS**

rate above and up to the actuarially determined rate, the Borough may be required to record some or all of the State’s proportion and its contribution amounts will increase accordingly.

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Borough’s proportion of the net OPEB liability (asset) was based on a projection of the Borough’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2022, the Borough’s proportion averaged .0809% for ARHCT, ODD and RM, which was a decrease of .0382% from the average of its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Borough recognized a net OPEB benefit of \$426,011 including revenue of \$154,626 for support provided by the State. At June 30, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions	\$ 74,850	\$ 5,676
Changes in assumptions	8,030	123,166
Differences between projected and actual investment earnings	98,222	-
Differences between expected and actual experience	2,055	32,054
Borough contributions subsequent to measurement date	137,793	-
<b>Total</b>	<b>\$ 320,950</b>	<b>\$ 160,896</b>

Of the total amount reported as deferred outflows of resources related to OPEB, \$137,793 resulting from Borough contributions subsequent to the measurement date and before the end of the fiscal year will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense in the measurement year (fiscal year) as follows:

Year ended June 30:	
2023 (2024)	\$ (41,741)
2024 (2025)	(41,381)
2025 (2026)	(82,294)
2026 (2027)	208,348
2027 (2028)	(9,354)
Thereafter	(11,316)

**Actuarial Assumptions**

The total OPEB liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

**HAINES BOROUGH**

**NOTES TO FINANCIAL STATEMENTS**

Inflation rate	2.50% per year
Salary increases	Graded by service, from 8.50% to 3.85% for peace officer/firefighter Graded by service, from 6.75% to 2.85% for all others
Investment rate of return	7.25%, net of postretirement healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real return of 4.75%.
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% Employee Group Waiver Plan (EGWP): 7.5% grading down to 4.5%
Mortality	Pre-commencement and post-commencement mortality rates were based upon the appropriate Pub-2010 Employee Table for each defined employee group with appropriate generational improvement.

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2017. As a result of this experience study, the Board adopted updated actuarial assumptions for the June 30, 2020 actuarial valuation to better reflect expected future experience.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Broad domestic equity	27.00%	6.51%
Global equity (non-US)	18.00	5.70
Aggregate bonds	21.00	0.31
Opportunistic	6.00	-
Real assets	14.00	3.71
Private equity	14.00	9.61
Cash equivalents	-	(0.50)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and non-employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability in accordance with the method prescribed by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

HAINES BOROUGH

NOTES TO FINANCIAL STATEMENTS

Sensitivity of the Borough’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.25 percent, as well as what the Borough’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount rate (7.25%)	1% Increase (8.25%)
ARHCT	\$ (945,984)	\$ (1,592,178)	\$ (2,134,070)
ODD	\$ (55,003)	\$ (58,390)	\$ (61,039)
RMP	\$ 7,628	\$ (41,472)	\$ (78,916)

Sensitivity of the Borough’s Proportionate Share of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) for the ARHCT and ODD plans as of June 30, 2023, calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation report, as well as what the respective amount for each plan’s net OPEB liability would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates (trend not provided for ODD as healthcare is not a component of the measurement of the liability or asset):

	1% Decrease	Current Trend Rate	1% Increase
ARHCT	\$ (2,197,818)	\$ (1,592,178)	\$ (868,928)
RMP	\$ (84,058)	\$ (41,472)	\$ 15,887

OPEB Plan Fiduciary Net Position

The separately issued PERS financial report has more information about the OPEB plan’s net position.

Total Deferred Outflows of Resources and Inflows of Resources

Total deferred outflows of resources and deferred inflows of resources included in the Statement of Net Position consists of the following at June 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Related	\$ 485,963	\$ -
OPEB Related	320,950	160,896
<b>Total</b>	<b>\$ 806,913</b>	<b>\$ 160,896</b>

*This section left intentionally blank.*

**HAINES BOROUGH**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances represent cash collected or disbursed on behalf of another fund. The composition of interfund balances as of June 30, 2023, was as follows:

	Interfund Balances	
	Due from other funds	Due to other funds
General Fund	\$ 115,843	\$ 9,495,033
Permanent Fund	-	121,573
Small Grant Special Revenue Fund	1,622,094	-
New School Debt Service	-	7,690
Capital Project Funds	1,088,633	-
Passenger Vessel Tax	211,790	-
Other Governmental Funds	2,166,379	-
Water Fund	47,303	-
Sewer Fund	557,481	-
Small Boat Harbor Fund	939,163	115,843
Lutak Dock Fund	2,646,984	-
Port Chilkoot Dock Fund	344,469	-
	\$ 9,740,139	\$ 9,740,139

Interfund transfers result from the Borough's budget process and are as follows:

	Transfers In								
	General Fund	Capital Project Funds	Permanent Fund	Other Governmental Funds	Water	Sewer	Small Board Harbor	Port Chilkoot Dock	Total
Transfers out:									
General fund	\$ 38,943	\$ 989,932	\$ 450,000	\$ -	\$ 9,390	\$ 70,145	\$ 68,130	\$ -	\$ 1,626,540
Capital Project Funds	230,811	-	-	26,200	111,126	-	-	-	368,137
Passenger vessel tax	-	-	-	-	-	-	-	30,616	30,616
Other governmental funds	118,265	-	-	-	-	-	206,512	-	324,777
<b>Total</b>	\$ 388,019	\$ 989,932	\$ 450,000	\$ 26,200	\$ 120,516	\$ 70,145	\$ 274,642	\$ 30,616	\$ 2,350,070

Transfers between funds are in accordance with the Borough Code and budgetary authorizations, and are generally used for capital outlay and operations.

**NOTE 13 - RISK MANAGEMENT**

Haines Borough is exposed to numerous risks of loss associated with the operations of a government. These potential losses include, but are not limited to, employee relations and injuries, contracts, theft, loss or damage of property, natural disasters and general liability. The Borough manages its risks from these potential losses by participating in Alaska Public Entity Insurance (a governmental insurance pool), as well as purchasing commercial insurance coverage. This insurance has provided the Borough with adequate coverage in the past. The Borough's insurance is on a claims-occurred basis, except for public officials' coverage which is on a claims-made basis. There were no significant changes in insurance coverage obtained and there were no claims or settlements that exceeded insurance coverage in any of the past three fiscal years.

## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

The Borough, in the normal course of its activities, is involved in various claims and pending litigation. In the opinion of management and legal counsel, the disposition of these matters is not expected to have a material adverse effect on the Borough's general-purpose financial statements.

#### NOTE 14 - PERMANENT FUND

The Borough Assembly has established the Haines Borough Permanent Fund ("the Permanent Fund"). Any deposits into the Permanent Fund shall not be spent, but shall be held perpetually in trust for the benefit of the present and future generations of Borough residents.

Deposits into the Permanent Fund consist of net proceeds from the sale of municipal lands, less amounts allocated by the Assembly for construction of public improvements within local improvement districts. These land sales and public improvements are originally recorded in a special revenue fund (Municipal Land Disposal Special Revenue Fund). At the end of each fiscal year, the excess of revenue over expenditures in this fund is transferred as deposits to the Permanent Fund.

Income from permanent fund investments sufficient to offset the effect of inflation on principal is retained in the fund annually. The amount is calculated by computing a 3-year average of the rates of change of the Consumer Price Index and applying it to the principal balance. After inflation proofing, income derived from Permanent Fund investments may be used as designated by the Borough Assembly after consideration of public input. Income available for Borough expenses may not exceed 3.5% of the average total market value of the fund for 3 of the 4 fiscal years immediately preceding the budget year.

#### NOTE 15 – CONSTRUCTION COMMITMENTS

At June 30, 2023, the Borough had the capital projects commitments in two funds which are funded by federal and State of Alaska grant revenue:

	Authorization	Expended to date	Remaining Commitment
Porcupine Trail Road – Phase I	\$ 1,398,660	\$ -	\$ 1,398,660
Totem Street Repairs	541,385	345,346	196,039
Beach Road Lift Station Repairs	360,250	-	360,250
Lutak dock Replacement	25,594,147	294,500	25,299,647
<b>Total</b>	<b>\$ 27,894,442</b>	<b>\$ 639,846</b>	<b>\$ 27,254,596</b>

#### NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates. The following standards are required to be implemented in coming financial reporting periods. Management has not fully evaluated the potential effects of these statements.

GASB 100 – *Accounting Changes and Error Corrections* – Effective for fiscal year 2024, the objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by



## HAINES BOROUGH

### NOTES TO FINANCIAL STATEMENTS

restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

GASB 101 – *Compensated Absences* – Effective for fiscal year 2025 (“fiscal years beginning after December 15, 2023”), the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB 101 also establishes guidance for measuring a liability for leave that has not been used.

#### NOTE 17 – SUBSEQUENT EVENT

Subsequent to year-end, Haines Borough expended funds for the repair of Porcupine Trail Road, which was damaged in the community’s flood event in 2020. The repair of the road was to be partially paid with Federal Emergency Management Agency (FEMA) disaster funding totaling approximately \$1.3 million. Also subsequent to year-end, FEMA notified the Borough via email that it planned to deny the funding for the repair because additional work was performed beyond the FEMA approved scope utilizing a separate funding source without FEMA environmental compliance review. The Borough plans to appeal any denial by FEMA.

REQUIRED SUPPLEMENTARY INFORMATION

HAINES BOROUGH

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND**

For the Year Ended June 30, 2023

	Budget Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes				
Property	\$ 3,074,300	\$ 3,074,300	\$ 3,102,243	\$ 27,943
Sales	1,887,000	2,108,000	2,302,513	194,513
Intergovernmental				
Federal grants and contracts	347,072	347,073	429,264	82,191
Federal payments in lieu of taxes	391,000	401,458	401,458	-
State grants and contracts	879,315	3,181,364	3,086,406	(94,958)
Rentals, service and admission fees	150,000	138,750	148,403	9,653
Licenses and permits	58,500	58,500	59,021	521
Investment earnings (loss)	133,000	206,000	225,538	19,538
Contributions and other	61,268	83,318	83,924	606
<b>Total Revenues</b>	<b>6,981,455</b>	<b>9,598,763</b>	<b>9,838,770</b>	<b>240,007</b>
<b>EXPENDITURES</b>				
Current				
General government	1,053,172	1,139,770	1,010,146	129,624
Public safety	1,958,404	2,052,263	2,097,240	(44,977)
Public works and streets	1,231,301	1,320,374	1,212,123	108,251
Education	1,827,000	1,827,000	1,827,340	(340)
Culture, recreation, and library	1,109,586	1,207,063	1,144,106	62,957
<b>Total Expenditures</b>	<b>7,179,463</b>	<b>7,546,470</b>	<b>7,290,955</b>	<b>255,515</b>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(198,008)	2,052,293	2,547,815	495,522
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	435,023	363,023	388,019	24,996
Transfers out	(207,223)	(1,110,298)	(1,626,540)	(516,242)
<b>Total Other Financing Sources</b>	<b>227,800</b>	<b>(747,275)</b>	<b>(1,238,521)</b>	<b>(491,246)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 29,792</b>	<b>\$ 1,305,018</b>	<b>\$ 1,309,294</b>	<b>\$ 4,276</b>

HAINES BOROUGH

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF THE BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION AND OTHER POSTEMPLOYMENT BENEFIT LIABILITIES**

Fiscal Years 2014 through 2023 for Pension and Fiscal Years 2017 through 2023 for OPEB

**Pension**

	Borough's Proportion of the Net Pension Liability	Borough's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the Borough	Total	Borough's Covered Payroll	Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.08153%	\$ 4,155,603	\$ 1,150,747	\$ 5,306,350	\$ 2,736,284	151.87%	67.97%
2022	0.10266%	\$ 3,766,158	\$ 608,487	\$ 4,374,645	\$ 2,513,296	149.85%	76.46%
2021	0.08473%	4,999,856	2,066,544	7,066,400	2,392,136	209.01%	61.61%
2020	0.08610%	4,713,228	1,872,250	6,585,478	2,577,021	182.89%	63.42%
2019	0.09380%	4,660,832	1,349,933	6,010,765	2,650,102	175.87%	65.19%
2018	0.07656%	3,957,760	1,475,078	5,432,838	2,560,610	154.56%	63.37%
2017	0.08974%	5,016,030	633,379	5,649,409	2,437,198	205.81%	59.55%
2016	0.10934%	5,302,798	1,419,808	6,722,606	2,152,611	246.34%	63.96%
2015	0.04988%	2,326,689	2,289,751	4,616,440	2,303,150	101.02%	62.37%
2014	0.04807%	2,524,319	2,758,681	5,283,000	2,281,338	110.65%	56.04%

This schedule is presented to illustrate the requirements to show information for 10 years since implementation of GASB 68.

**Other Postemployment Benefit**

	Borough's Proportion of the Net OPEB Liability (Asset)	Borough's Proportionate Share of the Net OPEB Liability (Asset)	State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the Borough	Total	Borough's Covered Payroll	Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2023	0.08090%	\$ (1,692,040)	\$ (455,195)	\$ (2,147,235)	\$ 2,736,284	-61.84%	128.51%
2022	0.11910%	\$ (3,154,021)	\$ (353,938)	\$ (3,507,959)	\$ 2,513,296	-125.49%	135.54%
2021	0.08715%	(416,930)	(159,229)	(576,159)	2,392,136	-17.43%	106.15%
2020	0.07663%	121,715	50,780	172,495	2,577,021	4.72%	63.42%
2019	0.09380%	951,775	280,368	1,232,143	2,650,102	35.91%	65.19%
2018	0.07663%	632,528	240,555	873,083	2,560,610	24.70%	63.37%
2017	0.08983%	1,024,526	389,635	1,414,161	2,437,198	42.04%	59.55%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in the fiscal year ended June 30, 2017, and, until a full 10-year trend is compiled, the Borough has only presented information for the years in which information is available.

HAINES BOROUGH

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULES OF BOROUGH CONTRIBUTIONS**

Fiscal Years 2014 through 2023 for Pension and Fiscal Years 2017 through 2023 for OPEB

***Pension***

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 367,153	\$ (367,153)	\$ -	\$ 2,736,284	
2022	335,428	(335,428)	-	2,513,296	13.35%
2021	307,643	(307,643)	-	2,392,136	12.86%
2020	338,671	(338,671)	-	2,577,021	13.14%
2019	361,536	(361,536)	-	2,650,102	13.64%
2018	356,457	(356,457)	-	2,560,610	13.92%
2017	255,460	(255,460)	-	2,437,198	10.48%
2016	201,400	(201,400)	-	2,152,611	9.36%
2015	210,862	(210,862)	-	2,303,150	9.16%
2014	191,334	(191,334)	-	2,281,338	8.39%

This schedule is presented to illustrate the requirements to show information for 10 years since implementation of GASB 68.

***Other Postemployment Benefit***

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 137,793	\$ (137,793)	\$ -	\$ 2,736,284	5.04%
2022	123,082	(123,082)	-	2,513,296	4.90%
2021	123,577	(123,577)	-	2,392,136	5.17%
2020	127,612	(127,612)	-	2,577,021	4.95%
2019	112,101	(112,101)	-	2,650,102	4.23%
2018	115,245	(115,245)	-	2,560,610	4.50%
2017	138,181	(138,181)	-	2,437,198	5.67%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in the fiscal year ended June 30, 2017, and, until a full 10-year trend is compiled, the Borough has only presented information for the years in which information is available.

HAINES BOROUGH

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

NOTE 1 – BUDGETARY INFORMATION

The Borough follows these procedures in establishing the budgetary data reflected in the general-purpose financial statements:

- a. No later than April 1 the Borough Manager shall submit to the Borough Assembly the proposed budget for the following fiscal year, along with a budget message which shall explain the proposed budget. It will also identify the six-year Capital Improvements Program (CIP) list.
b. No later than June 1, a minimum of two public hearings are conducted to obtain taxpayer comments.
c. On or before June 15, the budget is legally enacted through passage of an ordinance.
d. The Borough Assembly may pass ordinances during the year that amend the budget.
e. The Manager may transfer part or all of any unencumbered balance to another classification within a department.
f. The Manager may transfer balances from one department to another only with the approval of the assembly through re-appropriation.
g. Appropriations for the general fund and special revenue funds lapse at year-end. Appropriations for capital projects and those needed to meet grant requirements lapse when the project is complete or abandoned.
h. The Borough's legally prescribed budgetary basis of accounting is consistent with accounting principles generally accepted in the United States and, accordingly, where budgetary data are presented, the budget and actual information conform to the same basis of accounting.

Excess of Expenditures over Appropriations

For the year ended June 30, 2023 the following departments incurred expenditures in excess of their appropriations:

Table with 4 columns: Department, Budget, Expenditures, Expenditures Over Budget. Rows include General Fund (Chilkat Center, Municipal Swimming Pool, Police Department), Water Fund, and PC Dock, with a total row at the bottom.

NOTE2 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM

GASB requires a ten-year presentation for the Schedules of The Borough's Proportionate Share of the Net Pension and Other Postemployment Benefit Liabilities, and Schedules of Borough Contributions; however, until a full ten years of information is available, the Borough will present only those years for which information is available.



FEDERAL AND STATE SINGLE AUDIT REPORTS

For the Year Ended June 30, 2023

HAINES BOROUGH  
Federal and State Single Audit Reports  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Assembly of Haines Borough  
Haines, Alaska

I have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haines Borough (the Borough) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued my report thereon dated December 11, 2023. My report includes a reference to other auditors who audited the financial statements of the Borough's School District, as described in my report on Haines Borough's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Report on Internal Control over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Borough's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, I do not express an opinion on the effectiveness of the Borough's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read 'MEM'.

December 11, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE *UNIFORM GUIDANCE*

To the Honorable Mayor and Assembly of Haines Borough  
Haines, Alaska

***Report on Each Major Federal Program***

I have audited Haines Borough's (the Borough) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended June 30, 2023. The Borough's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and question costs.

In my opinion, based on my audit and the report of other auditors, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

The Borough's financial statements include the operations of the Borough's School District, which received \$646,737 in federal awards which is not included in the Borough's schedule of expenditures of federal awards during the year ended June 30, 2023. My compliance audit, described below, did not include the operations of the Borough's School District because the Haines Borough School District engaged other auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, if necessary.

***Basis for Opinion on Each Major Federal Program***

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the Borough and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined

above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance***

I have audited the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Borough as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements. I have issued my report thereon dated December 11, 2023 which contained unmodified opinions on those financial statements. My audit was conducted for the purpose of forming my opinions on the financial statements that collectively comprise the Borough's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the *Uniform Guidance*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script, appearing to read 'MEM'.

December 11, 2023

HAINES BOROUGH

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2023

Agency and Program Name	ALN	Additional Award Identification	Award Number	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Agriculture</b>					
Passed through the State of Alaska Department of Commerce, Community, Economic Development					
<i>Forest Service School and Roads Cluster</i>					
Secure Rural Schools P.L. 115-141, Title I	10.665		n/a	\$ -	\$ 337,072
<i>Forest Service Schools and Roads Cluster Total</i>				-	337,072
Total U.S. Department of Agriculture				-	337,072
<b>U.S. Department of Homeland Security Federal Emergency Management Agency</b>					
Passed through the Alaska Department Military and Veterans Affairs					
Disaster Grants - Public Assistance					
Haines December 2020 Storm Event	97.036		DR-4585-AK	-	3,037,189
<i>Disaster Grants Public Assistance Totals</i>				-	3,037,189
Passed through the Alaska Division of Homeland Security and Emergency Management					
2021 State Homeland Security Program	97.067		2021-SS-0025-S01	-	73,827
<i>State Homeland Security Program Totals</i>				-	73,827
Total U.S. Department of Homeland Security				-	3,111,016
<b>U.S. Department of Treasury</b>					
Passed through the State of Alaska Department of Commerce, Community, Economic Development					
Coronavirus Local Fiscal Recovery Fund-Local Government Relief					
Direct-Coronavirus Fiscal Recovery Fund	21.027	COVID-19	22-LGLR-13	-	254,396
	21.027	COVID-19	n/a	-	45,890
<i>Coronavirus Local Recovery Fund Totals</i>				-	300,286
Total U.S. Department of Treasury				-	300,286
<b>U.S. Department of Transportation</b>					
Passed through the Alaska Department of Transportation and Public Facilities					
<i>Transit Services Programs Cluster</i>					
Alaska Community Transit Reimbursable Grant	20.513		2501-23-0100	-	77,736
<i>Transit Services Programs Cluster Total</i>				-	77,736
Total U.S. Department of Transportation				-	77,736
<b>U.S. Department of Interior</b>					
Passed through the Alaska Department of Natural Resources					
Tlingit Park Rehab & Harbor Park Connection	15.916		n/a	-	6,203
Direct-Payment in Lieu of Taxes - 31 USC 6901-6907	15.226		n/a	-	401,458
Total U.S. Department of Interior				-	407,661
<b>U.S. Department of Commerce-National Oceanic and Atmospheric Administration</b>					
Passed through the Pacific States Marine Fisheries Commission					
Gulf of Alaska Pink Salmon Disaster-Distribution to Municipalities and Boroughs					
	11.022		PSMFC Job No. 1172J.20	-	3,455
Total U.S. Department of Commerce				-	3,455
<b>Institute of Museum and Library Services</b>					
Native American and Native Hawaiian Library Services					
Passed through the Alaska State Library					
Grants to States/ARPA	45.310	COVID-19	EASY22-028/ARPA48	-	9,551
Total Institute of Museum and Library Services				-	9,551
<b>Total Federal Expenditures</b>				<b>\$ -</b>	<b>\$ 4,246,777</b>

HAINES BOROUGH

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal awards programs of Haines Borough. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Haines Borough's reporting entity is defined in Note 1 of Haines Borough's basic financial statements. Federal awards received directly from federal agencies or passed through agencies of the State of Alaska or other non-federal agencies is included in the SEFA.

Basis of Accounting

Expenditures reported on the SEFA are presented using the modified-accrual basis of accounting, which is described in Note 1 of Haines Borough's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Haines Borough has elected not to use the ten percent de-minimis indirect cost rate as allowed under the *Uniform Guidance*.

Loans Outstanding

At June 30, 2023, there was an outstanding balance of \$2,141,888 of loans obtained during previous years. There were no new federal loans in the fiscal year 2023.

Relationship to Financial Statements

The following is a reconciliation of state revenues reported in Haines Borough's financial statements to state expenditures reported in the Schedule of Expenditures of Federal Awards:

As reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds:	
Intergovernmental Revenue – Federal grants and contracts	\$ 4,001,904
Intergovernmental revenues – Federal payments in lieu of taxes	401,458
As reported in the Statements of Revenues, Expenses and Changes In Fund Net Position – Proprietary Funds	3,455
Less-	
Federal beneficial payments passed through the State of Alaska, but not subject to reporting on the Schedule of Expenditures of Federal Awards	(160,040)
<b>Total federal expenditures as reported on the Schedule of Expenditures of Federal Awards</b>	<b>\$ 4,246,777</b>

HAINES BOROUGH  
 FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2023

**SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      Yes   x   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to financial statements noted?      Yes   x   No

***Federal Awards***

Internal control over compliance:

- Material weakness(es) identified?      Yes   x   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings that are required to be reported in Accordance with the Uniform Guidance?      Yes   x   No

Major Programs:

<u>ALN</u>	<u>Name</u>
97.036	Disaster Grants – Public Assistance

Dollar threshold to distinguish between Type A and Type B programs \$750,000

Auditee Qualified as a low-risk auditee?   X   Yes      No

**FINDINGS – FINANCIAL STATEMENT AUDIT**

None reported for fiscal year 2023.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None reported for fiscal year 2023.



HAINES BOROUGH  
SUMMARY SCHEDULE OF PRIOR YEAR FEDERAL FINDINGS  
For the Year Ended June 30, 2023

**FINANCIAL STATEMENTS**

None reported for fiscal year 2022.

**MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None reported for fiscal year 2022.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF STATE FINANCIAL  
ASSISTANCE REQUIRED BY THE STATE OF ALASKA *AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR  
STATE SINGLE AUDITS*

To the Borough Assembly and Borough Manager  
Haines Borough

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

I have audited Haines Borough's (the Borough) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the Borough's major state programs for the year ended June 30, 2023. The Borough's major state programs are identified in the accompanying schedule of state financial assistance.

The Borough's financial statements include the operations of the Borough's School District, which expended \$3,415,000 in state awards which is not included in the Borough's schedule of state financial assistance during the year ended June 30, 2023. My compliance audit, described below, did not include the operations of the Borough's School District because the Haines Borough School District engaged other auditors to perform an audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

In my opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *State of Alaska Audit Guide*. My responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the Borough and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major state program. My audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Borough's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Borough's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Borough's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of The Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in

internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits***

I have audited the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Borough as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements. I issued my report thereon dated December 11, 2023, which contained unmodified opinions on those financial statements. My audit was conducted for the purpose of forming my opinions on the financial statements that collectively comprise the Borough's financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



December 11, 2023

HAINES BOROUGH

**SCHEDULE OF STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2023

State Agency and Program Name	Award Number	Expenditures	
<b>Department of Environmental Conservation</b>			
Alaska Clean Water Revolving Loan Fund Principal Forgiveness			
Loan #395261	n/a	\$	23,938
Loan #395271	n/a		118,059
Total Department of Commerce, Community, and Economic Development			141,997
<b>Department of Education and Early Development</b>			
G.O. Bond School Debt Reimbursement - Reimbursement for prior fiscal years	n/a	*	2,120,669
G.O. Bond School Debt Reimbursement - Reimbursement for current fiscal year	n/a	*	896,474
Public Library Assistance Grant	n/a		7,000
Online with Libraries	n/a		7,003
Total Department of Education and Early Development			3,031,146
<b>Alaska Department of Military and Veterans Affairs</b>			
Haines December 2020 Storm Event	DR-4533-AK		337,465
Total Alaska Department of Military and Veterans Affairs			337,465
<b>Department of Revenue</b>			
Shared Taxes - Marine Passenger Vessel Tax	n/a		179,070
Total Department of Revenue			179,070
Total State Expenditures		\$	3,689,678

\* Denotes major program

HAINES BOROUGH

NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2023

General

The accompanying Schedule of State Financial Assistance (Schedule) presents the activity of all state financial assistance programs of the Haines Borough (Borough). for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Haines Borough, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Haines Borough.

Basis of Accounting

The Schedule is presented using the modified-accrual basis of accounting, which is described in Note 1 of Haines Borough's financial statements.

Awards to Subrecipients

None of the state expenditures presented in the Schedule were passed on to subrecipients.

Relationship to Financial Statements

The following is a reconciliation of state revenues reported in Haines Borough's financial statements to state expenditures reported in the Schedule of State Financial Assistance:

State revenues and capital contributions as reported in the basic financial statements:	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	\$ 4,603,610
Statement of Revenues, Expenditures, and Changes in Fund Balances – Proprietary Funds	141,997
Less-	
Amounts reported as state revenue in the basic financial statements, but not included as state expenditures in the Schedule of State Financial Assistance:	
Community jails contract with the Alaska Department of Corrections	(442,813)
State programs and tax receipts excluded per the State of Alaska <i>Single Audit Guide and Compliance Supplement</i>	(613,116)
State expenditures as reported on the Schedule of State Financial Assistance	\$ 3,689,678

HAINES BOROUGH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified? None reported
- Material weakness(es) identified? Yes x No
- Noncompliance material to financial statements noted? Yes x No

**State Financial Assistance**

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over compliance:

- Significant deficiency(ies) identified? None reported
- Material weakness(es) identified? Yes x No

Dollar threshold used to distinguish a state major program: \$750,000

Auditee Qualified as a low-risk auditee? Yes x No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Haines Borough did not have any findings that relate to the financial statements.

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR STATE AWARD PROGRAMS AUDIT**

None reported for 2023.

HAINES BOROUGH  
SUMMARY SCHEDULE OF PRIOR YEAR STATE FINDINGS  
For the Year Ended June 30, 2023

**FINANCIAL STATEMENTS**

None reported for 2022.

**MAJOR STATE AWARD PROGRAMS AUDIT**

Haines Borough did not require a state single audit for the fiscal year ended June 30, 2022.





# Haines, Alaska Visitor Center 2023 Season Report

**Executive Summary:** The 2023 tourism season in Haines, Alaska, marked a significant milestone as the industry rebounded to pre-pandemic numbers, demonstrating a robust recovery in travel activity in the Haines area. Alaska, in general, is experiencing a resurgence in popularity, with heightened interest from travelers. However, it is crucial to recognize the intense competition among various communities, making it imperative for Haines to remain proactive and to keep investing in the promotion of Haines as a destination. This competitive landscape necessitates a strategic approach to ensure Haines remains a top choice for travelers.

**Marketing Strategies:** Recognizing the need for a multifaceted marketing approach, the Haines Visitor Center has invested in iconic hard-copy advertising spaces, reclaiming prominent positions in publications like the Milepost back page, Alaska Magazine, and Bells. These traditional avenues continue to be valuable in reaching a broad audience. However, adapting to the evolving landscape, the Visitor Center is also embracing modern marketing strategies. A notable shift involves leveraging influencers to promote Haines. By partnering with individuals who hold sway over specific target audiences, we aim to enhance our reach and engagement.

**Social Media Growth:** Acknowledging the digital age's impact on travel decisions, the Visitor Center is actively growing its social media audience. Platforms like Facebook, Instagram, and TikTok serve as powerful tools to showcase the beauty of Haines, connect with potential visitors, and create a community around the destination. In the long run, this effort is anticipated to be a cost-effective approach, maximizing the return on investment.

**Community Impact:** It is crucial to highlight that Haines is not an isolated entity in the tourism ecosystem. The decisions made by neighboring communities regarding cruise ship industry regulations can significantly impact our own community. Therefore, being proactive in advocating for Haines' unique offerings and coordinating efforts with neighboring ports is vital for sustained success.

**Conclusion:** The 2023 season has positioned Haines, Alaska, as a premier destination for travelers, showcasing a remarkable recovery from the challenges posed by the pandemic. By combining traditional advertising methods with modern influencer collaborations and social media growth, the Haines Visitor Center is taking a holistic approach to ensure long-term success in a competitive market. As we navigate the dynamic tourism landscape, the emphasis on being proactive remains paramount for securing Haines' place as a top choice among Alaska's stunning destinations.

The Haines Borough Tourism Department compiles this report, utilizing data from reputable sources including the Haines-Skagway Fast Ferry, Alaska Marine Highway System, Cruise Line Agencies of Alaska, US Customs and Border Protection, Statistics Canada, and more.

# CRUISE SHIPS



97 TOTAL CALLS



68,116 PASSENGERS



30,467 CREW

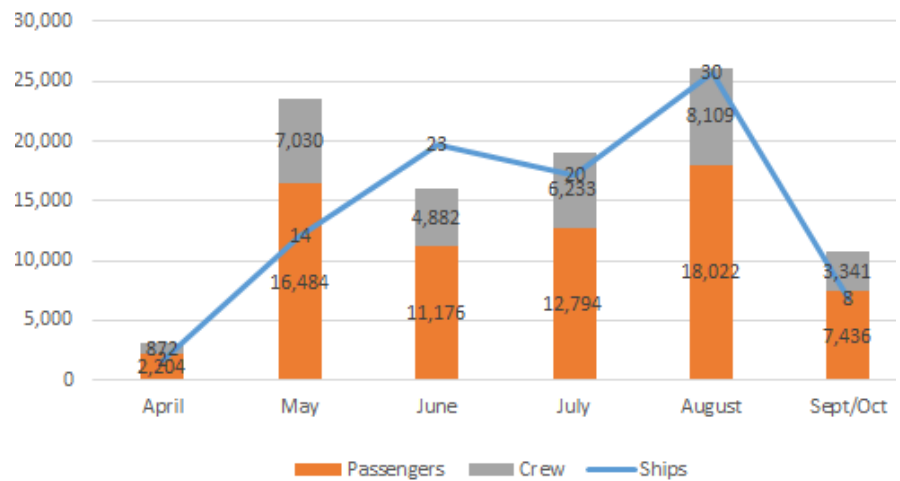
In 2023, cruise ship visits numbered a total of 97 calls, welcoming 68,116 passengers and hosting 30,467 crew members. Notably, pre-COVID 2019 saw 54,032 guests, while 2022 registered a higher count of 78,113 visitors.

It's important to acknowledge that the elevated figures in 2022 were partly due to ship docking constraints caused by slides in Skagway. These constraints diverted a total of 8 vessels to Haines, resulting in up to 8,000 additional visitors compared than what was originally scheduled for the 2022 season.

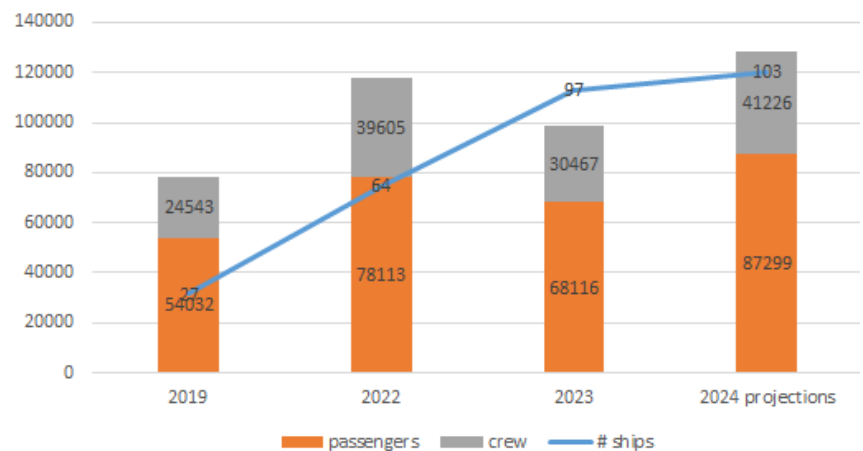
However, 2023 recorded a total of 68,116 passengers, indicating a stable visitation rate. Projections for 2024 anticipate 103 ship calls, hosting an estimated 87,299 passengers.



2023 Cruise Ships

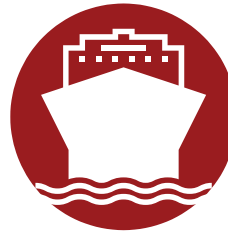


Total Cruise Ships Visitors



\*2022 numbers reflect calls rerouted due to slide in Skagway.

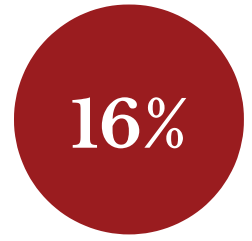
## CRUISE SHIPS EVENING CALLS



6 EVENING  
ARRIVALS



12,852  
PASSENGERS



16%  
EVENING ONLY  
GUESTS

In 2023, Haines had a total of 8 scheduled evening cruise ship calls, primarily with six from the Brilliance of the Seas. Unfortunately, the two calls planned with the Radiance of the Seas were canceled due to adverse weather conditions and mechanical issues.

Evening visits present challenges for local tour operators and businesses as the ships typically spend less than four hours in port, limiting guests' opportunities to experience our community and surrounding areas fully.

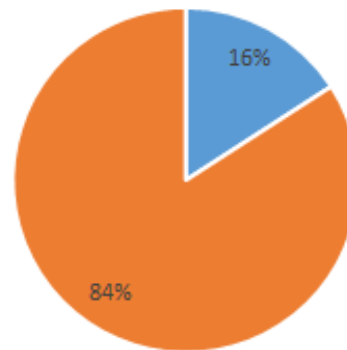
In 2023, evening calls constituted 16% of the total cruise ship passengers, accounting for 12,852 out of 68,116 guests for the season. Looking ahead to 2024, there are six scheduled evening calls for the Radiance of the Seas, albeit with slightly later docking times from 7 pm to 11 pm.

The total projected guests for these evening visits in 2024 amount to 12,834, representing 13% of the 87,299 total projected cruise ship guests. While there's a slight decrease in the percentage compared to 2023, the impact on local tours and businesses should still be noted, given the limited time window for these evening visits.

### 2023 Evening Calls

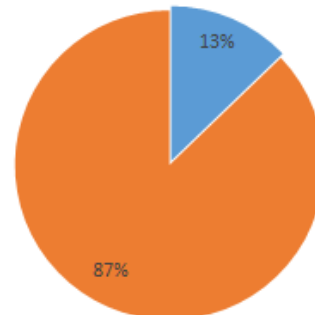
6 total evening calls (Brilliance of the Seas), 2 evening calls cancelled (Radiance of the Seas)

■ 12,852 Guests on evening ships (visits >4 hrs) ■ 68,116 Total 2023 Cruise Ship Guests



### 2024 Projected Evening Calls (6 calls, Radiance of the Seas 7pm-11pm)

■ 12,834 Guests on evening calls (visits >4 hrs) ■ 87,299 Total 2024 Projected Guests



# ALASKA MARINE HIGHWAY SYSTEM



23,383  
Disembarking  
Passengers



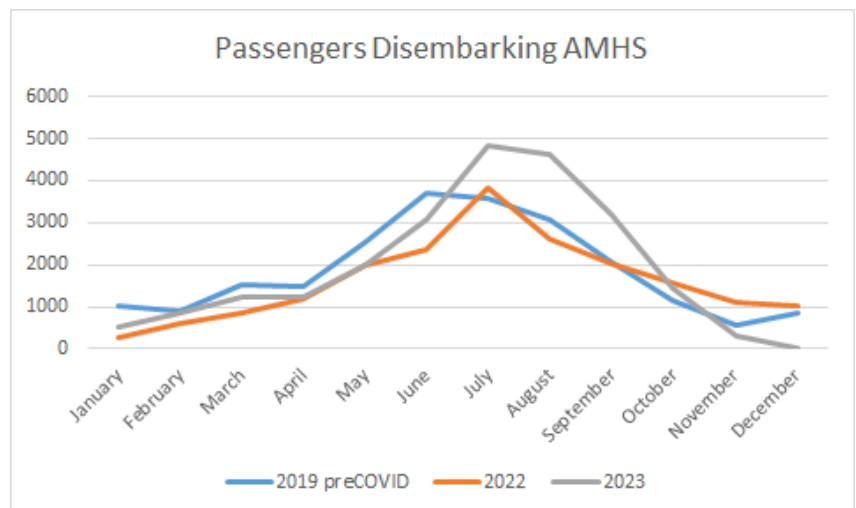
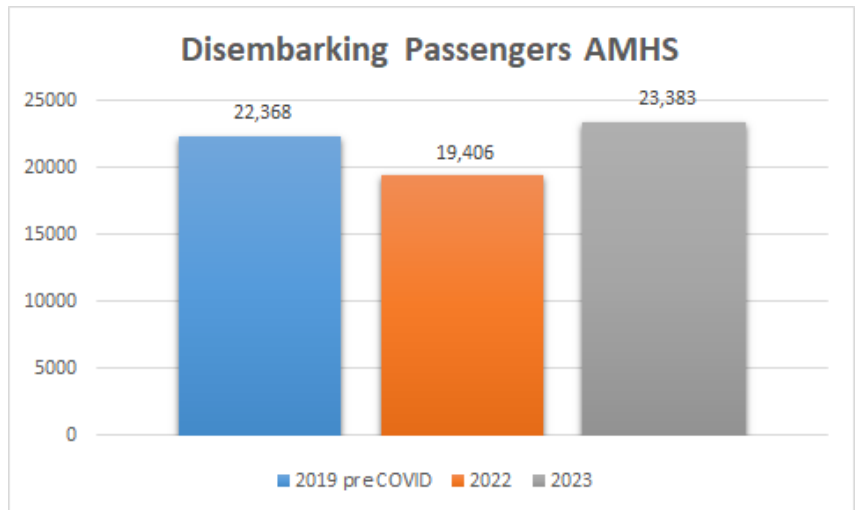
7,927  
Disembarking  
Vehicles

The Alaska Marine Highway System's 2023 data indicates a positive trend with 23,383 disembarking passengers and 7,927 vehicles at the Haines ferry terminal. This surpasses pre-COVID 2019 passenger totals of 22,368 and exceeds 2022 numbers at 19,406.

The peak ridership remains consistent between April and September, with the highest numbers occurring in late July and early August, aligning with the peak tourism season.

This uptick in passenger and vehicle disembarkation signifies a promising recovery for the Alaska Marine Highway System, showcasing an increase in travel activity and a return to pre-pandemic levels, if not surpassing them during certain periods.

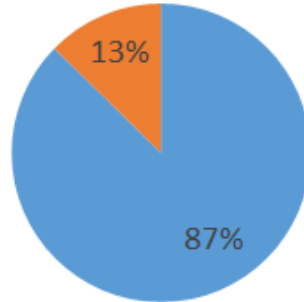
The increased ridership in 2023 for the Alaska Marine Highway System might reflect the impact of enhanced ferry schedules. This alignment suggests that more convenient and efficient ferry timings could be contributing to the heightened passenger and vehicle numbers, fostering a more favorable and accessible travel experience for passengers.



# HAINES SKAGWAY FAST FERRY

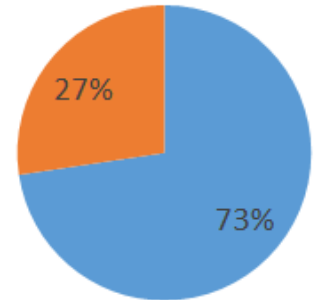
2023 Fast Ferry Guests

■ Tour Guests from Skagway ■ Independent



2022 Fast Ferry Guests

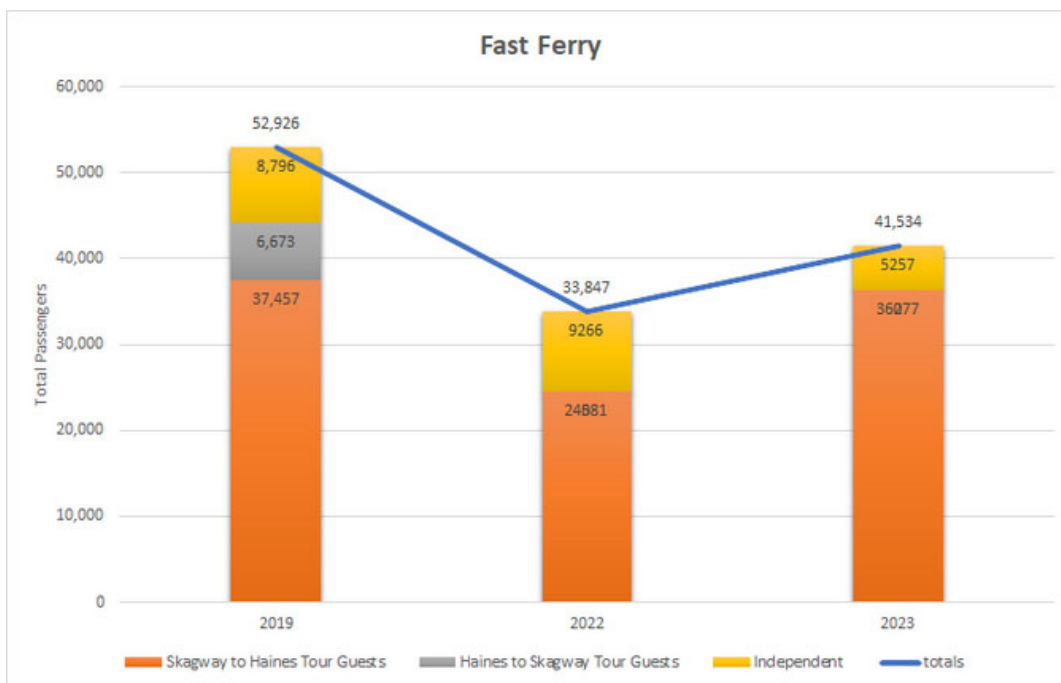
■ Tour Guests from Skagway ■ Independent



In the year-end report for the Fast Ferry service, post-COVID recovery shows an interesting shift in guest dynamics.

Notably, there's been a marked absence of Haines to Skagway guests in both 2022 and 2023. The data reveals a decline in independent riders, dropping from 27% in 2022 to 13% in 2023, while total guest numbers rose from 33,847 to 41,534 in the respective years. Significantly, 87% of 2023 guests arrived via Skagway to Haines tour groups, signaling a notable change in guest composition.

The cruise industry is undergoing a notable transformation, with an increasing number of cruise ship passengers opting to pre-book their excursions. This shift is attributed to the growing popularity of cruising, resulting in tours reaching full capacity before ships dock at ports. The direct cause of this trend is the accommodation of up to 4000 passengers on ships, contributing to a surge in demand for excursion reservations.

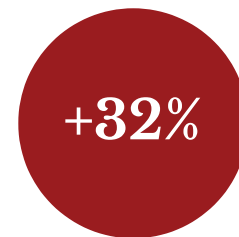


# BORDER TRAFFIC

## SOUTHBOUND DALTON CACHE



34,548  
Travelers

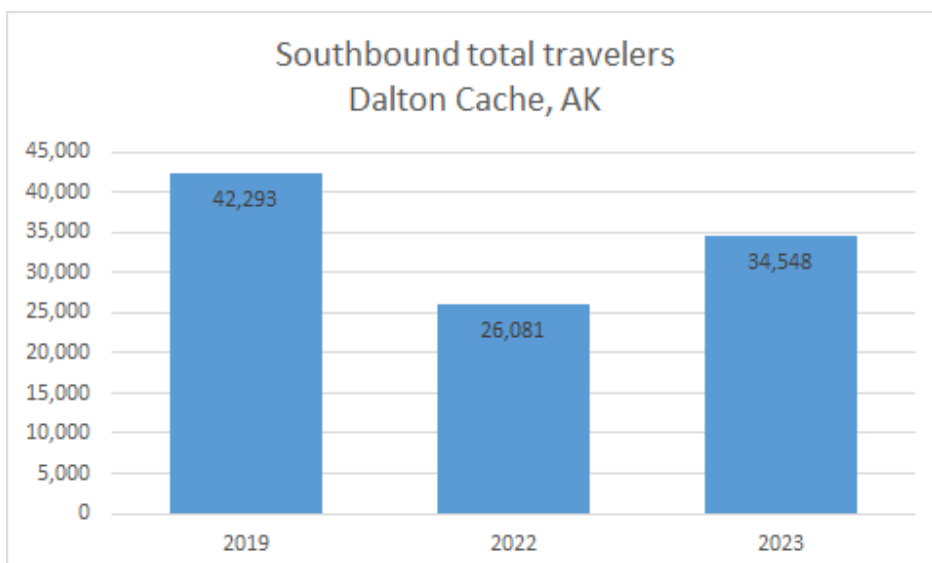
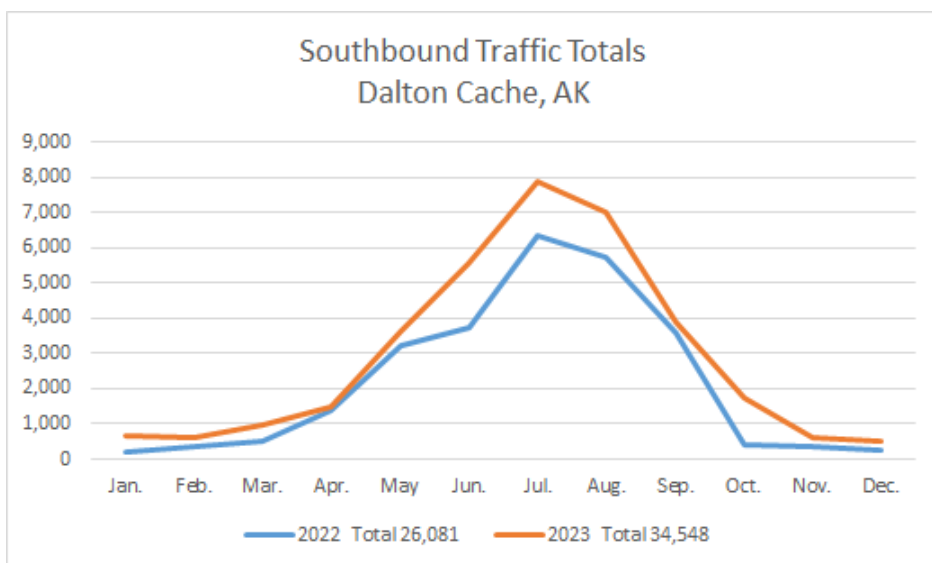


Travelers  
2022-2023

The influx of traveler traffic entering the US from Canada at the Dalton Cache border crossing showcased a distinct surge in passenger vehicles. In 2022, the recorded count stood at 26,081 vehicles, noticeably escalating to 34,548 in 2023.

This surge aligns with the overarching trend of heightened traffic and increased visitors observed in Haines during 2023, highlighting a significant upswing in cross-border travel through this specific entry point. Consequently, this data indicates a substantial 32.45% increase from the preceding year (2022) at the Dalton Cache border crossing for southbound traffic entering the US from Canada.

It's essential to note that despite the surge in border crossing passengers from 2022 to 2023, the total numbers remain lower compared to pre-pandemic counts. In 2019, travelers totaled 42,293, indicating that while there's a notable rebound, the figures have yet to reach the levels observed before the pandemic.



## AIR TRANSPORTATION



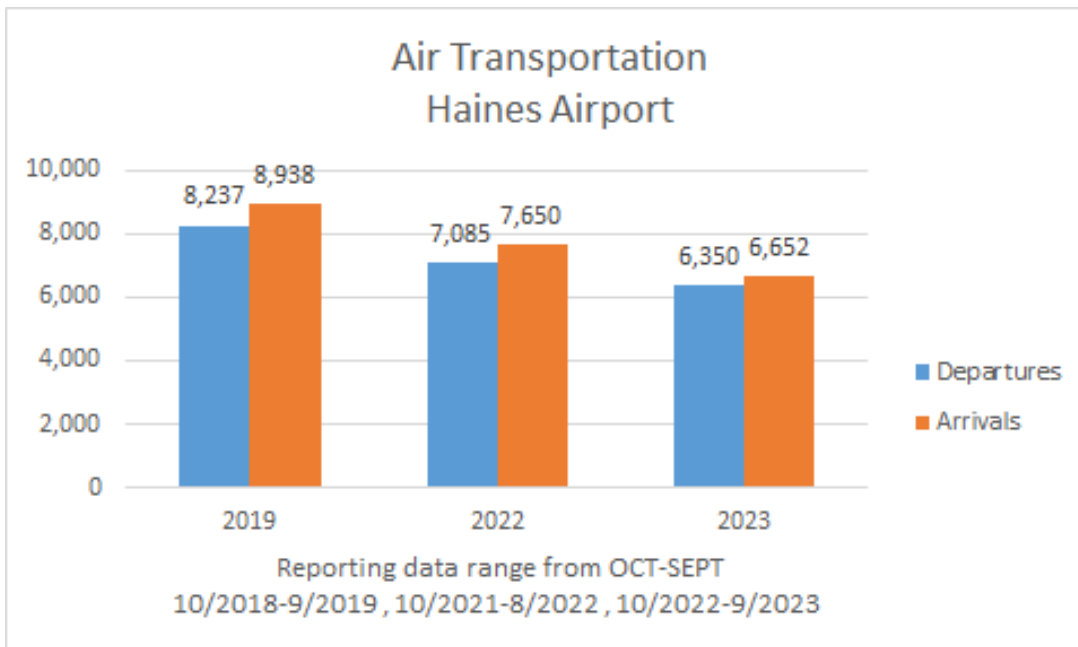
6,652  
Arrivals 2023



-11.6%  
Arrivals  
2022-2023

In 2023, Haines Airport documented 6,350 departing passengers and 6,652 arrivals, showing a decrease from the 7,085 departures and 7,650 arrivals recorded in 2022. Pre-pandemic numbers were notably higher, with 8,237 departures and 8,938 arrivals, indicating a substantial disparity.

The data, sourced from the US Department of Transportation for the periods 10/2018-9/2019, 10/2021-9/2022, and 10/2022-9/2023, illustrates a decrease of approximately 11.6% in arrivals from 2022 to 2023. This decline underscores a slower recovery in the air transportation sector compared to other modes, perhaps influenced by various contributing factors. Despite improvements from the previous year, the arrival numbers in 2023 continue to reflect a substantial gap from pre-COVID levels, indicating the ongoing challenges and the need for further recovery in air travel.



# VISITOR CENTER

## CONSUMER DATA



**963 TOTAL**  
Visitor Guide  
Requests



**3,647 TOTAL**  
Walk-In  
Visitors

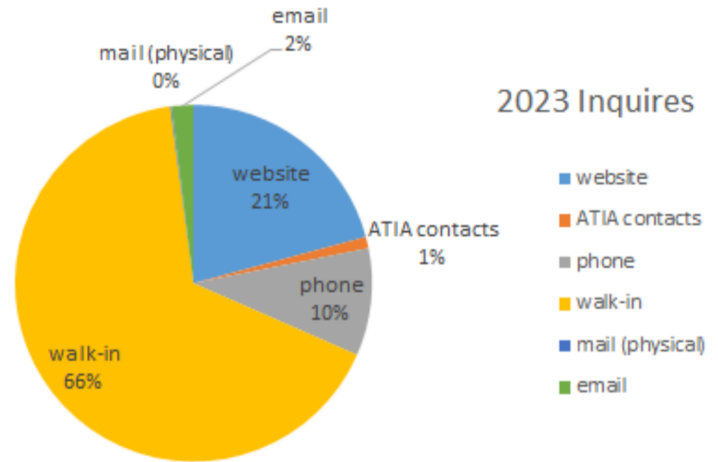
In 2023, the Visitor Center experienced a notable increase in visitor engagement. A total of 963 visitor guides were requested and mailed out, compared to 771 requests in 2022, signifying a significant uptick.

In terms of inquiries, 2023 saw a total of 5,498, with 1,144 stemming from the website and 3,647 from walk-ins. Comparatively, 2022 had 4,858 inquiries, comprising 895 from the website and 3,335 walk-ins. Notably, this showcases a rise not just in the overall numbers but also in website inquiries and walk-in interactions.

To quantify the increase:

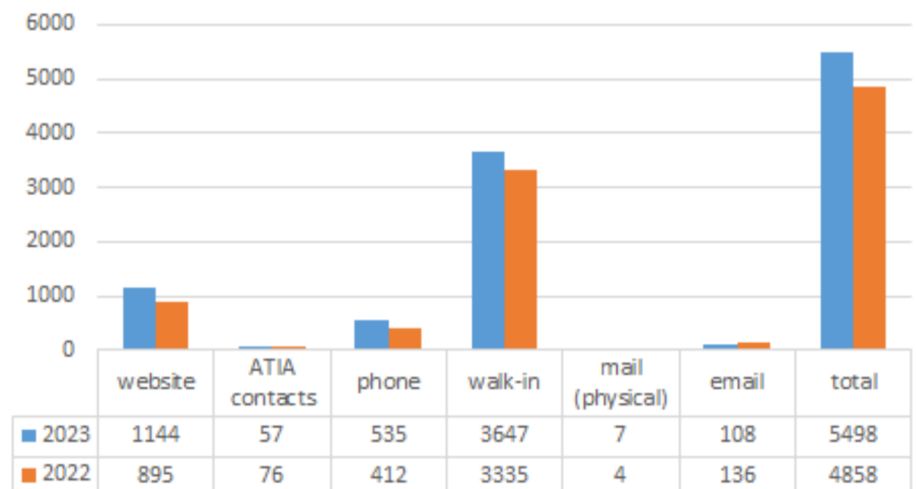
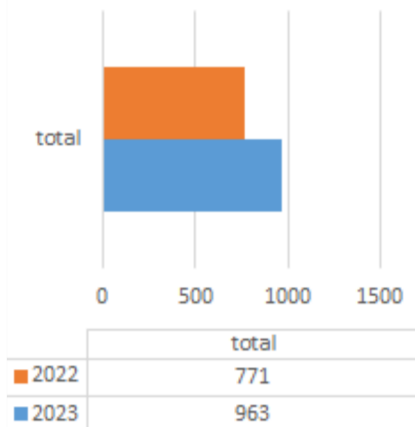
- Visitor guide requests: 24.87% increase from 2022 to 2023 (963 in 2023 compared to 771 in 2022).
- Total inquiries: 13.20% increase from 2022 to 2023 (5,498 in 2023 compared to 4,858 in 2022).

These percentages underscore a substantial rise in visitor engagement and interest in 2023 compared to the preceding year, reflecting a growing enthusiasm for the Visitor Center's services and resources.



## Visitor Center Inquiries

### Visitor Guide Requests





# VISITOR CENTER

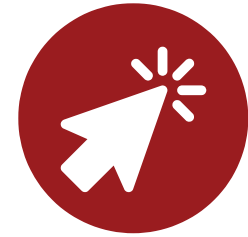
## SOCIAL MEDIA INSIGHTS

### REACH



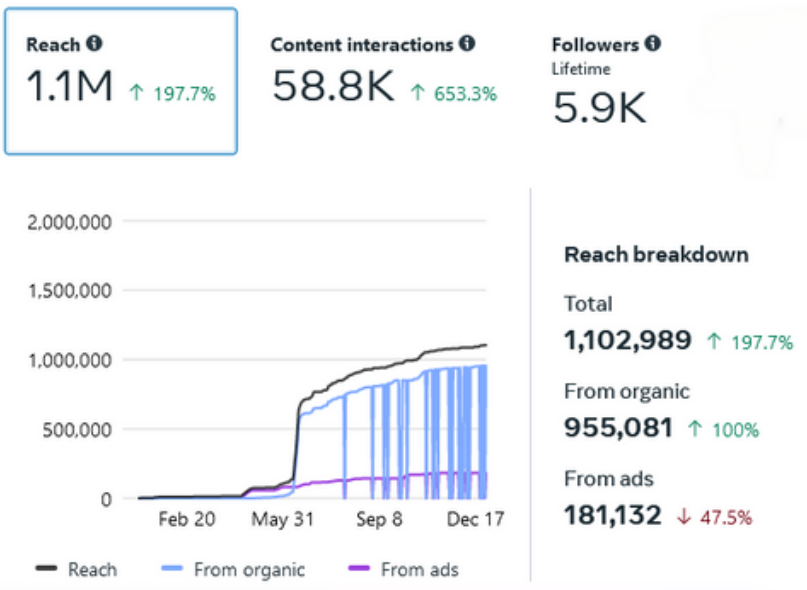
FACEBOOK 1.1M  
INSTAGRAM 307.9K

### CLICKS

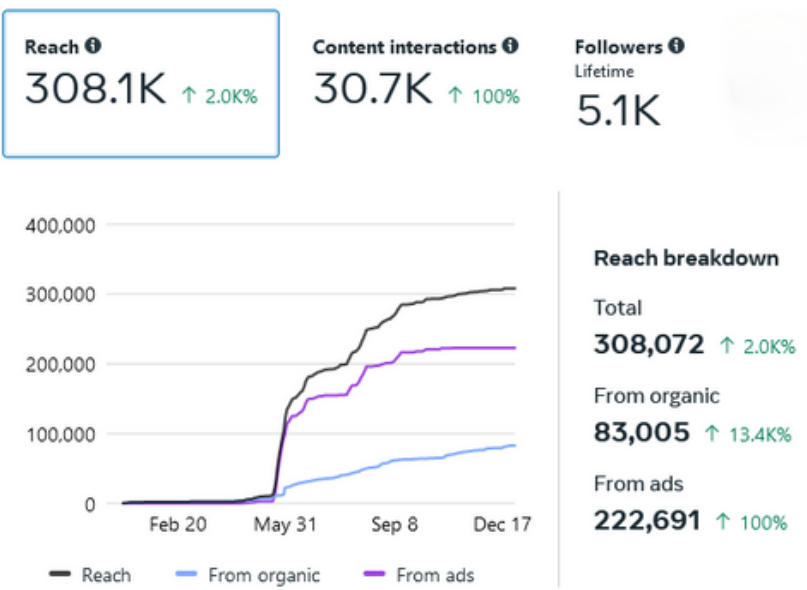


FACEBOOK 8.6K  
INSTAGRAM 1.2K

### FACEBOOK PERFORMANCE & AUDIENCE



### INSTAGRAM PERFORMANCE & AUDIENCE



# VISITOR CENTER

## SOCIAL MEDIA INSIGHTS

The social media landscape for Haines in 2023 showcases a robust and dynamic digital presence. With a Facebook reach of 1.1 million and an Instagram reach of 307.9 thousand, the platforms served as powerful vehicles for engagement. The engagement metrics reinforce this, with 8.6k clicks on Facebook and 1.2k clicks on Instagram, demonstrating an active audience interacting with the content.

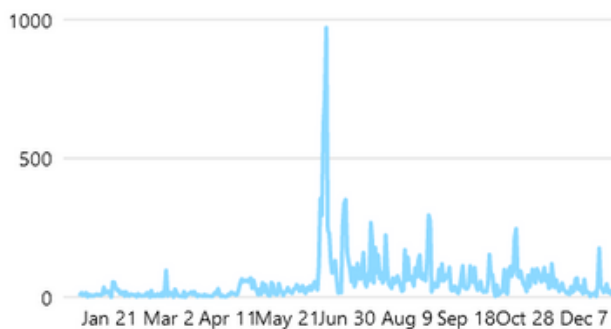
Facebook and Instagram boasted substantial follower counts, with 5.9k and 5.1k followers, respectively. Notably, Instagram exhibited the most pronounced growth, indicating a shifting preference among users. Furthermore, there's been a significant surge in page and profile visits. Facebook page visits skyrocketed by an impressive 350.7% from 2022, while Instagram profile visits surged by 271% in comparison.

The social media strategy emphasizing consistent, appealing content is evident in the staggering organic reach figures. Instagram's organic reach soared by an astounding 2,000% (13.4K% from organic reach), while Facebook witnessed a substantial 197.7% increase in reach compared to the previous year. These metrics echo the focused efforts beginning around May 2023, showcasing an evident correlation between content consistency and increased engagement, as illustrated by the graphs.

### 2023 PAGE AND PROFILE VISITS

Facebook visits ⓘ

19,841 ↑ 350.7% (2022 visits: 4,360)



Instagram profile visits ⓘ

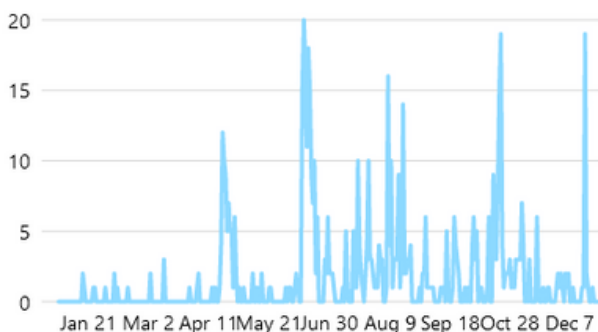
13,356 ↑ 271% (2022 visits: 3,591)



### 2023 NEW LIKES AND FOLLOWERS

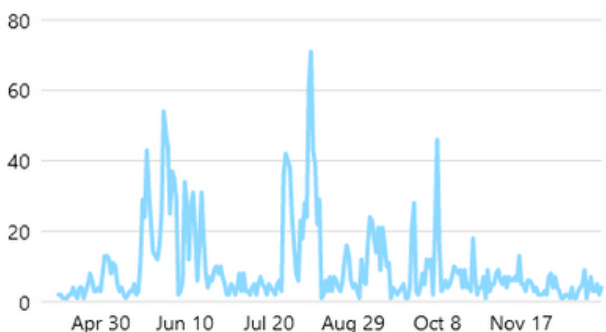
Facebook Page new likes ⓘ

611 ↑ 198% (2022 new likes: 205)



New Instagram followers ⓘ

2,582 – (2022 data unavailable)



Haines Borough  
Planning Commission Meeting  
December 14, 2023  
MINUTES

9A  
Approved

**1. CALL TO ORDER/PLEDGE TO THE FLAG/ROLL CALL:** Chair **BROWN** called the meeting to order at 6:30 pm in the assembly chambers and on zoom, and led the pledge to the flag.

**Commissioners Present:** Patty **BROWN**, Brian **O'RILEY**, Rachel **SAITZYK**, Derek **POINSETTE**, Eben **SARGENT**, Erika **MERKLIN**, Dan **SCHULTZ**.

**Staff Present:** Annette **KREITZER**/Borough Manager, Alekka **FULLERTON**/Borough Clerk, Kiersten **LONG**/Deputy Clerk and Andrew **CONRAD**/Planner, Ed **COFFLAND**/Public Facilities Director

Assembly Liaison Craig **LOOMIS** was also present.

**Visitors Present:** Melissa **ARONSON**, Kate **SAUNDERS**, Thom **ELY**, Don **TURNER** Jr., Riley **HALL**, Bruce **SMITH**, TJ **MASON**, Mathew **JENSEN**, Azure **JENSEN**, Patty **KERMOIAN**, Garret **GLADSJO**/proHNS, and 26 others present on zoom.

**2. APPROVAL OF AGENDA:** The following Items were on the published consent agenda indicated by an asterisk (\*)

3 – Approve Minutes from 11-9-23 Regular Planning Commission Meeting

12A – 2024 Planning Commission Prep Schedule

**Motion:** **POINSETTE** moved to “approve the agenda and the consent agenda” and the motion carried unanimously.

**3. APPROVAL OF MINUTES:**

*Note: The Minutes were approved by approval of the consent agenda: “Approve minutes from 11-9-23 Regular Planning Commission Meeting*

**4. PUBLIC COMMENTS:**

**TURNER** – HFR proposal of new recycling center

**ELY** – Supports the heliport moratorium and Haines Friends of Recycling’s new recycling proposal

**SMITH** – HFR Proposal

**Hall** – Supports the heliport moratorium

**TUYNMAN** – Public Testimony

**BENASSI** – Highway project

**KERMOIAN** – Supports Friends of Recycling, Moratorium on Heliports, Planning Commission adopting Assembly’s Public Hearing policy.

**5. CHAIR’S REPORT:** Chair **BROWN** reported on acknowledging the public comments she has received since the last planning commission meeting. Has talked with Travis Eckhoff about the geo committee. Public comment about the Nuisance buildings are being dealt with. Right-Of-Way has been brought up by a couple members of the public.

**A. Land Acknowledgement**

**Motion:** **POINSETTE** moved to “approve the land acknowledgement” and the motion carried unanimously.

**6. ASSEMBLY LIAISON REPORT:** Assembly member **LOOMIS** answered some questions asked by the Planning Commission

**7. SUBCOMMITTEE REPORTS: None**

**8. COMMISSION COMMENTS:**

- A. Eben Sargent Highway Project**
- B. Derek Poinsette – Comprehensive Plan**
- C. Erika Merklin- Agricultural zone**

**9. STAFF REPORT:**

- A. Planner Report**
- B. Comprehensive Plan Update**

**10. PUBLIC HEARINGS:**

- A. Variance Permit #23-103 Accessory Apartment atop a detached garage within the set back – Mathew & Azure Jensen – C-HAY-00-0300 – Waterfront Zone.**

Public hearing was opened at 7:45pm and the following people chose to speak with respect to this issue:

**TURNER-** Supporting denial

**TUYNMAN –** Supporting denial

Hearing nothing further, the public hearing was closed at 7:50.

Matthew Jensen presented with respect to his variance request.

Variance:

Commissioners discussed HBC 18.8.080(C) 1-5 Variance Standards for Variance Permit 23-103

- 1) Except for significant structures areas, the conditions upon which the variance application is based do not apply generally to properties in the zone or vicinity other than the property for which the variance is sought;**

After discussion the commission agreed criteria #1 was met since the shape of the property is unique compared to the other properties in that area.

- 2) Such conditions arise out of natural features inherent in the property such as shape or topographical conditional of the property or because of unusual physical surroundings, or such conditions arise out of surrounding development or conditions; and;**

After discussion the commission agreed criteria #2 was met since the site conditions are due to natural trapezoidal shape of the property.

- 3) Because of such conditions the strict application to the property of the requirements of this chapter will result in an undue, substantial hardship to the owner of the property such that no reasonable use of the property could be made; and;**

After discussion the commission agreed criteria #3 was not met since a use could be made of the property by changing the current design.

- 4) The special conditions that require the variance are not cause by the person seeking the variance, a predecessor in interest, or the agent of either; and;**

After discussion the commission agreed criteria #4 was not met since the homeowner's design has caused the need for the variance.

- 5) The variance is not sought solely to relieve financial hardship or inconvenience; and;**

After discussion the commission agreed criteria #5 was not met since the need for the variance is due to the homeowner's decision on design and development plan.

- 6) The variance will not permit a land use in a zone in which that use is prohibited.**

After discussion the commission agreed criteria #6 was met since the plan is a use-by-right in the zone.

**Motion: SARGENT** moved to "Deny Variance permit #23-103" and the motion carried unanimously.

**B. 5<sup>th</sup> – 6<sup>th</sup> Ave Drainage Designs**

**Motion: POINSETTE** moved to "pursue corrective action #1 and wait to see if that works," and the motion carried unanimously.

**C. Waste Oil Shed Designs**

**Motion: O'RILEY** moved to "approve the waste oil shed design" and the motion carried unanimously.

**Motion: SARGENT** moved to "solely review this project next at the 65% design level," and the motion carried unanimously.

**11. UNFINISHED BUSINESS:** None

**12. NEW BUSINESS:**

**\*A. 2024 Planning Commission Prep Schedule**

**B. Haines Friends of Recycling – New Recycling Center**

Presentation by Melissa **ARONSON** and Kate **SAUNDERS**

**Motion: SARGENT** moved to "defer the approval and request HFR to provide a list of other suitable sites and rationale for the rejection of other sites," and the motion carried unanimously.

**D. Heliport Moratorium – Proposed Resolution 23-09-1064**

Staff will provide additional data with respect to each existing heliport.

**E. Public Testimony Policy**

**Motion: POINSETTE** moved to "adopt the Assembly's Rule

**Primary Amendment: SARGENT** moved to add "except that the Chair can suspend comment limits being mindful of equal opportunities," and the motion carried unanimously.

And the motion, as amended, carried unanimously.

**13. PUBLIC COMMENTS:**

**TURNER:** Try to look forward in planning

**14. ANNOUNCEMENTS / COMMISSION COMMENTS:**

**15. CORRESPONDENCE**

**16. SET MEETING DATE:**

**A. Planning Commission Workshop RE: Slope Stability Analysis**

**17. ADJOURNMENT: 10:46 pm**

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Patty Brown, Chair

ATTEST:

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Alekka Fullerton, MMC, Borough Clerk

Members: Glenda Gilbert, Stacey Prior, Dan Humphrey, Paul Rogers, Kevin Forster

Others present: CFO Jila Stuart, Deputy Clerk Kiersten Long, Kim Rosado, Blythe Carter, Katey Emma Begly, and Scott Hansen

On zoom: Roy Josephson, Errol Champion, Lori Smith

Roger's noted for the record that all members are present

Rogers suggested to remove item 2 approval of the 12/11/23 minutes and item 3 public comments

2. Approval of the Agenda and Consent Agenda

\*November 30, 2023 Minutes

**Motion: Forster** moved to "approve the amendments to the agenda" and the motion carried unanimously.

*\*Clerk's note: This item was not heard*

3. Public Comment

4. Old Business

- a. Unfinished Business from last meeting
- b.

**Motion: Humphrey** moved to "recommend proposed amendment to HBC 3.72.110 to the Assembly for approval" and the motion carried unanimously

**Motion: Forster** moved to "recommend proposed amendment to the Board of Equalization Procedures to the Assembly for approval" and the motion carried unanimously.

*\*\*Clerk's note: Due to time constraints the board did not discuss item 5a – 5f*

5. New Business

- a. Status of State Audit
- b. Corrected Notices
- c. Building Exemptions, Subsistence Exemptions
- d. Professional and/or Real Estate Appraisals
- e. Penalty for back taxes
- f. Property Tax Assessment Cycle

6. Public Comment:

7. Board Member Comments:

8. Set Meeting Dates:

Adjourned 6:18 pm



Members: Glenda Gilbert, Stacey Prior, Dan Humphrey, Paul Rogers, Scott Hansen

Absent: Kevin Forster

Others present: Deputy Clerk Kiersten Long, Kim Rosado, Blythe Carter, Katey Emma Begly, and Jennifer Canfield

On zoom: State Assessor Joe Caissie, Lori Smith, CFO Jila Stuart, Errol Champion, Donna Lambert, Roy Josephson, Brenda Josephson

1. Roll Call

Rogers suggested to remove the approval of the 12/13/23 minutes from item 2

**Motion:** Hansen moved to “approve the amended agenda and consent agenda” and the motion carried unanimously.

2. Approval of the Agenda and Consent Agenda

\*December 11, 2023 minutes

\*\*Clerk’s note: The December 13<sup>th</sup> minutes were removed from the Consent agenda

3. Minutes of December 13, 2023 meeting

4. Public Comment

**Begly** – Full and True Value

5. Old Business

a. Status of State Audit

State Assessor Joe Caissie gave an update on the audit

b. Initial Notice to Property Owners

**Motion:** Prior moved to “recommend proposed amendment of HBC 3.72.080 with changes to the Assembly for approval”

**Amendment:** Prior moved to “include the date of the properties’ last field inspection, most recent valuation, date and initials of inspector” and the amendment to the motion carried unanimously.

And the motion as amended carried unanimously.

6. New Business

a. Full and True Value

**Motion: Gilbert** moved to “approve the proposed amendment to HBC 3.72.020 as written and recommend it to the Assembly for approval” and the motion carried 4-1 with **Hansen** opposed.

b. Reconsideration of 2023 Assessments

Chairman Rogers opened up public comment for this agenda item

Canfield, Carter, Rosado, Josephson, Turner spoke towards this agenda item.

\*Clerk’s note: Due to time constraints the board did not discuss items 6c -6d

c. Corrected Notices

d. Back Tax Assessments

\*Public Comment:

**Carter** – Taxes stayed the same since the mill rate was lowered. For people that apply for Medicaid benefits if the value of their property exceeds a certain amount they are no longer eligible. The tax bill going up has nothing to do with the assessment.

**Canfield** – It has nothing to do with what we are being taxed it all has to do with what we are being assessed.

**Rosado** – If we don’t fix what happened in 2023 on the fair and true market value it can be used against our neighbors on comparables.

**Begly** – You have to protect the minority. This is not true value it is in excess of full value.

**B. Josephson** – We aren’t talking about tax bills we are talking about assessment of properties we want full and true value.

8. Board Member Comments: **Hansen, Humphry**

9. Set Meeting Dates:

Adjourned 8:05 pm

# Meeting Minutes: Commerce Committee

Approved

November 16, 2023 – Assembly Chambers

following Assembly Meeting re: Status of FEMA grant (Porcupine Road)

Commerce Committee: Debra Schnabel (Chair), Craig Loomis and Ben Aultman-Moore (Zoom)

Attending: Schnabel, Aultman-Moore, Tom Morphet, Alekka Fullerton, Sabina Stickler (Zoom), Karen Garcia (Zoom), Cindy Jimenez (Zoom)

The commerce committee reviews and recommends legislative and policy matters pertaining to ports and harbors, tourism, economic strategies, land and resource, and planning and zoning. This committee maintains a working relationship with empowered and advisory boards, the Haines Chamber of Commerce and the Haines Economic Development Corporation.

## Discussion/Business Conducted

1. Welcome and Set agenda (Chair)

2. Minutes of 10/17/2023 accepted without objection

3. Discussion/Action topics:

1. **Fuel Surcharges on freight:** Dave Curtis, VP, Alaska Marine Lines provided an explanation for fuel charges on marine freight (attached). Steve Hartman, VP Sales & Marketing, Lynden Transport provided an explanation for fuel charges on interstate rolling stock. (attached). Marine freight rates seem to be proprietary; highway transportation is regulated. Change could be brought about through lobbying. No action taken.

2. **Severance Taxes on extractive resources (except fish):** Export of extracted resources is integral to imposition of severance tax sought to balance, mitigate or respond to impacts. Question the differences between Excise Tax, Severance Tax, Payment in Lieu of Taxes and Royalties. More research needed. Seems appropriate to identify a purpose of any tax on extracted/exported resources; suggested that revenues from tax be allocated to the preservation, conservation or development of public lands including parks and recreational trails or facilities. Chair to develop a concept paper for consideration.

3. **Trails: As a capital project/economic engine:** Consider advancing the concept of trail development [Pyramid Harbor to Excursion Inlet, Dalton Trail/Grease Trail and connection to Long Trail (Murkowski plan)] in partnership with Chilkat Indian Village and Chilkoot Indian Association.

4. **Public Comment/Input:** (? Speaker not identified) A future topic might be charging petroleum haulers for use of highway or Borough-owned facilities (dock).

5. **Recommendations to Assembly:** Reach out to CIV and CIA to learn of interest in collaborating with a major trail development project.

Meeting adjourned 46 minutes after it started. Minutes submitted by Debra Schnabel

Business Item Description:	Attachments:
Subject: Hiring of a Contract Assessor	1. Resolution 24-01-1084 2. Appraisal Company of Alaska RFP 3. Appraisal Company of Alaska Contract
Originator: Manager	
Originating Department: Administration	
Date Submitted: 01/18/24	

Full Title/Motion:
Motion: Adopt Resolution 24-01-1084

Administrative Recommendation:

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 50,000	\$ 0	\$ 0	N/A

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

Summary Statement:

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

Assembly Action:	
Meeting Date(s): 01/23/24	Public Hearing Date(s):
	Postponed to Date:

**DRAFT**

HAINES BOROUGH  
RESOLUTION No. 24-01-1084

**A Resolution of the Haines Borough Assembly authorizing the Borough Manager to enter into a Professional Services Agreement with Appraisal Company of Alaska, LLC to provide contract Assessor Services for the Haines Borough.**

**WHEREAS**, due to the loss of the Haines Borough Assessor, the Haines Borough needs a contract Assessor to assist the Borough with consulting and administration of the ad valorem property tax assessments for the Haines Borough in 2024 and 2025; and

**WHEREAS**, Appraisal Company of Alaska, LLC has assessment contracts with several municipalities similar to the Haines Borough and

**WHEREAS**, Company President Michael Renfro is familiar with the Haines Borough; and

**WHEREAS**, the services Appraisal Company of Alaska, LLC proposes to provide to the Haines Borough are:

1. **Assessments**- Produce the assessment roll for the next two years, including administration and attendance at the Board of Equalization;
2. **Documentation**- Documentation of existing approach to assessment in the Haines Borough and communicate the assessment approach publicly;
3. **System Review and Design**- Review current assessment practices and help develop a transition plan;
4. **Technology Utilization** - Identify and/or implement the technology aspects of an assessment system;
5. **Training** - Provide training to Borough staff; and

**WHEREAS**, time is of the essence since the appraisal date is January 1, 2024; and

**WHEREAS**, Appraisal Company of Alaska, LLC proposes to provide services to the Haines Borough at a rate not to exceed \$50,000 for 2024 and \$100,000 for 2025; and

**WHEREAS**, Appraisal Company of Alaska, LLC shall be allowed to use a Borough vehicle for work as specifically authorized by this resolution per HBC 14.12.0IO(B) Personal Property or equipment; and

**WHEREAS**, the funding for these services will be achieved via line item transfer within the Lands Department,

**NOW, THEREFORE, BE IT RESOLVED** that the Haines Borough Assembly authorizes the borough manager to enter into a professional services agreement with Appraisal Company of Alaska, LLC to provide contract Assessor Services for the Haines Borough.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 23rd day of January, 2024.

**A PROPOSAL FOR  
Haines Borough, Alaska  
PROFESSIONAL ASSESSMENT SERVICES**

**January 12, 2024**

**PREPARED BY:  
MICHAEL C. RENFRO, PRESIDENT**

**APPRAISAL COMPANY OF ALASKA, LLC  
405 W. 27<sup>th</sup> Ave.  
ANCHORAGE, ALASKA 99503  
(907) 562-2424**

Fax  
(907) 563-1368

Telephone  
(907) 562-2424

## Appraisal Company of Alaska LLC

405 W. 27th Ave.  
ANCHORAGE, ALASKA 99503  
[office@appraisalalaska.com](mailto:office@appraisalalaska.com)  
EIN#26-2071908

January 12, 2024

Tom Morphet  
Haines Borough  
103 Third Ave. S.  
Po Box 1209  
Haines, Alaska 99872

Re: RFP for Contract Assessment Services  
Years 2024, 2025, 2026

Dear Mr. Morphet:

As you have requested, the Appraisal Company of Alaska, LLC submits the following proposal to the Haines Borough for Professional Assessment and CAMA Services.

The Appraisal Company of Alaska, LLC is fully prepared to meet the project objectives.

This proposal is presented by:

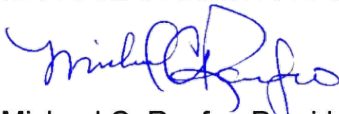
Michael C. Renfro, President  
Appraisal Company of Alaska, LLC  
405 W. 27<sup>th</sup> Ave.  
Anchorage, Alaska 99503

Telephone: (907) 562-2424  
Fax: (907) 563-1368  
email: [mrenfro@appraisalalaska.com](mailto:mrenfro@appraisalalaska.com)

Thank you for the opportunity to submit our proposal. If you have any additional questions, please call me.

Sincerely,

APPRAISAL COMPANY OF ALASKA, LLC



Michael C. Renfro, President

MCR:tif

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## PROFESSIONAL STAFF

### CONTRACT ADMINISTRATOR AND PRINCIPAL PERSONNEL

A brief narrative discussion of the Plan Administrator and principal personnel is as follows. Complete resumes are located toward the end of this section.

Michael C. Renfro: The Plan Administrator will be Michael C. Renfro, President of Appraisal Company of Alaska. He has extensive experience working in Cordova and has administered the complete assessments on ten communities and Boroughs in the State. Mike has supervised the implementation of the conversion to assessment CAMA Systems in seven communities and Boroughs throughout the state. He has assisted in writing courses for the State Assessor that have been presented at the Alaska Municipal League conferences and will be on hand to oversee the assessment process.

Adam Verrier: Adam is an assessor and an appraiser with appraisal experience throughout the State over the past twenty years. He is a licensed appraiser and has applied for his Level III Assessor Certification with the Alaska Association of Assessing Officers.

Arne Erickson: Staff assessor with extensive experience in Urban Planning and nineteen years' experience working in Cordova.

Martins Onskulis: Staff assessor with four years' experience throughout the state. He has applied for his appraisal trainee license, and is well versed in the Alaska CAMA System.

Other Staff: Appraisal Company of Alaska is a full service appraisal company. In addition to the Assessing Staff are two support personnel.

## QUALIFICATIONS OF APPRAISER

MICHAEL C. RENFRO

### EDUCATION:

2021 27 Hour Continuing Education Sponsored by Appraisal Institute, Chicago, IL

2021 7 Hour Uniform Standards & Professional Appraisal Practice 2021 Update

2018 7 Hour Uniform Standards & Professional Appraisal Practice 2018 Update

2015-2017 27 Hour Continuing Education Sponsored by Appraisal Institute, Chicago, IL

2013-2015 27 Hour Continuing Education Sponsored by Appraisal Institute, Chicago, IL

2011 27 Hour Continuing Education Sponsored by Appraisal Institute, Chicago, IL

2009 27 Hour Continuing Education Sponsored by Appraisal Institute, Chicago, IL

2007 27 Hour Continuing Education Sponsored by Appraisal Institute, Chicago, IL

2005 27 Hour Continuing Education Sponsored by Appraisal Institute, Chicago, IL

2003 The Road Less Traveled; Special Purpose Properties by Appraisal Institute, Girdwood, Alaska

2003 Appraisal of Non-Conforming Uses by Appraisal Institute, Girdwood, Alaska

2003 Partial Interest Valuation Dividend; Appraisal Institute, Girdwood, Alaska

2003 Subdivision Analysis; Appraisal Institute, Girdwood, Alaska

2002 Introduction to Real Estate Econometrics with a Trend Analysis Application; sponsored by Appraisal Institute of Alaska, Anchorage, Alaska

2002 IAAO Course 102 – Income Approach to Valuation; sponsored by AAAO, Anchorage, Alaska

2001 Seminar on Partial Interest Valuation – Divided; sponsored by Appraisal Institute of Alaska, Anchorage, Alaska

2001 Seminar on Partial Interest Valuation – Undivided; sponsored by Appraisal Institute of Alaska, Anchorage, Alaska

2000 Standards of Professional Practice, Part C, sponsored by Appraisal Institute of Alaska, Anchorage, Alaska

1999 On-Line Residential Design and Functional Utility, sponsored by Appraisal Institute, Chicago, IL

## QUALIFICATIONS

MICHAEL C. RENFRO pg. 2

### EDUCATION (Continued):

- 1997 IAAO Course 311: Residential Modeling Concepts, sponsored by the Alaska Association of Assessing Officers, Anchorage, Alaska
- 1995 Standard of Professional Practice, Course 410 & 420, sponsored by the Appraisal Institute, Anchorage, Alaska
- 1995 IAAO Course 630: Personal Property Auditing, sponsored by the Alaska Association of Assessing Officers, Anchorage, Alaska
- 1994 Valuing Property Affected by Environmental Contamination sponsored by the International Association of Assessing Officers, Seattle, Washington
- 1993 IAAO Course 301: Mass Appraisal of Residential Property, sponsored by the Alaska Association of Assessing Officers, Anchorage, Alaska
- 1993 IAAO Course 1: Fundamentals of Real Property Appraisal, sponsored by the Alaska Association of Assessing Officers, Prudhoe Bay, Alaska
- 1993 IAAO Course 4: Assessment Administration, sponsored by the Alaska Association of Assessing Officers, Anchorage, Alaska
- 1991 An Introduction to the Appraisal of Conservation Easements and Restricted Lands, sponsored by the Lincoln Land Institute, Phoenix, Arizona
- 1991 Valuation of Wetlands, sponsored by the Alaska Association of Assessing Officers, Fairbanks, Alaska
- 1991 Valuation Of Contaminated Properties and the Effect On Assessed Values, sponsored by the Alaska Association of Assessing Officers, Fairbanks, Alaska
- 1991 Standards of Professional Practice, sponsored by the Appraisal Institute, Anchorage, Alaska
- 1989 Seminar, The Appraisal of Possessory Interests for ad valorem tax purposes sponsored by the Alaska Association of Assessing Officers
- 1989 ANSCA 1991 Amendments workshop sponsored by the Alaska Association of Assessing Officers
- 1989 Seminar, Methods and Techniques Appropriate for the Development of a True Computer Assisted Mass Appraisal System for Commercial Properties and the Usefulness of a Graphic Information System.

**MICHAEL C. RENFRO pg. 3**

**EDUCATION (Continued):**

- 1987 Cash Equivalency Seminar sponsored by the American Institute of Real Estate Appraisers
- 1983 Condominium Seminar, Society of Real Estate Appraisers
- 1979 Attended Society of Real Estate Appraisers' Narrative Report Writing Seminar
- 1979 Completed Society of Real Estate Appraisers R-2 (Residential Narrative) Examination
- 1972-1974 Western State College of Colorado, Degree Bachelor of Arts in Business Administration
- 1971 Completed Course 1A, "Real Estate Appraisal" Basic Principles, Methods and Techniques, American Institute of Real Estate Appraisers, Chicago, Illinois
- 1966-1968 Drake University, Des Moines, Iowa

**EXPERIENCE:**

- 2019-Present Appraiser, Appraisal Company of Alaska, LLC Owner
- 1976-2019 Appraiser, Appraisal Company of Alaska, LLC Owner/Partner
- 1974-1976 Real Estate Appraiser with Gebhart and Peterson, Inc.
- 1969-1971 Staff Real Estate Appraiser with Alaska Mutual Savings Bank

**PROFESSIONAL AFFILIATIONS:**

Residential Real Estate Appraiser; State of Alaska Certificate No. APRR-114

Alaska Association of Assessing Officers, Alaska Certified Assessor Appraiser, Level II - Certificate No. 129

International Association of Assessing Officers

**OTHER:**

Past member of the Matanuska Susitna Borough Board of Equalization

Qualified as an expert witness in the State of Alaska Superior Court and the United States Federal Court

## QUALIFICATIONS OF APPRAISER

ADAM B. VERRIER

### EDUCATION:

- 2012-2023 Continuing Education USPAP Update Courses Alaska Chapter of the Appraisal Institute, Anchorage, Alaska
- 2011 Loss Prevention for Real Estate Appraisers – Liability Administrators Insurance, Santa Barbara, CA
- 2011 Uniform Standards of Professional Appraisal Practice Update - William King & Associates, Federal Way, WA
- 2011 Energy Efficient Heating & Hot Water – Alaska Craftsman Home Program, Anchorage, AK
- 2011 Energy Efficient Lighting & Appliances – Alaska Craftsman Home Program, Anchorage, AK
- 2011 Ventilation in Homes – Alaska Craftsman Home Program, Anchorage, AK
- 2011 Energy Efficient Doors & Windows – Alaska Craftsman Home Program, Anchorage, AK
- 2011 Building Science Basics – Alaska Craftsman Home Program, Anchorage, AK
- 2011 Air Tightness in Homes – Alaska Craftsman Home Program, Anchorage, AK
- 2011 Ice Dams – Alaska Craftsman Home Program, Anchorage, AK
- 2009 Introduction to Valuing Green Buildings - Appraisal Institute, Chicago, IL
- 2009 Valuation of Green Residential Properties – Appraisal Institute, Chicago, IL
- 2009 Eminent Domain and Condemnation - Appraisal Institute, Chicago, IL
- 2009 Uniform Standards of Professional Appraisal Practice Update - William King & Associates, Federal Way, WA
- 2007 Course 400: USPAP Update Course – Alaska Chapter of the Appraisal Institute; Anchorage, Alaska
- 2005 Course 400: USPAP Update Course – Alaska Chapter of the Appraisal Institute; Girdwood, Alaska
- 2005 Rates & Ratios: Making Sense of GIMs, OARs, and DCF – Alaska Chapter of the Appraisal Institute; Girdwood, Alaska

**QUALIFICATIONS (PAGE 2)**  
**ADAM B. VERRIER**

**EDUCATION**  
**CONTINUED:**

- 2005 Residential Design & Functional Utility – Appraisal Institute; Chicago, Illinois
- 2005 The Professional's Guide to the Uniform Appraisal Report – Appraisal Institute; Warwick, Rhode Island
- 2002 IAAO Course 102 – The Income Approach to Valuation; Anchorage, Alaska
- 2001 The Technical Inspection of Real Estate - The Beckman Company; Anchorage, Alaska
- 2000 IAAO Course 400 – Assessment Administration; Anchorage, Alaska
- 2000 Introduction ACCESS 2000; Anchorage, Alaska
- 2000 IAAO Workshop 151 - Standards of Practice and Professional Ethics; Durham, New Hampshire
- 2000 IAAO Workshop 155 - Depreciation Analysis; Durham, New Hampshire
- 1999 IAAO Course 300 - Fundamentals of Mass Appraisal; Anchorage, Alaska
- 1999 Real Estate Appraisal - Case Studies, University of Alaska; Anchorage, Alaska
- 1998 Real Estate Appraising, University of Alaska, Anchorage, Alaska
- 1993 B.A. Psychology, University of Wyoming, Laramie, Wyoming

**EXPERIENCE:**

- 1998 to  
Present Residential Real Estate Appraiser; Assessor; Appraisal Company of Alaska
- 1997 Construction Contractor Assistant; Ed Sanderson, Anchorage, Alaska

**PROFESSIONAL AFFILIATIONS:**

- Alaska Association of Assessing Officers; Alaska Certified Assessor Appraiser Level III; Certificate #194
- Certified Residential Real Estate Appraiser, State of Alaska Board of Certified Real Estate Appraisers; License #326
- Member, U.S. Ski Team 1994-1995
- Member, U.S. Olympic Ski Team, 1994 Olympics, Lillehammer, Norway

**QUALIFICATIONS OF  
ARNE G. ERICKSON**

---

**EDUCATION:**

- 2008 Course Completion - Fundamentals of Real Property Appraisal.  
Sponsored/conducted by AAAO.
- 2002 to  
Present Appraisal Company of Alaska; Assessing Department
- 1983 Masters of Urban & Regional Planning; Eastern Washington University
- 1996 to  
1997 Appraisal Company of Alaska; On-the-Job Training
- 1975 to  
1980 Alaska Municipal League Sponsored Municipal Assessment Courses
- 1974 Bachelor of Arts – Community Planning; Eastern Washington University
- 1972 Bachelor of Arts – Political Science and Economics; University of Alaska

**EXPERIENCE:**

- 2002 to  
Present Municipal Assessor; Appraisal Company of Alaska
- 1997-2002 Community Development Director; Bristol Bay Borough
- 1996-1997 Municipal Assessor; Appraisal Company of Alaska
- 1996-1990 EMS/HHS Coordinator; City of Unalaska, Alaska
- 1990-1983 Director of Planning; City of Unalaska, Alaska
- 1982- 1983 Assistant County Planner; Franklin County, Washington
- 1980-1982 Research Fellowship/Lecturer; Eastern Washington University
- 1975-1980 Administrative Assistant; Bristol Bay Borough
- 1974-1975 County Planner; Franklin County, Washington
- 1974 Community Planner; City of Winthrop, Washington
- 1966-1969 United States Lieutenant – Forward Support Platoon Leader

## Qualifications of

### Martins Onskulis

#### **PROFESSIONAL SUMMARY**

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I am a recent graduate from the University of Alaska Anchorage with Master's in Business Administration – Statistics/DataAnalytics and with a bachelor's degree in aviation and Business Administration and additionally being the captain of the University Ski Team. I am an active volunteer for many organizations helping people in rural Alaska. I'm well-versed in negotiations, planning and development, relationship management, operations, and logistics coordination and scheduling. I am a hard worker, passionate skier, and amateur hockey player. Throughout my college and athletic career, I have learned the importance of hard work, honesty, and being grateful for what I have. Those principles and values have helped me to succeed in athletics and college. Since the age of 16, I have spent every summer working many different jobs, which has provided me with vast experience of problem-solving in ever-changing environments. In the past I have worked as a Management Intern at the Merrill Field Airport, where I gained practical skills, as well as a nuts & bolts perspective of what it takes to operate an airport. Currently I am working as an Assessor at Appraisal Company of Alaska and Alpine Ski Coach for Alyeska Ski Club.

#### **PROFESSIONAL EXPERIENCE**

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*FIS U19 Alpine Coach, 09/2019 to current*

- Responsible for each athlete's development to her/his full potential by offering an appropriate blend of guided free- skiing, skill enhancement, technical improvement, and racecourse tactics in an atmosphere of fun and encouragement. Other tasks include creating outstanding citizens and expert, versatile skiers who would eventually become outstanding racers. Areas of focus include mental/physical preparation and course tactics.

#### **APPRAISAL COMPANY OF ALASKA - ANCHORAGE**

*Assessor Trainee/Intern, 09/2018 to 09/2019; Assessor 09/2019 to current*

- Responsible for determination of the taxability and value of properties, field inspection, structural measurement, calculation, sales analysis, market trend studies, and income and expense analysis. I am also responsible for preparing and maintaining current data on each parcel assessed, including maps of boundaries, inventories of land and structures, property characteristics, and any applicable exemptions. GIS mapping and analysis.

#### **MERRILL FIELD AIRPORT - ANCHORAGE**

*Management Intern, 05/2017 to 08/2017*

- I worked on multiple tasks, projects, and activities. Most of the projects and activities can be divided into daily tasks that involve office work, and the on-site activities. The description of my work, activities, and assignments existed from; observing and researching, developing new ideas and suggestions, assisting office staff with many activities, and attending meetings.



### **LLC SANITEX - RIGA**

*Plumber, 07/2016 to 07/2016*

- Responsible for installing and repairing water supply lines, waste disposal systems, and related appliances and fixtures.

### **LLC BILD - RIGA**

*Equipment Manager, 05/2016 – 06/2016 and 05/2015 – 07/2015*

- Responsible for planning, coordinating and directing the operations of all equipment for effective maintenance and repair programs, equipment safety programs and equipment use on company jobsites.
- Part time technical adviser on all equipment issues and assists the management team with equipment budgets and potential equipment purchases.

### **LLC ABRASIV – RIGA**

*Asphalt Paver, 06/2011 – 08/2011*

- Responsible for placing the asphalt in hoppers or tanks.
- Monitor the machine's settings and the asphalt temperature.

### **LLC ABRASIV – RIGA**

*Asphalt Paver, 06/2010 – 08/2010*

- Responsible for loading equipment and materials on trucks at the end of the day.
- Set up the equipment as needed, inspect it, clean it and perform routine maintenance or minor repairs.
- Responsible for traffic control, using flags or signs to direct traffic around the work area.

### **LLC ABRASIV – RIGA**

*Paver, 06/2009 – 08/2009*

- Responsible for repairing and framing the work area.
- Inspect the ground for instability and, drain weak, soaked soils.
- Cutting and setting of the segments, correct spacing and alignment.

### **EDUCATION**

---

*Master's in Business Administration, Business Intelligence and Business Analytics, May - 2020*

- GPA: 3.92/4.0
- Member of University Ski Team

*Bachelor of Science in Aviation Management and Business Administration, May – 2018*

- GPA: 3.65/4.0
- Member of University Ski Team

### **VALMIERA STATE GYMNASIUM – VALMIERA, LATVIA**

*High School Diploma, May – 2012*

- GPA: 3.84/4.0
- Member of Soccer Team
- President of the Student Union

## **CERTIFICATION**

---

- USSA Alpine Level 200 Coach
- USSA Alpine Competition Official Level 1
- USSA Alpine Referee Level 1
- Basic Appraisal Procedures
- Trainee Appraisal Course
- Basic Appraisal Principles
- 15-Hour Equivalent USPAP Course
- Certified Level 1 Appraiser (Alaska Association of Assessing Officers; Certificate 295)

## **ACCOMPLISHMENTS**

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- Member of Latvian National Men's Alpine Ski Team
- Participated in Winter Olympic Games in Sochi 2014.
- Participated in World Championships in Schladming 2013, Austria, World Championships in Beaver Creek 2015, USA. And many higher-level competitions.
- Volunteer for Alaska Special Olympics, Crow Creek Pass Run, Iditarod Dog Sled Race, Ski4Kids and SkiKu skiing program (around 340 hours). Most of the volunteering activities include North Slope communities – Barrow, Anaktuvuk Pass, and other places.

## **PRIMARY STAFF FOR HAINES BOROUGH ASSESSMENT PROJECT**

**LEAD APPRAISER:** Michael C. Renfro – Supervisor/Valuations

**STAFF:** Arne Erickson – Field Work/Valuations

Martins Onskulis – Field Work/CAMA Systems

Sara Moore – Records Support for CAMA System

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Michael Renfro, Arne Erickson and Martins Onskulis will be available for the 2024 BOE.

## STATEMENT OF EXPERIENCE

The Appraisal Company of Alaska is a full service statewide real estate appraisal company that has been in business since 1976 under the current owner. The principal is Michael C. Renfro.

In addition to complete fee appraisal services on a statewide basis, the Appraisal Company of Alaska, under the direction of Michael C. Renfro, is the only firm in the state that maintains full-time ad valorem staff providing contract assessment and related appraisal services to communities throughout the state.

Appraisal Company of Alaska has, over the past 30 years, worked in all areas of the assessment field for twelve different communities and boroughs throughout the state of Alaska.

Appraisal Company of Alaska's areas of expertise range from field and construction inspections, valuations for difference communities and personal property assessment and valuations, including the Bristol Bay and Dillingham Drift Net fleets. In addition, we provide valuable expertise in Municipal valuation and lands issues with the addition of Arne Erickson, a graduate urban planner with past experience as the planner for the City of Unalaska and the Bristol Bay Borough.

As the assessment department is a major portion of our overall business, the staff and manager participate in continuing education in the ad valorem field to stay abreast of current technological changes. These include membership in the International Association of Assessing Officers (IAAO), the Alaska Association of Assessing Officers (AAAO) and the State of Alaska licensing program for real estate appraisers.

Michael C. Renfro is the overall General Manager and supervisor of the Ad Valorem department.

In addition, the Appraisal Company of Alaska has installed the ALASKA CAMA COMPANY, CAMA System in eight communities in the state.

As part of our statewide service, the Appraisal Company of Alaska maintains databases in the following communities, which are outside our principal areas of operation in Anchorage, Eagle River, Girdwood, Whittier and the Matanuska Susitna Valley:

1. All of the North Slope Borough including Barrow, Wainwright, Pt. Hope, etc.
2. Kotzebue
3. Nome
4. Unalaska and other Western Alaska, and Aleutian Communities
5. Dillingham
6. Bristol Bay Borough, Naknek and King Salmon
7. Valdez
8. Cordova
9. Yakutat
10. Wrangell
11. Petersburg

All of these communities and areas are serviced out of our Anchorage office.

The Appraisal Company of Alaska's main office is located in Anchorage, Alaska. The staff includes 10 full time and part time staff, appraisers and assessors. The office is automated with up to date computer systems and software. We use a la Mode (Wintotal) residential appraisal software with the Mercury Data system. We are completely EDI capable. The office runs on Microsoft software and ALASKA CAMA Company, CAMA software. To service our rural customers the Company maintains an in-state (800) number (1-800-478-4787).

## **VALUATION METHOD**

At the award of the contract, the Appraisal Company of Alaska staff will review the 2023 sales ratio study to determine the level of assessment. Based on this study, the staff will determine those areas and type (residential by neighborhood, vacant land, industrial and commercial) of property which fall outside the acceptable valuation parameters.

The appropriate adjustments will be applied to raise or lower these values as determined by the sales ratio study. At the start of Appraisal Company of Alaska's tenure as Contract Assessor for The Borough, we will begin collecting data for our ongoing sales ratio analysis. The sales ratio analysis will be researched and updated throughout our tenure as Borough Assessor and will be used to verify and adjust the assessment ratio. The method of valuation based on the Sales Ration Study is the Market driven cost approach using the Marshall & Swift valuation tables and multipliers.

For 2024 due to limited time to print and mail notices, The Appraisal Company will work with the Borough Staff to identify issues in 2023. We will work to correct as many of these issues as possible and be available to communicate with the public. Prior to submitting this proposal, we have had several discussions with the Borough staff to identify the assessment issues.

## **FINANCIAL RESOURCES AND CERTIFICATE OF INSURANCE**

The Appraisal Company of Alaska has been in business since 1976. All of our banking has been is now with Wells Fargo Bank. For verification of our credit worthiness or additional financial information regarding Appraisal Company of Alaska, call Michael C. Renfro at (1-800) 478-4787 If required, I will provide financial statements for Appraisal Company of Alaska but not for public disclosure. In the pas 40 plus years, the Company has completed all assessment assignments for up to twelve communities per year for the bid amount.

A certificate of insurance will be provided at the acceptance of this proposal.

### RELEVANT WORK AND REFERENCES

Following are references from the various communities in which Appraisal Company of Alaska has performed assessment work and CAMA installation and conversion over the years. In each of these communities the Appraisal Company has also performed additional appraisal assignments.

CITY	ASSESEMENT REAL	PERSONAL PROPERTY	FEE APPRAISALS	INSURANCE VALUATION
Unalaska	X		X	X
Bristol Bay Borough	X	X	X	X
North Slope Borough	X	X		X
Valdez	X		X	X
Wrangell	X		X	X
Petersburg	X		X	X

\*North Slope Borough has their own in house CAMA System.



## REFERENCE

NAME OF CITY: City of Unalaska  
CONTACT PERSON: Marjorie Veeder, Assistant City Manager  
PHONE NUMBER: (907) 581-1252  
MAILING ADDRESS: P.O. Box 610 - Unalaska, Alaska 99685-0610  
DATES OF CONTRACTS: 1986 through 2024  
NUMBER OF PARCELS: 932

DESCRIPTION OF WORK: Complete assessment duties including a reinspection of all improved parcels over the past six years. In addition, we have installed and updated the assessment rolls to a CAMA System. Additional services have included business personal property valuation (now done by the City staff), designing business personal property return forms. We have also completed substantial title research to update property records for both taxable and exempt properties.

Today the City runs their own GIS system and has developed a custom tax roll program that interfaces with Microsoft Access.



**REFERENCE**

NAME OF CITY: Bristol Bay Borough  
CONTACT PERSON: Stephen Wilson, Finance Director  
PHONE NUMBER: (907) 246-4224  
MAILING ADDRESS: P.O. Box 189 - Naknek, Alaska 99633  
DATES OF CONTRACTS: 1987 through 2024  
NUMBER OF PARCELS: 1,881

DESCRIPTION OF WORK: Complete assessment duties including a reinspection of all improved parcels. We have assisted in the computerization of the tax roll for both real and personal property. In addition, we have printed and mailed the assessment notices and bills for two years during personnel transition. Additional services have included assisting the reinventory of all boats and the development of a standard boat valuation format, personal property valuation and use of the ALASKA CAMA COMPANY, CAMA Systems for real property valuation.

**REFERENCE**

NAME OF CITY: City of Valdez  
CONTACT PERSON: Barb Rusher, Comptroller  
PHONE NUMBER: (907) 835-4313  
MAILING ADDRESS: P.O. Box 307 - Valdez, Alaska 99686  
DATES OF CONTRACTS: 1982 through 2024  
NUMBER OF PARCELS: 2,440

DESCRIPTION OF WORK: Complete assessment duties including four complete revaluations. Over the years, we have completely reinspected all the improved parcels and rewritten most of the assessment cards, now converted to the ALASKA CAMA COMPANY, CAMA System.

**REFERENCE**

NAME OF CITY: North Slope Borough  
CONTACT PERSON: Mari Moore, Assessor  
PHONE NUMBER: (907) 561-5144  
MAILING ADDRESS: P.O. Box 69 - Barrow, Alaska 99723  
DATES OF CONTRACTS: 1980 through 2024  
NUMBER OF PARCELS: 5,348

DESCRIPTION OF WORK: Complete assessment duties including complete revaluations. Over the years we have reinspected all of the improved parcels and rewritten most of the assessment cards and the conversion of these cards to the Patriot CAMA System. Other duties include personal property valuations, review of all AS 43.56 properties within the Borough and insurance valuations of all Borough owned real property for Lloyds Insurance Group – London, England. We have become fully versed in the Borough Patriot CAMA valuation system.

**REFERENCE**

NAME OF CITY: City of Wrangell  
CONTACT PERSON: Mason Villarma, Financial Director  
PHONE NUMBER: (907) 874-2381  
MAILING ADDRESS: P.O. Box 531 - Wrangell, Alaska 99929  
DATES OF CONTRACTS: 1990 through 2024  
NUMBER OF PARCELS: 2,562

DESCRIPTION OF WORK: Work has included reinspection of all the Wrangell real property and several revaluation cycles. Also included was tracking sales during the closure of the Wrangell Lumber Mill, the largest local employer. We helped to develop an interface between the tax roll and the Accounting System. Also converted all assessment records to the ALASKA CAMA COMPANY, CAMA System.

### COST PROPOSAL

The following fee schedule is a not-to-exceed cost per year to include all expenses and the Board of Equalization.

Year	Assessments	
2024	Update/BOE	\$50,000
2025	Update/Revalue	\$100,000
2026	Update/Revalue	\$75,000

#### Ownership of Work Products:

Ownership of all work products will be the Haines Borough.

## SIGNIFICANT ENGAGEMENTS

### City of Unalaska:

Scope	Date	Consultants	Contact
Assessments Valuation CAMA System installation	1986/Present	None	Majorie Veeder (907) 581-1251

### North Slope Borough:

Scope	Date	Consultants	Contact
Assessments Insurance Valuations	2000/Present	None	Mari Moore (907) 852-0423

### City of Valdez:

Scope	Date	Consultants	Contact
Annual Revaluation CAMA System installation	1982/Present	Yes, Oil and Gas Properties	Barb Rusher (907) 835-4313

### City of Wrangell:

Scope	Date	Consultants	Contact
Assessments Revaluation Possessory Interest CAMA System installation	2000/Present	None	Mason Villarma (907) 874-2381

For 2024 the Appraisal Company will assist the Borough staff in updating the 2023 tax roll using the MARS CAMA program. We will review as many questioned properties as possible and be available to meet the public both before and after the assessment notices are sent out. Any changes to value will be supported by a complete sales ratio study. The Appraisal Company will have staff available to handle all the appeals, and we will meet with all appellants. We will coordinate and handle all appeals that go to the BOE. All work will be coordinated with the Borough staff.

If the Borough considers extending the contract for 2025, the Appraisal Company proposes the following.

The Appraisal Company will set up a systematic inspection schedule for all properties in the Borough. We will work with the staff throughout the year to field inspect as many properties as possible. We will update the MARS CAMA system and provide instruction to the staff on its use and operating system. All or any valuation changes will be based on an updated sales ratio study. In addition, we will work with Gary Greenburg to update the Borough's GIS system and parcel identification.

In 2026 the Appraisal Company will finish any work not completed in 2025. This also includes updating the MARS database. Continued instruction on the use of the MARS CAMA system with Borough Staff, and updating any valuations based on a current sales ratio study.

In every year the Appraisal Company staff will be available to meet with the public and represent the Borough at the annual Board of Equalization. Our goal is to assist the Borough in a systemic update of its assessment and assessing system. In addition to meeting with the Assembly and concerned citizens to answer questions about the assessment process and property valuations.



# Haines Borough

## Professional Services Agreement Assessment Services

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### **AGREEMENT BETWEEN OWNER AND CONSULTANT**

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This Agreement is effective **January 24, 2024** and is between the **Haines Borough**, a municipal corporation organized under the laws of the State of Alaska with its principal place of business at 103 Third Avenue S., Haines, Alaska 99827 (“the Borough”) and **Appraisal Company of Alaska LLC**, a company with its place of business at 405 W. 27<sup>th</sup> Ave., Anchorage, Alaska 99503 (“the Consultant”). The Borough and the Consultant are sometimes collectively referred to as “Parties.”

The Parties agree as set forth below.

#### Article I - Contract Documents

1.1 The Contract Documents consist of this Agreement, Appraisal Company of Alaska’s January 12, 2024 proposal, and all modifications issued after execution of this Agreement. The Contract Documents shall form the Contract and are fully incorporated into this Agreement, and shall be a part thereof as if fully set forth herein. If anything in the Contract Documents is inconsistent with this Agreement, the Agreement shall govern.

#### Article II - The Work

2.1 The Consultant shall provide consulting and administrative services for the ad valorem property tax assessments for the Haines Borough per the attached proposal.

#### Article III - Time of Commencement and Contract Term

3.1 1. Terms of Agreement. This Agreement shall commence as of **January 24, 2024**, and shall continue to and including **July 1, 2025**. This Agreement may automatically be **renewed year-to-year so long as mutually agreeable and subject to satisfactory contractor performance and funding availability**. Contract conditions and rates may be renegotiated prior to any contract renewal. Either party may cancel the written contract by providing a minimum 30-day notice, in writing, with or without cause.

#### Article IV - Cost of the Work

4.1 The Consultant agrees to submit periodic invoices for work performed. The Consultant agrees to a budget not to exceed \$50,000 for the contract term of January 24-June 30, 2024 and \$100,000 for the contract term of July 1, 2024-June 30, 2025. Invoices shall be payable by the Borough according to its regular accounts payable schedule.

4.2 Additional Costs. The Haines Borough shall be responsible to provide the use of a Borough vehicle, when available.

#### Article V - Changes in the Work

5.1 The Borough may make changes in the work as provided in the Contract Documents. The Consultant may be reimbursed for changes in the work on the basis of negotiations between the Borough and the Consultant. The Consultant may be reasonably compensated for profit and overhead on changed work items.





# Haines Borough

## Professional Services Agreement

### Assessment Services

#### Article VI - Subcontracts and Other Agreements

6.1 The Borough shall be notified in advance by the Consultant of any work being contemplated for assignment to any sub-Contractor and shall approve such tasks being contemplated prior to commencement of any sub-contractor work. The Borough reserves the right to reject or modify any sub-contract assignments, through direction to the Consultant.

6.2 All subcontracts shall conform to the requirements of the Contract Documents.

#### Article VII - Insurance

7.1 The Consultant and all subcontractors shall maintain the following types of insurance coverage and shall list the Haines Borough as an additional insured:

- a) General Liability
- b) Automobile Liability
- c) Errors & Omissions

#### Article VIII - Termination of Contract

8.1 The Borough retains the right to terminate the contract at any time for any reason, at the convenience of the Borough. If the Borough terminates the contract, it shall reimburse the Consultant for any unpaid cost of the work due. The Borough shall further assume and become liable for obligations, commitments, and unsettled claims that the Consultant has previously undertaken or incurred in good faith in connection with the work. The Consultant shall assign all interests or rights as the Borough may require for the purpose of vesting in the Borough the rights and benefits of the Consultant under such obligations or commitments.

#### Article IX - Miscellaneous Provisions

9.1 The Borough's representative under this agreement shall be the Borough Manager.

9.2 Consultant agrees to obtain and/or furnish to the Haines Borough a copy of its State of Alaska and Haines Borough business license.

9.3 This contract was approved by the Haines Borough Assembly per Resolution 22-12-1014 on January 23, 2024.

HAINES BOROUGH

CONSULTANT

\_\_\_\_\_  
Annette Kreitzer  
Borough Manager  
Date Signed \_\_\_\_\_

\_\_\_\_\_  
Michael C. Renfro, President  
Appraisal Company of Alaska, LLC  
Date Signed \_\_\_\_\_

Attest:

Alekka Fullerton, Borough Clerk



# 11A2

Agenda Bill No.: 24-1343  
 Assembly Meeting Date: 01/23/24

Business Item Description:	Attachments:
Subject: Hiring of Windward Strategies as federal lobbyist for Haines	1. Resolution 24-01-1085 2. Jay Sterne Bio 3. Jay Sterne Proposal
Originator: Manager	
Originating Department: Administration	
Date Submitted: 01/18/24	

**Full Title/Motion:**  
 Motion: Adopt Resolution 24-01-1085

**Administrative Recommendation:**

**Fiscal Impact:**

Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 36,000 + expenses	\$ 0	\$ 0	N/A

**Comprehensive Plan Consistency Review:**

Comp Plan Goals/Objectives:	Consistent: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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**Summary Statement:**

**Referral:**

Referred to:	Referral Date:
Recommendation:	Meeting Date:

**Assembly Action:**

Meeting Date(s): 01/23/24	Public Hearing Date(s):
	Postponed to Date:

**A Resolution of the Haines Borough Assembly Authorizing the Borough Manager to Enter into a Contract with Windward Strategies to Provide Federal Lobbying Services for \$36,000.**

**WHEREAS**, the existing Public Safety Building is in dire need of replacement; and

**WHEREAS**, the Haines Borough needs to use all available resources to obtain funding for its replacement; and

**WHEREAS**, the most likely avenue for funding the replacement of the public safety building will be a combination of federal and state funding; and

**WHEREAS**, the Haines Borough has other needs for which federal grant programs may be available; and

**WHEREAS**, the Haines Borough needs assistance securing funding for the Public Safety Building replacement among other projects; and

**WHEREAS**, Windward Strategies has indicated a willingness to work together with our State lobbyist to secure financing for the Haines Borough; and

**WHEREAS**, a contract to hire a lobbyist is exempt from the competitive sealed bid requirements of Haines Borough Code (HBC) section 3.60.090 since it is a contract involving the obtaining of professional or specialized services such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized; and

**WHEREAS**, there are sufficient, unbudgeted funds in the Economic Development Fund (Fund 23) to cover this professional services contract; and

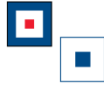
**NOW, THEREFORE, BE IT RESOLVED BY THE HAINES BOROUGH ASSEMBLY** that the Borough Manager is hereby authorized to enter into an annually renewable contract with Windward Strategies to provide federal lobbying services to the Haines Borough in the amount of \$36,000 plus expenses.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 23th day of January, 2024.

Attest:

\_\_\_\_\_  
Thomas C. Morphet, Mayor

\_\_\_\_\_  
Alekkka Fullerton, MMC, Borough Clerk



## WINDWARD STRATEGIES LLC

### **Jay Sterne**

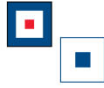
Jay Sterne has assisted clients for more than 27 years with a wide range of issues including fisheries, seafood, maritime, Arctic, natural resource, energy, environmental, and space policy matters. His work involves representation of private and public sector clients before Congress and the executive branch, including successful implementation of legislative and administrative strategies and coalition building. He also provides counsel on regulatory compliance matters in the seafood and fisheries industries, including compliance training seminars.

Prior to returning to the private sector, Mr. Sterne served for more than two years as a policy advisor to U.S. Senator Lisa Murkowski. In this capacity he had primary responsibility for fisheries, maritime, natural resource, environmental, and space policy matters. In addition to advising the Senator on these issues, his work included drafting legislation, preparing public speeches and statements, and representing the Senator throughout the state of Alaska. He also campaigned for Senator Murkowski during her historic 2010 write-in campaign.

Mr. Sterne founded and is President of Windward Strategies, where he focuses on representing public and private sector interests within the fisheries, seafood, energy, natural resources and aerospace sectors. He has worked for three national law firms, Verner Liipfert, Reed Smith, and Nossaman, gaining experience alongside some of the most accomplished practitioners in the field. In this capacity he teamed with two former Senate Majority Leaders, several former Governors, and a number of senior Executive Branch officials to represent domestic and foreign corporations, foreign governments, public entities, and non-profit organizations. Before entering the private sector, Mr. Sterne worked as Legislative Assistant to U.S. Representative Jolene Unsoeld (D-WA), handling her energy, natural resources, and fisheries issues.

He has served as pro bono counsel to the Cousteau Society, American Sail Training Association, and the Sea Education Association (SEA), where he also held the position of Trustee. He currently serves as a member of the Board for SEA in Woods Hole, MA, and the Coral World Ocean and Reef Initiative (CWORI) in St. Thomas, USVI.

J.D. – Washington & Lee University School of Law, 1993  
DC Bar – Active



## WINDWARD STRATEGIES LLC

### Proposal for the Haines Borough

January 10, 2024

#### Scope

Windward Strategies proposes to represent the Haines Borough on federal policy, legislative and regulatory matters related to securing federal funding to support community priorities.

Representation would cover the following:

1. Maintaining and further developing strong support from the Alaska Congressional delegation for the Borough's federal priorities;
2. Planning and coordinating meetings in DC for Borough officials;
3. Supporting the Borough's FY25 Congressionally Directed Spending Requests;
4. Lobbying other relevant House and Senate offices and Committees;
5. Lobbying executive branch officials to facilitate the delivery of federal funding or implementation of federal programs; and
6. Assisting the Borough with the development and implementation of strategies to achieve its economic development and community goals with respect to Congress and the executive branch.

#### Cost

- \$3000 flat monthly fee (out-of-pocket travel expenses outside the DC metro area, to be approved in advanced by the Borough)

#### Term

- January 1, 2024 through December 31, 2024
- Contract can be terminated with 30 days-notice, or extended by mutual agreement

#### Coordination

All lobbying activities to be coordinated and approved by officials designated by the Haines Borough.



# 11A3

Agenda Bill No.: 24-1344

Assembly Meeting Date: 01/23/24

Business Item Description:	Attachments:
Subject: Hiring of Theodore W. Popely State lobbyist for Haines	1. Resolution 24-01-1086 2. Theodore Popely Proposal
Originator: Manager	
Originating Department: Administration	
Date Submitted: 01/18/24	

Full Title/Motion:
Motion: Adopt Resolution 24-01-1086

Administrative Recommendation:

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 48,000 + expenses	\$ 0	\$ 0	N/A

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

Summary Statement:

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

Assembly Action:	
Meeting Date(s): 01/23/24	Public Hearing Date(s):
	Postponed to Date:

**A Resolution of the Haines Borough Assembly Authorizing the Borough Manager to Enter into a Contract with Theodore W. Popely, PC to Provide State Lobbying Services for \$48,000.**

**WHEREAS**, in 2021, 2022, and 2023 the Haines Borough hired Theodore W. Popely, PC (Popely) to provide lobbying services and advocate for the Haines Borough; and

**WHEREAS**, the previous contracts were annual; and

**WHEREAS**, the current proposal is for an annually renewable contract which would be renewed up to three times based upon a satisfactory review by the manager, and subject to available funding; and

**WHEREAS**, a contract to hire a lobbyist is exempt from the competitive sealed bid requirements of Haines Borough Code (HBC) section 3.60.090 since it is a contract involving the obtaining of professional or specialized services such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized; and

**WHEREAS**, Popely was instrumental in successfully securing \$3.2 Million for the state match for our RAISE Grant for Lutak Dock; and

**WHEREAS**, there are sufficient, unbudgeted funds in the Economic Development Fund (Fund 23) to cover this professional services contract; and

**NOW, THEREFORE, BE IT RESOLVED BY THE HAINES BOROUGH ASSEMBLY** that the Borough Manager is hereby authorized to enter into an annually renewable contract with Theodore W. Popely, PC to provide lobbying services to the Haines Borough in the amount of \$48,000.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 23th day of January, 2024.

\_\_\_\_\_  
Thomas C. Morphet, Mayor

Attest:

\_\_\_\_\_  
Alekkka Fullerton, MMC, Borough Clerk



THEODORE W. POPELY, PC  
GOVERNMENTAL AFFAIRS  
CONSULTING • ATTORNEY AT LAW

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645 G STREET NUMBER 524 ANCHORAGE, ALASKA 99501 • 907 351 2210 • ted@tedpopely.com

January 15, 2024

Haines Borough Assembly Members  
P.O. Box 1209  
Haines, Alaska 99827

***RE: Lobbying Proposal for Alaska, 2024***

Dear Members of the Assembly:

Please consider the following proposal for a professional services engagement in 2024.

*Introduction*

The Haines Borough seeks to retain a government relations consultant to pursue funding for various capital projects within the Borough of Haines, and for other matters of importance to be determined by the Borough government. Theodore W. Popely, PC has been operating under a 2023 contract which expired on December 31. Darwin Peterson is a valued associate member of our firm. His assistance has been instrumental in achieving our funding requests. He will continue to assist as we go forward in 2024.

*Professional Background*

Theodore W. Popely, PC has been one of Alaska's most successful lobbying practices for over 17 years. With the addition of Darwin Peterson to the team, we share over 50 years of experience working in the halls of State government in Juneau. Prior to lobbying, Mr. Popely served as Chief Legal Counsel for the Alaska Legislature for over 13 years. Mr. Peterson has worked as Legislative Director under former Governor Bill Walker, and has worked for the Senate Finance Committee, as well as Chief of Staff for current Senate Finance Co-Chair Bert Stedman and for current Finance Committee member Senator Click Bishop.

Our longstanding professional and personal relationships with key policymakers substantially augment our lobbying efforts. Our existing workload brings us into contact with policymakers on a daily basis. We have earned and enjoy a reputation for seniority, credibility and hard work. Our clients' interests come first, and we pride ourselves on achieving their goals.

*Strategic Approach*





THEODORE W. POPELY, PC  
GOVERNMENTAL AFFAIRS  
CONSULTING • ATTORNEY AT LAW

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645 G STREET NUMBER 524 ANCHORAGE, ALASKA 99501 • 907 351 2210 • ted@tedpopely.com

Pursuant to the prior Resolution of Haines Borough priorities, we successfully obtained \$3.2 Million in the State's Capital budget in matching funds for the Lutak dock restoration project. We will seek additional funds through the State budget process for other projects in the Borough, including funding for a new public safety building, if that is the will of the Assembly and the Borough Administration. There are several avenues for funding, all of which will be pursued under the Agreement. In addition, as new issues affecting Haines emerge, we will be available to assist and advocate as directed.

Ultimately, we will pursue whatever the Borough determines its priorities to be. Whether that be funding or other policy matters, the role of the lobbyist under contract is to take direction from the Borough, and to engage accordingly to meet those goals.

If funding for Borough projects is sought, our first priority will be to engage with members of the Senate and House Finance Committees as soon as possible. The Legislative session begins on January 16, and Committee members and staff are already putting together their budget priorities. It will be critical to engage with members on our project goals as soon as we can.

The purpose of this outreach is to gain support from the Finance Committee members early in the 2024 legislative session for capital budget appropriations beneficial to Haines.

Those conversations with Legislators will be a combination of one-on-one meetings as well as group meetings scheduled to include Haines as appropriate, and when availability permits. Senator Kiehl and Representative Story will be kept apprised of all our work and will be invited to join any appropriate group meetings. Regular contact with key legislators and their staff will be ongoing as the legislative session progresses to maintain their support as the budget is crafted.

Both Co-Chairs and their staff will be fully educated that ours are worthy projects, and that they fit very squarely within the infrastructure and capital project priorities for Alaska. As federal infrastructure monies are directed to the State and allocated accordingly, we will position ourselves for full consideration, in addition to any and all traditional funding methods in play.

We will coordinate with you to obtain and memorialize community support for presentation to the Legislature at appropriate times. Keeping our Senator and Representative apprised and educated will be key, as evidenced with our prior funding efforts, where their advocacy helped ensure success.

*Retainer Terms*



THEODORE W. POPELY, PC  
GOVERNMENTAL AFFAIRS  
CONSULTING • ATTORNEY AT LAW

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645 G STREET NUMBER 524 ANCHORAGE, ALASKA 99501 • 907 351 2210 • ted@tedpopely.com

The engagement would constitute an annual Agreement to be compensated at \$48,000 for the 2024 calendar year. The Agreement would conclude on December 31, and be subject to continuing annual renewal contracts, as determined by the parties to this Agreement. I will cover all of the costs to be in Juneau for the legislative session, including travel, meals and lodging. The Agreement would begin on the date the parties complete the required lobbying registration pursuant to APOC statutes and regulations.

The question was raised about whether to retain lobbyists on a year-round basis. It's within the discretion of the Borough to do so. Virtually all Alaska lobbying engagements run throughout the year. The primary benefit is that your lobbyist will not be precluded under state law from communicating with important public officials during the off-season, which is a common occurrence. If the contract terminates before the end of the year, a lobbyist is not permitted to communicate with any public official on your behalf after the contract terminates.

Conclusion

It has been a privilege to serve the Haines Borough as your lobbyists. Our experience and attention to detail are unmatched, and we will bring all of our combined experience to bear in pursuing your stated goals, should you decide to retain us in 2024.



# 11A4

Agenda Bill No.: 24-1345

Assembly Meeting Date: 01/23/24

Business Item Description:	Attachments:
Subject: Hiring of Reid Harris, Harris Advocacy, State lobbyist for Haines	1. Resolution 24-01-1087 2. Reid Harris Proposal
Originator: Manager	
Originating Department: Administration	
Date Submitted: 01/18/24	

Full Title/Motion:
Motion: Adopt Resolution 24-01-1087

Administrative Recommendation:

Fiscal Impact:			
Expenditure Required	Amount Budgeted	Appropriation Required	Projected Impact to Future Operating Budgets
\$ 36,000 + expenses	\$ 0	\$ 0	N/A

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

Summary Statement:

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

Assembly Action:	
Meeting Date(s): 01/23/24	Public Hearing Date(s):
	Postponed to Date:

**A Resolution of the Haines Borough Assembly Authorizing the Borough Manager to Enter into a Contract with Reid Harris, Harris Advocacy to Provide State Lobbying Services for \$36,000.**

**WHEREAS**, the Haines Borough is in need of a State Lobbyist for 2024 Reid Harris, Harris Advocacy has provided a proposal to provide lobbying services and advocate for the Haines Borough; and

**WHEREAS**, the previous contracts were annual; and

**WHEREAS**, the current proposal is for an annually renewable contract which would be renewed up to three times based upon a satisfactory review by the manager, and subject to available funding; and

**WHEREAS**, a contract to hire a lobbyist is exempt from the competitive sealed bid requirements of Haines Borough Code (HBC) section 3.60.090 since it is a contract involving the obtaining of professional or specialized services such as, but not limited to, services rendered by architects, attorneys, engineers, and other specialized; and

**WHEREAS**, there are sufficient, unbudgeted funds in the Economic Development Fund (Fund 23) to cover this professional services contract; and

**NOW, THEREFORE, BE IT RESOLVED BY THE HAINES BOROUGH ASSEMBLY** that the Borough Manager is hereby authorized to enter into an annually renewable contract with Harris Advocacy, to provide lobbying services to the Haines Borough in the amount of \$36,000.

Adopted by a duly-constituted quorum of the Haines Borough Assembly on this 23th day of January, 2024.

Attest:

\_\_\_\_\_  
Thomas C. Morphet, Mayor

\_\_\_\_\_  
Aleka Fullerton, MMC, Borough Clerk

# HARRIS ADVOCACY

Haines Borough Assembly  
P.O. Box 1209  
Haines, AK 99827

January 17, 2024

Subject: Alaska Legislature Lobbying Proposal

Honorable Borough Assembly Members,

To help meet your government affairs objectives in Alaska I propose that the Haines Borough (“Borough”) retain Reid Harris/Harris Advocacy as your lobbyist and government affairs consultant. The specific services I offer are:

## **Legislative and Administrative Communication and Lobbying**

I will work with the Borough to implement its legislative strategy and communicate directly with legislators to gain support and maximize results. I will remain in constant contact with the Borough’s delegation during session to update them on Borough priorities and seek information on legislation that either helps or hinders the Borough. I will communicate with members of the Administration only as it pertains to legislation. I will communicate with the Borough as needed to share information and make strategic adjustments to react to new developments with the legislature and administration. I will not get “out in front” of the Borough in these efforts and will only directly lobby issues at the Borough’s specific direction.

## **Government Relations Strategy**

I will work with the Borough to implement a coordinated strategy to manage communications with the Alaska State Legislature and the administration. I will engage on agreed priorities—as directed by the Borough—including but not limited to:

- Capital projects (prior examples being the Borough’s DPS building and small boat harbor)
- Regional priorities (examples: AMHS vessel replacement and continued operational funding, other DOT operating and capital budget items, DEED public school funding and base student allocation, DFG hunting, fishing, and subsistence regulations)
- Economic development (including recreational opportunities) that are in line with the Borough’s most recent 5-Year Economic Development Plan.

130 Seward St., Ste. 505, Juneau, Alaska 99801  
206.465.7275  
reid@harrisadvocacy.com

- Relationship building, meeting coordination, and engagement on behalf of the Borough with key lawmakers (Southeast delegation, House and Senate leadership, Finance Committee members, other key committee members).

### **Regional Strategy**

If the Borough deems it beneficial, I will engage with other Southeast municipal and Tribal government lobbyists to create a regional workgroup that will meet periodically in Juneau—or at appropriate venues, such as Alaska Municipal League and Southeast Conference—to build a coalition that can promote the regional needs of Southeast communities on mutual goals including countering the amassing of political and economic power in the Railbelt region and collaborating on strategic issues specific to Southeast Alaska.

### **Research and Analysis**

I can obtain and provide analysis on legislative history, bill files, legal opinions, letters of support, agency reports, copies of testimony, and other information that can be useful to gain information about particular legislation or policy.

### **Political Advice**

I will keep the Borough informed regarding the political climate in Alaska. I will also provide updates on state-level legislative and gubernatorial elections as well as potential ballot measures that may affect the borough.

### **Cost**

The price of this contract is \$36,000 for the 2024 calendar year (terminating on December 31, 2024). Payment can be made lump sum or quarterly.

Thank you for the opportunity to represent the Haines Borough before the Alaska State Legislature.

Sincerely,

A handwritten signature in blue ink, appearing to read "Reid Harris", with a stylized flourish at the end.

Reid Harris/Harris Advocacy

# 11C1



**HAINES BOROUGH, ALASKA**  
**P.O. BOX 1209, HAINES, ALASKA 99827**  
Annette Kreitzer, Borough Manager  
907.766.6404 akreitzer@haines.ak.us

January 24, 2024

Willie G. Nunn  
Regional Administrator  
FEMA Region 10  
P.O. Box 10055  
Hyattsville, MD 20782-8055

Re: Eligibility Determination Memorandum Appeal, PA ID 100-99100-00,  
FEMA-4585-DR-AK, Project Worksheet (PW) 13 – Porcupine Trail Road

Dear Mr. Nunn,

This letter is in response to the eligibility determination memo (DM) dated December 21, 2023, and received via Grants Portal January 4, 2024. The Haines Borough (Applicant) presents this appeal to the Department of Homeland Security's Federal Emergency Management Agency (FEMA) in response to its denial of funding in the amount of \$1,435,834.75 for costs related to the repair of Porcupine Trail Road.

The DM contains broad generalizations unrepresentative of the project as a whole and unsubstantiated assumptions on which the denial is based. Though not clearly enumerated in the DM, the following claims of non-compliance appear to constitute FEMA's justification for the denial:

1. The work completed by the Applicant exceeded the agreed upon scope of work, and the extraneous work was completed without prior approval by FEMA. This point refers to the claim of road widening.
2. The work completed by a third party constituted a connected action and was completed without prior approval by FEMA. This point refers to alleged connected action work.
3. The work completed by a third party exceeded the agreed-upon scope of work and was completed without prior approval by FEMA. This point refers to assertion of Environmental & Historic Preservation (EHP) noncompliance.

In the following analysis, justification is provided rejecting the claims of the DM and supporting the position of the Applicant. Though the three claims are related and have areas of overlap, each

will be addressed individually to help clearly identify the flaws in FEMA’s determination of ineligibility.

### **FEMA Claim 1: Averred Road Widening**

FEMA claims the Applicant’s work exceeded the agreed-upon scope by widening the roadway beyond the approved 22-foot width. This supposed widening resulted in additional ground disturbance for which a change in scope of work request was not submitted to FEMA, thus depriving FEMA EHP of the opportunity to review for compliance with federal environmental and historic preservation requirements, particularly Section 106.

#### **Timeline of Applicable Events<sup>1</sup>:**

2/17/2021	Federal disaster declaration.
6/30/2021	Applicant expresses interest in performing permanent repairs to Porcupine Trail Road.
8/26/2021	FEMA performs initial site inspection for Porcupine Trail Road with Applicant and State of Alaska Representatives. During the inspection, FEMA takes all measurements for developing the Damage Description and Dimensions (DDD) captured in the Site Inspection Report (SIR).
7/14/2022	Applicant and State of Alaska DMVA (Recipient) submit SOW change request to separate Porcupine Trail Road into three phases.
7/20/2022	Consolidated Resource Center (CRC) and EHP comment on the SOW change request, stating Phase I work will “reestablish ditches and repair the surface of the roadway in the existing footprint.”
7/21/2022	FEMA requests clarification on limits of work for SOW change request that includes limits shown from back of existing ditch to back of existing ditch.
8/5/2022	FEMA sends letter to AK SHPO with determination of “No Adverse Effects to Historic Properties.”
8/9/2022	AK SHPO provides concurrence with FEMA finding “no historic properties adversely affected.”
10/21/2022	FEMA obligates \$1,398,659.75 for Phase I.
6/14/2023	Phase I reconditioning begins.
7/13/2023	Phase I reconditioning complete.
7/20/2023	The Applicant pays the Contractor in full for Phase I.
7/24/2023	FEMA receives email from Takshanuk Watershed Council (TWC) expressing concerns about Phase I work.
8/31/2023	FEMA performs follow-up site inspection for Porcupine Trail Road.
9/20/2023	FEMA EHP submits Request for Information (RFI) for Porcupine Trail Road.
10/10/2023	Applicant provides response to EHP RFI.
10/30/2023	FEMA informs the Applicant that the project funding will be deobligated.
12/12/2023	Porcupine Trail Road funding is deobligated.
1/4/2024	Applicant receives DM denying eligibility.

#### **Applicant’s Position:**

All Phase I work completed by the Applicant was within the agreed upon scope of work and did not increase the amount of ground disturbance. Inconsistent definitions, poor communication, repeated staff turnover within FEMA’s management team, and misunderstanding between



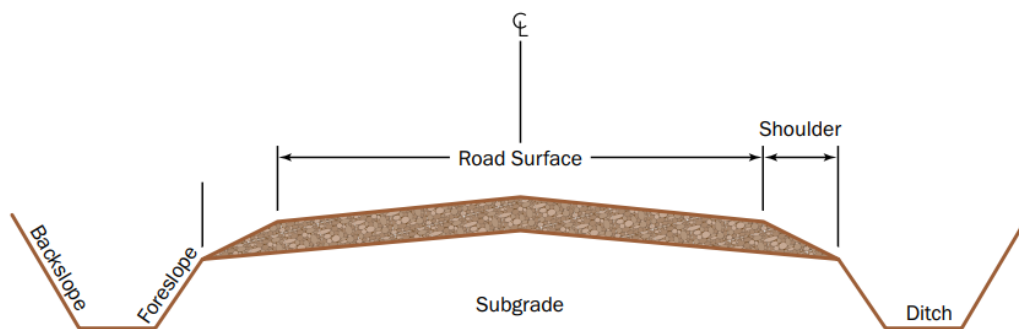
FEMA site inspectors and EHP resulted in EHP's erroneous analysis of the approved scope of work.

**Justification:**

The DM repeatedly references a road width of 22 feet, a measurement taken during the initial FEMA site visit and subsequently documented in the original site inspection report (SIR)<sup>2</sup>. EHP uses this 22-foot measurement as the basis for its SOW increase/road widening claim, an assumption that is invalid for several reasons:

1. This measurement was not performed by a licensed or qualified surveyor and should not be considered a baseline survey.
2. This measurement is a broad generalization of the SOW and is unrepresentative of the actual pre-existing site conditions. A gravel road is by nature unconfined, resulting in variable widths as determined by the construction equipment used, site constraints, materials available, and many other factors. Therefore, the single 22-foot measurement taken during the original SIR at one distinct location along a 7-mile road is not an accurate or representative measurement that can be applied to the entire road length.
3. This measurement in no way captures the entire agreed upon scope of work as identified in the FEMA SIR<sup>2</sup>, Applicant SOW documents<sup>3</sup>, or other project documentation. The 22-foot measurement taken during the original SIR only captured the road surface and did not incorporate the width of the shoulder or ditches. Several federal roadway standards<sup>4,5</sup> – including the FEMA PA policy guide<sup>6</sup> – draw a clear distinction between the width of the road surface, the width of the shoulder, and the width of the ditch; they are finite features (see figure below). This distinction is critical, because the measurements taken during the follow-up FEMA site visit and subsequently documented in the SIR<sup>7</sup> attached to the DM show all road surface measurements as *less than* 22 feet. The road could therefore only be interpreted as widened when the shoulder width is added to the road surface width.

FEMA's claim in the DM that *"the average width of the road (including the shoulders...) significantly increased the area of ground disturbance... beyond the FEMA approved scope of work"* relies on a broad generalization of the scope of work and makes an unsubstantiated assumption that the road surface includes the shoulders. This assumption not only defies industry standards of measurement, it goes against the definitions and distinctions put forth in FEMA's own policy guides.



**Source:** FEMA Hurricane and Flood Mitigation Handbook for Public Facilities - Fact Sheet 1.1: Road and Highway Surfaces

Additional justification for the Applicant can be found in email correspondence between the Applicant and FEMA<sup>8</sup> where it was clearly identified that the limits of work, as shown on the design drawings, included the 22-foot-wide road surfacing, variable width shoulder, and variable width ditches. It was also noted on the FEMA-approved plans that the existing road width varies. The Applicant also provided FEMA with documented correspondence between the Contractor and the Applicant<sup>9</sup> during bidding, where clarification was requested regarding the limits of work. The Applicant clearly outlines that the intent of the project is not to widen the road. “Our intent is for the reconditioned road surface to match the existing road surface up to 22 feet wide. Where the existing road surface is less than 22 feet wide, we do not intend to widen the [road] but recondition to match the narrower road.” The work completed did not require any structural fill or road base material and was limited to the reconstruction of the existing roadway.

**Conclusion:**

The Applicant believes EHP is erroneously claiming unapproved SOW changes in the form of a widened roadway in response to concerns raised by the public and the Chilkat Indian Village (Klukwan). The above analysis and provided documentation demonstrate not only that a SOW change did not occur, but that the Applicant understood and enforced construction of the existing SOW consistent with federal guidelines. Any compliance lapses concerning federal environmental and historic preservation requirements are the result of EHP’s misunderstanding of the scope of work. This is a shortcoming of EHP procedures and should not penalize the Applicant.

**FEMA Claim 2: Alleged Connected Action Work**

FEMA claims the Applicant allowed third-party work to be performed that qualified as a connected action. FEMA is responsible for reviewing connected actions associated with a proposed project, even if the connected action is independently funded.

**Timeline of Applicable Events:**

- 2/17/2021 Federal disaster declaration.
- 6/28/2021 Porcupine Trail Road is actively washing out.
- 6/30/2021 Applicant expresses interest in performing permanent repairs to Porcupine Trail Road.
- 7/5/2021 Temporary Emergency Bypass Road installed as Category B (Cat B) work.
- 8/26/2021 FEMA performs initial site inspection of Porcupine Trail Road with Applicant and State of Alaska Representatives. During the inspection, FEMA takes all measurements for developing the Damage Description and Dimensions (DDD) captured in the Site Inspection Report (SIR).
- 11/16/2021 Applicant provides memo on Haines Borough regular maintenance activities.
- 1/11/2022 Applicant confirms with FEMA the creation of the new temporary access road adjacent to Site 9 as part of Cat B work.
- 7/14/2022 Applicant and Recipient submit SOW change request to separate Porcupine Trail Road into three phases. Email chain shows archaeological site along Porcupine Trail Road is likely mapped in the wrong location.
- 1/20/2023 Applicant and Recipient submit SOW change request to increase funding to include Phases II and III construction.
- 5/31/2023 - Third-party work performed. Temporary emergency repair.
- 6/13/2023
- 6/14/2023 Phase I reconditioning begins.

7/13/2023	Phase I reconditioning complete.
8/31/2023	FEMA performs follow up site inspection for Porcupine Trail Road.
9/20/2023	FEMA EHP submits RFI for Porcupine Trail Road.
10/10/2023	Applicant provides response to EHP RFI.
12/12/2023	Porcupine Trail Road funding is deobligated.
1/4/2024	Applicant receives DM denying eligibility.

**Applicant’s Position:**

The temporary emergency repair work completed by the third party on Porcupine Trail Road does not meet the requirements of a connected action and therefore did not require a FEMA review.

**Justification:**

The DM asserts that the third-party work was connected to the FEMA approved SOW and references the applicable federal code, but fails to describe or substantiate how the third party work rises to the level of a connected action as outlined under federal code<sup>10</sup>.

In federal code, an activity is defined as a connected action if it meets the following requirements:

- i. Automatically trigger other actions.
- ii. Cannot or will not proceed unless other actions are taken previously or simultaneously.
- iii. Are interdependent parts of a larger action and depend on the larger action for their justification.

In FEMA’s DM, the Subject Action (the work in contention) is broadly identified as road repairs paid for and performed by a third party. No other scope, activity, or detail is offered to characterize the Subject Action that FEMA is objecting to. The Applicant is therefore forced to draw its own conclusions about the specific nature of the Subject Action, which for the purposes of this appeal we identify as temporary emergency work consisting of placement and grading of roadway material that was performed and paid for by a third party. For the following reasons (corresponding to the requirements above), the Subject Action does not amount to a connected action:

- i. No FEMA approved SOW or actions were triggered by the Subject Action.
  - a. The Phase I SOW was planned, designed, reviewed, and obligated without input from the Subject Action and was triggered specifically by the 2020 flood event.
- ii. The Subject Action proceeded independently of the FEMA approved SOW or action. The FEMA approved SOW or action was not taken previously or simultaneously.
  - a. The Phase I SOW did not affect the Subject Action’s ability to proceed. The Phase I SOW was completed after the Subject Action.
- iii. The Subject Action is a part of a larger action, but it does not depend on the larger action for its justification.
  - a. The Subject Action is located along the same road corridor as the FEMA action performed on Porcupine Trail Road for Phase I SOW but does not depend on the

FEMA actions for justification. The Subject action maintains independent justification hence the third-party work and independent funding.

**Conclusion:**

FEMA’s claim in the DM that “road sections worked on by the third party that were authorized by the applicant are connected actions and must be considered and reviewed by FEMA EHP prior to construction” fails to identify any specific way that the Subject Action met these federal code requirements to elevate it to the level of connected action. It is therefore a fallacious argument to claim that such an action must be considered and reviewed by FEMA EHP.

The requirements necessary for identifying an action as a connected action are clearly and specifically defined in federal code. If the connected action claim were defensible, FEMA easily could have cited specific ways that the Subject Action met any or all of the three requirements. Instead FEMA chose to be vague in its assertion.

Though an action may appear connected due to factors such as physical proximity or scope of work, these alone do not meet the requirements of federal code. The above analysis shows that the work performed by the third party does not meet the requirements of a connected action under federal code. Therefore, review and approval by FEMA was not required for this work.

**FEMA Claim 3: Alleged EHP Non-Compliance**

FEMA claims the Applicant allowed third-party work to be performed exceeding the agreed upon scope of work. This allegedly resulted in additional ground disturbance for which a change in scope of work request was not submitted, depriving FEMA EHP of the opportunity to review for compliance with federal environmental and historic preservation requirements, in particular Section 106.

**Timeline of Applicable Events:**

- 2/17/2021 Federal disaster declaration.
- 6/28/2021 Porcupine Trail Road is actively washing out.
- 6/30/2021 Applicant expresses interest in performing permanent repairs to Porcupine Trail Road.
- 7/5/2021 Temporary Emergency Bypass Road installed as Cat B work.
- 8/26/2021 FEMA performs initial site inspection for Porcupine Trail Road with Applicant and State of Alaska Representatives. During the inspection, FEMA takes all measurements for developing the Damage Description and Dimensions (DDD) captured in the Site Inspection Report (SIR).
- 11/16/2021 Applicant provides memo on Haines Borough regular maintenance activities.
- 1/11/2022 Applicant confirms with FEMA the creation of the new temporary access road adjacent to Site 9 as part of Cat B work.
- 5/18/2022 Original EHP REC completed for Cat B work, including Porcupine Trail Road.
- 7/14/2022 Applicant and Recipient submit SOW change request to separate Porcupine Trail Road into three phases. Email chain shows archaeological site along Porcupine Trail Road is likely mapped in the wrong location.
- 8/5/2022 FEMA sends letter to AK SHPO with determination of “No Adverse Effects to Historic Properties.”
- 8/9/2022 AK SHPO provides concurrence with FEMA finding “no historic properties adversely affected.”

8/19/2022 Updated EHP REC to add Version 2 for Phase I SOW.  
 1/20/2023 Applicant and Recipient submit SOW change request to increase funding to include Phases II and III construction.  
 5/31/2023 - 6/13/2023 Third-party work performed. Temporary emergency repair.  
 6/14/2023 Phase I reconditioning begins.  
 7/13/2023 Phase I reconditioning complete.  
 8/31/2023 FEMA performs follow up site inspection for Porcupine Trail Road.  
 9/20/2023 FEMA EHP submits RFI for Porcupine Trail Road.  
 10/10/2023 Applicant provides response to EHP RFI.  
 12/12/2023 Porcupine Trail Road funding is deobligated.  
 1/4/2024 Applicant receives DM denying eligibility.

**Applicant’s Position:**

The temporary emergency repair work completed by a third party on Porcupine Trail Road qualified for the National Historic Preservation Act (NEPA) Categorical Exclusion (CATEX) and complied with all other local, state, and federal statutes, regulations, and executive orders related to environmental and historic preservation. If an EHP review had been performed in a timely manner all work would have been found to be compliant. The failure of FEMA to coordinate and consult with the Chilkat Indian Village (Klukwan) was a result of flawed EHP procedures, not any shortcoming or negligence of the Applicant.

**Justification:**

The SOW of the third-party temporary emergency repair work performed was extremely limited and all work was contained within the existing road corridor. No excavation was performed as part of this work and the only earth-disturbing activity was the placement of fill material directly on the preexisting road surface. This work did not involve changes in the location, footprint, alignment or size of the facility and therefore would be excluded from NEPA review<sup>11</sup>. This work also qualifies for CATEX as there is little or no impact on the environment and there are no “extraordinary circumstances” as defined by DHS<sup>12</sup>.

The third-party temporary emergency repair work was performed to make the road passable for the season. It also had the secondary benefit of protecting the Herman Creek salmon spawning beds, a high-value salmon resource, from the river during the summer of 2023.

Additionally, the entirety of the Porcupine Trail Road had a Record of Environmental Consideration (REC) performed as part of the Cat B emergency protective measures<sup>13</sup>. The limits of the third-party work were contained within the GPS coordinates listed on the Cat B REC. This REC performed complete reviews for the Clean Air Act (CAA), Coastal Barrier Resources Act (CBRA), Clean Water Act (CWA), Executive Order 11988 – Floodplains, Executive Order 11990 – Wetlands, Executive Order 12989 – Environmental Justice for Low Income and Minority Populations, Endangered Species Act (ESA), Farmland Protection Policy Act (FPPA), Fish and Wildlife Coordination Act (FWCA), Migratory Bird Treaty Act (MBTA), Magnuson-Stevens Fishery Conservation and Management Act (MSA), National Historic Preservation Act (NHPA), and Wild and Scenic Rivers Act (WSRA).

Similarly, a REC was performed for Phase I work<sup>14</sup>. Though the limits indicated on the REC are specifically for the Phase I SOW, there is correspondence between FEMA Regional Environmental Officer Science Kilner, with State Historic Preservation Officer Judith Bittner

clearly indicating no historical or cultural sites of significance would have been identified within the “Area of Potential Effects” (an area 7.5 miles long by 50-100-feet wide that encompasses all segments for road, ditch, and embankment repair)<sup>15,16</sup>. The third-party work was contained within this “Area of Potential Effects”.

The Applicant also submitted a SOW change request in January 2023 for the inclusion of Phases II and III work. If FEMA EHP had performed a timely review, a revised REC would have been performed specifically for the locations where the third-party work was performed prior to construction. It stands to reason that this revised REC, with its overlapping GPS coordinates, would have resulted in the same findings of full compliance as the Cat B REC and the Phase I REC.

Neither the Cat B REC nor the Phase I REC identified historic or cultural sites of significance. As such, even if there had been complete and thorough review by EHP, no procedural mechanism would have dictated FEMA contact the Chilkat Indian Village (Klukwan) to learn of the ancestral and contemporary areas of interest or concern. This is not to say sites do not exist in the area, but rather to make the point that even if FEMA EHP had been given the opportunity to review the third-party work prior to the work being performed, FEMA EHP review procedures would not have resulted in the identification of these sites.

### **Conclusion:**

The scope and limit of the third-party temporary emergency repair work was in compliance with all local, state, and federal statutes, regulations, and executive orders related to environmental and historic preservation. This can be observed both by looking at the impacts of the work itself, as well as comparing the limits of the third-party temporary emergency repair work to the limits of the REC performed for both the Cat B work and the Phase I work. Additionally, if FEMA EHP had performed a timely review based on the Applicant’s SOW change request, a REC would have been available and shown full compliance with the third-party work performed. The historic sites identified by Chilkat Indian Village (Klukwan) would not have been identified by the FEMA EHP review procedures and would only have been identified after the fact.

Similar to their strategy in Claim 2: Alleged Connected Action work, FEMA cites applicable federal code in the DM but fails to specify how any project action or work violated that code. The DM states, “*Work completed was found to not meet provisions of National Environmental Policy Act (NEPA Categorical Exclusions (CATEXs)), as defined in 40 C.F.R. § 1508.4.* As a result, FEMA has determined that the project is ineligible for reimbursement,” but no further rationale is given. Asserting that “work completed was found to not meet provisions” but declining to elaborate on those findings is irresponsible and alarming, especially when such an unsubstantiated pronouncement could result in a small community losing nearly \$1.5 million dollars.

### **Summary Conclusion**

To summarize this appeal, the Applicant does not believe that EHP fully understands the SOW for this project, and the DM does not provide sufficient justification or support for the denial of eligibility for this project. The DM continually references applicable statutes, regulations, and policies, but does not fully explain or provide examples of how the project is not in compliance with these statutes, regulations, or policies.

The Applicant has been through a federally declared disaster and has been operating in good faith throughout the public assistance process. FEMA has denied our eligibility and funding, after the community has already paid for and completed the repairs.

FEMA seems to be taking a hard line on this determination and there are some areas of justification that are not being consistently applied. No record could be found or historical knowledge uncovered of a project being denied eligibility based on a connected action. FEMA makes a clear point in its eligibility requirements regarding the historical enforcement of codes and standards, yet is using a previously unenforced code to deny eligibility for temporary emergency repair work performed by a third party. Additionally, the FEMA Policy Guide permits disallowing all or part of the costs of a project if found out of compliance. The decision to deny in full without adequate justification is an indication that specific impacts of concern could not be identified.

We believe that this DM was a direct response from FEMA EHP to appease members of the public who submitted comments objecting to this work. These concerns are questionable and likely unrelated to the project in question..

FEMA completely deobligated this project and issued a DM without addressing the RFI responses or requesting additional clarification. There are many statements of uncertainty and misunderstandings outlined in the DM that could have been clarified or better understood if The Borough had been given the opportunity for further discussions and sharing of information with FEMA. We ask that, in considering this matter, FEMA reflect on its core values: compassion, fairness, integrity and respect.

We hope that you take this opportunity to thoroughly review the information we have provided and provide an eligibility determination that is accurate, fact-based, substantiated, and reflective of FEMA's values.

Sincerely,



Annette Kreitzer

Haines Borough Manager

CC: Mayor Tom Morphet

Haines Borough Assembly Members

Ed Coffland, P.E., Haines Borough Public Facilities Director

Annelise Silk, Haines Borough Grants & Contracts Administrator

Jenny Belanger, State of Alaska DMVA, DHS&EM

Mike Macans, State of Alaska DMVA, DHS&EM

Alan Cavallo, State of Alaska DMVA, DHS&EM

Garret Gladsjo, P.E., proHNS LLC Principal Engineer

### **Attachments**

<sup>1</sup> Attachment A – Porcupine Trail Road Project Timeline.pdf

<sup>2</sup> Attachment B – DR4585-AK Haines Borough\_WO 71856\_DI553459\_SIR.pdf

<sup>3</sup> Attachment C – Porcupine Trail Road - Phase I Plans

<sup>7</sup> Attachment D – EHP Site Inspection Report.pdf

<sup>8</sup> Attachment E – RE\_DR-4585 Haines PW 0013 SOW Change Request.pdf

<sup>9</sup> Attachment F – Q\_and\_A\_HB 22-12

<sup>13</sup> Attachment G – PA-10-AK-4585-PW-00043\_REC 20230621 rework.pdf

<sup>14</sup> Attachment H – PA-10-AK-4585-PW-00013\_REC\_20231219DeObliation-HMP.pdf

<sup>15</sup> Attachment I – 20220805\_FEMA\_DR4585\_PW13\_PorcupineRdRepair\_SHPO\_consult.pdf

<sup>16</sup> Attachment J – 3130-1R FEMA 2022-00986 Porcupine Road\_2022Aug09.pdf

### **References**

<sup>4</sup> FEMA Hurricane and Flood Mitigation Handbook for Public Facilities, Fact Sheet 1.1: Road and highway Surfaces; Figure 1.1.1.

<sup>5</sup> FHWA Gravel Roads Construction & Maintenance Guide; Section 1.1: Understanding the Gravel Road Cross Section; Figure 1.

<sup>6</sup> PAPPG, at 168

<sup>10</sup> 40 C.F.R. § 1508.25(a)(1)

<sup>11</sup> PAPPG, at 142

<sup>12</sup> PAPPG, at 141



**Porcupine Trail Road Project Timeline**

<b>Year</b>	<b>Date</b>	<b>Description</b>	<b>Reference</b>
2020	11/30/2020-12/2/2020	Disaster Event	
	12/2/2020	Haines Borough Disaster Declaration	
	12/5/2020	State of Alaska Disaster Declaration	
2021	2/17/2021	Federal Disaster Declaration	
	6/11/2021	Applicant indicates expresses interest to add Porcupine Trail Road as Emergency Access.	181119: Project comments J. Jackson
	6/28/2021	Porcupine Trail Road is actively washing out.	4375787: Document: Porcupine Road – Picture – Post Flooding
	6/30/2021	Applicant expresses interest in performing permanent repairs to Porcupine Trail Road.	181119: Document: FEMA Follow-Up Meeting Minutes
	7/2/2021	Email from Constantine documenting loss of access via porcupine road is eminent.	181119: Email dated 7/2/2021 (From: Constantine, To: HB, SERB)
	7/5/2021	Temporary Emergency Bypass Road installed as Category B (Cat B) work.	181119: Email dated 7/7/2021 (From: SERB, To: HB) 181119: Document: Invoice dated 7/30/2021
	8/26/2021	FEMA performs initial site inspection for Porcupine Trail Road with Applicant and State of Alaska Representatives. During the inspection, FEMA takes all measurements for developing the Damage Description and Dimensions (DDD) captured in the Site Inspection Report (SIR).	437587: Document: DI 553459 SIR 437587: Document: DI 553459 Photo Page 437587: Document: DI 553459 Location Map 437587: Document: DI 553459 Flood Map
	8/27/2021	Applicant provides memo on Haines Borough regular maintenance activities.	437587: Document: Porcupine Road – NOAA Atlas 14 Precipitation Frequency Values
	11/16/2021	Applicant provides memo on Haines Borough regular maintenance activities.	437587: Document: Porcupine Maintenance

2022	1/11/2022	Applicant confirms with FEMA the creation of the new temporary access road adjacent to site 9 as part of Cat B work.	437587: Document: Porcupine Road Current Understanding
	1/21/2022	Original EHP REC for V0 A&E	437587: Document: PA-10-AK-4585-PW-00013_REC(1)
	2/1/2022	Revision to original EHP REC for V0 A&E	437587: Document: PA-10-AK-4585-PW-00013_REC(2)
	5/18/2022	Original EHP REC for Cat B work, including Porcupine Trail Road	181119: Document: PA-10-AK-4585-PW-00043_REC
	6/8/2022	Recipient submits SOW change for revised project GPS coordinates to FEMA.	437587: Email dated 6/8/2022 (From: DMVA, To: FEMA, Cc: HB, proHNS)
	6/22/2022	Revised EHP REC for Cat B work, including Porcupine Trail Road	181119: Document: PA-10-AK-4585-PW-00043_REC 20220622 rework
	7/6/2022	FEMA follow-up meeting agenda item "Porcupine Road. Update from the field EHP"	437587: Email dated 7/6/2022 (From: FEMA, To: HB, DMVA, proHNS)
	7/14/2022	Applicant and Recipient submit SOW change request to separate into phases and increase funding to include phase 1 construction. Construction plans included. Email chain shows archaeological site along porcupine trail road is likely mapped in the wrong location.	437587: Document: SOW Change Request to FEMA 437587: Document: SOW Change Request-Email Thread
	7/20/2022	CRC and EHP comment on the SOW change request, stating Phase I work will "reestablish ditches and repair the surface of the roadway in the existing footprint."	437587: Project Comments K. Levenstein
	7/21/2022	FEMA requests clarification on limits of work for SOW change request that includes limits shown from back of existing ditch to back of existing ditch.	437587: Email dated 7/21/2022 (From: FEMA, To: DMVA)

	8/5/2022	FEMA sends letter to AK SHPO with determination of "No Adverse Effects to Historic Properties."	437587: Email dated 8/5/2022 (From: FEMA, To: DNR)
	8/9/2022	AK SHPO provides concurrence with FEMA finding "no historic properties adversely affected."	437587: Email dated 8/9/2022 (From: DNR, To: FEMA)
	8/9/2022	FEMA follow-up meeting agenda item "Porcupine Road. Update from the field EHP, pending EHP review."	437587: Email dated 8/9/2022 (From: FEMA, To: HB, DMVA, Cc: proHNS)
	8/19/2022	Updated EHP REC to add Version 2 for Phase I SOW.	437587: Document: PA-10-AK-4585-PW-00013_REC(3)
	8/22/2022	FEMA project status for Porcupine Trail Road "Final FEMA Review."	437587: Email dated 8/22/2022 (From: HB, To: proHNS, DMVA)
	10/21/2022	FEMA obligates \$1,398,659.75 for Phase I.	437587: Grants Portal, Award Information
	12/9/2022	ADFG issues FHP FH22-I-0090 for work in Klehini River	Permit dated 12/9/2022
2023	1/20/2023	Applicant and Recipient submit SOW change request to increase funding to include Phases II and III construction.	437587: Email dated 1/20/2023 (From: HB, To: DMVA, Cc:proHNS)
	4/28/2023	EHP provides guidance on phase II & II considerations via email from Molly Parkan.	437587: Email dated 4/28/2023 (From: FEMA, To: proHNS, Cc: HB, DMVA)
	5/4/2023	FEMA follow-up meeting agenda item "Porcupine Trail Road. EHP Compliance ~Laura Herriott."	437587: Email dated 5/4/2023 (From: FEMA, To: HB, proHNS, Cc: DMVA)
	5/31/2023 – 6/13/2023	Third party work performed. Temporary emergency repair.	Email dated 9/20/2023 (From: SERB, To: proHNS)
	6/14/2023	Phase I reconditioning begins.	437587: Email dated 6/20/2023 (From: proHNS, To: HB)

	6/21/2023	Revised EHP REC for Cat B work, including Porcupine Trail Road	181119: Document: PA-10-AK-4585-PW-00043_REC 20230621 rework
	7/13/2023	Phase I reconditioning complete.	437587: Email dated 7/17/2023 (From: proHNS, To: SERB, Cc: HB)
	7/20/2023	The Applicant pays the Contractor in full for Phase I.	437587: HB, Expenditures
	7/24/2023	FEMA receives email from Takshanuk Watershed Council (TWC) expressing concerns about Phase I work.	437587: Document: Email from Watershed Group
	8/10/2023	HB submits reimbursement request to State.	437587: Email dated 8/10/2023 (From: HB, To: DMVA, Cc: proHNS)
	8/31/2023	FEMA performs follow up site inspection for Porcupine Trail Road.	437587: Document: EHP Site Inspection Report
	9/19/2023	Met with State and FEMA leadership to discuss issues with project and how to move forward to reach compliance.	437587: Project Comments K. Rose
	9/20/2023	FEMA EHP submits RFI for Porcupine Trail Road.	437587: Email dated 9/20/2023 (From: FEMA, To: DMVA)
	9/21/2023	Updated EHP to de-obligate project.	437587: Document: PA-10-AK-4585-PW-00013_REC_20231219DeObligation-HMP
	10/10/2023	Applicant provides response to EHP RFI.	437587: Email dated 10/10/2023 (From: proHNS, To: DMVA, HB)
	10/30/2023	FEMA informs the Applicant that the project funding will be deobligated.	437587: Teams Meeting (attendees: FEMA, DMVA, HB, proHNS)
	12/12/2023	Porcupine Trail Road funding is deobligated.	437587: Project Comments K. Rose
	12/22/2023	Draft determination memo sent to HB.	437587: Email dated 12/22/2023 (From: FEMA, To: HB, Cc: DMVA)
2024	1/04/2024	Applicant receives DM denying eligibility.	437587: Grant Portal Notification

Records Needed:  
 Pre-DR condition  
 Post-DR repair

## SITE INSPECTION REPORT

### CATEGORY C – ROAD-LOW WATER CROSSING

Porcupine Road-

Applicant <b>Haines Borough</b>	PA ID # <b>100-99100-00</b>	Applicant Representative <b>Ecl Coffland</b>	Applicant Representative Title <b>Public Works Director</b>
Site Inspection Date <b>Aug 26, 2021</b>		Site Inspector Name <b>Glenn Lewis</b>	
Work Order # <b>71856</b>		Damage # <b>553459</b>	
Facility: <input checked="" type="checkbox"/> Road <input type="checkbox"/> Low Water Crossing			
GPS Start Latitude <del>59.412208</del> <b>59.412354</b>		GPS Start Longitude <del>-136.024685</del> <b>-136.029592</b>	
GPS End Latitude <del>59.420100</del> <b>59.42065</b>		GPS End Longitude <del>-136.121906</del> <b>-136.19023</b>	

NOTE: All damaged facilities longer than 200 linear feet require coordinates for both endpoints.

Date Damaged <b>11-30-2020 - 12-2-2020</b>	Age of Facility  <input type="checkbox"/> Exact <input checked="" type="checkbox"/> Approximate  Year Built: <b>1940</b>	Legal Responsibility  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---	--

Road Type: <input type="checkbox"/> Asphalt <input type="checkbox"/> Concrete <input type="checkbox"/> Composite <input type="checkbox"/> Chip & Seal <input type="checkbox"/> Dirt <input checked="" type="checkbox"/> Gravel	Dimensions Length: <b>7 miles</b>  Width: <b>22ft</b>	Number of Lanes <b>2 Lane gravel road.</b>  Applicant states Borough maintains this access road to resources (timber, fish, gold mine, RECREATION)  8/27/21 Post Disaster Restoration performed. Documents needed to establish extent of repair performed. 2nd incident High Water (flooding) INDICATED. PHOTOS, MAINTENANCE RECORDS. June-July 2021.  per Applicant permanent repairs from Nov/Dec 2020 Event had not been done before June/July 2021 new flooding - pending review of emails & documentation in GP
--	--	---

Applicant Representative Signature: *Glenn Lewis*

Recipient Authorized Representative Signature (if applicable): *[Signature]*

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Work Order # (if applicable) 71856 Damage # 553459

Category  
Order # (if app  
Site #

Facility Description: (Pre-disaster design, function, capacity, dimensions, and footprint)

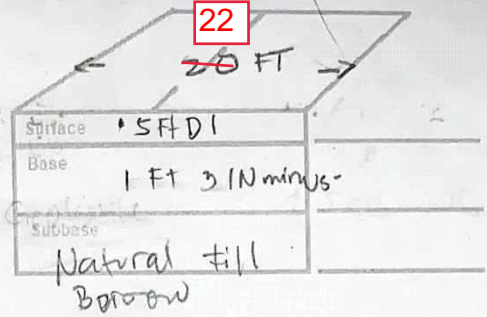
Facility Description Only

Describe embankments / slopes / ditches

SKETCH: (Click box to upload an image)

Layers

Easement



NOTES:

Applicant Representative Initials: ECW

Recipient Authorized Representative Initials (if applicable): AL

Category

EMA Use Only

Work Order # (if applicable) 71856 Damage # 553459

Category C

Facility Component Damages

Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
1	Surface D-1 71% of the area	<del>59.412240</del> <del>-136.029598</del>	(5 Miles) 26.340 FT x 22 ft w x .5 ft D
Method of Repair (change in design, materials, size, capacity etc.)		Start GPS: 59.412354, -136.029592 End GPS: 59.42115, -136.17052	1
Replace D-1 surface washed out By flood waters		FA <input type="checkbox"/>	Quantity 10,755.55
		CTR <input checked="" type="checkbox"/>	Units cy
		Both <input type="checkbox"/>	% Complete 0
2	Drainage Ditch/d	<del>59.412240</del> <del>-136.029598</del>	(34,320) 6.5 miles Long / 3ft wide x 2 foot deep
Method of Repair (change in design, materials, size, capacity etc.)		Start GPS: 59.412354, -136.029592 End GPS 59.414725, -136.103092	1
30% of Road has drainage on 2 sides		FA <input type="checkbox"/>	Quantity 7,626
30% of ditches on both sides of road contains washed out road fill requiring removal and needs to be re-established		CTR <input checked="" type="checkbox"/>	Units cy
		Both <input type="checkbox"/>	% Complete 0
3	Slope Embankment #1	59.42065 -136.19023	30ft L x 16ft w x 30ft D
Method of Repair (change in design, materials, size, capacity etc.)		Cause of Damage	1
-pull GPS not google maps • Length of Road 18ft wide • 2ft from road from drop		FA <input type="checkbox"/>	Quantity 533.33
Site 3 embankment has severe erosion due to flood waters washout destabilizing edge of roadway.		CTR <input checked="" type="checkbox"/>	Units cy
		Both <input type="checkbox"/>	% Complete 0
4	Slope embankment #2	59.42115 -136.17052	8ft L x 22ft w 40ft x D
Method of Repair (change in design, materials, size, capacity etc.)		Cause of Damage	1
Length of Road 15ft + 2ft of shoulder		FA <input type="checkbox"/>	Quantity 260.74
high volume and high velocity surface water flooding washed out embankment destabilizing edge of roadway		CTR <input checked="" type="checkbox"/>	Units cy
		Both <input type="checkbox"/>	% Complete 0
Component Types: 1 - Surface 2 - Base 3 - Sub Base 4 - Shoulder 5 - Ditch 6 - Striping 7 - Embankment 8 - Sidewalk 9 - Curb 10 - Median 11 - Guardrail 12 - Lighting 13 - Signage 14 - Culvert 15 - Wall 16 - Armor 17-Retaining Wall 18 - Other (specify)		Cause of Damage: 1 - Surface water flooding 2 - Wind Driven Rain 3 - Sewer Back up 4 - Foundation Seepage 5 - Lightning 6 - High Winds 7 - Tree Damage 8 - Wind Blown Debris 9 - Earthquake 10 - Fire 11 - Explosion 12 Other (Specify)	

Applicant Representative Initials: [Signature]

Page 3 of 9

Recipient Authorized Representative Initials (if applicable): [Signature]

For FEMA Use Only  
 Work Order # (if applicable) 71856 Damage # 553459

Category FEMA Use O  
 Work Order # (

Facility Component Damages

Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
5	Slope embankment #3	59.421307 -136.169618	16ft L x 16ft W x 25ft D

Method of Repair (change in design, materials, size, capacity etc.)	Cause of Damage	1	
Slope Restabilization <u>high volume and high velocity surface water flooding washed out embankment destabilizing edge of roadway.</u>	FA <input type="checkbox"/>	Quantity	88.88
	CTR <input checked="" type="checkbox"/>	Units	CY
	Both <input type="checkbox"/>	% Complete	0

Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
6	Slope embankment #4	59.421280 -136.149301	8ft L x 22ft W x 19ft D

Method of Repair (change in design, materials, size, capacity etc.)	Cause of Damage	1	
Rd width 20ft <u>high volume and high velocity surface water flooding washed out embankment destabilizing edge of roadway</u>	FA <input type="checkbox"/>	Quantity	123.85
	CTR <input checked="" type="checkbox"/>	Units	CY
	Both <input type="checkbox"/>	% Complete	0

Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
7	Slope embankment #5	59.421530 -136.169010	20ft L x 50ft W x 30ft D

Method of Repair (change in design, materials, size, capacity etc.)	Cause of Damage	1	
Rd width 21ft <u>high volume and high velocity surface water flooding washed out embankment destabilizing edge of roadway</u>	FA <input type="checkbox"/>	Quantity	1,111.11
	CTR <input checked="" type="checkbox"/>	Units	CY
	Both <input type="checkbox"/>	% Complete	0

Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
8	Slope embankment #6	59.421193 -136.168441	30ft L x 33ft W x 37ft D

Method of Repair (change in design, materials, size, capacity etc.)	Cause of Damage	1	
Rd Width 16ft <u>high volume and high velocity surface water flooding washed out embankment destabilizing edge of roadway</u>	FA <input type="checkbox"/>	Quantity	1356.66
	CTR <input checked="" type="checkbox"/>	Units	CY
	Both <input type="checkbox"/>	% Complete	0

Component Types: 1 - Surface 2 - Base 3 - Sub Base 4 - Shoulder 5 - Ditch 6 - Striping 7 - Embankment 8 - Sidewalk 9 - Curb 10 - Median 11 - Guardrail 12 - Lighting 13 - Signage 14 - Culvert 15 - Wall 16 - Armor 17-Retaining Wall 18 - Other (specify)

Cause of Damage: 1 - Surface water flooding 2 - Wind Driven Rain 3 - Sewer Back up 4 - Foundation Seepage 5 - Lightning 6 - High Winds 7 - Tree Damage 8 - Wind Blown Debris 9 - Earthquake 10 - Fire 11 - Explosion 12 Other (Specify)

Applicant Representative Initials: ELC

Recipient Authorized Representative Initials (if applicable): AK



Work Order # (if applicable) 71856 Damage # 553459

Facility Component Damages

Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
9	Road washout Base	START 59.41416 136.08804 END 59.41430 136.08552	636 FT L X 20 FT W X 7 FT D
Method of Repair (change in design, materials, size, capacity etc.)			Cause of Damage
Replace Base In/End			1
			FA <input type="checkbox"/> Quantity 471.11
			CTR <input checked="" type="checkbox"/> Units CY
			Both <input type="checkbox"/> % Complete 0
Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
9A	Borrow Fill	"	636 FT L X 20 FT W X 2 FT D
Method of Repair (change in design, materials, size, capacity etc.)			Cause of Damage
Replase Borrow Fill			1
			FA <input type="checkbox"/> Quantity 942.22
			CTR <input checked="" type="checkbox"/> Units CY
			Both <input type="checkbox"/> % Complete 0
Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
9B	Rip rap Anchor Rock Embankment 24 - 48 IN MINUS	"	636 FT L X 13 FT W X 8 FT D
Method of Repair (change in design, materials, size, capacity etc.)			Cause of Damage
Install Rip Rap			1
			FA <input type="checkbox"/> Quantity 2949.77
			CTR <input checked="" type="checkbox"/> Units CY
			Both <input type="checkbox"/> % Complete 0
Site #	Damage Component Material/Model/Type/Capacity	Location Address/GPS/begin-end	Damage Dimensions: (L x W x D/L x Dia) Electrical/Mechanical/etc.
	<del>Call for info</del>		<del>9AU</del>
Method of Repair (change in design, materials, size, capacity etc.)			Cause of Damage
			FA <input type="checkbox"/> Quantity
			CTR <input type="checkbox"/> Units
			Both <input type="checkbox"/> % Complete
<p><b>Component Types:</b> 1-Surface 2-Base 3-Sub Base 4-Shoulder 5-Ditch 6-Striping 7-Embankment 8-Sidewalk 9-Curb 10-Median 11-Guardrail 12-Lighting 13-Signage 14-Culvert 15-Wall 16-Armor 17-Retaining Wall 18-Other (specify)</p>			<p><b>Cause of Damage:</b> 1- Surface water flooding 2-Wind Driven Rain 3-Sewer Back up 4-Foundation Seepage 5-Lightning 6-High Winds 7-Tree Damage 8-Wind Blown Debris 9-Earthquake 10- Fire 11-Explosion 12 Other (Specify)</p>

Applicant Representative Initials: ELM

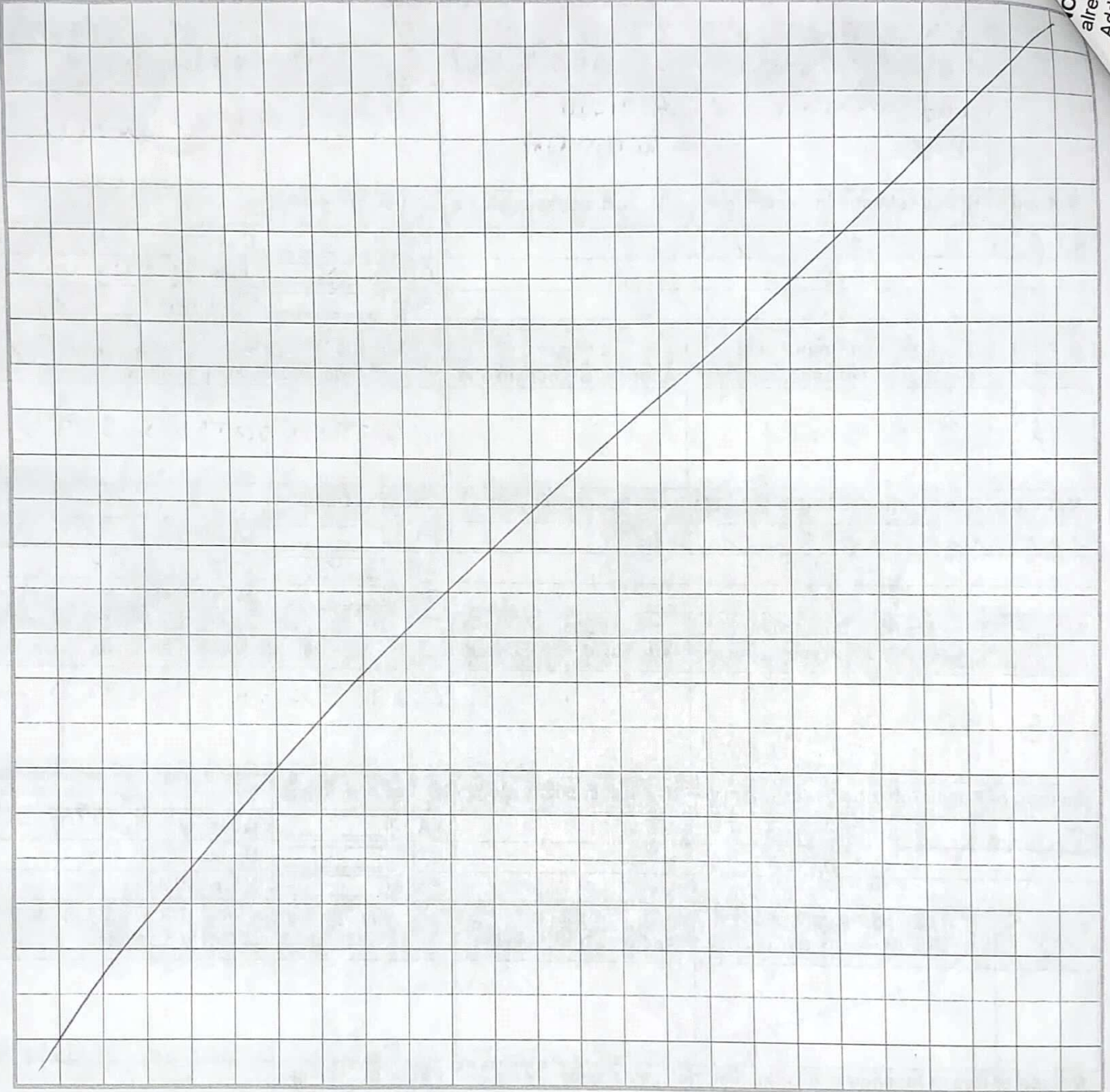
Recipient Authorized Representative Initials (if applicable): DA

For FEMA Use Only

Work Order # (if applicable) 71856 Damage # 55459

Category  
FEMA Use Only  
Work Order #  
NOTE FOR SITE INS  
already asked some c  
Additional Notes secti  
FR

SKETCH: Click grid to upload an image)



NOTES:

Applicant Representative Initials: FSM

Recipient Authorized Representative Initials (if applicable): ML

FEMA Use Only  
Work Order # (if applicable) 71856 Damage # 553459

Category C

**NOTE FOR SITE INSPECTOR:** Please ask the Applicant representative the following questions. Although the PDMG may have already asked some of these questions, the Applicant representative at the site inspection may have additional information. Use the Additional Notes section to record any additional explanation.

**Mitigation Considerations**

FEMA Public Assistance encourages protection of disaster-damaged facilities by providing assistance for cost-effective hazard mitigation measures that reduce or eliminate the risk of similar damage from happening again in a future event. For each question, elaborate on the answer in the space provided for comments.

1. Identify the specific cause of damage (such as water eroded {under the toe and slab, the driving surface, the road at the end of the LWC} or debris blocked the culvert in the LWC, etc.).

Rain water and Sewer flooding caused Road washout

2. What can be done to prevent future damage in a similar event? (check all of interest to the Applicant):

- Form and pour deeper concrete toes along the LWC upstream and downstream edges.
- Anchor the LWC toes with vertical steel rebar in holes drilled into the bedrock.
- Form and pour steel reinforced concrete instead of grouted riprap on the LWC slopes.
- Replace the low-water crossing with a bridge. (Note: A Hydrology & Hydraulic Study will be needed)
- Increase the steel reinforcing in the concrete slab and toes.

Other mitigation (specify): Embankment Stabilization

3. Does the Applicant plan to perform additional work to protect damaged facilities against similar damage in a future event?

- Yes
- No
- Unsure

Comments:

4. Will the Applicant provide a proposal for hazard mitigation work?

- Yes
- No
- Unsure

Comments: Estimate will be provided to PDMG

5. Would the Applicant like FEMA to prepare a proposal for hazard mitigation work?

- Yes
- No
- Unsure

Comments:

Record any additional notes about the Applicant's interest in hazard mitigation opportunities and other relevant information in the space below. This information will be used by hazard mitigation specialists and costing specialists to develop a hazard mitigation proposal (HMP) for the Applicant's consideration. Potential Mitigation Scope of Work: (Include dimensions, quantities and sketches of HMP measures).

The following mitigation measures will help prevent future damage in a similar event:

Embankment Stabilization

Applicant Representative Initials: [Signature]

Page 7 of 9

Recipient Authorized Representative Initials (if applicable): [Signature]

For FEMA Use Only

Work Order # (if applicable) 71856 Damage # 553459

Category C

**Insurance Considerations**

FEMA is legally prohibited from duplicating benefits from other sources and will reduce eligible costs by the amount of insurance proceeds received.

1. Does the damaged facility have insurance coverage and/or is it an insurable risk (e.g., buildings, equipment, vehicles)?

- Yes
- No
- Unsure

Comments:

**Environmental & Historic Preservation Considerations**

FEMA is required to ensure that work complies with applicable environmental and historic preservations laws, regulations, and executive orders.

1. Is the damaged facility(ies) located within a floodplain or a coastal high hazard area and/or does it have an impact on a floodplain or wetland? Can the project site be impacted by flooding? Will work occur within 200 feet of a waterway/waterbody?

- Yes
- No
- Unsure

Comments:

2. Is the damaged facility located within or adjacent to a Coastal Barrier Resource System Unit or an Otherwise Protected Area?

- Yes
- No
- Unsure

Comments:

3. Will the proposed facility repairs/reconstruction change the pre-disaster conditions (e.g., footprint – including depth of footprint, material, location, capacity, use or function), including construction of an access road, establishing a staging area, or other work outside of the constructed right-of-way? If yes, describe changes or work outside of the constructed right-of-way. Provide detailed justification for the change (e.g. codes and standards).

- Yes
- No
- Unsure

Comments:

4. Is the damaged facility(ies) listed on a local/state/national historic register or is it a locally recognized landmark? Is it older than 45 years? (Provide the age of the facility) Are there more, similar buildings near the site?

- Yes
- No
- Unsure

Comments:

5. Are there any large, undeveloped or undisturbed areas on, or near, the project site? (Select "yes" if there are large tracts of forestland, grassland, or naturally preserved areas, etc.)

- Yes
- No
- Unsure

Comments: River and wooded Areas

6. Are there any hazardous materials at or adjacent to the damaged facility?

- Yes
- No
- Unsure

Comments:

Applicant Representative Initials: EMC

Recipient Authorized Representative Initials (if applicable): AK

Category C

FEMA Use Only

Work Order # (if applicable) 71856 Damage # 53345

Category C

7. Are there any other environmental or controversial issues associated with the damaged facility and/or work item? (select yes if facility is a road maintained by a Tribal Government or if the project necessitates the establishment of a new borrow area or the horizontal expansion of an existing borrow area.)

Yes  
 No  
 Unsure

Comments:

8. Are there any known endangered species in the work area?

Yes  
 No  
 Unsure

Comments:

Additional Notes / Comments:

Slope Embankment #1 has reoccurring slope damage stated by Applicant.

Applicant states that road 636 FT L was washed out by the incident and the river claimed surface, base, riprap & borrow fill.

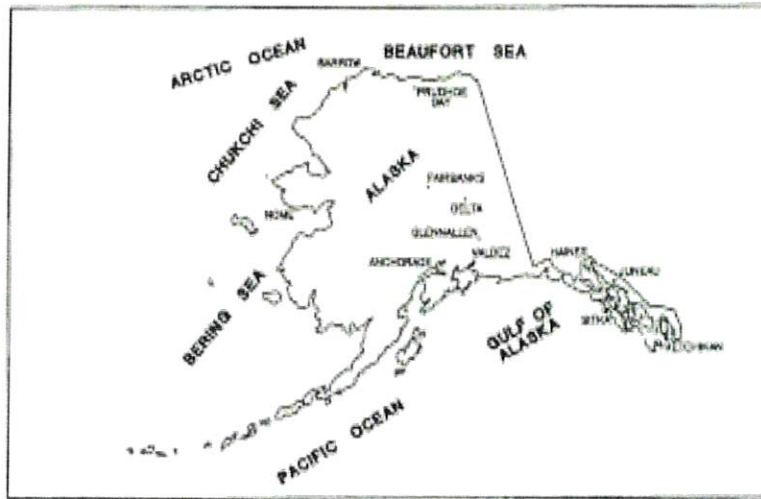
Temporary road was put by Haines Borough 20 FT FROM original road.

\* EHP and mitigation

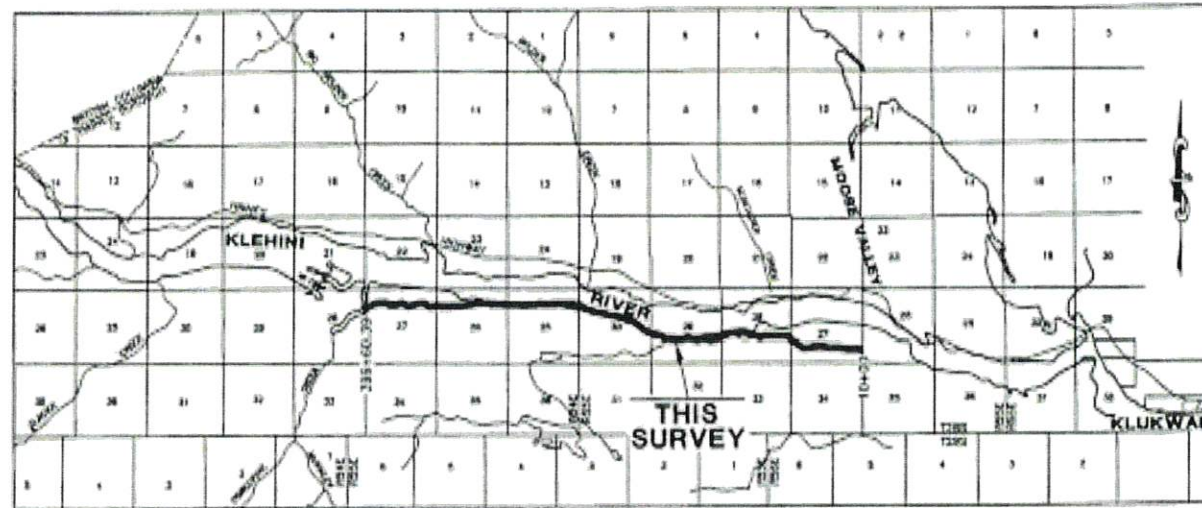
Applicant states that the river continues to ~~erode~~ the road.

Applicant Representative Initials: ELL

Recipient Authorized Representative Initials (if applicable): AK



STATE OF ALASKA  
N.T.S.



VICINITY MAP

SOURCE: U.S.G.S. QUADS "SNAGWAY (B-3 & B-4), 1954, ALASKA" SCALE: 1" = 2 MILES

**A CENTERLINE OF  
 PROCUPINE ROAD  
 WITHIN HAINES BOROUGH, ALASKA**  
 HAINES RECORDING DISTRICT – HAINES, ALASKA

**LEGEND**

- ⊕ G.L.O./B.L.M. 2-1/2" BRASS MONUMENT RECOVERED THIS SURVEY
- ⊙ PRIMARY MONUMENT RECOVERED THIS SURVEY



Haines Borough  
 PO Box 1209  
 Haines, Alaska 99827

Tel: (907)766-6400



**REVISION**

REV	DATE	DESCRIPTION	DWN	CKD
A	MAY 22	ISSUED FOR BIDS	EGC	EGC

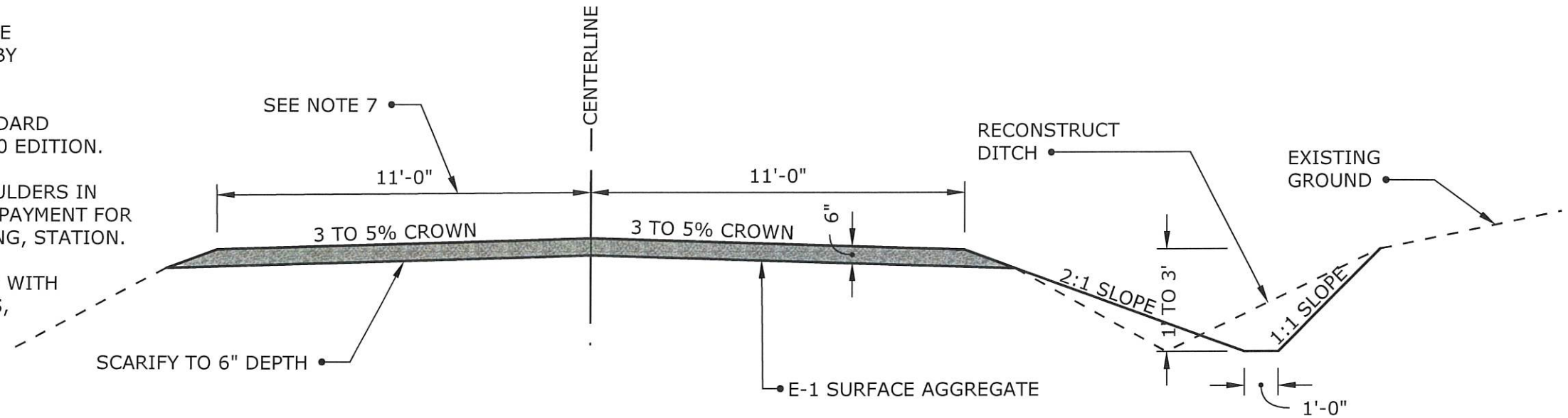
**HAINES BOROUGH  
 PORCUPINE TRAIL ROAD, PHASE 1  
 PROJECT 00013(435787),  
 SITES 1 & 2**

**PROJECT  
 LOCATION**

**C01**

NOTES:

1. THIS WORK INCLUDES UP TO 5 MILES OF SURFACE RECONDITIONING AND UP TO 6.5 MILES OF DITCH RECONDITIONING. AREAS OF PORCUPINE ROAD TO BE RECONDITIONED WILL BE MARKED ON THE GROUND BY THE OWNER WITH SURVEY LATHE AND RIBBON.
2. WORK SHALL COMPLY WITH ALASKA DOT&PF STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, 2020 EDITION.
3. RECONDITION EXISTING ROAD SURFACE AND SHOULDERS IN ACCORDANCE WITH SECTION 303 RECONDITIONING. PAYMENT FOR THIS WORK SHALL BE 303.0002.0001 RECONDITIONING, STATION.
4. RECONDITION EXISTING DITCHES IN ACCORDANCE WITH SECTION 303 RECONDITIONING. PLACE DITCH SPOILS, NOT TO EXCEED 2' IN HEIGHT BACK OF DITCH. DITCH CLEARING AND GRUBBING IS INCIDENTAL TO THIS WORK. PAYMENT FOR THIS WORK SHALL BE 303.0002.0002 RECONDITIONING, STATION.
5. AGGREGATE SURFACE COURSE SHALL CONFORM WITH SECTION 301 - AGGREGATE BASE AND SURFACE COURSE. PAYMENT SHALL BE 301.0003.0001, TON.
6. AGGREGATE SHALL CONFORM TO SECTION 703-2.03 AGGREGATES. GRADATION SHALL BE TABLE 703-2, SURFACE COURSE, E-1.



PORCUPINE TRAIL ROAD  
TYPICAL ROAD SECTION

SCALE: 1/4" = 1' - 0"

7. EXISTING ROAD WIDTH VARIES. TOP OF SURFACEING SHALL BE 22' WIDE.
8. COMPACT E-1 SURFACE COURSE UNTIL IT DOES NOT YIELD MORE THAN 1/2" IN THE WHEEL PATH OF A LOADED 10-YARD DUMPTRUCK.
9. APPLY FIRST AND SECOND APPLICATION OF CALCIUM CHLORIDE IN ACCORDANCE WITH SECTION 624. PAYMENT SHALL BE 624.0001.0001, CALCIUM CHLORIDE, TON.



**Haines Borough**  
PO Box 1209  
Haines, Alaska 99827  
  
Tel: (907)766-6400



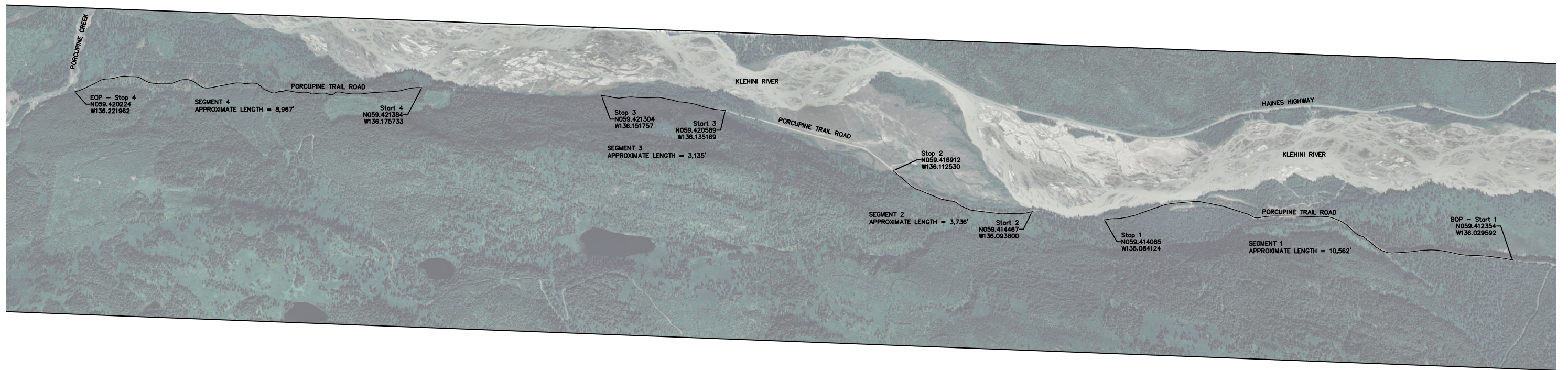
REVISION

REV	DATE	DESCRIPTION	DWN	CKD
A	MAY 22	ISSUED FOR BIDS	EGC	EGC

**HAINES BOROUGH  
PORCUPINE TRAIL ROAD, PHASE 1  
PROJECT 00013(435787),  
SITES 1 & 2**

**TYPICAL  
SECTION**

**C02**





**From:** [Parr, Jeffrey](#)  
**To:** [Edward Coffland](#); [Belanger, Jenny R \(MVA\)](#); [Carolann Wooton](#); [Garret Gladso](#); [Ethan Roemeling](#); [Fisher, Philip](#)  
**Cc:** [Alexander, Ivy](#); [Bookman, Azure](#); [Malone, Jack](#); [Zeppa, Jonathan D \(MVA\)](#)  
**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request  
**Date:** Thursday, July 21, 2022 10:48:56 AM  
**Attachments:** [image002.png](#)

---

Hi:

I forwarded the revision to the Archeologist for his thoughts.

---

**From:** Edward Coffland <ecoffland@haines.ak.us>  
**Sent:** Thursday, July 21, 2022 11:23 AM  
**To:** Parr, Jeffrey <jeffrey.parr@fema.dhs.gov>; Belanger, Jenny R (MVA) <jenny.belanger@alaska.gov>; Carolann Wooton <cwooton@haines.ak.us>; garret@prohns.com; Ethan Roemeling <ethan@prohns.com>  
**Cc:** Alexander, Ivy <ivy.alexander@fema.dhs.gov>; Bookman, Azure <azure.bookman@fema.dhs.gov>; Malone, Jack <Jack.Malone@fema.dhs.gov>; Zeppa, Jonathan D (MVA) <jonathan.zeppa@alaska.gov>  
**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request

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Jeffrey: Please see attached drawing C02, Revision 1, as requested.

Thanks,

Edward Coffland, PE  
Director of Public Works  
Haines Borough  
(907)766-6414

---

**From:** Parr, Jeffrey <jeffrey.parr@fema.dhs.gov>  
**Sent:** Thursday, July 21, 2022 10:03 AM  
**To:** Edward Coffland <ecoffland@haines.ak.us>; Belanger, Jenny R (MVA) <jenny.belanger@alaska.gov>; Carolann Wooton <cwooton@haines.ak.us>; garret@prohns.com; Ethan Roemeling <ethan@prohns.com>  
**Cc:** Alexander, Ivy <ivy.alexander@fema.dhs.gov>; Bookman, Azure <azure.bookman@fema.dhs.gov>; Malone, Jack <Jack.Malone@fema.dhs.gov>; Zeppa, Jonathan D (MVA) <jonathan.zeppa@alaska.gov>  
**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request

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Thank you, adding a callout/edit to the design sheets to confirm/clarify what the existing terrain is, vs debris settlement & collection (different line style, arrow w/comment, etc) would likely make Phil's action a lot easier.

---

**From:** Edward Coffland <[ecoffland@haines.ak.us](mailto:ecoffland@haines.ak.us)>

**Sent:** Thursday, July 21, 2022 10:59 AM

**To:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>; Carolann Wooton <[cwooton@haines.ak.us](mailto:cwooton@haines.ak.us)>; [garret@prohns.com](mailto:garret@prohns.com); Ethan Roemeling <[ethan@prohns.com](mailto:ethan@prohns.com)>

**Cc:** Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>; Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>;

Parr, Jeffrey <[jeffrey.parr@fema.dhs.gov](mailto:jeffrey.parr@fema.dhs.gov)>; Malone, Jack <[Jack.Malone@fema.dhs.gov](mailto:Jack.Malone@fema.dhs.gov)>; Zeppa, Jonathan D (MVA) <[jonathan.zeppa@alaska.gov](mailto:jonathan.zeppa@alaska.gov)>

**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request

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Jenny: The ditches are filled with debris, so the intent of the typical was to show that some material would need to be removed from those ditches via excavation to re-establish the typical ditch width/slopes. The intent is not to expand ditches or widen the corridor. If necessary, we could add a callout to that effect.

Thanks,

Edward Coffland, PE  
Director of Public Works  
Haines Borough  
(907)766-6414

---

**From:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>

**Sent:** Thursday, July 21, 2022 9:16 AM

**To:** Carolann Wooton <[cwooton@haines.ak.us](mailto:cwooton@haines.ak.us)>; Edward Coffland <[ecoffland@haines.ak.us](mailto:ecoffland@haines.ak.us)>; [garret@prohns.com](mailto:garret@prohns.com); Ethan Roemeling <[ethan@prohns.com](mailto:ethan@prohns.com)>

**Cc:** Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>; Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>;

Parr, Jeffrey <[jeffrey.parr@fema.dhs.gov](mailto:jeffrey.parr@fema.dhs.gov)>; Malone, Jack <[Jack.Malone@fema.dhs.gov](mailto:Jack.Malone@fema.dhs.gov)>; Zeppa, Jonathan D (MVA) <[jonathan.zeppa@alaska.gov](mailto:jonathan.zeppa@alaska.gov)>

**Subject:** FW: DR-4585 Haines PW 0013 SOW Change Request

**Importance:** High

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Good Morning,

Please see request from FEMA below to clarify the scope for Phase I work.

Thank you,

**Jenny Belanger, Emergency Management Specialist II**  
**Department of Military and Veterans Affairs**  
**Division of Homeland Security & Emergency Management**  
**Disaster Assistance**  
**907-428-7036 or 232-7403**

907-428-7009 (Fax)

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---

**From:** Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>  
**Sent:** Thursday, July 21, 2022 9:11 AM  
**To:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>  
**Cc:** Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>; Parr, Jeffrey <[jeffrey.parr@fema.dhs.gov](mailto:jeffrey.parr@fema.dhs.gov)>; Fisher, Philip <[philip.fisher@fema.dhs.gov](mailto:philip.fisher@fema.dhs.gov)>; Malone, Jack <[Jack.Malone@fema.dhs.gov](mailto:Jack.Malone@fema.dhs.gov)>; Zeppa, Jonathan D (MVA) <[jonathan.zeppa@alaska.gov](mailto:jonathan.zeppa@alaska.gov)>  
**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request  
**Importance:** High

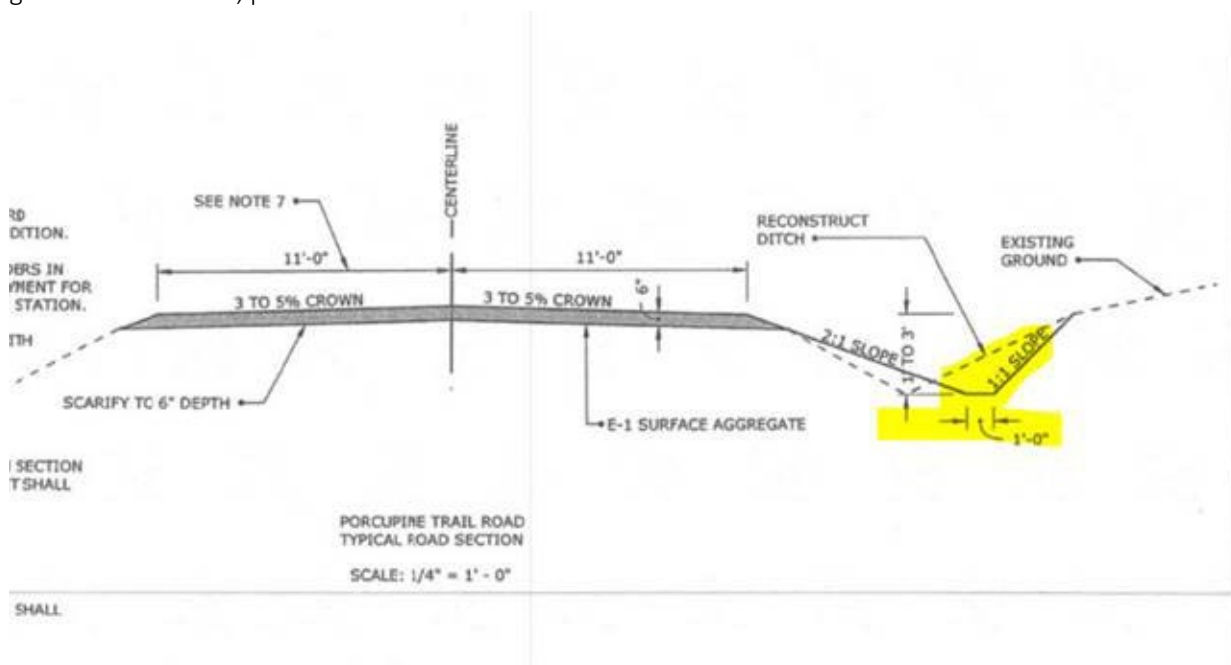
Good Morning Jenny,

I am reaching out to clarify the following:

Our understanding is HB's SOW Change Request for V1/P1 on Porcupine Road's is "Phase I is only to reestablish ditches and repair the surface of the roadway in the existing footprint".

Per the applicant's proposal, Phase 1 Repairs is for Roadway and ditch reconditioning (Sites 1&2).

However, it looks like the engineering design contains additional expansion of the ditches and new ground disturbance; please see below:



We understand this is a priority project, can we reach out to the applicant to confirm the abovementioned details?

Currently, the illustrated proposed expansion and added depth to the ditches are not in alignment with our understanding that Phase 1 is going to be completed within the existing prism/ footprint. If HB intends to complete the reconstruction outside the pre-DR condition, we will need to discuss how to align that with programmatic requirements, and it may need SHPO review ( lcc'd Phil and Jeff for awareness and guidance) in addition to the Large Project Notification which may add a 60 day wait before a project reaches the obligation phase.

Please advise, we are standing by.

Best,  
Ivy Alexander  
Emergency Management Specialist  
Public Assistance Disaster Operations | Recovery Division | FEMA Region X  
Mobile: 202-924-7001  
[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)  
Federal Emergency Management Agency  
[fema.gov](https://www.fema.gov)



---

**From:** Fisher, Philip <[philip.fisher@fema.dhs.gov](mailto:philip.fisher@fema.dhs.gov)>  
**Sent:** Thursday, July 14, 2022 3:53 PM  
**To:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>; Merino, Zachary <[zachary.merino@fema.dhs.gov](mailto:zachary.merino@fema.dhs.gov)>  
**Cc:** Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>; Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>; Parr, Jeffrey <[jeffrey.parr@fema.dhs.gov](mailto:jeffrey.parr@fema.dhs.gov)>; Cook, Sirvirther <[sirvirther.cook@fema.dhs.gov](mailto:sirvirther.cook@fema.dhs.gov)>; Carolann Wooton <[cwooton@haines.ak.us](mailto:cwooton@haines.ak.us)>; Miller, Linda Y (MVA) <[linda.miller2@alaska.gov](mailto:linda.miller2@alaska.gov)>; Zeppa, Jonathan D (MVA) <[jonathan.zeppa@alaska.gov](mailto:jonathan.zeppa@alaska.gov)>  
**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request

Hi Jenny,

That was my bad, I misunderstood. I thought the project was about to be in our EHP queue for review, not that we were reviewing the amendment for CRC development. I have no concerns as is so it is good to go. Sorry!

Best,  
Phil

---

**From:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>  
**Sent:** Thursday, July 14, 2022 4:49 PM  
**To:** Fisher, Philip <[philip.fisher@fema.dhs.gov](mailto:philip.fisher@fema.dhs.gov)>; Merino, Zachary <[zachary.merino@fema.dhs.gov](mailto:zachary.merino@fema.dhs.gov)>  
**Cc:** Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>; Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>; Parr, Jeffrey <[jeffrey.parr@fema.dhs.gov](mailto:jeffrey.parr@fema.dhs.gov)>; Cook, Sirvirther <[sirvirther.cook@fema.dhs.gov](mailto:sirvirther.cook@fema.dhs.gov)>; Carolann Wooton <[cwooton@haines.ak.us](mailto:cwooton@haines.ak.us)>; Miller, Linda Y (MVA) <[linda.miller2@alaska.gov](mailto:linda.miller2@alaska.gov)>; Zeppa, Jonathan D (MVA) <[jonathan.zeppa@alaska.gov](mailto:jonathan.zeppa@alaska.gov)>  
**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request

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Hi Phil,

Curious – since Phase I is only to reestablish ditches and repair the surface of the roadway in the existing footprint, could Phase I SOW change be approved and the SHPO allowance/consultation be resolved for Phase 2 & 3 (steep embankment and river washout areas) SOW Change that will come when design and engineering is completed?

Thank you,

**Jenny Belanger, Emergency Management Specialist II**  
**Department of Military and Veterans Affairs**  
**Division of Homeland Security & Emergency Management**  
**Disaster Assistance**  
**907-428-7036 or 1-800-478-2337**  
**907-428-7009 (Fax)**

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**From:** Fisher, Philip <[philip.fisher@fema.dhs.gov](mailto:philip.fisher@fema.dhs.gov)>  
**Sent:** Thursday, July 14, 2022 2:51 PM  
**To:** Merino, Zachary <[zachary.merino@fema.dhs.gov](mailto:zachary.merino@fema.dhs.gov)>  
**Cc:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>; Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>; Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>; Parr, Jeffrey <[jeffrey.parr@fema.dhs.gov](mailto:jeffrey.parr@fema.dhs.gov)>; Cook, Sirvirther <[sirvirther.cook@fema.dhs.gov](mailto:sirvirther.cook@fema.dhs.gov)>; Carolann Wooton

<[cwooton@haines.ak.us](mailto:cwooton@haines.ak.us)>

**Subject:** RE: DR-4585 Haines PW 0013 SOW Change Request

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Hi Zachary,

I don't think there is anything else needed from the applicant. I reached out to the State Historic Preservation Office with a question about the project but not the Borough. There is an archaeological site on the State's website along Porcupine Road but I believe it is mapped in the wrong location based on the description. I am trying to get this sorted out with the SHPO as it could either be a quick allowance or require a formal consultation with a 30+ day review period. I will let you know when I find out the answer/approach required. Have a great day.

Best,  
Phil

---

**From:** Merino, Zachary <[zachary.merino@fema.dhs.gov](mailto:zachary.merino@fema.dhs.gov)>

**Sent:** Thursday, July 14, 2022 3:19 PM

**To:** Fisher, Philip <[philip.fisher@fema.dhs.gov](mailto:philip.fisher@fema.dhs.gov)>

**Cc:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>; Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>; Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>; Parr, Jeffrey <[jeffrey.parr@fema.dhs.gov](mailto:jeffrey.parr@fema.dhs.gov)>; Cook, Sirvirther <[sirvirther.cook@fema.dhs.gov](mailto:sirvirther.cook@fema.dhs.gov)>; Carolann Wooton <[cwooton@haines.ak.us](mailto:cwooton@haines.ak.us)>

**Subject:** FW: DR-4585 Haines PW 0013 SOW Change Request

**Importance:** High

Hello Mr. Fisher,

I spoke with Mr. Parr earlier this week about a version request for this project. He informed me that the environmental side of things checks out. He did mention that you had contacted the applicant but required additional information for the historic preservation piece. I just wanted to get this on everyone's radar. Is there something Haines Borough still needs to provide before we can move forward with the version request?

Keep me posted,  
Zachary Merino

---

**From:** Belanger, Jenny R (MVA) <[jenny.belanger@alaska.gov](mailto:jenny.belanger@alaska.gov)>

**Sent:** Thursday, July 14, 2022 1:52 PM

**To:** Alexander, Ivy <[ivy.alexander@fema.dhs.gov](mailto:ivy.alexander@fema.dhs.gov)>

**Cc:** Merino, Zachary <[zachary.merino@fema.dhs.gov](mailto:zachary.merino@fema.dhs.gov)>; Carolann Wooton <[cwooton@haines.ak.us](mailto:cwooton@haines.ak.us)>; Miller, Linda Y (MVA) <[linda.miller2@alaska.gov](mailto:linda.miller2@alaska.gov)>; Zeppa, Jonathan D (MVA) <[jonathan.zeppa@alaska.gov](mailto:jonathan.zeppa@alaska.gov)>; Bookman, Azure <[azure.bookman@fema.dhs.gov](mailto:azure.bookman@fema.dhs.gov)>

**Subject:** DR-4585 Haines PW 0013 SOW Change Request

**Importance:** High

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Good Afternoon Ivy,

Attached is the formal Scope of Work Change request for Haines Borough, PW 0013, Porcupine Trail Road. We are asking for a quick turnaround on the review and approval as Haines Borough is standing by to award contract to complete work this summer.

Please let us know if you have any questions or need additional information.

Thank you,

**Jenny Belanger, Emergency Management Specialist II**  
**Department of Military and Veterans Affairs**  
**Division of Homeland Security & Emergency Management**  
**Disaster Assistance**  
**907-428-7036 or 1-800-478-2337**  
**907-428-7009 (Fax)**

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**FEMA**

The EHP recommendations and concerns in this report are based on a Site Inspection, without full details of the scope of work for the site and are therefore subject to change. Final EHP review of the project will be performed once the project is submitted and the project reaches the EHP queue.

**FEMA EHP Rep(s):** Laura Herriott (Environmental Protection Specialist – EHP Manager)

**Other Personnel:** Garret Gladsjo (Applicant Contractor)  
Annet Kreitze (Borough Manager)  
Jenny Belanger (STATE)  
Karen Rose (FEMA)  
Angela Borjon (FEMA)

**Date of Site Inspection:** 8/31/2023

**Applicant:** Haines, AK

---

**Site Information:** Cat C – Porcupine Road  
Total: (59.412360, -136.028085) to (59.420164, -136.221220)

**Purpose:**

The August 31<sup>st</sup>, 2023, site inspection was completed to verify the temporary and permanent work completed along Porcupine Road. The team stopped 17 at locations to take measurements, 3 of which were locations confirmed to be work completed and paid for by a third party: Constantine, the local mine.

**General Information:**

Haines, Alaska is located on the northern part of the Alaska Panhandle. As of the 2020 Census, the population of Haines Census-designated place, was 1,657, which was down from 1,713 people in 2010.

The Historical Dalton Trail: Porcupine Road formerly known as the Dalton Trail served as the primary trail during the Klondike Gold Rush of 1898. Gold was discovered at Porcupine Creek Mine, which is located at the end of Porcupine Road. During the 1896-1899 Haines became the supply center for the Dalton Trail via the Chilkat River.

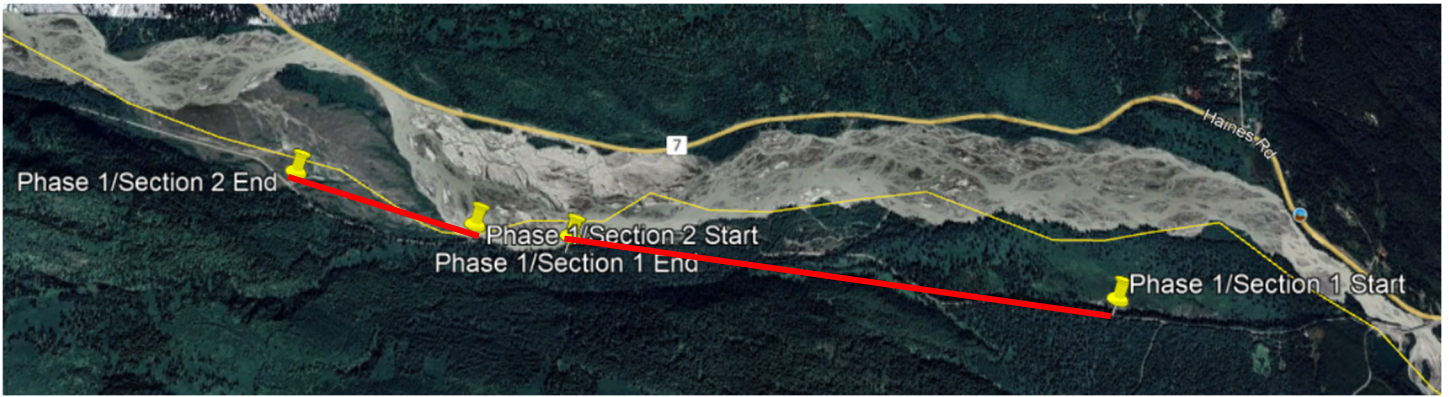
**Phase 1 SOW as reviewed 8/19/2023:**

Phase 1 Repairs include repairs at 4 locations ranging from 0.6mi to 2mi sections along Porcupine Road. Repairs include repairing the road back to pre-disaster condition with the addition of Calcium Chloride, and repairs to ditch along both sides of the road.

**Phase 1 Section 1 & Section 2:** (59.412354, -136.029592) to (59.416912, -136.112530): Approximately 3-mile length between GPS points. The applicant made repairs to two sections between the 3 miles:

- Section 1 (59.412354, -136.029592) to (59.414085, -136.084124) – The applicant intends to repair 1.92 miles and associated ditch repair along both sides of the road.
- Section 2 (59.414467, -136.093800) to (59.416912, -136.112530) – The applicant intends to repair 0.6 miles of road surface and ditch repairs.





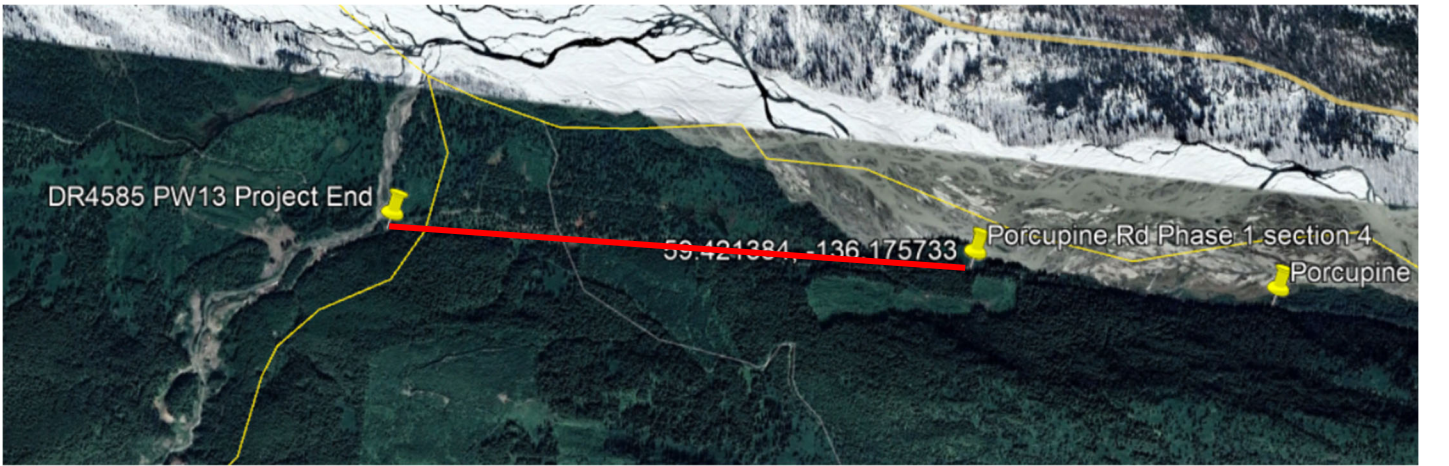
Google Earth – Showing the location of Phase 1, Section 1 & 2: Proximal the Chilkat River. The Red line on the right indicates the 1.92 mile section of completed work for Phase 1, Section 1. The red line on the left indicates the 0.6 miles of road work completed in Phase 1 Section 2.

**Phase 1 Section 3:** (59.420589, -136.135169) to (59.421304, -136.15157): The applicant intends to repair 0.6 miles of road surface and ditch repairs.

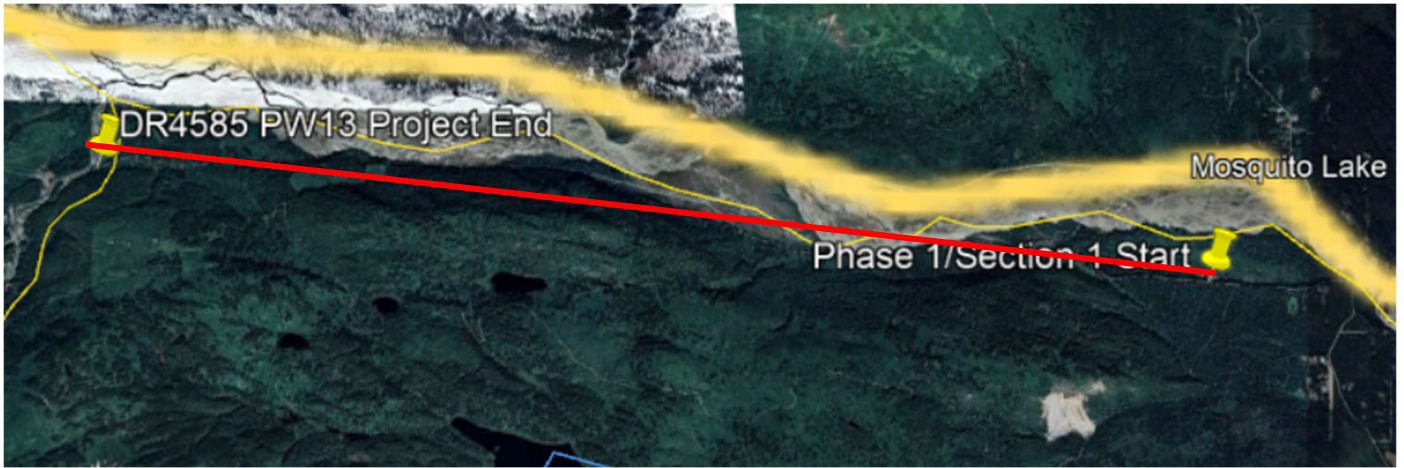


Google Earth – Showing the location of Phase 1, Section 3: Proximal the Chilkat River. The red line indicates the 0.6 miles of road work completed for Phase 1 Section 3.

**Phase 1 Section 4** (59.421384, -136.175733) to (59.420224, -136.221962): The applicant intends to repair 1.63 miles of road surface and ditch repairs.



Google Earth Image – Location of Phase 1 Section 4: Red Line indicates the 1.63 miles of completed road work for Phase, Section 4.



Google Earth Image – Total 7 miles from starting GPS point to Stopping GPS Point.

**Site Visit Measurements:**

To verify the work completed in Phase 1, the applicant and contractor took the FEMA team along Porcupine Road. The following measurements were taken: Total width which included shoulder lengths, length of the road, and the lengths of both shoulders. Please see table below.

\*\* indicate locations where Constantine/The Mine completed work.

**Sites:**

Stops	GPS (Lat, Long)	Phase/Section	Width Total (shoulders & RD)	Road Length	Shoulder Length
Stop 1	59.412211, -136.025926	0.14 miles before Phase 1/Section 1 start GPS	25ft	17ft	4ft on both sides
Stop 2	59.412360, -136.028085	0.5 miles before Phase 1/Section 1 start GPS	25.7ft	17ft	4.35ft on both sides
Stop 3	59.412512, -136.044383	Phase 1/Section 1	27.8ft - 28ft	18ft	4ft (L) & 6ft (R)
Stop 4	59.414699, -136.064343	Phase 1/Section 1	24.5ft	16.9ft	3.8ft on both sides *Culvert – Herman Creek
Stop 5**	59.415373, -136.075005	Phase 1/Section 1	27.10ft	12.5ft	4.1ft (L) & 10.5ft (R)
Stop 6	59.414066, -136.084047	Approximately 25ft West of the Phase 1, Section 1 end point.	26ft	16ft	7ft (L) & 3ft (R)

Stop 7**	59.414205, -136.085080	Approximately 191ft West of the Phase 1, Section 1 end point.	35.7ft	14ft	8.7ft (L) & 13ft (R)
Stop 8	59.414357, -136.095753	Phase 1/ Section 2	27.8ft	17ft	5ft (L) & 5.3ft (R)
Stop 9	59.416699, -136.111985	Phase 1/Section 2	27.9ft	15.8ft	7ft (L) & 5.1ft (R)
Stop 10	59.420656, -136.135637	Phase 1/Section 3	25ft	16ft	3.4ft (L) & 6ft (R)
Stop 11	59.421021, -136.138316	Phase 1/Section 3	28ft	16ft	7ft (L) & 5.4ft (R)
Stop 12	59.421397, -136.151576	Phase 1/Section 3	28ft	17.4ft	8ft (L) & 3.4ft (R)
Stop 13**	59.421366, -136.173309	Located in-between Phase 1, Section 3 End -AND- Phase 1, Section 4 Start	21.5ft	13.6ft	5ft (L) & 2.6ft (R)
Stop 14	59.421278, -136.177367	Phase 1/Section 4	20ft	12ft	6ft (L) & 2ft (R)
Stop 15	59.420716, -136.188588	Phase 1/Section 4	21.7ft	13.3ft	6ft (L) & 1.4ft (R)
Stop 16	59.421098, -136.201261	Phase 1/Section 4	32ft	17ft	2ft (L) & 9ft (R)
Stop 17	59.420164, -136.221220	Phase 1/Section 4	23.1ft	16.7ft	2ft (L) & 4.4 (R)

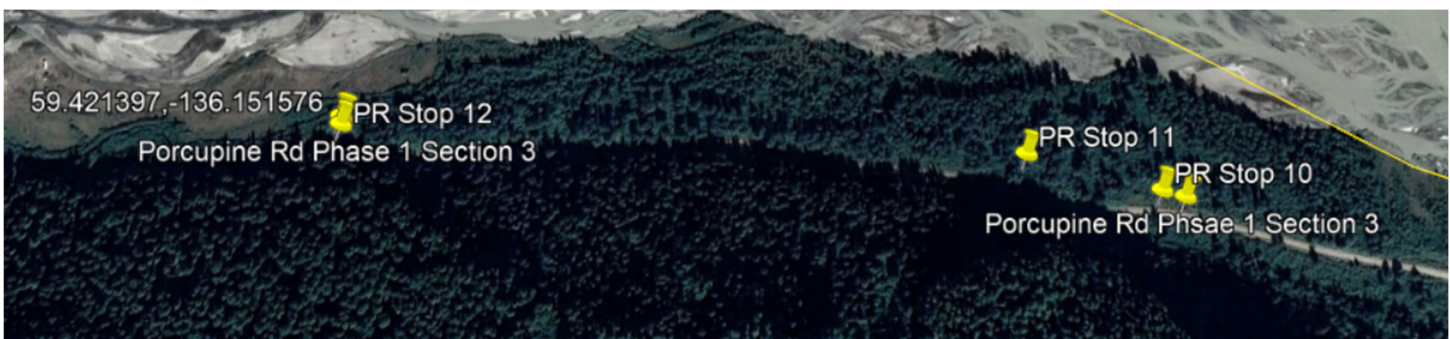
**Google Earth Images of Site Inspection Stops Including Section endpoints:**



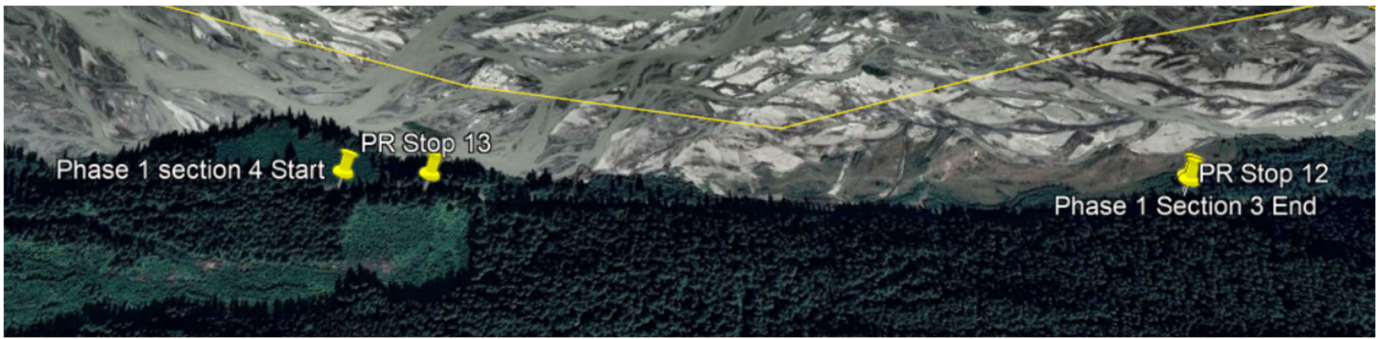
Google Earth Image – the first 7 stops. According to the applicant and applicant's contractor, stops numbers, 5 and 7 were locations where work was completed and paid for by Constantine/The Mine.



Google Earth Image – Stops 8 & 9 within Phase 1 Section 2 Work. Phase 1 Section 2 (59.414467, -136.093800) to (59.416912, -136.112530).



Google Earth Image – Stops 10, 11, and 12 fall within Phase 1 Section 3 (59.420589, -136.135169) to (59.421304, -136.15157).



Google Earth Image: Stop #13 is in-between Section #3 and Section #4.



Google Earth Image – Stops #14, 15, 16, and 17 fall within Section 4.

**Third Part Work:** Stops 5, 7, & 13 – the locations where Constantine completed permanent work.

Stop #5 (59.415373, -136.075005):

- NEPA – Connected Action. To properly complete the NEPA review, the SOW for this section is required.
- EO11980 Wetland– Per the National Wetland Inventory mapper, the site is within in listed Wetland.

Stop #7 (59.414205, -136.085080)

- NEPA – Connected Action. To properly complete the NEPA review, the SOW for this section is required.
- EO11980 Wetland– Per the National Wetland Inventory mapper, the site is within in listed Wetland.

Stop #13 (59.421366, -136.173309)

- NEPA – Connected Action. To properly complete the NEPA review, the SOW for this section is required.

**EHP Concerns:**

- Stop #4 (59.414699, -136.064343): Culvert
  - NEPA – Connected Action. To properly complete the NEPA review, the SOW for this section is required.
  - CWA– USACE Permit (Or written documentation from USACE indicating the project falls within a NWP, or written documentation from USACE indicating permits are not necessary)
  - EFH – According to Alaska Department of Fish and Game, the following Species are present in Herman Creek: Dolly Varden, Sockeye Salmon, Coho Salmon, Pink Salmon, Chum Salmon, Chinook Salmon, Eulachon, and Cutthroat Trout.
- NEPA – To complete a legally sufficient EHP review, the SOW details for the third-party work is required.
  - Phase 2 & Phase 3 work is yet to be determined. The SOW for both phases are necessary to complete the EHP Compliance Review.
- NHPA – Road width. All previous reports indicate the road is 22ft in width. Measurements taken 8/31/2023 indicate lengths ranging from 20ft – 35 ft.
- Work in or Near Water
- Essential Fish Habitat
- Bypass Road - there was discussion of a bypass road built or plan to be built in the section between Section 1 and Section 2. It was unclear if work has been completed or is to be completed. Clarification on the bypass SOW is needed.

\*\*FEMA Sent the applicant and stare an RFI 9/20/2023. One clarification was the culvert work. The work completed near stop #4, near the culvert, was work completed by a third-party (not Constantine). Additional clarification will be helpful regarding who did what work around the culvert.

## Q & A History

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### Deadline

06/30/2022 09:00 PM EDT

### Remarks

All questions regarding this project must be posted on the Bid Express Platform. No in person, phone, or email questions will be answered.

| *Published*

Q.

**Mobilization-Fixed costs on this project are substantial - Crusher mobilization/set-up - trucks-grader-compact and support gear. The again with demobilization. - Project overhead and incidentals also make up this item. Allocating these fixed costs into unit bid items is challenging and suggest a mob item be included.**  
**TY**

Asked By: Glacier Construction, Inc. dba Southeast Road Builders on 06/25/2022 06:26 PM EDT

Published By: Ed Coffland on 06/27/2022 12:02 PM EDT

A.

**We will send an addendum to add a new pay item 640.0001.01 Mobilization and Demobilization. The pay item unit will be LS.**

Answered By: Ed Coffland on 06/27/2022 12:02 PM EDT

Published By: Ed Coffland on 06/27/2022 12:02 PM EDT

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| *Published*

Q.

**Addendum 1, Item 5 states "To ensure compliance with AS 23.20.265, the Contractor shall complete a 'Tax Clearance Request Form for Contractors' and submit to (ADL&WD). Completed Tax form shall be uploaded to the Bid Express Platform with your bid."**

**Is the contractor to provide a copy of the approved form from ADL&WD as part of it's bid, or is the owner requiring a returned form from ADL&WD showing tax clearance is granted? Providing a completed form from ADL&WD may take time that would conflict with the bid due date. How should the contractor complete the "Specific time period a tax clearance is being requested for" on the form?**

Asked By: Glacier Construction, Inc. dba Southeast Road Builders on 06/29/2022 04:16 PM EDT

Published By: Carolann Wooton on 06/29/2022 05:21 PM EDT

A.

**No, we are just requiring the completed form, not the approved form, with your bid. We will submit it to DOL and get the clearance back before the final payment for the project is awarded.**

Answered By: Carolann Wooton on 06/29/2022 05:21 PM EDT

Published By: Carolann Wooton on 06/29/2022 05:21 PM EDT

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| *Published*

Q.

noted excavation and embankment is deleted and all required is subsidiary. Per note #7, existing road width varies, however top surfacing shall be 22 ft. in width.

It appears, without complete survey prior to bid, some areas may be less than the 22 ft. requirement. Additionally, some areas may take some unknown quantity to comply. Is it the intent of the contract for all excavation/embankment to be subsidiary to comply with the 22 ft requirement? If so please provide us with an estimate of excavation/embankment quantities to comply - TY

Asked By: Glacier Construction, Inc. dba Southeast Road Builders on 06/29/2022 04:45 PM EDT

Published By: Ed Coffland on 06/29/2022 06:33 PM EDT

A.

Our intent is for the reconditioned road surface to match the existing road surface up to 22 feet wide. Where the existing road surface is less than 22 feet wide, we do not intend to widen the, but recondition to match the narrower road.

Answered By: Ed Coffland on 06/29/2022 06:33 PM EDT

Published By: Ed Coffland on 06/29/2022 06:33 PM EDT



19:00:53

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00043

Title: 181119 - Haines Emergency Protective Measures

## NEPA DETERMINATION

<b>Non Compliant Flag:</b> No	<b>EA Draft Date:</b>	<b>EA Final Date:</b>
<b>EA Public Notice Date:</b>	<b>EA Fonsi</b>	<b>Level:</b> CATEX
<b>EIS Notice of Intent</b>	<b>EIS ROD Date:</b>	

**Comment** Haines Borough, Cat B, Work Completed, CRC Gross Cost \$401,272.70: The applicant utilized force account labor and contract labor to provided waste disposal for Beach Road residents, removed gravel and debris from multiple manholes, established an Emergency Operations Center at 213 Haines Highway, Haines, AK (GPS: 59.231741,-135.447796), search and rescue throughout Haines, Alaska, emergency repairs for harbor skiff search and rescue motor-boat, emergency repairs to the harbor moorage floats (According to RFI-PRJ-66431, no work was completed in water), hotel stays for EMT staff, temporary repairs to the wastewater treatment plant system, safety information dissemination, landslide warning signs and caution lights, monitoring and avalanche inspection, and temporary road and culvert repair.

Road and culvert include the following permanent work:

- \*. Young Road (GPS Start: 59.24971, -135.43603, Stop: 59.24028, -135.44375, approximately 0.8 mile) - Applicant utilized force account labor and contract labor, to repair washed out road. Young Road was graded, filled with 708 CY of 3" Minus and 24 CY of Class 1 Rip Rap. The applicant installed temporary culverts at Young Road and Mathias Dr and Barnett Drive. The applicant also placed pipe bedding on exposed water line between Oslund Drive and Mathias Ave, backfilled eroded trench, and waterline near Barnett Road, using 126 TN of 3" crushed gravel. The applicant also repaired a CMP storm drain along the sidewalk, reconstructed a ditch, and repaired several drainage pipes. Debris removal was also associated with this location.
  - \*. Chilkat Trail Road (GPS Start: 59.211892, -135.448155, Stop: 59.210737, -135.44808, approximately 479ft)- Washed out road was graded, filled with 336 CY of 1" Minus.
  - \*. First Avenue North (GPS: 59.238073, -135.442671) - Washed out road was graded, filled with 36 CY of 3" Minus.
  - \*. Soap Suds Alley (GPS Start: 59.22691, -135.44054, Stop: 59.22790, -135.43863) - Washed out road was graded, filled with 48 CY of 3" Minus.
  - \*. Mink Way (GPS: 59.26689, -135.44852) - Washed out road was graded, filled with 72 CY of 3" Minus.
  - \*. Haven Court (GPS Start: 59.244628, -135.432761, Stop: 59.245258, -135.428822) - Washed out road was graded, filled with 72 yards of 3" minus.
  - \*. Porcupine Trail Road (GPS: Start: 59.41235, -136.02959, End: 59.42065, -136.19023), Road prep, clearing and grubbing, finishing, and shaping.
  - \*. Cathedral View Drive (GPS Start: 59.24455, -135.49058, Stop: 59.24308, -135.48724, approximately 0.3 mile) - SERB hauled slide material to fill Cathedral View Drive and backfill eroded trench. Installed 2 24" CPP culverts. Installed 1-12" driveway culvert. Re-installed 24" CPP culvert at the bottom of Cathedral View Dr. Graded and compacted roadway.
  - \*. Lily Lake (Jeep Trail) (GPS: 59.20746, -135.41828) Emergency staging/road repairs. Haul and place material to reconstruct road, using excavator and dump truck, 20 FT of 24" CPP.
  - \*. Beach Road (GPS Start: 59.22426, -135.41641, End: 59.21964, -135.39862, approximately 0.7 mile), Stabilization of the site, search and rescue, waste disposal, and monitoring and inspection of avalanche adjacent to the road.
  - \*. Piedad Road (GPS Start 59.24529, -135.47637, Stop: 59.24462, -135.47622, approximately 141 ft). The applicant installed a 12" culvert near the water treatment plant at the top of Piedad Road; Installed 2 runs of 18" CPP by 50' long at the top of Piedad Road near the water treatment plant. Dug drainage ditch uphill of the new culverts. The dimensions of the ditch are 2000 FT L x 1 FT D x 3 FT W. (GPS START: 59.239519, -135.476181 to 59.244985, -135.476261). Debris was disposed of at (59.217997, -135.424935). The TDSR was located at (59.217848, -135.425685). Road repair materials were provided by: Northern Construction Stockpile (59.238425, -135.468892) and Southeast Road Builders Borrow Pit (59.257017, -135.544942). All work and costs in this project fall between 12/2/2020 and 8/28/2021.
- lherriot - 05/18/2022 21:07:33 GMT  
 \*\*\*Rework due to costs being removed from the equipment summary. Revised Estimated cost is \$400,761. - jparr2 - 06/21/2022 18:17:48 GMT  
 /Project reworked 6/ for a cost adjustment. EHP review still applies. - lherriot - 06/21/2023 18:59:34 GMT

## CATEX CATEGORIES

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00043

Title: 181119 - Haines Emergency Protective Measures

Catex Category Code	Description	Selected
*n7	(*n7) Federal Assistance for Structure and Facility Upgrades. Federal assistance for the reconstruction, elevation, retrofitting, upgrading to current codes and standards, and improvements of pre-existing facilities in existing developed areas with substantially completed infrastructure, when the immediate project area has already been disturbed, and when those actions do not alter basic functions, do not exceed capacity of other system components, or modify intended land use. This category does not include actions within or affecting streams or stream banks or actions seaward of the limit of moderate wave action (or V zone when the limit of moderate wave action has not been identified).	Yes

## EXTRAORDINARY

Extraordinary Circumstance Code	Description	Selected ?
	No Extraordinary Circumstances were selected	

## ENVIRONMENTAL LAW / EXECUTIVE ORDER

Environmental Law/ Executive Order	Status	Description	Comment
Clean Air Act (CAA)	Completed	Project will not result in permanent air emissions - Review concluded	
Coastal Barrier Resources Act (CBRA)	Completed	Project is not on or connected to CBRA Unit or otherwise protected area - Review concluded	
Clean Water Act (CWA)	Completed	Project would not affect any water of the U.S. - Review concluded	
Coastal Zone Management Act (CZMA)	Completed	Project is not located in a coastal zone area and does not affect a coastal zone area - Review concluded	
Executive Order 11988 - Floodplains	Completed	Located in floodplain or effects on floodplain/flood levels	Based on the effective FIRM panel 020008B, dated 5/1/1987, the project area is not mapped. Due to the several project locations proximity to the Chilkat Inlet, an 8-step decision making process was completed. Please see attached 8-step decision making process. - lherriot - 05/18/2022 21:19:42 GMT
	Completed	Possible adverse effects associated with investment in floodplain, occupancy or modification of floodplain environment	

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00043

Title: 181119 - Haines Emergency Protective Measures

Environmental Law/ Executive Order	Status	Description	Comment
	Completed	8 Step Process Complete - documentation attached - Review concluded	
Executive Order 11990 - Wetlands	Completed	Located in wetlands or effects on wetlands	Per attached USFWS Wetlands Inventory (NWI) mapper, accessed dated 5/18/2022., several of the proposed scope of work is locations are proximal a wetland. The project, as described, is for in-kind repairs/restoration actions for restoring to pre-disaster conditions and ground disturbance totals are less than 0.1 acres from construction activities. - lherriot - 05/18/2022 21:39:16 GMT
	Completed	Possible adverse effect associated with constructing in or near wetland	
	Completed	Review completed as part of floodplain review - Review concluded	
Executive Order 12898 - Environmental Justice for Low Income and Minority Populations	Completed	Low income or minority population in or near project area	
	Completed	No disproportionately high and adverse impact on low income or minority population - Review concluded	
Endangered Species Act (ESA)	Completed	No listed species and/or designated critical habitat present in areas affected directly or indirectly by the federal action - Review concluded	The proposed project will not destroy or adversely modify suitable habitat and will not affect any other listed species under the jurisdiction of the USFWS. It is therefore determined the proposed project would have "No Effect" on listed species and consultation with the USFWS under Section 7 of the Endangered Species Act is not required. - lherriot - 05/18/2022 21:09:03 GMT
Farmland Protection Policy Act (FPPA)	Completed	Project does not affect designated prime or unique farmland - Review concluded	
Fish and Wildlife Coordination Act (FWCA)	Completed	Project does not affect, control, or modify a waterway/body of water - Review concluded	
Migratory Bird Treaty Act (MBTA)	Completed	Project located within a flyway zone	
	Completed	Project does not have potential to take migratory birds - Review concluded	

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00043

Title: 181119 - Haines Emergency Protective Measures

Environmental Law/ Executive Order	Status	Description	Comment
Magnuson-Stevens Fishery Conservation and Management Act (MSA)	Completed	Project not located in or near Essential Fish Habitat - Review concluded	
National Historic Preservation Act (NHPA)	Completed	Applicable executed Programmatic Agreement. Activity meets Programmatic Allowance (enter date and # in comments) - Review concluded	FEMA's Programmatic Agreement with the AK State Historic Preservation Officer and the AK Division of Homeland Security and Emergency Management includes Programmatic Allowances for activities that have no effect or limited effect on historic properties, and do not require further review by the SHPO pursuant to Appendices C and D. The scope of work for this project at Damage # 455118; Emergency Protective Measures (Haines Borough Emergency Protective Measures) meets the description of Stipulation 2 in Appendix C; Tier I: I.A.1, II.A, and III.A.6 and Tier II: III.A.1 and A.3 in Appendix D. - pfisher1 - 05/17/2022 15:41:36 GMT*****Rework was for updates to the rental summary that do not impact the previous NHPA review. Determination and comment entered 0/17/2022 still applies.***** - mball4 - 06/21/2022 17:13:06 GMT*****Reworked for cost adjustment, no change to SOW. Previous comment still applies. - pfisher1 - 06/14/2023 22:40:19 GMT
Wild and Scenic Rivers Act (WSR)	Completed	Project is not along and does not affect Wild and Scenic River - Review concluded	

## CONDITIONS

**Standard Conditions:**

Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize federal funding.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00013

Title: 435787 - Porcupine Trail Road

NEPA DETERMINATION

Non Compliant Flag: Yes      EA Draft Date:      EA Final Date:  
 EA Public Notice Date:      EA Fonsi      Level: CATEX  
 EIS Notice of Intent      EIS ROD Date:

**Comment** V0- City of Haines is proposing a v0 A&E component to the Cat C project, Porcupine Trail Road 59.41235, -136.02959 to 59.42065, -136.19023]. Applicant will be using contract resources to conduct a) Preliminary Engineering Study and b) A&E design contract create designs to repair 9 locations along 5mi of Porcupine Trail Road. This PW is a version 0 is for the engineering study and does not include approval for construction of any kind. Prior to construction, a subsequent version 1 will need to be formulated and reviewed by EHP. Cost is \$37,175. - jparr2 - 01/21/2022 18:46:25 GMT  
 \*\*Minor wording rework, EHP review still applies - jparr2 - 02/01/2022 16:12:26 GMT  
 \*\*\*CRC updated notes to meet template, SOW is unchanged. - jparr2 - 02/09/2022 17:22:08 GMT  
 SOW: Haines Borough. Work to be completed, Cat C, Version 2 CRC Net Cost \$1,435,834.75: The applicant intends to repair multiple locations on Porcupine Trail road, a two-land, 22ft wide, gravel road. The applicant utilized D1 surface aggregate. HMP: To prevent future damages caused by a similar event, the applicant intends to add Calcium Chloride to road materials.  
 Damaged sites listed below:  
 Site 1 (59.412354, -136.029592) to (59.414085, -136.084124): The applicant intends to repair 1.92 miles of road surface at two locations over the span of 3.84 miles. The applicant also intends to repair the ditches along both sides of the road.  
 Site 2 (59.414467, -136.093800) to (59.416912, -136.112530): The applicant intends to repair 0.6 miles of road surface and ditch repairs.  
 Site 3 (59.420589, -136.135169) to (59.421304, -136.15157): The applicant intends to repair 0.6 miles of road surface and ditch repairs.  
 Site 4 (59.421384, -136.175733) to (59.420224, -136.221962): The applicant intends to repair 1.63 miles of road surface and ditch repairs.  
 - lherriot - 08/19/2022 17:11:11 GMT  
 This project is being de-obligated due to a third-party completing permanent work in the same location of the approved SOW for Phase 1. This is considered a connected action and the third part work completed SOW will need to be considered in the NEPA determination. Additionally Phase II and Phase III permanent work and HMA proposals will need to be reviewed together in the EHP compliance review. - lherriot - 09/21/2023 18:28:46 GMT  
 12/18/23 PA rework was to add HM costs to PW. As noted above NEPA review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:25:38 GMT

CATEX CATEGORIES

Catex Category Code	Description	Selected
*n7	(*n7) Federal Assistance for Structure and Facility Upgrades. Federal assistance for the reconstruction, elevation, retrofitting, upgrading to current codes and standards, and improvements of pre-existing facilities in existing developed areas with substantially completed infrastructure, when the immediate project area has already been disturbed, and when those actions do not alter basic functions, do not exceed capacity of other system components, or modify intended land use. This category does not include actions within or affecting streams or stream banks or actions seaward of the limit of moderate wave action (or V zone when the limit of moderate wave action has not been identified).	Yes

EXTRAORDINARY

Extraordinary Circumstance Code	Description	Selected ?
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## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00013

Title: 435787 - Porcupine Trail Road

No Extraordinary Circumstances were selected

## ENVIRONMENTAL LAW / EXECUTIVE ORDER

Environmental Law/ Executive Order	Status	Description	Comment
Clean Air Act (CAA)	Not Completed	Project will not result in permanent air emissions - Review concluded	
Clean Water Act (CWA)	Not Applicable	Project would not affect any water of the U.S. - Review concluded	No impacts to waters of the US are anticipated during the proposed v0 A&E action. The subsequent construction version of this project are likely to need additional EHP review, additionally future construction elements are expected to occur within waters of the US and appropriate permits will be needed from USACE. - jparr2 - 01/21/2022 18:40:02 GMTFull review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:22:57 GMT
Executive Order 11988 - Floodplains	Not Applicable	Located in floodplain or effects on floodplain/flood levels	No impacts to floodplains are anticipated during the proposed v0 A&E action. The subsequent construction version of this project will still need EHP review, due to project location within the floodplain. Prior to any construction, the applicant will need to work with the local floodplain coordinator to determine if any additional steps will be needed for construction such as a Floodplain Permit. - jparr2 - 01/21/2022 18:37:16 GMTBased on the effective Flood Insurance Rate Map, the project is in an unmapped area. The project is between 1,500 and 1,600ftt away from Mosquito Lake. According to Google Earth Pro, the project location is uphill from Mosquito Lake at an approximate 3.65 slope. The project is not likely to be in a floodway. - lherriot - 08/19/2022 17:15:11 GMTFloodplain review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:17:07 GMT
	Not Applicable	No adverse effect on floodplain and not adversely affected by the floodplain - Review concluded	
Executive Order 11990 - Wetlands	Not Applicable	No effects on wetlands and project outside wetlands - Review concluded	No impacts to wetlands are anticipated during the proposed v0 A&E action. The subsequent construction version of this project will likely need additional EHP review, since bank stabilization will likely occur within Riverine Wetland. Prior to any construction, any work occurring in

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00013

Title: 435787 - Porcupine Trail Road

Environmental Law/ Executive Order	Status	Description	Comment
			wetlands will need USACE and state permits. - jparr2 - 01/21/2022 18:37:36 GMT Per review of the USFWS National Wetlands Inventory (NWI) mapper, accessed 8/18/2022, the project is not located in a wetland. - lherriot - 08/19/2022 17:15:58 GMT Wetland review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:17:37 GMT
Executive Order 12898 - Environmental Justice for Low Income and Minority Populations	Not Applicable	Low income or minority population in or near project area	No impacts to low income or minority populations are anticipated during the proposed v0 A&E action. The subsequent construction version of this project may still need EHP review, however low income or minority populations are not expected to be disproportionately affected during the construction phase due to the anticipated SOW and location of repair. - jparr2 - 01/21/2022 18:37:52 GMT EHP review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:18:13 GMT
	Not Applicable	No disproportionately high and adverse impact on low income or minority population - Review concluded	
Endangered Species Act (ESA)	Not Applicable	No listed species and/or designated critical habitat present in areas affected directly or indirectly by the federal action - Review concluded	No impacts to ESA-listed species are anticipated during the proposed v0 A&E action. The subsequent construction version of this project may still need EHP review, however ESA-listed species are not expected to be affected during the construction phase due to the anticipated SOW and location of repair. - jparr2 - 01/21/2022 18:39:21 GMT Review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:22:27 GMT
Farmland Protection Policy Act (FPPA)	Not Completed	Project does not affect designated prime or unique farmland - Review concluded	
Migratory Bird Treaty Act (MBTA)	Not Applicable	Project located within a flyway zone	No impacts to migratory birds are anticipated during the proposed v0 A&E action. The subsequent construction version of this project may still need EHP review, pending if additional vegetation clearing will be proposed as part of construction phase. - jparr2 - 01/21/2022 18:40:54 GMT Full review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:23:28 GMT

18:27:01

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00013

Title: 435787 - Porcupine Trail Road

Environmental Law/ Executive Order	Status	Description	Comment
	Not Applicable	Project does not have potential to take migratory birds - Review concluded	
Magnuson-Stevens Fishery Conservation and Management Act (MSA)	Not Applicable	Project located in or near Essential Fish Habitat	No impacts to essential fish habitat (EFH) are anticipated during the proposed v0 A&E action. The subsequent construction version of this project will need additional EHP review due to work along the Chilkat River (EFH), additionally any bank stabilization proposed shall be bio-engineered. - jparr2 - 01/21/2022 18:41:09 GMT Full review has not been completed based on project being determined ineligible for PA funding, see Determination Memo. - skilner - 12/19/2023 18:23:50 GMT
	Not Applicable	Project does not adversely affect Essential Fish Habitat - Review concluded	
National Historic Preservation Act (NHPA)	Not Applicable	Standard Section 106 review	FEMAs Programmatic Agreement with the AK State Historic Preservation Officer and the AK Division of Homeland Security and Emergency Management includes Programmatic Allowances for activities that have no effect or limited effect on historic properties, and do not require further review by the SHPO pursuant to Appendix C. The scope of work at damage #55349, Porcupine Trail Road and embankment erosion, meets the description of Exemption 7 for the funding of an Architectural and Engineering Study. Once a repair method has been determined and a final scope of work developed the project should be returned for NHPA review. - mball4 - 01/21/2022 16:28:50 GMT*****Rework was for the addition of Scope Note 3 which does not impact the previous review. Comment entered 01/21/2022 still applies.***** - mball4 - 02/01/2022 15:06:28 GMT*****Rework was for the formatting of scope notes and does not impact the previous review. Comment entered 01/21/2022 still applies.***** - mball4 - 02/09/2022 17:14:40 GMT*****Reworked to Phase project into road and surface repair (1) and embankment repair (2). There is an Archaeological site within the APE according to AHRs. Consultation with the AK SHPO initiated on 8/5/2022 and a No Adverse Effect determination was made (Attached). SHPO concurred on 8/10/2022 (Attached). - pfisher1 - 08/22/2022 13:33:43 GMT Historic preservation review has not been fully completed to include all work actually completed which has been determined ineligible for PA funding, see



RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project PA-10-AK-4585-PW-00013

Title: 435787 - Porcupine Trail Road

**Environmental Law/  
Executive Order**

**Status**

**Description**

**Comment**

Determination Memo. - skilner - 12/19/2023  
18:21:00 GMT

Not Applicable No properties in the project area are 50 years or older or listed on the National Register - Review concluded

Not Applicable Project affects undisturbed ground

Not Applicable Project area has potential for presence of archeological resources

Not Applicable Determination of historic properties affected

Not Applicable NR eligible resources present in project area. (FEMA finding/ SHPO/THPO concurrence attached)

Not Applicable No Adverse Effect Determination. (FEMA finding/ SHPO/THPO concurrence attached) - Review concluded

Wild and Scenic Rivers Act (WSR)

Not Completed Project is not along and does not affect Wild and Scenic River - Review concluded

**CONDITIONS**

**Special Conditions required on implementation of Projects:**

Once proposed designs are completed, applicant should work with their floodplain coordinator for any needed permits. The preliminary Engineering Analysis should evaluate project alternatives, including at least one alternative that evaluates complete or partial road relocation.

Source of condition: Executive Order 11988 - Floodplains Monitoring Required: No

The Applicant is responsible for obtaining any required federal, state, or local wetland permits prior to initiating work in subsequent construction phases. The sub-grantee shall comply with all conditions of the required permits.

Source of condition: Executive Order 11990 - Wetlands Monitoring Required: No

Applicant should contact and work with USACE regarding permitting once the preferred alternative and conceptual designs are developed. Applicant should be aware that USACE permits typically require 60 percent designs.

Source of condition: Clean Water Act (CWA) Monitoring Required: No

## RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

**Project** PA-10-AK-4585-PW-00013

**Title:** 435787 - Porcupine Trail Road

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Applicant to work with Takshanuk Watershed Council and ADFG to ensure suitable alternatives are considered and that proposed concept designs include bioengineering.

Applicant should include at least one alternative that assesses if feasible to relocate portions of Porcupine Trail Rd.

Source of condition: Endangered Species Act (ESA)

Monitoring Required: No

Applicant should be aware that if substantial additional vegetation clearing is proposed as part of the project, then additional steps will need to be implemented such as confirming no active nests are within the work zone or working with USFWS if active nests need to be removed.

Source of condition: Migratory Bird Treaty Act (MBTA)

Monitoring Required: No

Applicant to work with Takshanuk Watershed Council and ADFG to ensure suitable alternatives are considered and that proposed concept designs include bioengineering.

Applicant should include at least one alternative that assesses if feasible to relocate portions of Porcupine Trail Rd.

Source of condition: Magnuson-Stevens Fishery Conservation and Management Act (MSA)

Monitoring Required: No

V0- Applicant should be aware that if substantial work is proposed outside of the existing facility extents, an Environmental Assessment may be needed. Applicant should coordinate with EHP once a preferred alternative is selected, and conceptual designs are being developed.

Applicant should be aware that 60 percent designs are typically needed for USACE permits.

Source of condition: NEPA Determination

Monitoring Required: No

NEPA Conditions: All borrow or fill material must come from pre-existing stockpiles, material reclaimed from maintained roadside ditches (provided the designed width or depth of the ditch is not increased), or commercially procured material from a source existing prior to the event. For any FEMA-funded project requiring the use of a non-commercial source or a commercial source that was not permitted to operate prior to the event (e.g. a new pit, agricultural fields, road ROWs, etc.) in whole or in part, regardless of cost, the Applicant must notify FEMA and the Recipient prior to extracting material. FEMA must review the source for compliance with all applicable federal environmental planning and historic preservation laws and executive orders prior to a subrecipient or their contractor commencing borrow extraction. Consultation and regulatory permitting may be required. Non-compliance with this requirement may jeopardize receipt of federal funding. Documentation of borrow sources utilized is required at closeout.

Source of condition: NEPA Determination

Monitoring Required: No

**Standard Conditions:**

Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize federal funding.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.



**FEMA**

August 5, 2022

Ms. Judith Bittner  
State Historic Preservation Officer  
Alaska Office of History and Archaeology  
550 West 7th Avenue, Suite 1310  
Anchorage, Alaska 99501-3565  
*Via email*

Re: FEMA Public Assistance, 4585-DR-AK PW13, Porcupine Trail Road Repair

Dear Ms. Bittner:

The U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) proposes to fund Haines Borough (Applicant), through the Alaska Division of Homeland Security and Emergency Management (AKDHS & EM), for a road repair project (Undertaking). This funding is available from FEMA's Public Assistance Program through Presidentially-declared disaster 4585-DR-AK. The proposed Undertaking is being reviewed pursuant to Section 106 of the National Historic Preservation Act, as amended, and the Programmatic Agreement in effect with your office and AKDHS & EM.

### **Proposed Undertaking**

The Undertaking will involve road and embankment repair along the 22-foot-wide Porcupine Trail Road in Haines Borough located approximately 2-mile northwest of Covenant Life, Alaska, as shown on Figures 1 and 2. As a result of heavy rains and overland flooding, segments of the gravel Porcupine Trail Road located between Latitude 59.41235, Longitude -136.02959 and Latitude 59.42022, Longitude -136.22196 washed out the road surface and base, caused ditches to become clogged or washout, and embankment failures. Embankment failures occurred in sections of the road in steep areas or areas adjacent to the Klehini River (see attached Photo Packet). The project will repair the Porcupine Trail Road surface, base, ditches, and embankments back to pre-disaster conditions in-kind and in-place with the possibility for some minor improvements for armoring of ditches and slope stabilization. The overall project locations can be seen in the attached Damage Locations Sheet. Material for the repair will come from the Sunshine Mountain Pit owned by the University of Alaska and located at Latitude 59.39935, -136.05017.

Repair for the Undertaking consists of:

- Resurfacing of damaged road segments with 6 inches of gravel.
- Cleaning out of, and minor expansion of, existing ditch segments along the side of the road.

- Six Downslope Road Embankment Repairs; associated Photo Packet site locations:
  - One 30-foot-long by 16-foot-wide by 30-foot-deep; Site 3 photos
  - One 8-foot-long by 22-foot-wide by 40-foot-deep; Site 4 photos
  - One 6-foot-long by 16-foot-wide by 25-foot-deep; Site 5 photos
  - One 6-foot-long by 16-foot-wide by 25-foot-deep; Site 6 photo
  - One 20-foot-long by 50-foot-wide by 30-foot-deep; Site 7 photos
  - One 30-foot-long by 33-foot-wide by 37-foot-deep; Site 8 photos
- Road base repair ranging from one (1) to two (2) feet in depth and surface repair from segments washout out long the Klehini River.
- Segments of rock riprap armoring replacement along the Klehini River eight (8) feet in height that were washed away.

While the activities associated with this Undertaking would typically meet more than one allowance from the Programmatic Agreement, a review of AHRS discovered a possible historic resource along Porcupine Trail Road, thus we are initiating consultation for the associated activities.

### **Area of Potential Effects**

FEMA has determined that the Area of Potential Effects (APE) is one approximately 7.5 mile long by 50 to 100-foot-wide area that encompasses all of the segments for road, ditch, and embankment repair as well as the staging of equipment (Figure 2).

### **Historic Property Identification and Evaluation**

A review of information from the Alaska Heritage Resource Survey (AHRS) indicates that there is one historic resource within the APE, site SKG-00217. As per the AHRS site card “this number is meant to refer to the now abandoned sections of the old Haines Hwy, rather than the entire highway. The highway was initially surveyed by the military in 1905, and by 1911 a wagon road extended along the N side of the Klehini River to the border. The road followed the general route of the Dalton Trail to Klukshu Lake. In 1943 the road was upgraded to two lanes, as part of the WWII supply effort. The road was only used in summer until 1963. Sections of the highway have been straightened and rerouted.” However, the GPS point location given at Latitude 59.42037, Longitude -136.13484 is located on the south side of the Klehini River on Porcupine Trail Road. Currently, the existing and old Haines Highway are mapped on the north side of the Klehini River. It is not clear if portions of the old Haines Highway ran along the south side of the Klehini River along what is now Porcupine Trail Road, or if the point location for SKG-00217 was digitized in the wrong location.

The purpose of this Undertaking is to repair segments of the gravel road, ditches, and road embankments. The damage to the possible Historic Resource occurred as a result of the natural disaster and this Undertaking will repair the gravel Porcupine Trail Road as close as possible to pre-disaster conditions. A National Register of Historic Places (NRHP) eligibility determination has not been made for SKG-00217. While more research is necessary to fully evaluate SKG-00217, the repair actions included in this Undertaking will not diminish any of the aspects of integrity of the resource nor its ability to convey significance should it be NR eligible. Based on the nature and location of the Undertaking along Porcupine Trail Road in an area previously disturbed by the construction and subsequent improvements to the road, FEMA has determined the likely presence of intact cultural resources is low. Thus, we have determined no further identification and evaluation efforts are warranted.

Ms. Bittner  
August 5, 2022  
Page 3

**Determination of Effects**

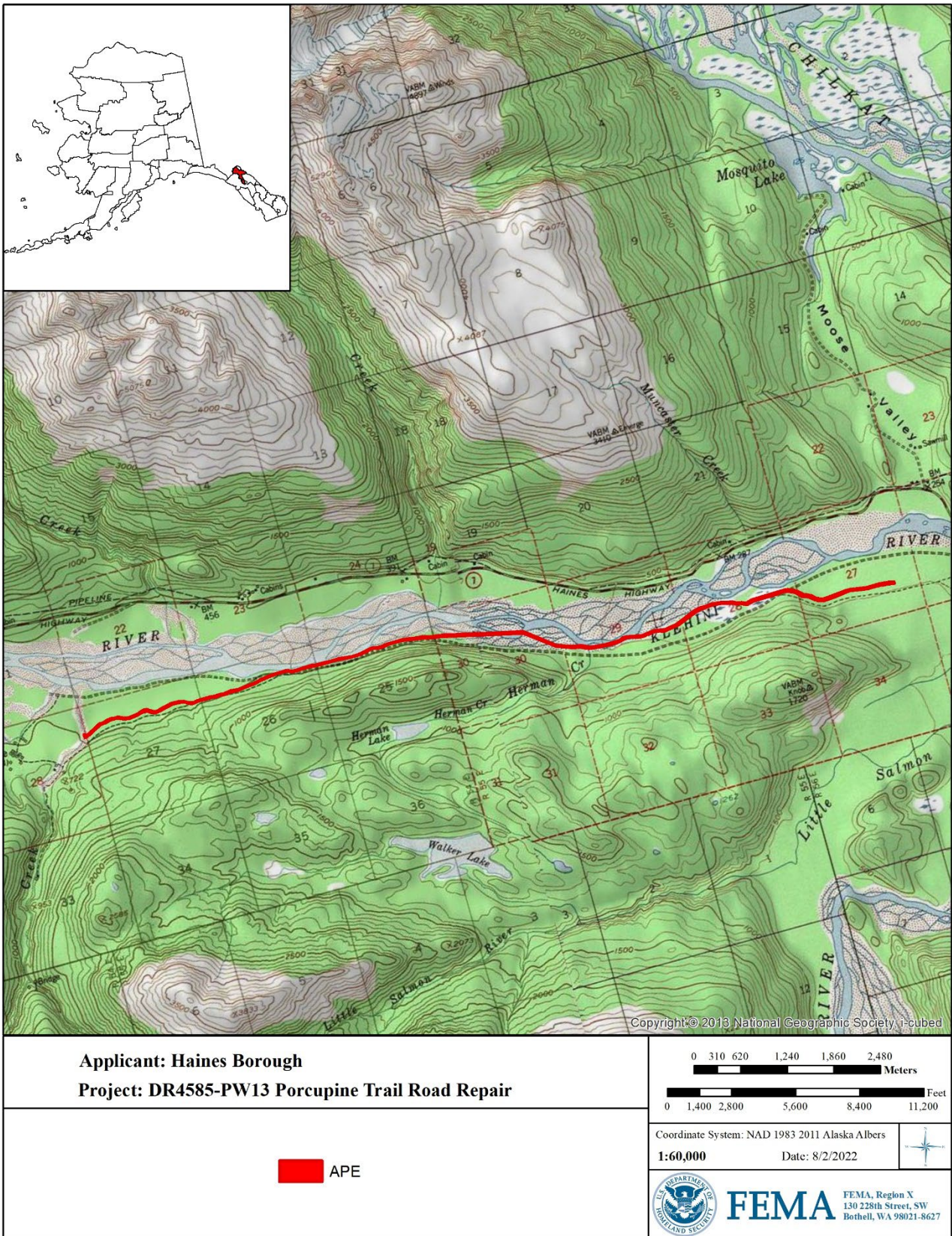
Barring additional information from your office, FEMA has determined the Undertaking will result in No Adverse Effect to Historic Properties. Additionally, we condition our construction related project approvals to protect any unexpected discoveries of historic or archaeological remains during site work. We respectfully request your concurrence to these findings or additional comment. To assist with your review, please find enclosed project area maps, site photos, and design plans. Should you have any questions, please contact Philip Fisher at (425) 471-9018 or [philip.fisher@fema.dhs.gov](mailto:philip.fisher@fema.dhs.gov). Thank you.

Sincerely,

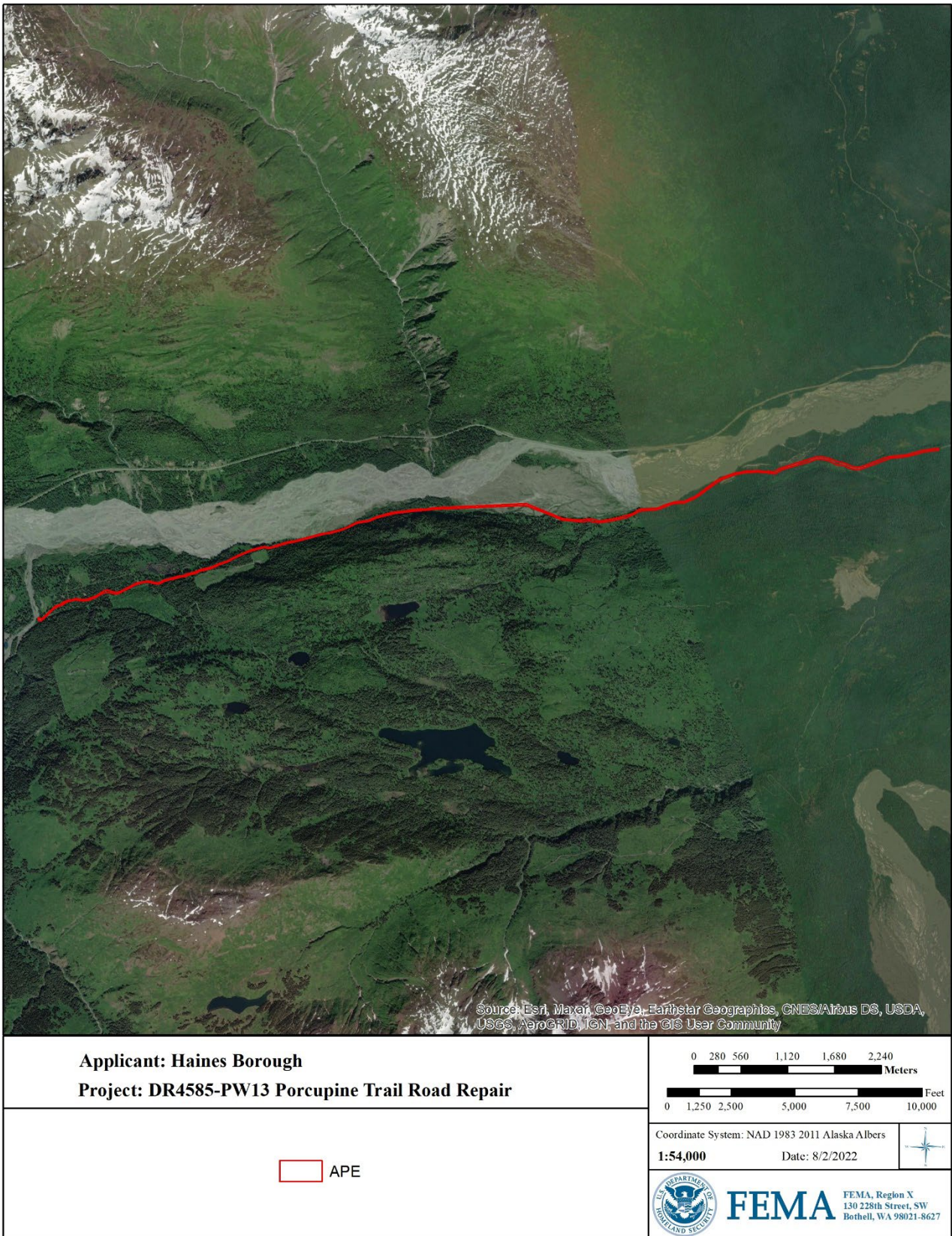
Science Kilner  
Regional Environmental Officer

Enclosures:

Damage Locations Sheet  
Damage Photos from Site Inspection



**Figure 1.** Location of the Porcupine Trail Road Repair APE shown on a USGS 1:24,000 topographic map.



**Figure 2.** Location of the Porcupine Trail Road Repair APE shown on a recent aerial image.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources  
DIVISION OF PARKS AND OUTDOOR RECREATION  
Office of History & Archaeology

550 West 7<sup>th</sup> Avenue, Suite 1310  
Anchorage, AK 99501-3561  
907-269-8700  
<http://dnr.alaska.gov/parks/oha>

August 9, 2022

File No.: 3130-1R FEMA / 2022-00986

Science Kilner  
Regional Environmental Officer  
FEMA, Region X  
130 228<sup>th</sup> Street, SW  
Bothell, WA 98021-8627

Subject: FEMA Public Assistance, 4585-DR-AK PW13, Porcupine Trail Road Repair

Dear Ms. Kilner:

The Alaska State Historic Preservation Officer (AK SHPO) received your correspondence (dated August 5, 2022) on August 8, 2022. Our office has reviewed the undertaking pursuant Section 106 of the National Historic Preservation Act and we offer the following comments for your consideration.

Our office agrees that the property SKG-00217 is unlikely to be adversely affected by the proposed project. However, the Porcupine Trail Road is a historic route and should be considered for eligibility for listing in the National Register of Historic Places (NRHP). This route is an RS 2477 trail, which is also known as the Dalton Trail or RST 1225. We recommend that the historic route receive an AHRS number and be evaluated for NRHP eligibility in the future.

As the proposed undertaking seeks to repair the road to pre-disaster conditions with only some minor improvements to ditches and slope stabilization, our office agrees that a finding of no historic properties adversely affected would be appropriate for the undertaking. Please note that this concurrence is contingent on the *assumed* eligibility for the NRHP for the Porcupine Trail Road. This assumption of eligibility is only for the purposes of this project. No formal determinations on eligibility were made as a result of this review.

As stipulated in 36 CFR 800.3, other consulting parties such as the local government and Tribes are required to be notified of the undertaking. Please note that our office may need to re-evaluate our concurrence if changes are made to the project's scope or design, or comments are received from other consulting parties. Our response does not end the 30-day review period provided to other consulting parties. Should unidentified archaeological resources be discovered in the course of the project, work must be interrupted until the resources have been evaluated in terms of the National Register of Historic Places eligibility criteria (36 CFR 60.4), in consultation with our office.



August 9, 2022  
Page 2 of 2

Thank you for the opportunity to review and comment. We look forward to continued consultation concerning the project. Please contact Sarah Meitl at 907-269-8720 or [sarah.meitl@alaska.gov](mailto:sarah.meitl@alaska.gov) if you have any questions or if we can be of further assistance.

Sincerely,



Judith E. Bittner  
State Historic Preservation Officer

JEB:sjm



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

# 11C2

Department of Commerce, Community,  
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

December 29, 2023

From: [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov) ; [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)

Licensee: **CAROL JEAN WALDO**  
DBA: Flower Mountain Farms  
VIA email: flowermountainfarmsak@gmail.com  
CC: n/a  
Local Government : Haines Borough

Via Email: [afullerton@haines.ak.us](mailto:afullerton@haines.ak.us)

Community Council: n/a

Via Email:

CC: n/a

BCC: [amco.admin@alaska.gov](mailto:amco.admin@alaska.gov)

Re: Standard Marijuana Cultivation Facility #12680 Combined Renewal Notice

<b>License Number:</b>	#12680
<b>License Type:</b>	Standard Marijuana Cultivation Facility
<b>Licensee:</b>	CAROL JEAN WALDO
<b>Doing Business As:</b>	Flower Mountain Farms
<b>Physical Address:</b>	17 helms loop spur Haines, AK 99827
<b>Designated Licensee:</b>	CAROL JEAN WALDO
<b>Phone Number:</b>	907-766-2631
<b>Email Address:</b>	flowermountainfarmsak@gmail.com

License Renewal Application

Endorsement Renewal Application

**Dear Licensee:**

After reviewing your renewal documents, AMCO staff has deemed the application complete for the purposes of 3 AAC 306.035(c).

Your application will now be sent electronically, in its entirety, to your local government, your community council (if your proposed premises is in Anchorage or certain locations in the Mat-Su Borough), and to any non-profit agencies who have requested notification of applications. The local government has 60 days to protest your application per 3 AAC 306.060.

At the May 15, 2017 Marijuana Control Board meeting, the board delegated to AMCO Director the authority to approve renewal applications. However, the board is required to consider this application independently if you have been issued any notices of violation for this license, if your local government protests this application, or if a public objection to this application is received within 30 days of this notice under 3 AAC 306.065.

If AMCO staff determines that your application requires independent board consideration for any reason, you will be sent an email notification regarding your mandatory board appearance. Upon final approval, your 2023/2024 license will be provided to you during your annual inspection. If our office determines that an inspection is not necessary, the license will be mailed to you at the mailing address on file for your establishment.

Please feel free to contact us through the [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov) email address if you have any questions.

**Dear Local Government:**

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a "conditional protest" as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board's satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to AMCO Director the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email [amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov).

**Dear Community Council (Municipality of Anchorage and Mat-Su Borough only)**

AMCO has received a complete renewal application for the above listed license within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To object to the approval of this application pursuant to 3 AAC 306.065, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the objection within 30 days of the date of this notice. We recommend that you contact the local government with jurisdiction over the proposed premises to share objections you may have about the application.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to AMCO Director the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application independently. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov).

Sincerely,

A handwritten signature in blue ink that reads "Joan M. Wilson". The signature is written in a cursive, flowing style.

Joan M. Wilson, Director  
907-269-0350



Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600  
 Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
 Phone: 907.269.0350

Alaska Marijuana Control Board

**Form MJ-20: 2023-2024 Renewal Application Certifications**

**Why is this form needed?**

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's Anchorage office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

**Section 1 - Establishment Information**

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Carol Waldo	License Number:	12680
License Type:	Standard Cultivation		
Doing Business As:	Flower Mountain Farms		
Premises Address:	17 Helms Loop Spur		
City:	Haines	State:	AK
		ZIP:	99827

**Section 2 - Individual Information**

Enter information for the individual licensee who is completing this form.

Name:	Carol Waldo
Title:	Owner, Licensee

**Section 3 - Violations & Charges**

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have not been convicted of any criminal charge in the previous two calendar years.

CW

I certify that I have not committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

CW

I certify that a notice of violation has not been issued for this license between July 1, 2022 and June 30, 2023.

CW

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

Form MJ-20: 2023-2024 Renewal Application Certifications

Section 5 - Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

CW

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

CW

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

CW

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

CW

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

CW

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

CW

Initial this box if you are submitting an original fingerprint card and the applicable fees to AMCO for AMCO to obtain criminal justice information and a national criminal history record required by AS 17.38.200 and 3 AAC 306.035(d). If I have multiple marijuana licenses being renewed, I understand one fingerprint card and fee will suffice for all marijuana licenses being renewed.

If multiple licenses are held, list all license numbers below:

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

CW

Carol Waudo

Printed name of licensee

*Carol Waudo*

Signature of licensee

**From:** [AMCO Local Government Only \(CED sponsored\)](#)  
**To:** [Alekka Fullerton](#)  
**Subject:** RE: License #12680 Flower Mountain Farms Combined MJ Renewal Notice  
**Date:** Thursday, January 4, 2024 3:15:24 PM

**CAUTION: This email originated from outside of the Haines Borough. Do not click on links or open attachments unless you recognize the sender and know the content is safe.**

Hi Alekka,

Here's what I see so far; 3 AAC 306.920 discusses the death of a licensee. It reads:

**3 AAC 306.920. Death of licensee**

(a) If an individual who is the sole licensee of a marijuana establishment dies, the marijuana establishment shall cease operation. A personal representative appointed by the superior court for the estate of the deceased licensee may submit to the director a written request to reopen the business, along with a copy of the court order appointing the personal representative. If the licensed marijuana establishment is in good standing, and the personal representative is not a person prohibited from holding a marijuana establishment license under AS 17.38.200(i), the director shall grant permission to the personal representative to operate the business on the licensed premises subject to (b) of this section. In this section, a marijuana establishment is in good standing if the marijuana establishment

UPDATED: 10/11/23

NOT AN OFFICIAL COPY

115

- (1) has a valid current license;
- (2) has paid all fees due under this chapter and all local taxes due; and
- (3) has no unresolved suspension or revocation proceedings against it.

(b) A personal representative authorized to operate a marijuana establishment under (a) of this section must submit an application for a transfer of ownership to another person in compliance with 3 AAC 306.045 not later than 90 days after obtaining the director's approval to operate. The board may extend the time allowed in this section for another 90 days if the personal representative requests the additional time.

(c) This section does not authorize the transfer of a marijuana establishment license unless the board approves the personal representative's application for transfer of license to another person. (Eff. 2/21/2016, Register 217)

I expect that the person in charge of the estate will request from our Director to reopen the business, but that hasn't happened yet. I recommend that the Haines

Assembly review the application as it normally would.

## Gabriel Gonzales

Local Government Specialist  
DCCED - Alcohol and Marijuana Control Office  
550 W. 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
(907) 334-2195  
gabriel.gonzales@alaska.gov

---

**From:** Alekka Fullerton <afullerton@haines.ak.us>

**Sent:** Wednesday, January 3, 2024 4:50 PM

**To:** AMCO Local Government Only (CED sponsored) <amco.localgovernmentonly@alaska.gov>

**Subject:** RE: License #12680 Flower Mountain Farms Combined MJ Renewal Notice

You don't often get email from [afullerton@haines.ak.us](mailto:afullerton@haines.ak.us). [Learn why this is important](#)

**CAUTION:** This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi-

As I was preparing this renewal, I realized that Carol Waldo passed away on Christmas Eve. How does this effect the application?

### **Alekka Fullerton**

Borough Clerk  
Haines Borough  
P.O. Box 1209  
Haines, AK 99827  
(907)766-6402  
fax (907)766-2716

Public Records Law Disclosure: This e-mail may be considered public record and be subject to public disclosure.

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**From:** AMCO Local Government Only (CED sponsored) <[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)>



**Sent:** Friday, December 29, 2023 10:54 AM

**To:** Alekka Fullerton <[afullerton@haines.ak.us](mailto:afullerton@haines.ak.us)>; [flowermountainfarmsak@gmail.com](mailto:flowermountainfarmsak@gmail.com)

**Cc:** Marijuana Licensing (CED sponsored) <[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)>; AMCO Local Government Only (CED sponsored) <[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)>

**Subject:** License #12680 Flower Mountain Farms Combined MJ Renewal Notice

**CAUTION: This email originated from outside of the Haines Borough. Do not click on links or open attachments unless you recognize the sender and know the content is safe.**

Good Morning,

Please see the attached notice of a Marijuana License Renewal for 2023-2024 period, and MJ-20 renewal Application. Our office is trying to minimize the time consumed in sending individual notices, so we are compiling it into one notice.

Note: Effective 2023-2024 Renewal period, the MCB Board approved the MJ-20 Form is the only form needed to certify the application

Best wishes,

Donavan Bennett-Smith  
Occupational Licensing Examiner  
Alcohol Marijuana Control Office  
907-269-4594

Public Records Law Disclosure: This e-mail may be considered a public record and be subject to public disclosure. Confidentiality Notice: This e-mail may contain confidential or privileged information. It is intended only for the use of the recipient named above. If you believe you have received this message in error, please notify me immediately by reply email, delete the message from your computer, and destroy any paper copies.