

**PETITION**  
**BY THE CITY OF HAINES**  
**FOR CONSOLIDATION**  
**OF THE CITY OF HAINES AND THE HAINES BOROUGH**  
**AS A HOME RULE BOROUGH**

**City of Haines Mayor Donald E. Otis**  
**Petitioner's Representative**

**December 20, 2000**

**PETITION BY THE CITY OF HAINES FOR  
CONSOLIDATION OF THE CITY OF HAINES AND THE  
HAINES BOROUGH AS A HOME RULE BOROUGH**

TO: The State of Alaska, Local Boundary Commission

The petitioner, the City of Haines, hereby requests that the Local Boundary Commission grant this petition for consolidation resulting in the dissolution of the first class City of Haines and the third class Haines Borough and the concurrent incorporation of a home rule borough under the provisions of Article X, Sections 1, 3 and 5 of the Alaska Constitution; AS 29.06.090 – AS 29.06.170; by extension AS 29.05.03.031; 3 AAC 110.240 – 3 AAC 110.250; by extension 3 AAC 110.045 – 3 AAC 110.060; 3 AAC 110.400 – 3 AAC 110.660 and 3 AAC 110.900 – 3 AAC 110.990.

- 1. CONSOLIDATION PROPOSAL:** The petitioner, the City of Haines, a political subdivision of the State of Alaska, hereby petitions under authority of 3 AAC 110.410(a)(4) to dissolve the two municipalities named below and to incorporate, through consolidation, the home rule borough named below and described in this petition:

Name and Class of Municipalities to be Dissolved by Consolidation:

City of Haines, a first class city; and,  
Haines Borough, a third class borough.

Name of Home Rule Borough to be Incorporated by Consolidation:

City and Borough of Haines

- 2. POPULATION:** The current population of each of the municipalities proposed for consolidation is estimated to be as follows (source: 1999 State Revenue Sharing population certification, Dept. of Community and Economic Development):

City of Haines:	1,808
Haines Borough:	2,516

- 3. REASONS FOR CONSOLIDATION:** A summary of the principal reasons for the proposed consolidation is provided as **Exhibit A**.

- 4. LEGAL DESCRIPTION AND MAP OF BOUNDARIES OF PROPOSED HOME RULE BOROUGH TO BE INCORPORATED THROUGH CONSOLIDATION:** A written metes and bounds legal description of the boundaries of the home rule borough proposed to be incorporated by consolidation is presented as Exhibit B-1. A map showing the boundaries of the home rule borough proposed to be incorporated by consolidation is presented as Exhibit B-2.  
The boundaries described and shown on the map are identical to the existing boundaries of the Haines Borough.
- 5. LEGAL DESCRIPTION AND MAP OF BOUNDARIES OF EXISTING MUNICIPALITIES PROPOSED TO BE DISSOLVED THROUGH CONSOLIDATION:** Exhibit C-1 provides a written metes and bounds legal description of the boundaries of the City of Haines which will be dissolved through consolidation. Exhibit C-2 provides a map showing the boundaries of the City of Haines. A written metes and bounds description and map of the boundaries of the Haines Borough, which will also be dissolved through consolidation, is provided as Exhibits B-1 and B-2.
- 6. COMPOSITION AND APPORTIONMENT OF THE ASSEMBLY:** Exhibit D presents the proposed apportionment and composition of the Assembly for the proposed home rule borough to be incorporated through consolidation. The proposed apportionment and composition is consistent with the equal representation standards of the Constitution of the United States and complies with AS 29.20.060. Unless modified by the Local Boundary Commission on a reasonable basis following hearings on the consolidation proposal, the Assembly will be comprised of the number of members and apportioned as set out in Exhibit D until the composition or apportionment of the Assembly is lawfully changed.
- 7. AREAWIDE AND NON-AREAWIDE POWERS AND SERVICES:** Listed on the following page are the services proposed to be provided and the powers proposed to be exercised by the home rule borough on an areawide basis. Also provided for comparison purposes is a listing of the current areawide services exercised by the existing borough. To the extent that voter approval is required to grant the powers and authority for areawide services listed in this petition, as may be amended on a reasonable basis by the Local Boundary Commission following a public hearing on this petition, voter approval will be deemed to have been granted upon voter approval of the consolidation.

<b>Areawide Powers – Proposed and Current</b>	
<u>Proposed Consolidated Borough</u>	<u>Existing Borough</u>
Education	Education (Includes Library & Museum)
Planning	
Platting	
Land Use Regulation	
Taxation	Taxation
Control of Hazardous Substances, Disaster Planning and Emergency Response	
Emergency Medical Service	
Emergency Dispatch Service	
Ports and Harbors Facilities	
Financing Capital Improvement Projects	
Public Parks and Recreation Facilities	
Public Libraries	
Public Museums	
Cemeteries	
Economic Development	

**8. AREAWIDE TAXES:** The type and rate of each areawide tax proposed to be initially levied by the home rule borough is listed below. Also provided for comparison purposes is a listing of the current areawide taxes levied by the existing borough. To the extent that voter approval is required to grant authority to levy proposed areawide taxes listed in this petition, as may be amended on a reasonable basis by the Local Boundary Commission following a public hearing on this petition, it will be deemed to have been granted upon voter approval of the consolidation.

<b>Areawide Taxes – Proposed and Current</b>			
<b>Proposed Consolidated Borough</b>		<b>Existing Borough</b>	
<b>Tax Type</b>	<b>Tax Rate</b>	<b>Tax Type</b>	<b>Tax Rate</b>
Property	6.5 mils	Property	6.5 mils
Sales	1.5%	Sales	1.5%
Tour & Charter Tax	4.0%	Tour & Charter Tax	4.0%
Lodging Tax	4.0%	Lodging Tax	4.0%

- 9. **NON-AREAWIDE POWERS AND SERVICES.** Following consolidation and perhaps for some time afterward, there will be no separate incorporated municipalities in the consolidated Haines Borough. Therefore, no non-areawide services or powers will be provided for the foreseeable future.
  
- 10. **NON-AREAWIDE TAXES.** (There are no non-areawide powers, so there are no non-areawide taxes.)
  
- 11. **SERVICE AREAS:** This section of the petition lists the service areas proposed to be established and operated by the home rule borough in which the borough will exercise particular powers and provide services that will not be exercised or provided on an areawide or nonareawide basis or that will be provided or exercised on a different level than those provided on an areawide or nonareawide basis. Also provided for comparison purposes is a listing of the current service areas established and operated in the existing borough.

<b>Table A. Current Service Areas of the Existing Borough that will be Re-established in the Proposed Consolidated Borough Without any Changes to the Boundaries, Function, Tax Structure or Other Characteristics</b>
Fire Service Area 1
Fire Service Area 2
Fire Service Area 3
The Historic Dalton Trail Road Maintenance Service Area
Four Winds Subdivision Road Maintenance Service Area
25 Mile Road Maintenance Service Area
Chilkat State Park Road Maintenance Service Area
Letnikof Subdivision Road Maintenance Service Area
Riverview Drive Road Maintenance Service Area

<b>Table B. Proposed New Service Areas or Current Service Areas of the Existing Borough that will be Established in the Proposed Consolidated Borough With Changes to the Boundaries, Function, Tax Structure or Other Characteristics</b>
Townsite Service Area (Former City of Haines)

A written metes and bounds legal description of the boundaries of each proposed new or modified service area of the borough is presented as **Exhibit E-1**. A map showing the boundaries of each proposed initial service area is presented as **Exhibit E-2**. A statement of the proposed powers to be exercised, services to be provided and taxes to be levied within each of the proposed service areas is presented as **Exhibit E-3**. To the extent that voter approval is required to re-establish existing service areas listed in Table A or to establish new or modify existing service areas listed in Table B and described in Exhibit E-1, to authorize the exercise of service area powers listed in

Exhibit E-3, and to authorize the levy of service area taxes listed in Exhibit E-3, as may be amended on a reasonable basis by the Local Boundary Commission following a public hearing on this petition, voter approval will be deemed to have been granted upon voter approval of the consolidation.

Consolidation will dissolve the following service areas: Medical Service Area, Docks and Harbors Service Area, Mud Bay and Lutak Land Use Services Areas and Disaster Emergency Services Service Area.

**12. TAXABLE VALUE OF REAL AND PERSONAL PROPERTY:** The following is the current assessed or estimated value of taxable property in the territory proposed for consolidation, based on the Haines Borough assessor's real and personal property assessment values as of April 21, 2000. These values are the locally assessed values, as opposed to the local full values reported by the Office of the State Assessor, with the difference being that the Haines Borough assesses business property, but not personal property values.

### Areawide

Real property	\$165,097,505
Personal (business) property	\$20,124,555

### Non-Areawide

There are not now and will not be following consolidation any non-areawide services, so no values are shown in this category.

### Service Areas

Townsite Service Area (former City of Haines)	
Real Property	\$107,080,550
Business Property	\$13,846,085
Fire Service Area 1	
Real Property	\$4,948,000
Business Property	\$709,600
Fire Service Area 2	
Real Property	\$3,861,450
Business Property	\$34,250
Fire Service Area 3	
Real Property	\$14,126,250
Business Property	\$1,793,608

The following road maintenance service areas show no values because, if there are road maintenance costs, the Borough uses Revenue Sharing funds for the work. Therefore, the Borough has not determined values for these service areas.

The Historic Dalton Trail Road Maintenance.  
Four Winds Subdivision Road Maintenance  
25-Mile Road Maintenance  
Chilkat State Park Road Maintenance  
Letnikof Subdivision Road Maintenance  
Riverview Drive Road Maintenance

**13. THREE YEAR OPERATING BUDGET:** Exhibit F presents a proposed operating budget for the home rule borough projecting sources of income and items of expenditure through the first full three fiscal years of operation.

**14. VOTING RIGHTS INFORMATION:** Information relevant to consideration of the petition in terms of the federal Voting Rights Act is provided in Exhibit G. This information includes the following:

- A. Purpose and effect of consolidation as it pertains to voting.
- B. The extent to which the incorporation excludes minorities while including other similarly situated persons.
- C. Whether the electoral system of the proposed consolidated borough fails fairly to reflect minority voting strength.
- D. The extent to which minorities participated in the development of the consolidation proposal.
- E. Designation of Alaska Native for U.S. Department of Justice contact.
- F. Statement concerning the minorities' understanding of English in written and spoken forms.

**15. BRIEF:** Exhibit H presents a statement fully explaining how the proposed consolidation satisfies the standards set out in Article X, subsections 1, 3 and 5 of the Alaska Constitution; AS 29.06.130; AS 29.05.031; 3 AAC 110.240 – 3 AAC 110.250; 3 AAC 110.045 – 3 AAC 110.060; 3 AAC 110.900; and 3 AAC 110.910. The brief references each of these standards and explains why the proposed consolidation is good public policy. The brief demonstrates that:

- A. The proposed consolidation promotes maximum local self government with a minimum of local government units in accordance with Article X, section 1 of the Alaska Constitution.
- B. The boundaries of the proposed borough embrace an area and population with common interests to the maximum degree possible in accordance with Article X, section 1 of the Alaska Constitution.
- C. The social, cultural, and economic characteristics and activities of the people in the proposed consolidated borough are interrelated and integrated as required by AS 29.05.031(a)(1), 3 AAC 110.045(a).

- D. As required by 3 AAC 110.045(b), there are at least two bonafide communities, as defined by 3 AAC 110.920, in the proposed consolidated borough, unless a specific and persuasive showing is made that a sufficient level of interrelationship exists with fewer than two communities.
- E. The communications media and the land, water and air transportation facilities throughout the proposed consolidated borough allow for the level of communications and exchange necessary to develop and integrated borough as required by AS 29.05.031(a)(4) and 3 AAC 110.045(c).
- F. All communities within the proposed consolidated borough are either connected to the seat of the proposed borough by a public roadway, regular scheduled airline flights on at least a weekly basis, a charter flight service based in the proposed borough, or sufficient electronic media communications as required by 3 AAC 110.045(d). Alternatively, a specific and persuasive showing is made that communications and exchange patterns are sufficient to operate an integrated borough government.
- G. The population of the proposed consolidated borough is sufficiently large and stable to support the proposed borough as required by AS 29.05.031(a)(1) and 3 AAC 110.050(a).
- H. The population of the proposed consolidated borough includes at least 1,000 permanent residents as required by 3 AAC 110.050(b). Alternatively, a specific and persuasive showing is made that the population of the proposed borough is large enough and stable enough to support the proposed borough.
- I. The economy of the proposed consolidated borough includes the human and financial resources necessary to provide essential borough services on an efficient, cost-effective level as required by AS 29.05.031(a)(3) and 3 AAC 110.055.
- J. The boundaries of the proposed consolidated borough conform generally to natural geography and must include all land and water necessary to provide the full development of essential borough services on an efficient, cost-effective level as required by AS 29.05.031(a)(2) and 3 AAC 110.060(a).
- K. The proposed consolidated borough boundaries do not extend beyond the model borough boundaries adopted by the commission as provided by 3 AAC 110.060(b). Alternatively, a specific and persuasive showing is made that the proposed boundaries comply with other standards for borough incorporation.
- L. The proposed borough boundaries conform to existing regional educational attendance area boundaries as required by 3 AAC 110.060(c). Alternatively, evidence is provided which will allow the Local Boundary Commission, after consultation with the Commissioner of the Department of Education and Early Development, to determine that a territory of different size is better suited to the public interest in a full balance of the standards for incorporation of a borough.



- M. The petition does not propose boundaries overlapping the boundaries of an existing organized borough or unified municipality. Alternatively, the petition also addresses and complies with all standards and procedures for detachment of the overlapping region from the existing organized borough or unified municipality as required by 3 AAC 110.060(d).
- N. Incorporation of the proposed consolidated borough will not deny any person the enjoyment of any civil or political right because of race, color, creed, sex or national origin in accordance with 3 AAC 110.910.
- O. The proposed consolidated borough will have the ability to extend services to the territory proposed for incorporation in a practical and effective manner as required by 3 AAC 110.900.
- P. Consolidation is in the best interests of the state as required by AS 29.06.130.

**16. CHARTER:** Exhibit I presents the proposed home rule charter for the borough. The proposed charter, as may be amended on a reasonable basis by the Local Boundary Commission following a public hearing on this petition, is adopted if voters approve incorporation of the home rule borough through consolidation.

**17. TRANSITION PLAN:** Exhibit J presents a practical plan demonstrating the intent and capability of the proposed borough to begin providing essential services [as defined by 3 AAC 110.990(a)(7)] to the territory proposed for consolidation within the shortest practicable time after consolidation. It also provides a practical plan for the assumption of all relevant and appropriate powers, rights, and functions presently exercised by the City of Haines and the Haines Borough and other relevant entities within the territory proposed for consolidation. Further, it provides a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities of existing municipal governments and other relevant entities within the territory proposed for consolidation. The plan was developed in consultation with officials of municipal governments and other relevant entities within the territory proposed for incorporation through consolidation. The plan complies with the provisions of AS 29.06.150 and AS 29.06.160.

**18. INFORMATION RELATING TO PUBLIC NOTICE:** Exhibit K offers information relevant to the provision of public notice of the consolidation proceedings. Included are details about local media, municipal governments within and adjacent to the territory proposed for consolidation, places for posting public notices relating to the proposed consolidation, the location where the petition may be reviewed by the public, and parties that may warrant individual notice of the consolidation proceedings.

**19. PETITIONER’S REPRESENTATIVE:** The petitioner designates the following individual to act as its primary representative on all matters regarding the proposed consolidation:

Mayor Donald E. Otis  
Haines Borough City of Haines  
P.O. Box 1049  
Haines, AK 99827  
Phone: 907 766 2231  
Fax: 907 766 3179  
Email: deotis@wytbear.com

Alternate representative:

Acting Mayor Phillip Lende  
City of Haines  
P.O. Box 1049  
Haines, AK 99827  
Phone: 907 766 2231  
Fax: 907 766 3179

**20. PETITION INFORMATION AND ACCURACY:** An affidavit of the petitioner’s representative affirming that the information in this petition is true and accurate is provided in **Exhibit L**.

**21. AUTHORIZATION OF THE PETITION:** Pursuant to AS 29.06.090(b)(1) and 3 AAC 110.410(a)(4), this petition for consolidation is initiated by the Council of the City of Haines. A certified copy of the resolution adopted by the Haines City Council to authorize the filing of this petition is provided as **Exhibit M**.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

By: \_\_\_\_\_  
Donald E. Otis  
Petitioner’s Representative

## **EXHIBIT A**

### **STATEMENT OF PRINCIPAL REASONS FOR THE PROPOSAL TO CONSOLIDATE THE CITY OF HAINES AND THE HAINES BOROUGH**

- 1. Consolidation will promote maximum local self-government with a minimum of local government units.**

Article X, Section 1 of the Alaska Constitution states that the purpose of the Local Government Article of the constitution is to “provide a maximum of local self-government with a minimum of local government units.” The proposed consolidation will dissolve the first class City of Haines and the third class Haines Borough to form one consolidated local government. The proposed home rule status of the consolidated borough will meet the constitutional intent by promoting greater local self-government. The consolidation will also reduce the number of local government units.

- 2. Consolidation will eliminate the limitations of the third class borough, extend areawide powers to areas of the borough that do not presently have those powers, and reduce the need to establish service areas for the provision of services.**

The third class Haines Borough can only exercise the areawide powers of education and tax assessment and collection. It may also exercise any other power not prohibited by law through the establishment of service areas to provide those powers. The proposed consolidated borough will exercise several areawide powers not presently exercised in the Haines Borough. The most significant areawide power to be extended is planning, platting, and land use regulation. Presently, this power can only be exercised within service areas. The consolidation will eliminate the two land use planning service areas established by the Haines Borough and establish an appointed planning commission to address planning issues areawide.

- 3. Consolidation will encourage more efficient and effective local government.**

There is an inherent inefficiency in operating two local governments in an area with a population of under 2,600 people. Consolidation will reduce the number of local governing bodies from two to one by eliminating the city council. Consolidation will reduce the number of planning commissions and planning service area boards from four to one.

Consolidation will also promote more effective government by separating the borough assembly and school district board. Borough voters in October 1997 expressed a

preference in an advisory vote to establish a school board separate from the borough assembly. The demands of borough and school district duties impose too much work on the present borough assembly/school board. Separating the school board from the assembly, however, is not permitted under the third class borough form of government. Consolidation will accomplish this goal.

Consolidation will also promote a more effective local government by eliminating the confusion that exists with separate City and Borough governments in intergovernmental affairs, as in cases involving interaction with state and federal agencies. Consolidation will allow the local government to speak with one voice regarding local, regional and state issues such as transportation, economic development, capital projects, and planning.

**4. Consolidation is a better long term solution to local government issues.**

Since the third class Haines Borough formed in 1968 for the purpose of providing local schools, there have been several attempts to resolve what many perceived as local government problems. These attempts were in the form of community discussions regarding unification of the City and Borough, annexation proposals submitted by the City, and several advisory votes regarding the preferred structure of local government.

A petition very similar to this one was submitted in 1998 and failed by an extremely narrow margin. Since that time, 6.5 square miles of territory adjacent to the City have been annexed. In spite of the annexation, the reasons for consolidation listed in this section remain pertinent. Although narrowly defeated, the consolidation charter of 1998 was developed through an extensive community process. Through a continued community dialogue, the Haines City Council approved minor changes to that charter which it believes will lead to its acceptance.

## **EXHIBIT B-1**

# **Written Metes and Bounds Legal Description of the Boundaries of the Home Rule Borough Proposed for Incorporation Through Consolidation**

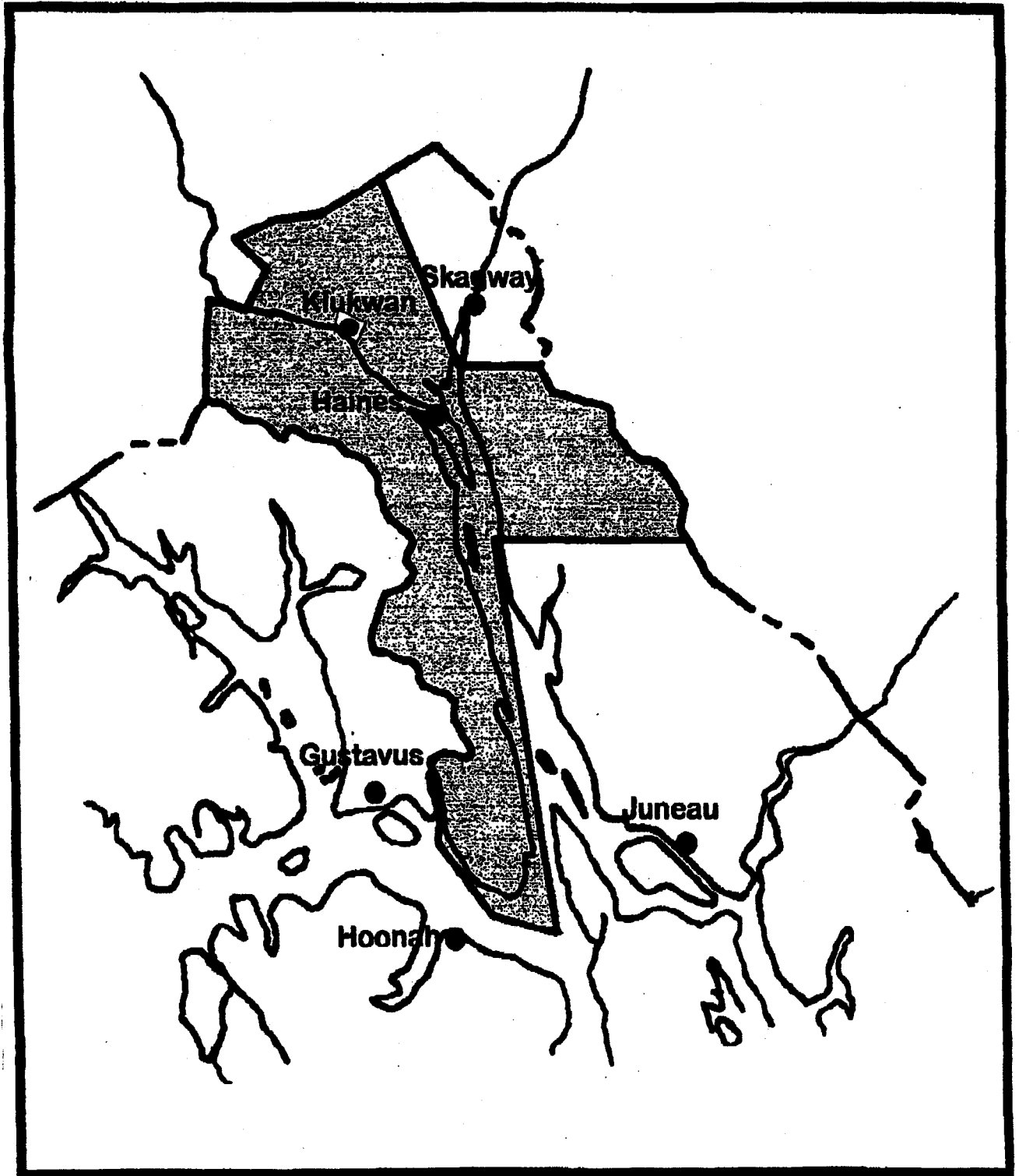
(Same as boundaries of third-class Haines Borough)

Beginning at Eldred Rock Light at Latitude 58 degrees 58.3ÆN and Longitude 135 degrees 13.2ÆW; thence in a straight line East to Mt. Nesselrode, Boundary Peak No. 98 at Latitude 58 degrees 57Æ44.96öW and Longitude 134 degrees 18Æ42.03ö W; thence northerly at the Alaska-Canada Boundary line on a meander line to Mt. Bagit at Latitude 59 degrees 21ÆN and Longitude 135 degrees 02Æ2; thence due West on a straight line to a point in the center of Lynn Canal on Taiya Inlet at approximately Latitude 59 degrees 21ÆN and Longitude 135 degrees 22.5ÆW; thence northwesterly to Monument No. 124 on the Alaska-Canada Boundary at Latitude 59 degrees 44ÆN and Longitude 135 degrees 43ÆW; thence in a meandering westerly line following the Alaska-Canada Boundary to Mt. Harris; thence in a southeasterly and southerly manner along the Glacier Bay National Monument Boundary to a point due North of Porpoise Island Light at Latitude 58 degrees 22.1ÆN and Longitude 135 degrees 27.2ÆW; thence south to Porpoise Island at Latitude 58 degrees 19.1ÆN and Longitude 135 degrees 27.2ÆW; thence southeasterly to the southern tip of Sisters Islands at Latitude 58 degrees 10ÆN and Longitude 135 degrees 15ÆW; thence southeasterly to Hanus Reef at Latitude 58 degrees 07.9ÆN and Longitude 134 degrees 59.8ÆW; thence North to a point midway between Lincoln Island on the East and the mainland on the West, at Latitude 58 degrees 30ÆN and Longitude 135 degrees 04.15ÆW; thence North paralleling the boundary of the City and Borough of Juneau to Eldred Rock Light , the point of beginning, containing 2,620 square miles more or less.

Save and exempting therefrom: (1) the lands comprising Klukwan Indian Reservation established by Executive Order, particularly described as follows: Lots 1, 2, and 3 of Section 32; all of the north one half of Section 33, Lots 1,2,3, and 4 of the South one-half of Section 32; all of the North one half of Section 33, Lots 1 and 2 and the northeast one-quarter of the southwest one-quarter of Section 34, Township 28 South, Range 56 East, C.R.M. Alaska (and Lots 2,3, and 4 of Section 5, and Lots 1 and 9 of Section 6, Township 29 South, Range 57 East, C.R.M.).

**EXHIBIT B-2**  
**Map Showing the Boundaries of the Home Rule**  
**Borough Proposed for Incorporation Through**  
**Consolidation**

(Same as third-class Haines Borough)



## EXHIBIT C-1

### **Written Metes and Bounds Legal Description of the Boundaries of the City of Haines Which Would Be Dissolved Through Consolidation**

Beginning at the point of intersection of the West line of Section 9, T.30S., R.59E., Copper River Meridian (C.R.M.) and the line of mean high tide of Lutak Inlet; thence Northeasterly, across Lutak Inlet to USGS Station "SANKA"; thence Southeasterly to USGS Station "TAIYA PT."; thence Southeasterly to "Indian Rock Light", navigation aid; thence Southerly, across Chilkoot Inlet to the point of intersection of the South line of Section 36, T.30S., R.59E., C.R.M., and the line of mean high tide of Chilkoot Inlet; thence southeasterly along the line of mean high tide of Chilkoot Inlet to the point of intersection with the East line of Section 1, T.31S., R.59E., C.R.M.; thence South along the East line of Sections 1 and 12, T.31S., R.59E., C.R.M. to the East  $\frac{1}{4}$  corner of said Section 12; thence West along the East - West  $\frac{1}{4}$  corner line of Section 12 and 11, to a point of intersection with the line of mean high tide at the Easterly bank of Chilkat Inlet; thence Northwesterly, meandering along the said line of mean high tide of Chilkat Inlet into the confluence along the East bank of the Chilkat River thence continuing along the ordinary high water mark of the East bank of said River to a point of intersection with the South line of Section 19, T.30S., R.59E., C.R.M.; thence East along the South line of Sections 19 and 20, T.30S., R.59E., C.R.M. to the Southeast corner of said Section 20, T.30S., R.59E., C.R.M.; thence North along the West line of Sections 21, 16, and 9, T.30S., R.59E., C.R.M. to said line's intersection with the line of mean high tide of Lutak Inlet; the point of beginning; containing 20.9 square miles, more or less, within the Haines and Skagway Recording Districts, First Judicial District, State of Alaska.

(Please see map in Exhibit C-2)





## **EXHIBIT D**

### **COMPOSITION AND APPORTIONMENT OF THE ASSEMBLY**

Article II, section 2.02 of the proposed consolidation charter addresses the composition and apportionment of the Borough Assembly:

#### **Section 2.02 Composition and Apportionment of the Assembly**

**Composition.** The Haines Borough Assembly shall be composed of six members, elected to staggered terms.

Voters will vote on all assembly candidates on an areawide or at-large basis; that is, all Borough voters will vote on each assembly representative.

Article XIX, Section 19.03 specifies that, for purposes of the election of the initial assembly members, seats A and D shall be designated as one-year terms; seats B and E shall be designated as two-year terms; and seats C, F and G (school board only) shall be designated as three-year terms. The borough mayor will be elected on an at-large basis and shall serve for a three year term.

All seven members of the school board will be elected at-large. The provisions of Article XIX, Section 19.03 regarding the initial election also applies to the election of school board members.

The proposed apportionment and composition is consistent with the equal representation standards of the United States Constitution and complies with AS 29.20.060.

**EXHIBIT E-1**  
**Written Metes and Bounds Legal Description of the**  
**Boundaries of Each Proposed New or Modified Service Area**  
**Established**

**Proposed Service Area: Townsite service area**

The **townsite** service area is that part of the borough containing 20.9 square miles, bounded by the former (1999) Haines City Limits as follows:

Beginning at the point of intersection of the West line of Section 9, T.30S., R.59E., Copper River Meridian (C.R.M.) and the line of mean high tide of Lutak Inlet; thence Northeasterly, across Lutak Inlet to USGS Station "SANKA"; thence Southeasterly to USGS Station "TAIYA PT."; thence Southeasterly to "Indian Rock Light", navigation aid; thence Southerly, across Chilkoot Inlet to the point of intersection of the South line of Section 36, T.30S., R.59E., C.R.M., and the line of mean high tide of Chilkoot Inlet; thence southeasterly along the line of mean high tide of Chilkoot Inlet to the point of intersection with the East line of Section 1, T.31S., R.59E., C.R.M.; thence South along the East line of Sections 1 and 12, T.31S., R.59E., C.R.M. to the East ¼ corner of said Section 12; thence West along the East - West ¼ corner line of Section 12 and 11, to a point of intersection with the line of mean high tide at the Easterly bank of Chilkat Inlet; thence Northwesterly, meandering along the said line of mean high tide of Chilkat Inlet into the confluence along the East bank of the Chilkat River thence continuing along the ordinary high water mark of the East bank of said River to a point of intersection with the South line of Section 19, T.30S., R.59E., C.R.M.; thence East along the South line of Sections 19 and 20, T.30S., R.59E., C.R.M. to the Southeast corner of said Section 20, T.30S., R.59E., C.R.M.; thence North along the West line of Sections 21, 16, and 9, T.30S., R.59E., C.R.M. to said line's intersection with the line of mean high tide of Lutak Inlet; the point of beginning; containing 20.9 square miles, more or less, within the Haines and Skagway Recording Districts, First Judicial District, State of Alaska. (Please see Figure E-2.09)

**EXHIBIT E-2**

**Maps Showing The Boundaries of Each Proposed New or Modified  
Service Area**

(Please see Figure E-2.09)

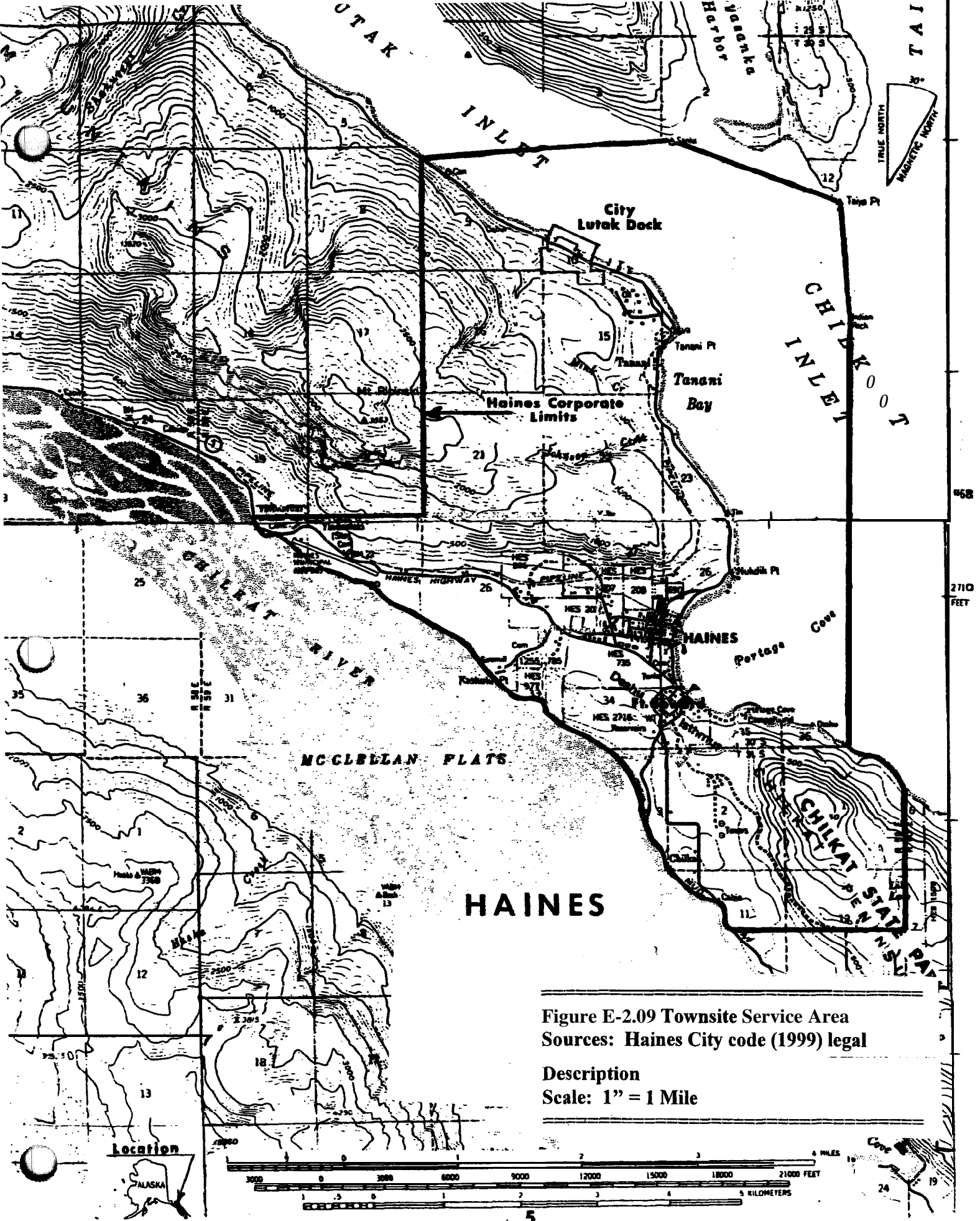


Figure E-2.09 Townsite Service Area  
Sources: Haines City code (1999) legal

Description  
Scale: 1" = 1 Mile

## **EXHIBIT E-3**

### **Powers, Services and Taxes for Each Proposed New or Modified Service Area**

**SERVICE AREA POWERS AND SERVICES.** Listed below are the services proposed to be provided and the powers proposed to be exercised by the borough on a service area basis within each proposed service area. These consist of powers and services that will not be exercised or provided on an **areawide** basis or those that will be provided or exercised on a higher, lower or otherwise different level than on an **areawide** basis.

To the extent that voter approval is required to grant the powers and authority for services listed below, as may be amended on a reasonable basis by the Local Boundary Commission following a public hearing on this petition, voter approval will be deemed to have been granted upon approval by those voters required for such measures during the consolidation election.

#### **Proposed Service Area: Townsite**

1. Police
2. Fire protection, prevention, and safety
3. Animal control
4. Water and sewer utilities
5. Street and road maintenance

**SERVICE AREA TAXES.** The type and rate of each service area tax proposed to be initially levied by the borough is listed below. To the extent that voter approval is required to grant authority to levy proposed service area taxes listed in this petition, as may be amended on a reasonable basis by the Local Boundary Commission following a public hearing on this petition, such will be deemed to have been granted upon approval by those voters required for such measures during the consolidation election.

<b>Proposed Service Area: <u>Townsite</u></b>	
<b>TAX TYPE</b>	<b>TAX RATE</b>
<b>Property tax</b>	<b>5.85 mils</b>
<b>Sales tax (General Fund)</b>	<b>1.5%</b>
<b>Sales tax (Capital Improvement)</b>	<b>1.5%</b>
<b>Sales tax (Tourism Promo/Dev)</b>	<b>1.0%</b>

## EXHIBIT F

### THREE YEAR OPERATING BUDGET

Refer to the Brief, Exhibit H, for three year operating budget information.

## EXHIBIT G

### VOTING RIGHTS INFORMATION

**A. Purpose and effect of consolidation as it pertains to voting.**

As referenced in other sections of this petition, the primary purposes of this consolidation are to promote maximum local self-government with a minimum of local government units, extend areawide powers, and encourage more efficient and effective local government. The contiguous area proposed for consolidation will have areawide representation. Past experience reflects that areawide assembly seats are often filled by persons from various parts of the borough. Assembly members will represent interests of all areas of the borough.

**B. The extent to which the territory proposed for consolidation excludes minorities while including other similarly situated persons.**

The proposed consolidation will dissolve the first class City of Haines and third class Haines Borough and create a new consolidated home rule borough. The consolidated borough will have the same boundaries as those of the existing Haines Borough. Therefore, the consolidation will not exclude minorities now residing in the Haines Borough, nor will the consolidation include non-minorities who are not now residents of the Haines Borough. All residents of the existing Haines Borough will be residents of the consolidated Haines Borough.

The village of Klukwan is an enclave within the Haines Borough. It is not part of the borough school district, but is within the Chatham Regional Educational Attendance Area. Approximately 13% of the borough is Alaska Native, exclusive of Klukwan, which is counted with the Skagway-Angoon-Yakutat Census Area.

**C. Whether the electoral system of the proposed home rule borough fairly reflects minority voting strength.**

Six members of the borough assembly will be elected at-large areawide by all Borough voters. The mayor will be elected as an at-large representative. The seven-member school board will be elected on an at-large basis.

Because the electoral system allows all borough voters to vote on all candidates, without regard for where the voter lives within the borough, minority voting strength is fairly represented as a percentage of all Borough voters.

**D. The extent to which minorities participated in the development of the consolidation proposal.**



The appointed charter commission of 1998, which developed most of the proposed charter, included two Alaska Native members, or 16% of the total membership of twelve. This is slightly higher than the percentage of Native Alaskans in the Haines Borough.

**E. Designation of Alaska Native for U.S. Department of Justice Contact.**

The following individual is available for contact:

Ronald Sparks  
P.O. Box 1087  
Haines, AK 99827  
Phone: (907) 766-2740

**F. Statement concerning the minorities' understanding of English in written and spoken forms.**

English is spoken throughout the Borough and, except for limited numbers of native elders who may primarily use their native language, English is in common use as both the spoken and written language in the Borough. There are certainly few, if any, minority individuals at least 18 years of age in the Borough who do not understand English as a spoken and written language.

## **EXHIBIT H**

### **BRIEF IN SUPPORT OF THE PETITION TO CONSOLIDATE THE FIRST CLASS CITY OF HAINES AND THE THIRD CLASS HAINES BOROUGH**

#### **Introduction:**

The proposal to consolidate the first class City of Haines and the third class Haines Borough into a new home rule borough must meet the standards for borough incorporation set out in Article X, subsections 1, 3 and 5 of the Alaska Constitution; AS 29.06.130; AS 29.05.031; 3 AAC 110.240 – 3 AAC 110.250; 3 AAC 110.045 – 3 AAC 110.060; 3 AAC 110.900; and 3 AAC 110.910.

This brief addresses the constitutional, statutory, and regulatory provisions to demonstrate that the proposed consolidation of the two existing local governments in Haines warrants approval by the Local Boundary Commission.

The petitioners stress that the Haines Borough has been in existence for thirty-two years. Further, its current boundaries have been in place for twenty-two years. Since this consolidation proposal seeks to incorporate a home rule borough with corporate boundaries identical to those of the existing third class Haines Borough, the petitioners strongly believe that a presumption is warranted that this consolidation proposal satisfies all of the standards for borough formation.

Beyond the warranted presumption, the petitioners offer the following in support of the petition for consolidation of the local governments in Haines.

#### **Consolidation will Promote Maximum Local Self- Government with a Minimum of Local Government Units.**

Article X, Section 1 of Alaska's constitution states that the purpose of the Local Government Article of the constitution is to "provide for maximum local self-government with a minimum of local government units."

Consolidation of the first class City of Haines and the third class Haines Borough will accomplish that end in two significant manners. First, the home rule status of the prospective consolidated borough will promote greater local self-government. Second, consolidation will join two existing local governments into a single new government thereby promoting a minimum of local government units.

Regarding the first issue, it is noted that statutes allowed the creation of third class boroughs from 1968 to 1985. During that time, the Haines Borough was the only third class borough to form.

Inadequacies in the third class borough form of government led the legislature to repeal the law allowing the incorporation of such boroughs thirteen years ago. Those inadequacies included the lack of areawide planning, platting, and land use regulation; and the inability of third class boroughs to provide any areawide service or function other than education and taxation. Ninety-four percent of all Alaskans live in municipalities providing planning, platting, and land use regulation. The Alaska Legislature is currently considering a bill to extend State platting to the remainder of Alaska. That bill recognizes platting as an essential service.

As a result of the limitations on third class boroughs, the Haines Borough has found itself providing a host of areawide services under the auspices of its education power, including museums, libraries, and cultural facility centers. Further, the limitations on the abilities of the third class borough have resulted in a proliferation of service areas to meet the needs of its residents.

Regarding the second issue, consolidation would join the first class City of Haines with the third class Haines Borough by incorporating a home rule borough. Thus consolidation would reduce by 50% the number of municipal corporations serving Haines.

### **The Proposed Consolidated Home Rule Borough has a Community of Interests.**

Article X, Section 3 of Alaska's constitution mandates that each borough embrace an area and population with common interests to the maximum degree possible. Additionally, AS 29.05.031(a)(1) requires that a borough may be incorporated provided the population of the area is interrelated and integrated as to its social, cultural, and economic activities. Further, 3 AAC 110.045(a) and(b) provide that:

(a) The social, cultural, and economic characteristics and activities of the people in a proposed borough must be interrelated and integrated. In this regard, the commission will, in its discretion, consider relevant factors, including:

- (1) the compatibility of urban and rural areas within the proposed borough
- (2) the compatibility of economic lifestyles, and industrial or commercial activities.
- (3) Existence throughout the proposed borough of customary and simple transportation and communication patterns.
- (4) the extent and accommodation of spoken language differences throughout the proposed borough.

(b) Absent a specific and persuasive showing to the contrary, the commission will presume that a sufficient level of interrelationship cannot exist unless there are at least two communities in the proposed borough.

Compatibility of urban and rural areas.

With the exception of a few families who reside at Excursion Inlet, Mud Bay, and Chilkat Lake, almost the entire population of the Haines Borough resides on the road system within the Chilkat River Valley. Settlement has occurred throughout the borough in a manner that has permitted the identification of discrete areas, which include Lutak Inlet, Mosquito Lake, Covenant Life Community, and the City of Haines. Each of these locations is identified as a Census Designated Place (CDP) in the federal 1990 census, a designation which confers no community or other special status, but recognizes them as discrete concentrations of 25 or more in population. These CDP designations were first recognized in the 1990 census by the State Department of Labor, on the basis of a form completed in the late 1980's by then-Superintendent of Schools Alan Heinrich. Designation as a CDP means only that census statistics are compiled separately for each area identified as a CDP. In fact, these areas resemble neighborhoods rather than discrete communities. The Mud Bay/Chilkat Peninsula area often is identified as a distinct neighborhood within the borough as well. While some social and lifestyle distinctions may be observed, and are expressed by residents, many other factors create common ties between residents.

The Haines Borough, like other regional governments, represents social, political and economic diversity within its boundaries. Overall, the borough can be characterized as rural. While some residents may note distinctions between the outlying areas of the borough and the City of Haines in terms of population density and levels of government regulation, for example, the large area and relatively low population of the borough underscores its predominantly rural character. The Haines Borough comprehensive plan, adopted in May of 1986 (updated in 1999), identified preservation of the rural lifestyle as a common interest of residents, and an important long-term goal.

The City of Haines is the commercial, transportation and government center of the borough, where residents shop for goods and services, commute to their places of employment, educate their children, attend cultural and social events, participate in government activities, berth their small boats, and participate in other social, political, governmental and economic activities. Lifestyle distinctions tend to be overcome by much stronger and longer-term linkages based on these social and economic realities.

Compatibility of economic lifestyles, and industrial or commercial activities.

The Haines economy has historically been a resource-based economy, relying on timber and fishing. The sawmill closed in 1991, and the local gillnet fleet is diminishing in numbers. Tourism, both by independent travelers and via cruise ship, has become an

important part of the local economy in recent years, and many small businesses have started which cater to visitor needs. State and local government, including the school system, is also an important employer. Mining has been proposed in the area around Haines, including the Windy-Craggy mine in British Columbia and the Kensington Mine near Point Sherman. The Windy-Craggy project has been abandoned, and the Kensington has resolved issues surrounding planned discharges into marine waters. In both cases, residents expressed concerns about impacts to existing economic sectors, principally fishing and tourism. No new industrial facilities are known or planned at this time; however, the commercial/retail sector is expanding as the Valley continues slow, but steady growth.

Existence throughout the proposed borough of customary and simple transportation and communication patterns.

With the exception of Excursion Inlet, Chilkat Lake, and a small area of Mud Bay, virtually all of the populated areas of the borough are linked by road. A majority of residents are served by telephone, television (including a local cable channel), local public radio station KHNS and two weekly newspapers, the Chilkat Valley News and the Eagle Eye.

Extent and accommodation of spoken language differences throughout the proposed borough.

The Tlingit Native village of Klukwan is an enclave within the Haines Borough. It is not a part of the borough school district, but is within the Chatham Regional Education Attendance Area. Approximately 13% of the borough is Alaska Native, exclusive of Klukwan, which is counted with the Skagway-Angoon-Yakutat Census Area. With possible, isolated exceptions among native elders, the English language is spoken throughout the borough. Borough elections do not require the printing of ballots in any language other than English.

Presumptive requirement for multiple communities.

The law provides that “absent a specific and persuasive showing to the contrary, the commission will presume that a sufficient level of interrelationship cannot exist unless there are at least two communities in the proposed borough.”

In addition to Haines, these arguably include Lutak, Mosquito Lake, Covenant Life Community, Excursion Inlet, and Mud Bay.

**The communications media and the land, water, and air transportation facilities throughout the territory proposed for consolidation allow for the level of communications and exchange necessary to develop an integrated borough.**

AS 29.05.031(a)(4) provides that an area may incorporate as a borough provided the land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government. Additionally, 3 AAC 110.045(c) and (d) provide that:

(c) The communications media and the land, water, and air transportation facilities throughout the proposed borough must allow for the level of communications and exchange necessary to develop an integrated borough government. In this regard, the commission will, in its discretion, consider relevant factors, including

- (1) transportation schedules and costs;
- (2) geographical and climatic impediments;
- (3) telephonic and teleconferencing facilities; and
- (4) public electronic media.

(d) Absent a specific and persuasive showing to the contrary, the commission will presume that communications and exchange patterns are insufficient unless all communities within a proposed borough are either connected to the seat of the proposed borough by a public roadway, regular scheduled airline flights on at least a weekly basis, a charter flight service based in the proposed borough, or sufficient electronic media communications.

Nearly all of the Haines Borough residents live in the area of the borough connected by road. The vast majority of the population of the Borough lives within 5 miles of the borough government seat, which is located in the City of Haines. There are a few isolated homes that may require access by skiff or by a short hike. The population has daily airline service by four airlines (LAB, Haines Airways, Wings of Alaska, and Skagway Air Service). Service is limited only by the normal weather constraints of a maritime climate. Direct access to Excursion Inlet is available by chartered air service, and by regularly scheduled seasonal flights from Juneau.

The Borough is served by the Alaska Marine Highway with regularly scheduled service. The community serves as an important year-round transportation hub with access to Interior Alaska, Canada and the contiguous United States.

Two weekly newspapers exclusively serve the Borough (Chilkat Valley News & Eagle Eye). A vast majority of the populated area of the borough and the community of Skagway are served by the Haines Public Radio Station, KHNS. KHNS broadcasts 24 hours a day, with a variety of news and public service broadcasts. A vast majority of the borough is served by home telephones. Cellular phone service is available throughout a wide area of the borough. Marine radio and citizens band (CB) radio are readily available and used to some extent in the borough.

**The Proposed Borough has a Population that is Large and Stable Enough to Support Borough Government.**

AS 29.05.031(a)(1) requires that a borough may be incorporated only if the population of the area is large and stable enough to support borough government. Additionally, 3 AAC 110.050 provides that

(a) The population of a proposed borough must be sufficiently large and stable to support the proposed borough government. In this regard, the commission will, in its discretion, consider relevant factors, including

- (1) total census enumerations;
- (2) durations of residency;
- (3) historical population patterns;
- (4) seasonal population changes; and
- (5) age distributions.

(b) Absent a specific and persuasive showing to the contrary, the commission will presume that the population is not large enough and stable enough to support the proposed borough government unless at least 1,000 permanent residents live in the proposed borough.

#### Size of Population.

The current population of the Haines Borough is 2,516.<sup>1</sup> When compared to the sixteen organized Alaska boroughs, eleven have more numerous populations than the Haines Borough and four<sup>2</sup> have less numerous populations.

#### Stability of Population.

The Haines Borough is comprised of family-oriented, residential communities. The 1990 census recorded 791 occupied households in the Borough. Of these, 536 (67%) were recorded as family households. Thus, the population of the Haines Borough is reasonably stable.

#### Total Census Enumerations.

In the 1970 census, 1,351 residents were recorded in the Haines Borough. Ten years later, 1,680 were living in the Haines Borough. At the time of the 1990 federal census 2,117 were recorded. DCED estimates that the current population of the Haines Borough is 2,516.

#### Duration of Residency.

Although the Haines Borough was not established until 1968, census data records local populations for the City of Haines extending back more than a century. Further, Native Americans have resided in the area for millennia and such indigenous people constituted

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<sup>1</sup> 1999 State Revenue Sharing population certification, Department of Community & Economic Development

<sup>2</sup> Aleutians East Borough has 2,355 residents, the Lake and Peninsula Borough 1,816, the Bristol Bay Borough 1,270 and the City and Borough of Yakutat 833.

more than 13% of the residents of the Haines Borough as of the 1990 census. Some families have lived in Haines for many generations.

Historical Population Patterns.

Decennial census data from the incorporation of the Haines Borough to the present demonstrates a pattern of steady population growth. The Haines Borough has grown 79% since 1970.

<u>Year</u>	<u>Population</u>
1970	1,351
1980	1,680
1990	2,117
19979	2,516

Seasonal Population Changes.

The Haines Borough is a year-round residential area. Significant seasonal population changes are not a factor or issue relevant to the area, although the resident population increases slightly during the summer due to seasonal work in the construction, fishing and service sectors of the local economy.

Age Distributions.

The Alaska Department of Labor recorded the median age of Haines Borough residents at 37.2 years in 1996. The statewide average was 30.9.

<b>Age Category</b>	<b>Percent of Haines Borough Population</b>
Under age 20	29.7%
20 to 64	60.6%
65 and over	9.7%

The Haines Borough School District K-12 enrollment was 416 students for the 1999-2000 school year. This indicates that at least 16% of the population was in the 5-18 age group. This is generally consistent with other organized boroughs in Alaska. For example, the Department of Education reports that the number of students enrolled in the Municipality of Anchorage School District totaled 18.7% of the municipality's population. The City and Borough of Juneau reflected a similar figure of 18.6%. These indices demonstrate that the age distribution of the Haines Borough population, at least in terms of its youth, is consistent with that of other boroughs in Alaska.

Conclusion. The population of the Haines Borough is sufficiently large and stable to support borough government.



**The Proposed Borough has Sufficient Human and Financial Resources to Provide Municipal Services on an Efficient and Effective Level.**

AS 29.05.031(a)(3) provides that a region may form a borough if the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough or unified municipality. Additionally, 3 AAC 110.055 provides that the economy of a proposed borough must include the human and financial resources necessary to provide essential borough services on an efficient, cost-effective level. In this regard, the commission will, in its discretion, consider relevant factors, including

- (1) the reasonably anticipated functions of the proposed borough;
- (2) the reasonably anticipated expenses of the proposed borough;
- (3) the reasonably anticipated income of the proposed borough, and its ability to collect revenue;
- (4) the feasibility and plausibility of the anticipated operating budget through the third full fiscal year of operation;
- (5) the economic base of the proposed borough;
- (6) property valuations;
- (7) land use;
- (8) existing and reasonably anticipated industrial, commercial, and resource development;
- (9) personal income of residents;
- (10) the need for and availability of employable skilled and unskilled people; and
- (11) the reasonably predictable level of commitment and interest of the population in sustaining a municipal corporation.

**Reasonably Anticipated Functions of the Borough**

The petition proposes that the borough will carry out the following functions:

*Areawide*

1. education;
2. tax assessment and collection;
3. planning, platting, and land use regulation;
4. control of hazardous substances;
5. emergency medical services;
6. emergency dispatch services;
7. ports and harbors facilities;
8. funding capital improvement projects;
9. public parks and recreational facilities;
10. public libraries;
11. museums;

- 12. cemeteries;
- 13. economic development;

*Service Area*

- 1. road maintenance;
- 2. police protection;
- 3. fire protection;
- 4. animal control;
- 5. public works.

Reasonably Anticipated Expenses of the Proposed Borough

The following budget presents the petitioners' reasonably anticipated expenses of the proposed home rule consolidated Haines Borough for the first three years of operation. *These are considered draft expenses based on current information available.*

<b>Areawide</b>	<b>Year One</b>	<b>Year Two</b>	<b>Year Three</b>
Education (incl. Preschool)	4,294,000	4,300,000	4,310,000
Tax assessment and collection	153,670	158,280	164,611
Planning, platting, and land use regulation	25,000	25,000	20,000
Control of hazardous substances	6,000	6,000	6,000
Emergency medical services	181,934	195,632	199,544
Emergency dispatch (includes jail)	391,432	399,261	407,246
Ports and harbors facilities	222,900	227,400	232,000
Funding capital improvement projects*	0	0	0
Public parks, recreation facilities, buildings	65,000	67,500	71,000
Public libraries	193,000	202,650	210,756
Museums	140,000	146,300	152,900
Cemeteries	6,000	6,000	6,000
Economic development, tourism promo*	298,207	304,171	310,254
Administration	539,725	518,136	528,499
<b>TOTALS</b>	<b>6,516,868</b>	<b>6,556,330</b>	<b>6,618,810</b>
<b>Service Area</b>			
Road maintenance	309,436	315,624	325,093
Police protection	326,134	352,657	339,310
Fire protection	185,828	189,544	193,335
Animal control	34,523	34,523	34,523
Public works	146,694	148,894	149,341
Water and sewer utilities	600,142	606,143	615,235
<b>TOTALS</b>	<b>1,602,757</b>	<b>1,647,385</b>	<b>1,656,837</b>

\* Because, following consolidation, voters must approve the extension of a sales tax levy to finance capital projects on an areawide basis and to provide economic development/tourism promotion services areawide, this estimate does not assume an areawide expenditure for capital improvement projects or economic development. These expenditures are listed under service area expenditures under the assumption that these sales tax will remain in effect in the Townsite service area until extended areawide with voter approval.

Reasonably Anticipated Income of the Proposed Borough

The petition estimates the following reasonably anticipated income during the first three years of operation. *These are considered draft expenses due to inadequate information available at the time of petition filing. The petitioner will submit corrected expense figures as soon as possible.*

<b>Areawide</b>	<b>Year One</b>	<b>Year Two</b>	<b>Year Three</b>
Property taxes	1,058,005	1,098,209	1,142,138
Sales taxes (1.5%)	450,000	460,000	470,000
State and federal education funding	2,598,400	2,611,400	2,615,000
State shared business fisheries taxes	198,000	198,000	198,000
National forest receipts	100,000	534,000	520,600
Federal payments in lieu of taxes/Tongass	105,000	100,000	100,000
State revenue sharing (DPS jail contract)	101,900	103,000	103,000
Safe communities program	22,970	22,970	22,970
Other (interest, rents, etc)	67,900	69,000	70,000
Ports and harbors fees	315,000	325,000	345,000
Public library fees	3,300	3,500	3,700
Museum fees	48,000	48,000	48,000
Cemetery fees	3,500	3,500	3,500
Lodging Tax	56,000	56,000	56,000
Tour & Charter Tax	50,000	50,000	50,000
<b>TOTALS</b>	<b>5,177,975</b>	<b>5,682,579</b>	<b>5,747,908</b>
<b>Service Area</b>			
Property taxes	636,738	649,536	662,527
Sales taxes (3%)	878,000	889,700	903,000
Animal control fees	3,000	3,000	3,000
Service area state revenue sharing	26,800	26,800	26,800
Liquor license tax	9,200	9,200	9,200
Water and sewer utilities revenues	600,929	606,337	611,794
Economic development (1% sales tax)	295,000	295,000	295,000
Capital improvement projects	455,000	462,000	470,000
Safe communities revenue	38,000	38,000	38,000
<b>TOTALS</b>	<b>2,942,667</b>	<b>2,979,573</b>	<b>3,019,321</b>

### Feasibility of Operating Budget Through the Third Full Fiscal Year

Subject to the revision of the expenses and revenues when more complete budget information is available, the anticipated powers and duties of the proposed consolidated borough, along with the estimated costs and anticipated revenues through the first three fiscal years of operation are reasonable and credible since they are based on the experience of the two existing municipal governments in Haines in providing similar levels of service.

The governments in place have demonstrated the ability, as well as the financial capability necessary to extend services as proposed in a practical and effective manner.

### Economic Base of the Proposed Borough:

Government (Borough, school district, City, and State), retail trade, business and transportation services, fishing, and forestry provide the majority of employment in the Borough.

According to the Alaska Department of Labor, the economy of the Haines Borough has been in transition from dependence upon manufacturing to greater dependence upon services and retail trade.<sup>3</sup> Most of the manufacturing jobs in the Haines Borough are in seafood processing. Many of the new retail and services jobs are tourism related. Tourism is flourishing in the area because of Haines' strategic location. Haines is a marine highway port with road access to other parts of Alaska, Canada and the contiguous U.S. The number of cruise ship passengers visiting Haines more than doubled during the period from 1994-1997.

The total number of jobs in Haines in 1999 was 1,034. Fish processing requires significant seasonal labor and fish harvesting provides an important contribution to the economy. In 1995, 117 Haines residents held commercial fishing permits, earning an estimated \$4.8 million.<sup>4</sup>

Although wages in the Haines Borough were generally lower than the statewide average, the lower per capita income in Haines was higher in Haines than statewide during 1994. The Department of Labor attributes this to the fact that Haines residents received a significantly higher proportion of income from dividends, interest, rent and proprietor's income (including fish harvesting) and a lower proportion from wages and salaries.

### Property Valuations.

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<sup>3</sup> Ibid, page 1

<sup>4</sup> Ibid, page 6.

As of April 21, 2000, the assessed value of real property in the Haines Borough was \$165,097,505. Additionally, the assessed value of personal property in the Borough was \$20,124,555 on April 21, 2000. Thus, the total assessed value in the Borough was \$185,222,060.

The State Assessor determined that the full and true value of taxable property in the Haines Borough on January 1, 1999 was \$198,061,700 or \$79,993 per capita. The per capita full value figure for the Haines Borough was greater than that of seven of the eleven other organized boroughs that levy property taxes. Those include the three most populous organized boroughs in Alaska. Specifically, the full and true per capita value of taxable property in the Haines Borough was greater than that of the Municipality of Anchorage (\$60,518), the Fairbanks North Star Borough (\$56,169), the Kodiak Island Borough (\$67,644), the Matanuska-Susitna Borough (\$53,452), the City and Borough of Yakutat (\$54,687), the Ketchikan Gateway Borough (\$76,317) and the City & Borough of Sitka (\$72,419). It was also greater than the per capita average of the other organized boroughs that levy a property tax (\$65,481), excluding the North Slope Borough because of its anomalous value of taxable property.

The 1999 full and true per capita value of taxable property in the Haines Borough was less than that of the City and Borough of Juneau (\$81,274), the Kenai Peninsula Borough (\$82,895), the Bristol Bay Borough (\$161,947) and the North Slope Borough (\$1,164,320).

### Land Use

The Haines Borough, like other regions of Alaska, includes vast amounts of lands owned by the State and federal governments. There is also a significant amount of privately owned land. Privately owned commercial development is concentrated in the urban core of the Borough (the City of Haines and the area immediately adjacent to the City). Details about property values and other characteristics with respect to land use are provided elsewhere in this brief.

Personal Income.

The 1990 census recorded the following personal income patterns in the Haines Borough

<b>Income</b>	<b># of families with household income</b>
Less than \$10,000:	38
\$10,000 - \$19,999:	61
\$20,000 - \$29,999:	74
\$30,000 - \$39,999:	74
\$40,000 - \$49,999:	56
\$50,000 - \$59,999:	92
\$60,000 - \$74,999:	62
\$75,000 - \$99,999:	49
\$100,000 - \$125,000:	28
\$125,000 - \$149,000:	4
Over \$150,000:	3

At that time, median household income in the Haines Borough was \$ 36,048. A total of 9.1% of Haines Borough residents had incomes below the poverty level and median family income was \$ 44,141.

At the time of the 1990 federal census, the per capita income of residents of the Haines Borough was \$16,212. The Haines Borough ranked 10th among the then 14 organized boroughs and 11 census areas. The following table provides a ranking of the regions throughout Alaska at the time of the last federal census.

<b>Borough or Census Area</b>	<b>1990 Pop</b>	<b>Total Income</b>	<b>Per Capita</b>
Valdez-Cordova	9,952	\$212,025,718	\$21,305
Juneau	26,751	\$529,381,234	\$19,789
Anchorage	226,338	\$4,385,406,386	\$19,375
Ketchikan Gateway	13,828	\$258,551,273	\$18,698
Kodiak Island	13,309	\$248,653,710	\$18,683
Wrangell-Petersburg	7,042	\$129,591,434	\$18,403
Kenai Peninsula	40,802	\$727,835,597	\$17,838
North Slope	5,979	\$99,330,050	\$16,613
Sitka	8,588	\$140,158,052	\$16,320
<b>Haines</b>	<b>2,117</b>	<b>\$34,320,322</b>	<b>\$16,212</b>
Bristol Bay	1,410	\$22,245,575	\$15,777
Matanuska-Susitna	39,683	\$625,230,198	\$15,756
Fairbanks North Star	77,720	\$1,196,476,336	\$15,395
Prince of Wales-Outer Ketchikan	6,278	\$89,142,968	\$14,199
Skagway-Yakutat-Angoon	4,385	\$61,734,397	\$14,079
Dillingham	4,012	\$52,192,600	\$13,009
Aleutians East	2,464	\$29,823,831	\$12,104
Southeast Fairbanks	5,913	\$70,787,753	\$11,972
Lake & Peninsula	1,668	\$18,457,970	\$11,066
Nome	8,288	\$88,225,294	\$10,645
Yukon-Koyukuk	8,478	\$88,788,643	\$10,473
Northwest Arctic	6,113	\$61,542,305	\$10,067
Bethel	13,656	\$118,927,079	\$8,709
Aleutians West	9,478	\$80,161,268	\$8,458
Wade Hampton	5,791	\$37,648,352	\$6,501

The need for and availability of employable skilled and unskilled people

The two existing local governments in Haines currently employ the individuals needed to carry out a full range of local government services. Consolidation will not change the extent to which this particular factor is satisfied.

The reasonably predictable level of commitment and interest of the population in sustaining a municipal corporation.

Residents of Haines have maintained the two local governments in Haines for the past thirty years. This provides ample demonstration of the commitment and interest in sustaining a municipal corporation. Notwithstanding, the petitioners believe that voters will support a consolidation of the two local governments.

**The Proposed Borough Boundaries Conform Generally to Natural Geography and Include all Areas Necessary for Full Development of Municipal Services.**

AS 29.05.031(a)(2) requires that the boundaries of the proposed borough must conform generally to natural geography and include all areas necessary for full development of municipal services. Additionally, 3 AAC 110.060 provides that:

(a) The boundaries of a proposed borough must conform generally to natural geography, and must include all land and water necessary to provide the full development of essential borough services on an efficient, cost-effective level. In this regard, the commission will, in its discretion, consider relevant factors, including

- (1) land use and ownership patterns;
- (2) ethnicity and cultures;
- (3) population density patterns;
- (4) existing and reasonably anticipated transportation patterns and facilities;
- (5) natural geographical features and environmental factors; and
- (6) extraterritorial powers of boroughs.

(b) Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond the model borough boundaries adopted by the commission.

(c) The proposed borough boundaries must conform to existing regional educational attendance area boundaries unless the commission determines, after consultation with the commissioner of the Department of Education, that a territory of different size is better suited to the public interest in a full balance of the standards for incorporation of a borough.

(d) If a petition for incorporation of a proposed borough describes boundaries overlapping the boundaries of an existing organized borough or unified municipality, the petition for incorporation must also address

**Conformance with natural geography and inclusion of all necessary areas.**

The boundaries for the consolidated Haines Borough will be the same as the current third class Haines Borough boundaries. Established in 1968, the Haines Borough originally encompassed approximately 2,200 square miles. Klukwan, located about 21 miles north of Haines along the Haines Highway, and the military petroleum distribution facility at Lutak Inlet were excluded from the Borough.



In 1974, the Haines Borough petitioned for annexation of approximately 420 square miles to the south. The area proposed for annexation encompassed fish processing facilities at Excursion Inlet and Tongass National Forest lands. The annexation was approved by the LBC and took effect following review by the Legislature in 1975. In 1976, the Haines Borough petitioned for the annexation of the former military petroleum distribution facility at Lutak Inlet. That annexation proposal was approved by the LBC in 1977 and took effect in 1978 following review by the legislature.

The current boundaries of the Haines Borough have been in place for just over twenty-two years. While the petitioners submit that this circumstance entitles this submission to a strong presumption that the proposal meets the standards for borough incorporation, that presumption would be greatest with respect to this boundary standard. Since the proposed new borough boundaries match the existing borough boundaries that have been in place for twenty years, it is more than reasonable to presume that boundaries conform generally to natural geography and include all areas necessary for full development of municipal services.

#### Relationship to model borough boundaries.

The proposed borough boundaries do not extend beyond the model boundaries established by the Local Boundary Commission. The petitioners recognize that the existing boundaries of the Haines Borough do not conform to the model borough boundaries for the Haines Borough established by the Local Boundary Commission on May 8, 1992. To attempt to modify the boundaries concurrent with consolidation would be extremely cumbersome from a procedural standpoint. While consolidation involves an election within the proposed new municipality, annexation would require either legislative review or an election just in the territory proposed for annexation.

Moreover, any proposal to expand the boundaries of the Borough would likely be controversial and would distract attention and resources from the more significant issue of consolidation. For example, the community of Skagway is included in the model borough boundaries of the Haines Borough. The petitioners are aware that residents and municipal officials in Skagway are currently contemplating the incorporation of a borough encompassing just Skagway. The City of Skagway commented on the model borough boundaries in 1992 by stating its objection to being included in the Haines Borough.

#### Relationship to REAA boundaries.

The presumption that proposed borough boundaries will conform to existing regional educational attendance area boundaries obviously cannot apply to this consolidation proposal. The area of the proposed consolidated borough encompasses territory wholly within an organized borough.

Overlapping boundaries.

The petition for consolidation does not propose boundaries that overlap the boundaries of an existing organized borough.

**Consolidation will not deny any person the enjoyment of any civil or political right because of race, color, creed, sex or national origin.**

Federal law (43 U.S.C. 1973) subjects municipal consolidations in Alaska to review under the federal Voting Rights Act. This federal requirement ensures that changes in voting rights, practices and procedures (including those brought about by consolidation) will not result in “*a denial or abridgement of the right of any citizen of the United States to vote on account of race or color*” or because a citizen is a “*member of a language minority group.*” (42 U.S.C. 1973) Additionally, State law provides that, “*A petition will not be approved by the commission if the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.*” (3 AAC 110.910)

When the Haines Borough was incorporated over 30 years ago, the lands “comprising Klukwan Indian Reservation established by Executive Order numbered 1764 dated April 21, 1913” were excluded from the Borough. Presumably, this was done because the Bureau of Indian Affairs (BIA) operated the school at Klukwan. However, BIA has since transferred its education functions at Klukwan and other communities in Alaska to the State or to municipal school districts.<sup>5</sup>

Further, the Klukwan Indian Reservation was abolished as a result of the Alaska Native Claims Settlement Act.

There is no evidence to suggest that consolidation of the two local governments in Haines will result in any violation of the federal Voting Rights Act. Consolidation will not alter the boundaries of the Haines Borough. Further, the consolidation has been proposed to serve legitimate needs and to accomplish legitimate public policy objectives.

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<sup>5</sup> Education services for Klukwan are provided by the Chatham Regional Educational Attendance Area, headquartered in Angoon. It seems to be poor public policy for the State to deliver education services to Klukwan from a community based nearly 150 miles away by air, when Haines is only about 21 miles away by road. As a result of this peculiar jurisdictional arrangement, two school facilities have been constructed to serve the northern part of the Haines Borough/Klukwan area. One is at Klukwan (operated by the Chatham REAA) and the other is a few miles north at Mosquito Lake (operated by the Haines Borough). In 1997, the Klukwan school served 27 students in grades K-12, while the Mosquito Lake School served 8 students in grades K-3. (enrollment figures provided by Eric McCormick, Department of Education, August 26, 1997)

**Conclusion:**

In conclusion, the petitioners express confidence that all of the applicable standards for consolidation of the first class City of Haines and the third class Haines Borough are fully satisfied by this proposal. Specifically,

1. consolidation will promote maximum local self- government with a minimum of local government units;
2. the proposed consolidated home rule borough has a community of interests;
3. the communications media and the land, water, and air transportation facilities throughout the territory proposed for consolidation allow for the level of communications and exchange necessary to develop an integrated borough;
4. the proposed borough has a population that is large and stable enough to support borough government.
5. the proposed borough has sufficient human and financial resources to provide municipal services on an efficient and effective level;
6. the proposed borough boundaries conform generally to natural geography and include all areas necessary for full development of municipal services;
7. consolidation will not deny any person the enjoyment of any civil or political right because of race, color, creed, sex or national origin;
8. the consolidated borough will have the ability to extend services to the territory proposed for consolidation in a practical and effective manner.
9. for all of the above reasons, consolidation is in the best interests of the State.

# **EXHIBIT I**

## **PROPOSED CHARTER**

This exhibit presents the proposed home rule charter for the borough. The proposed charter, as may be amended on a reasonable basis by the Local Boundary Commission following a public hearing on this petition, is adopted if voters approve consolidation of the home rule borough.

**CITY AND BOROUGH OF HAINES  
CHARTER**

WITH PROVISION FOR TRANSITION  
UPON CONSOLIDATION OF  
THE CITY OF HAINES  
AND  
THE HAINES BOROUGH

Prepared by  
THE CITY OF HAINES  
PETITIONER

December 20, 2000

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*CITY AND BOROUGH OF HAINES CHARTER*

**PREAMBLE AND BILL OF RIGHTS**

We the people of the City and Borough of Haines, exercising the powers of home rule granted by the Constitution of the State of Alaska, in order to achieve common goals, to support individual rights, to form a more responsive government, and to secure maximum control of our own local affairs, hereby establish this charter.

This charter guarantees to the people of the City and Borough of Haines the following rights that are in addition to the rights guaranteed by the Constitution of the United States of America and the Constitution of the State of Alaska:

The right to a government of the people, by the people and for the people, which safeguards our diversity, harmony between neighbors and respect for the environment;

The right to access a well maintained public record of all actions of public officials in accordance with this charter, so that the citizens of the borough may retain control over the affairs of their government;

The right to enjoyment of private property, chosen lifestyles, traditions, employment, and recreational activities without unnecessarily restrictive or arbitrary laws or regulations.

***CITY AND BOROUGH OF HAINES CHARTER***

**ARTICLE I  
NAME AND BOUNDARIES**

**Section 1.01 Name of Borough**

The municipal corporation shall be known as the City and Borough of Haines.

**Section 1.02 Form of Government**

**(A) Home rule.** The City and Borough of Haines government is a home rule borough established by the voters through the consolidation of the former first class City of Haines and the former third class Haines Borough.

**(B) Form.** The City and Borough of Haines shall operate as a Mayor-Administrator form of government.

**Section 1.03 Boundaries**

The boundaries of the City and Borough of Haines shall include all areas within the borough on the date of ratification of this charter. The boundaries may be altered in the manner provided by law.

**Section 1.04 Participation With Other Governments**

The people of the City and Borough of Haines establish the borough government to represent their interests in dealing with other governmental bodies, including participating in joint funding projects with the State of Alaska or the United States federal government.

*CITY AND BOROUGH OF HAINES CHARTER*

**ARTICLE II  
THE ASSEMBLY AND THE LEGISLATIVE BRANCH**

**Section 2.01 Legislative Powers Vested in the Assembly**

The City and Borough of Haines Assembly shall be the sole legislative body of the City and Borough of Haines.

**Section 2.02 Composition and Apportionment of the Assembly**

**(A) Composition.** The City and Borough of Haines Assembly shall be composed of six members, elected to staggered terms.

**Section 2.03 Qualifications, Terms, Compensation**

**(A) Qualifications.** A candidate for the office of assembly member shall be a qualified voter of the City and Borough of Haines and a resident for at least one year immediately preceding the election.

An assembly member who no longer resides in the City and Borough of Haines shall forfeit his office.

**(B) Terms.** Except for the first assembly elected, the term of an assembly member is three years and until a successor qualifies.

**(C) Compensation.** The assembly by ordinance may provide for compensation of its members.

**Section 2.04 Vacancies**

If a vacancy occurs on the assembly, the remaining members shall attempt to appoint a qualified person to fill the vacancy within 30 days. The person appointed shall serve until the next regular election, at which time a successor shall be elected to serve the balance of the term.

**Section 2.05 Organization and Rules of the Assembly**

**(A) Chair.** The mayor shall serve as the presiding officer of the assembly. A deputy mayor, chosen by the mayor from among the assembly members, shall preside when the mayor is absent.

**(B) Meetings.** The assembly shall meet in regular session as determined by ordinance. The mayor or three assembly members may call special meetings.

The assembly by ordinance shall determine its own rules and order of business, including provisions for reasonable notice to all assembly members of regular and special meetings.

**(C) Journal.** The assembly shall maintain a journal of its proceedings as a public record.

***CITY AND BOROUGH OF HAINES CHARTER***

**(D) Votes.** Voting shall be by roll call, show of hands or other public method as defined by assembly rule. The votes of all assembly members shall be recorded in the journal.

**(E) Quorum.** A majority of assembly members constitutes a quorum; however, a smaller number may meet in public and reschedule a meeting that a quorum will be compelled to attend, as prescribed by assembly rule.

**Section 2.06 Officers**

The assembly shall appoint officers who serve at the pleasure of the assembly, advising and assisting the assembly and mayor, and whose duties of office are prescribed by borough code. Officers of the borough shall include the following:

- (A) Borough Administrator;**
- (B) Borough Clerk;**
- (C) Borough Attorney;**
- (D) Chief Fiscal Officer.**

**CITY AND BOROUGH OF HAINES CHARTER**

**ARTICLE III  
LEGISLATION**

**Section 3.01 Legislative Body**

The City and Borough of Haines Assembly shall be the sole lawmaking body of the City and Borough of Haines, creating and adopting any and all new borough laws and amendments, or repealing laws and amendments.

**Section 3.02 Introduction and Enactment of Ordinances**

**(A) Introduction.** An ordinance shall be introduced in writing in the form required by assembly rule. An ordinance may be introduced by an assembly member or the borough mayor at a regular or special meeting of the assembly.

**(B) Notice and Hearing.** Upon approval of four assembly members, the clerk shall publish a notice containing the text or a summary of the ordinance, the time and place for a public hearing, and where copies of the ordinance are available.

The public hearing shall be held seven or more days following publication of the notice.

**(C) Enactment.** A simple majority vote of the total membership of the assembly may pass an ordinance. An ordinance takes effect upon adoption or at a later date specified in the ordinance. An adopted ordinance must be placed in the form required by borough code. Ordinances shall be attested by the borough clerk and by the mayor.

**Section 3.03 Actions Requiring an Ordinance**

In addition to other actions that require an ordinance, the assembly shall use ordinances to take the following actions:

- (1) adopt or amend administrative code;
- (2) levy taxes;
- (3) authorize borrowing of money;
- (4) grant, renew or extend a franchise;
- (5) regulate the rate charged by a public utility, when such regulation is consistent with Alaska Statutes;
- (6) provide for a fine or other penalty or establish a rule or regulation for the violation of which a fine or other penalty is imposed;
- (7) adopt, amend or repeal the comprehensive plan, land use and subdivision regulations, building and housing codes or similar land use control measures;
- (8) sell, convey, or lease--or authorize the sale, conveyance, or lease--of any interest in lands and real property of the borough, in accordance with requirements of the comprehensive plan;

## ***CITY AND BOROUGH OF HAINES CHARTER***

(9) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works projects within the limitations set out in Alaska Statute;

(10) establish, alter, or abolish municipal departments;

(11) establish, alter, consolidate, or abolish service areas;

(12) make appropriations, including supplemental appropriations or transfer appropriations;

(13) provide for the retention or sale of tax-foreclosed property;

(14) transfer powers from the borough to another municipality.

### **Section 3.04 Emergency Ordinances**

To meet a public emergency affecting life, health, welfare, or property, the assembly may introduce and adopt emergency ordinances at the same meeting.

A reasonable attempt shall be made to notify the mayor and all assembly members immediately upon introduction of an emergency ordinance.

An emergency ordinance shall contain a finding that an emergency exists and shall state the facts constituting the emergency.

An emergency ordinance is adopted upon the affirmative vote of all members present, or a supermajority of the total membership, whichever is less.

An emergency ordinance is repealed by resolution or automatically expires in sixty days.

### **Section 3.05 Adoption by Reference**

The assembly by ordinance may adopt by reference a standard code of regulations or a portion of the Alaska Statutes. The matter adopted by reference shall be made available to the public in a manner prescribed by ordinance.

### **Section 3.06 Codification**

The assembly shall provide for indexing and codification of all permanent ordinances adopted by the assembly. Following preparation of the initial City and Borough of Haines Code, all proposed permanent ordinances shall be adopted as amendments or additions to the code.

**CITY AND BOROUGH OF HAINES CHARTER**

**ARTICLE IV  
INITIATIVE AND REFERENDUM**

**Section 4.01 Initiative**

**(A) Applications of Initiative.** Through the initiative process, voters of the City and Borough of Haines may initiate and subsequently enact, amend, or repeal City and Borough of Haines Charter provisions, ordinances, resolutions, and existing provisions of borough code.

**(B) Restrictions.** Initiative may not be used for dedication of revenues, making or repealing appropriations, creating courts and prescribing their rules, or enacting local or special legislation. Neither shall initiative be used to compel the adoption of a measure that is not enforceable by law.

**(C) Voidance of petition.** An initiative petition is void if the Assembly enacts substantially the same measure prior to the election.

**(D) Repealing or altering initiative and referendum measures.** The Assembly may not repeal or substantially alter an ordinance enacted by initiative within two years after certification of the election at which the initiative was approved. Neither shall the assembly repeal or substantially alter a provision enacted or adopted under (C) above within two years following its enactment or adoption. Further, the assembly may not enact or adopt a provision substantially similar to the one repealed by initiative or repealed under (C) above within two years following its repeal.

**(E) Failed initiative.** If an initiative fails to receive voter approval, a new petition application for substantially the same measure may not be filed sooner than six months after the election results are certified.

**Section 4.02 Referendum**

**(A) Applications.** Through the referendum process, voters of the City and Borough of Haines may compel a legislative measure that has been approved by the assembly to be referred for voter ratification.

**(B) Restrictions.** Referendum shall not be applied to dedications of revenue, appropriations, local or special legislation, or laws necessary for the immediate preservation of the public peace, health, or safety.

**(C) Suspension of ordinance.** A referendum petition may only be filed within 90 days following the effective date of the legislative measure in question. Filing of a referendum petition suspends the ordinance or resolution, and the assembly may not enact a substantially similar measure during the period of suspension. The suspension terminates on a finding of insufficiency of the petition or upon certification of a majority vote against repeal.

**(D) Voidance of petition.** A referendum petition is void if the Assembly repeals the measure in question prior to the referendum election.



## ***CITY AND BOROUGH OF HAINES CHARTER***

**(E) Failure.** If a referendum fails to receive voter approval, a new petition application for substantially the same measure may not be filed sooner than six months after the election results are certified.

### **Section 4.03 Procedures for Initiative and Referendum Petition**

**(A) Application.** An initiative is proposed by first filing with the borough clerk an application containing the provision or legislative measure to be initiated or referred. The application shall include the name and address of a contact person and an alternate and shall be signed by at least ten voters who will sponsor the petition. The clerk may accept additional sponsors at any time before the petition is filed. Within 14 days the clerk shall certify the application and prepare the petition if the clerk finds that it is in proper form and that it meets the provisions of this charter. A decision by the clerk on application for petition is subject to judicial review.

**(B) Petition format.** Each copy of the petition prepared by the borough clerk shall contain

- (1) on each page, a summary of the measure to be initiated or referred;
- (2) the complete provision or measure;
- (3) the date on which the petition is issued;
- (4) notice that signatures must be secured within 90 days after the date of issue;
- (5) spaces for each signature, printed name, the date of signature, and the residence and mailing address of each signer;
- (6) a statement, with space for the sponsor's sworn signature and date of signing, that the sponsor personally circulated the petition, that all signatures were affixed in the presence of the sponsor, and that the sponsor believes the signatures to be those of the persons whose names they purport to be; and
- (7) space for indicating the total number of signatures on the petition.

The clerk shall notify the contact person in writing on the day the petition is ready to issue. The contact person is responsible for notifying sponsors who may receive copies of the petition directly from the clerk's office or through the mail.

**(C) Petition Signatures.** A petition for initiative or referendum shall be signed by a number of qualified voters equal to at least 25 percent of the voters who cast ballots at the last regular borough election before the petition issue date.

- (1) The signatures must be secured within 90 days after the date the petition is issued.
- (2) The sponsor must sign the petition.
- (3) Signatures must be in ink or indelible pencil, accompanied by a legible printed name and address.

**(D) Less-than-area-wide initiative and referendum.** If an initiative or referendum petition affects only an area that is less than the entire area of the borough, only voters residing in the affected area may sign the petition and vote on the initiative or referendum. The clerk shall determine the number of signatures required on the petition by calculating 25 percent of the number of votes cast by voters in that area at the last regular election held before the date of petition issue.

## ***CITY AND BOROUGH OF HAINES CHARTER***

**(E) Sufficiency of petition.** Within ten days from the filing of a petition for initiative or referendum, the borough clerk shall certify whether the petition is sufficient. A new petition on substantially the same matter may not be filed sooner than six months after certification.

**(F) Protest.** If the borough clerk certifies that an initiative or referendum petition is insufficient, a protest may be filed with the mayor within seven days after the certification. The mayor shall present the protest to the assembly for hearing and action at the next regular meeting.

### **Section 4.04 Initiative Election.**

**(A) Time frame.** Unless substantially the same measure is adopted by the assembly, the clerk shall submit the initiative to the voters at the next regular election at least 45 days but no later than 75 days after certification of the petition. If no regular election is scheduled during that time frame, a special election must be held.

**(B) Presentation.** The ordinance shall be published in full in the notice of the election, but it may be summarized clearly on the ballot.

**(C) Results.** The assembly shall adopt the measure upon the majority vote favoring the initiative, making it effective upon certification of the election or an effective date provided in the initiative.

### **Section 4.05 Referendum Election.**

**(A) Time frame.** Unless the ordinance or resolution is repealed, the matter shall be submitted to the voters at the next regular election at least 45 days but no more than 75 days after certification of the petition. If no regular election is scheduled during that time frame, a special election must be held then.

**(B) Presentation.** The ordinance shall be published in full in the notice of the election, but it may be summarized clearly on the ballot.

**(C) Results.** The assembly shall repeal the measure upon the majority vote favoring the repeal. Otherwise, the measure remains in effect, or if it has been suspended, becomes effective upon certification of the election.

**CITY AND BOROUGH OF HAINES CHARTER**

**ARTICLE V  
EXECUTIVE BRANCH**

**Section 5.01 The Office of the Mayor**

The City and Borough of Haines operates under the mayor-administrator form of government; any change to a manager form must be made by ordinance ratified by the voters of the borough at a regular or special election. The executive power of the City and Borough of Haines is vested in the mayor.

**(A) Term.** The mayor is elected at-large for a three-year term.

**(B) Qualifications.** A candidate for the office of mayor:

- (1) shall be a qualified voter of City and Borough of Haines; and
- (2) shall be a resident of City and Borough of Haines for at least one-year immediately preceding his election.

**(C) Residency.** If the person holding the office of mayor establishes residency outside the City and Borough of Haines, he shall immediately forfeit the position.

**(D) Compensation.** The compensation of the Mayor shall be fixed by the assembly and may not be reduced during his term of office without his consent.

**(E) Deputy mayor.** The mayor shall designate one assembly member to serve as deputy mayor in his absence. If the office of mayor is declared vacant, the deputy mayor may be sworn in as mayor until the next regular or special election.

**Section 5.02 Powers of the Mayor**

**(A) Executive.** The mayor shall be the chief executive of the borough, signing all ordinances and resolutions. The mayor may participate in all assembly meeting discussions, chairing the meetings, but shall vote only in case of a tie.

**(B) Representative.** The mayor shall represent the borough's interest and sign all contracts the borough is party to.

**(C) Veto.** The mayor may veto an ordinance, resolution, motion, or other action of the assembly and may strike or reduce appropriation items. The veto does not extend to:

- (1) actions of the board of equalization or the board of adjustment;
- (2) the appointment or dismissal of personnel;
- (3) adoption or repeal of a manager plan of government;
- (4) an ordinance adopted under AS 04.11.498.

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The veto must be exercised and submitted to the assembly with a written explanation prior to or at the next assembly meeting. The assembly, by supermajority vote of the total membership, may override a veto any time within twenty-one days after its exercise. The mayor's failure to sign a legislative measure shall not constitute a veto.

**(D) Law enforcement.** In case of emergency, the mayor has the power of a peace officer and may exercise that power as chief executive officer to prevent disorder and to preserve the public health. The assembly by resolution may declare that the emergency no longer exists.

### **Section 5.03 Borough Administrator**

**(A) Qualifications.** The assembly shall appoint the administrator as chief administrative officer, who serves at the pleasure of the assembly. The administrator is selected solely on the basis of professional qualifications.

**(B) Appointments.** The administrator is chief personnel officer and shall appoint all heads of borough departments not administered by boards, except for borough officers. All appointments and dismissals of department heads are subject to confirmation by the assembly.

**(C) Responsibilities.** The administrator is responsible to the assembly for the overall conduct of the administrative functions of the borough. The borough administrator may direct municipal officers and department heads in accordance with policies and procedures adopted by the assembly.

### **Section 5.04 Officers and Staff**

The officers appointed by the assembly shall serve at the pleasure of the assembly and work under the direct supervision of the administrator. All staff members are subject to the direction and supervision of the borough administrator.

### **Section 5.05 Administrative Procedures in Borough Code**

The Assembly by ordinance shall adopt provisions regarding:

- (A) The methods of appointment and dismissal** of borough officers and other personnel;
- (B) the powers, duties, and limitations** of borough officers and the assembly in regard to personnel matters;
- (C) the identity, function, and responsibility** of each executive department and agency;
- (D) rules of practice and procedure** governing administrative proceedings;
- (E) personnel policy** and rules regarding employee evaluations for promotions and raises according to merit.

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**Section 5.06 Boards**

**(A) Types of boards.** The assembly by ordinance may provide for advisory, regulatory, administrative, appellate or quasi-judicial boards or commissions. The ordinance shall prescribe the duties, terms and qualifications of members.

**(B) Membership.** The mayor appoints the members of boards and commissions, unless otherwise specifically provided in this charter. Appointments are subject to confirmation by the assembly. Persons appointed by the mayor serve at the pleasure of the mayor.

**(C) Advisory role.** Boards and commissions may make recommendations to the assembly, the mayor, the administrator, and heads of executive departments on matters specified in the ordinance creating the board or commission.

**(D) The assembly as quasi-judicial board.** The Assembly by ordinance may designate itself to be a board of review, adjustment, or equalization. The ordinance shall prescribe the rules of procedure, including quorum and voting requirements. Any judgment made by the assembly or board acting in a quasi-judicial capacity must be carried by at least a supermajority vote of the entire assembly or board.

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**ARTICLE VI  
POWERS**

The City and Borough of Haines may exercise all powers available to a home rule borough, not prohibited by law or this charter

**Section 6.01 Areawide Powers**

The City and Borough of Haines shall exercise areawide the powers to provide for tax assessment and levy; planning, platting, zoning; and education.

In addition, the borough may exercise on an areawide basis, by ratification of this charter, the powers to provide for the following services:

- (1) control of hazardous substances,
- (2) emergency medical services,
- (3) emergency dispatch,
- (4) ports and harbors facilities,
- (5) financing capital improvement projects,
- (6) public parks and recreational facilities,
- (7) public libraries,
- (8) museums,
- (9) cemeteries,
- (10) economic development.

In addition to the powers to provide the services listed, the borough may exercise on an areawide basis all other powers of a home rule borough consistent with state law and this charter, upon ratification by borough voters at a regular or special election.

**Section 6.02 Powers for Service Areas**

**(A) Available powers.** Unless restricted otherwise by this charter, Alaska Statute, or borough code, any borough power not exercised areawide may be exercised on a service area basis. If already exercised areawide, the power may be exercised within a service area to provide a higher level of service.

**(B) Reserved powers.** The following powers are reserved for exercise in service areas only:

- (1) the establishment and operation of police departments (exclusive of related dispatch communication services);
- (2) the establishment and operation of fire departments, the hiring of firefighters and the contracting for fire services;
- (3) animal control.

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**ARTICLE VII  
EDUCATION**

**Section 7.01 Public School System**

The City and Borough of Haines School District shall provide areawide public education in accordance with Alaska Statutes.

**Section 7.02 School Board Membership**

**(A) Composition.** The school district is operated by a school board of seven persons elected at large to staggered terms.

**(B) Qualifications.** A candidate for school board shall be a resident qualified to vote in the City and Borough of Haines. A school board member shall remain a resident of City and Borough of Haines while in office.

**(C) Terms.** The terms of all seats are for three years, except for the first school board elected, according to the procedures described in Article XIX regarding transition.

**(D) Compensation.** The compensation for school board members shall be fixed by resolution adopted by the assembly.

**Section 7.03 Powers of the School Board**

The school board has the powers provided by Alaska Statute and borough code to carry out its duties, some of which are formulating a six-year capital improvement plan, managing school personnel and facilities, supervising school district fiscal affairs, and implementing and maintaining a five-year curriculum and instruction plan.

**Section 7.04 Relationship of the Borough School Board and Borough Assembly**

**(A) Joint meeting.** The borough assembly and school board shall meet jointly at least once yearly in public session to discuss and coordinate financial planning, capital improvement needs, the six-year capital improvement plan, and other matters of mutual concern.

**(B) Administrative procedures.** The borough assembly shall by ordinance establish procedures for administration of school district finances and buildings, and which allow for the greatest possible autonomy of the school board within the limitations of this charter.

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**ARTICLE VIII  
PLANNING**

**Section 8.01 Planning Commission**

**(A) Purpose.** The City and Borough of Haines Planning Commission shall be the sole planning body of the borough, guided by the comprehensive plan.

**(B) Composition.** The planning commission shall consist of seven members appointed by the mayor, with the approval of the assembly, to three-year staggered terms.

**Section 8.02 Qualifications, Term, and Compensation**

A candidate for planning commission shall be a resident qualified to vote.

A planning commissioner shall remain a resident in the City and Borough of Haines.

The terms of all seats are for three years, with the exception of the first seats during the transitional period, as described in Article XIX.

Compensation for planning commission members shall be fixed by resolution adopted by the assembly.

**Section 8.03 Powers and Duties**

The planning commission shall have such powers and duties as provided by this charter and subsequent borough code as prescribed by the assembly. The planning commission shall

**(A) present** to the assembly a comprehensive plan including recommendations for zoning districts based on existing land uses and information gathered by a public hearing process;

**(B) advise** the assembly on all matters related to planning and zoning, including the establishment of political boundaries;

**(C) formulate and develop** planning proposals for submission to the assembly whenever requested to do so by the assembly or upon its own motion;

**(D) gather** information and inform the public at hearings on planning matters, promote public interest and understanding of the comprehensive plan;

**(E) plan** for borough capital improvements and land sales.



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### **Section 8.04 Comprehensive Plan**

There shall be a comprehensive plan adopted and implemented by the assembly, which shall be presented to the assembly by the planning commission for adoption by ordinance. The plan shall serve as a guide for all planning commission recommendations and all assembly legislative action concerning land use and development issues. Among other prescriptions, it shall include the following:

- (1) statements of policies, goals, and standards;
- (2) a land use plan;
- (3) community facilities plan;
- (4) classification, plan, and requirements for disposal of borough lands;
- (5) a transportation plan; and
- (6) recommendations for implementation of the comprehensive plan.

### **Section 8.05 Proposals for Zoning and Boundary Changes**

A proposal to amend zoning regulations and boundaries, or otherwise change zoning districts may be made by

- (a) a petition by 51 percent of the landowners in the petition area;
- (b) a notice of intent to introduce an ordinance the assembly;
- (c) a formal recommendation by the planning commission to the assembly.

### **Section 8.06 Form of Petitions**

The petition to propose or protest a change of boundary or zone classification must be in a form prescribed by code, filed with the borough clerk. The petition shall include such data and information as may be necessary to support reasons for proposing or protesting the change. The clerk shall forward the petition to the planning commission.

### **Section 8.07 Protest**

If a protest is filed by at least 25 percent of the landowners in the zone, the commission and the assembly may not proceed with the zoning change until the protests have been settled to the satisfaction of 66 percent of the landowners within the zone who respond in the time allowed.

### **Section 8.08 Hearings and Report**

The planning commission shall have sixty days from the date of proposal to make its full report to the assembly. During this time, the planning commission shall provide public notice and hold one public hearing on the proposed zoning change and declare its findings by a formal motion.

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**Section 8.09 Designation or Alteration**

The assembly shall consider the commission report on any change and determine whether the proposal has sufficient merit. Any ordinance approved by the assembly designating or altering a zoning district, in conformance with comprehensive plan recommendations, shall be given at least two public hearings.

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**ARTICLE IX  
FINANCES**

**Section 9.01 Annual Budget and Capital Improvements Program**

The operating budget shall be a complete and balanced financial plan for all operations of the borough, showing all reserves, estimated revenues from all sources, and the proposed expenditures for all purposes in the upcoming fiscal year. It shall also include a comparative statement of actual expenditures and revenues for the preceding year and a projection for the current year.

The capital budget shall be the portion of the annual budget detailing the planned capital improvements for the upcoming fiscal year and their source of funding.

The capital improvements program (CIP) shall be a plan detailing expected capital improvements for the next six fiscal years, the predicted costs, and proposed method of financing them.

Upon adoption by ordinance, the operating budget, capital budget, and CIP shall be the appropriations that govern all spending by the borough.

**(A) Fiscal year.** The fiscal year of the borough shall begin on the first day of July and end on the last day of June the following year.

**(B) Submission and presentation.** No later than April 1 of the current fiscal year, the administrator shall present to the assembly the six-year CIP and the proposed operating and capital budget for the following fiscal year. The presentation shall include a written explanation of the budget and CIP focusing on the work to be done and the financial policies that will direct the funding of that work.

**(C) Hearing and assembly action.** The assembly shall hold at least two public hearings on the proposed annual budget no later than June 1. At least ten days prior to each hearing, the assembly shall publish in a general circulation newspaper a summary of the budget and notice of public hearing. Copies of the proposed budget shall be made available to the public.

**(D) Assembly action and executive certification of budget.** The assembly by ordinance shall adopt a budget and establish tax levies not later than June 15. If it fails to do so, the budget and tax levies submitted by the administrator shall be deemed adopted by the assembly as the annual budget. The assembly by ordinance may provide for additional procedures regarding submission.

The administrator shall certify the annual budget and CIP, making them part of the public record.

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### **Section 9.02 Altering and Transferring Appropriations**

If the administrator determines that revenues will be insufficient to meet the amount appropriated, he shall report to the assembly, and the assembly by ordinance and according to borough code may reduce as necessary any appropriation except for debt service.

The administrator may transfer part or all of any unencumbered balance to another classification within a department, office, or agency.

The administrator may transfer balances from one department to another only with the approval of the assembly through a re-appropriation.

### **Section 9.03 Enterprise Funds**

Revenues from a municipal enterprise activity shall be used for the direct operating expenses and other expenses of the enterprise, such as debt retirement and providing for the establishment of an enterprise fund replacement reserve account for major maintenance and repairs. Any other use of enterprise fund revenues shall be made as authorized by ordinance or by budgetary action. If any general funds are used for enterprise fund projects, the amount will be repaid by enterprise activity according to procedures set forth in borough code.

### **Section 9.04 Emergency and Supplemental Appropriations**

Surplus revenues from unexpected sources may be used to fund supplemental appropriations and emergency appropriations, in accordance with borough code.

### **Section 9.05 Lapse of Appropriations**

Every unencumbered surplus of the general fund or special revenue fund shall lapse at the close of the fiscal year to the general fund or service area, respectively. An appropriation for capital improvement, or to meet requirements of federal or state grants, shall not lapse until the project is complete or abandoned.

### **Section 9.06 Administration of the Budget.**

**(A) Centralized accounting.** Except as otherwise provided by ordinance, the assembly shall provide for centralized accounting for all functions of the borough.

Except as otherwise provided by ordinance, the assembly shall provide for centralized purchasing and specifically designate the officers who shall write checks and place orders.

**(B) Appropriations.** Payments must be made by appropriation only. No payment may be made and no obligation incurred against any appropriation unless the administrator ascertains that sufficient funds are or will be made available.

**(C) Payments.** The assembly shall by ordinance establish bylaws and procedures for making payments and recovering amounts expended without authorization.

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**Section 9.07 Competitive Bidding and Contract Approval**

The assembly by ordinance shall hold competitive bidding for the sales of borough property and the purchasing of goods and services.

The sale shall be offered to the highest bidder; the contract shall be awarded to the lowest qualified responsive bidder, excepting only contracts with officers and employees of the borough and professional services.

**Section 9.08 Audits**

The assembly shall provide for an annual independent audit of the accounts of the borough. The audit shall be made by a certified public accountant designated by the assembly.

**Section 9.09 Permanent Fund**

**(A) Purpose.** The Haines Permanent Fund holds and invests income from land sales and other sources identified by ordinance of the borough assembly. The permanent fund shall be maintained in perpetuity as a separate fund, apart from all other funds and accounts of the borough.

**(B) Principal.** The principal of the fund shall be invested in such types of income producing investments specifically designated by ordinance. Any use of principal other than reinvestment shall be made by ordinance ratified by the voters of the borough.

**(C) Interest income.** Only interest and dividends on the fund shall be spent. After a portion or all of the dividend and interest is returned to the fund principal as inflation proofing, surplus may be used for borough expenses.

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**ARTICLE X  
TAXATION**

**Section 10.01 Taxing Authority**

The assembly shall always be the sole taxing authority in the borough.

**Section 10.02 Kinds of Taxes**

The assembly by ordinance may levy any tax and fee allowed by law to pay for borough services and capital improvements.

**Section 10.03 Sales Tax Ratification**

All sales tax ordinances shall be subject to ratification of the electorate within the area in which the tax will be in effect.

**Section 10.04 Tax Procedures**

The assembly by ordinance shall prescribe the procedures for tax assessment, levy, and collection.

The procedures shall provide for assessment of property at full and true value, except as otherwise provided by law, and for notice of assessment, appeal, and judicial review.

Property taxes, with collection charges, penalties, and interest are first liens upon the property.

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**ARTICLE XI  
BORROWING**

**Section 11.01 Municipal Debt**

The borough may borrow money for any public purpose, and issue its evidences of indebtedness for obligations which include

- (A) general obligation bonds;
- (B) special assessment bonds;
- (C) service area bonds;
- (D) revenue bonds;
- (E) refunding bonds;
- (F) bond anticipation notes; and
- (G) revenue anticipation notes.

**Section 11.02 Limitations**

**(A) General obligations of the municipality.** No general obligation bonded indebtedness may be incurred unless authorized by the assembly for capital improvements and ratified by a majority vote of those in the borough voting on the question, except that refunding bonds may be issued without an election and bond anticipation notes may be issued once the bond issue has been ratified.

**(B) General obligations of service areas.** No obligation by pledge of taxes to be levied in a service area may be issued unless authorized by the assembly for capital improvements and ratified by a majority vote from voters within the service area. Service area obligations may be additionally secured by a pledge of the municipality if the assembly authorizes and the areawide voters ratify the arrangement.

**(C) Time limit on notes.** Tax or revenue anticipation notes shall be repaid within twelve months from their date of issuance. When the taxes or revenues anticipated are not received within this time, the assembly may renew the notes for a period not to exceed six months.

**(D) Limitations of sale.** The Assembly by ordinance shall provide for the form and manner of sale of bonds and notes including reasonable limitation upon the sale of bonds and notes to financial consultants of the borough.

**Section 11.03 Notice of Bond Election**

**(A) Before holding any election** required by this article, the assembly shall have a notice of election published once a week for three consecutive weeks. The first publication shall be at least 20 days prior to the date of election. For elections ratifying the issuance of general obligation bonds of the municipality or service area obligations additionally secured by a pledge of the full faith and credit of the municipality, the notice shall contain:

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- (1) the amount of the bonds, purposes of issuance, length of time for the bonds to mature, and the maximum interest rate the bonds will bear;
- (2) the amount of the estimated annual debt service on the proposed bonds;
- (3) the amount of the current total general obligation debt;
- (4) the amount of the current year's debt service on the outstanding general obligation bonds; and
- (5) the current total assessed valuation within the municipality.

**(B) For bonds secured by a pledge** of taxes to be levied in a service area, the notice shall contain the same information listed above, but in regard to the service area.

**Section 11.04 Actions Challenging the Validity of Obligations**

Minor errors in the published notice shall not invalidate any subsequent election. Challenges to the sufficiency of any notice must be made no later than 30 days after the ordinance becomes effective.

An action challenging the validity of obligations of the borough or of an election or tax levy with respect to an obligation may be instituted only within thirty days after the adoption of the ordinance or resolution or certification of the election results, as the case may be.

**Section 11.05 Proceeds From Sale of Obligations**

Proceeds derived from the sale of obligations shall be used solely for the purposes for which the obligations were issued, or for payment of principal or interest or other charges with respect to the obligations.



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**ARTICLE XII  
SERVICE AREAS**

**Section 12.01 Purpose and criteria of service areas**

Service areas may be established to provide services not provided on an areawide basis or to provide a higher level of service than that already provided on an areawide basis. A service area may be established to meet a need, improve safety, increase economic operating efficiency, and provide other reasonable benefits to residents of that area. Only the area in which the service shall be provided shall comprise the service area.

**.Section 12.02 Proposals and Protests**

**(A) Proposals.** Service area creation, alteration, consolidation, or abolition may be proposed by

(1) a voter proposal petition following the same form and procedure as for less-than-areawide initiative; or

(2) a notice of intent by the assembly to introduce an ordinance.

The assembly by ordinance shall establish the full requirements for service area petitions of proposal and the notice of intent to introduce a service area ordinance.

By supermajority vote, the assembly may deny a petition that proposes the continued existence or creation of a service area.

**(B) Protests.** Voters within the area affected may protest a proposed or newly enacted service area ordinance. A protest petition must follow the same form and procedure as less-than-areawide initiative and referendum. If a petition of protest is certified, the ordinance is suspended until ratified by a majority of those in the area voting on the question.

If an ordinance to be ratified proposes that a service area be expanded, the voters in the area proposed for annexation and the voters in the existing service area must separately ratify the annexation.

If an ordinance to be ratified proposes that a service area be reduced, the voters in the area proposed for detachment and the voters in the proposed remnant service area must separately ratify the change.

**Section 12.03 Establishment**

Service areas are created, consolidated, altered, or abolished by ordinance. The ordinance shall contain

(1) boundaries and area to be included;

(2) service to be provided or eliminated; and

(3) other provisions the assembly may prescribe by ordinance.

The assembly shall by ordinance adopt procedures for the creation, alteration, consolidation, and abolition of service areas.

**Section 12.04 Administration and Finance**

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**(A) Procedures.** The assembly shall by ordinance prescribe procedures for the administration of service areas and financing services.

**(B) Revenue.** The assembly by ordinance may levy taxes, make assessments, receive state funds, and otherwise generate income to pay the costs of services provided.

**(C) Separate accounting.** An account for each service area shall be created and kept separate from all other borough accounts. Revenues collected within a service area may be applied only to service area costs; service area costs will be paid only from service area accounts.

**(D) Service area boards.** The assembly may provide for appointed or elected boards to supervise the furnishing of services in service areas.

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**ARTICLE XIII  
LOCAL IMPROVEMENT DISTRICTS**

**Section 13.01 Purpose and Criteria**

Property owners may request the borough to create a local improvement district (LID) to fund a capital improvement project within the district.

An LID may be established only if the assembly determines there is a need for the capital improvement and that it will provide a reasonable benefit to property owners in the proposed district and to the borough at large. The assembly may prescribe additional criteria by ordinance.

The total cost of the planned capital improvement shall be less than the assessed value of property in the proposed LID owned by individuals or entities that do not object to the creation of the LID.

**Section 13.02 Proposals, Protests, and Appeals**

**(A) Proposing LID creation.** An LID may only be initiated by a petition of the property owners in the proposed LID. The petition must include a capital improvement plan detailing a carefully prepared and credible estimate of cost of the capital improvement to be borne by the property owners of the district. The capital improvement plan must list the estimated assessment for each lot or parcel of land in the proposed district. The petition must be signed by a number of property owners who collectively would bear more than 50 percent of the projected cost of the assessment for the capital improvement. The assembly shall describe by ordinance other requirements for the petition.

**(B) Protesting LID creation.** If written protests are filed by at least 50 percent of the number of property owners in the proposed district, without regard to property value, the assembly shall not proceed until the protests have been settled to the satisfaction of 66 percent of the property owners in the proposed district. If a property owner has more than one lot or parcel of land within the proposed LID, that property owner may be counted only once for purposes of this protest procedure.

**(C) Objections and appeals.** A decision of the assembly concerning the creation of an LID or the assessment relating to the LID may be appealed to the superior court within 30 days of the date on which the assembly adopts the final assessment roll by resolution or ordinance.

**Section 13.03 Establishment**

The assembly shall establish an LID by ordinance and shall prescribe by ordinance procedures for the creation of an LID consistent with this charter. An LID may be dissolved by assembly resolution after the assessment of the LID has been paid in full.

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**Section 13.04 Finance**

**(A) Assessment.** To pay for all or a portion of the project, the borough may levy and collect special assessments upon real property specifically benefited by such improvements. The assessment or levy shall be proportionate to the benefit received from the improvement, as determined by the assembly by ordinance.

A special assessment for capital improvements, with interest and collection charges, is a lien on the property assessed, second only to property taxes and prior special assessments.

**(B) Accounting.** An account for each LID shall be created and kept separate from all other borough accounts. Revenues collected within an LID may be applied only to LID costs; LID costs will be paid only from LID accounts.

**CITY AND BOROUGH OF HAINES CHARTER**

**ARTICLE XIV  
OTHER SPECIAL ASSESSMENT DISTRICTS**

**Section 14.01 Purpose and Criteria**

The assembly by ordinance may establish special assessment districts to provide and finance relatively temporary capital improvements and services less suitable for LID or service area.

The total cost of any proposed improvement and the cost of any proposed service over the first five years must be less than the assessed value of the property in the proposed special assessment district. The request for improvement shall be evaluated by the assembly based on the need for the proposed improvement or service and the benefit to the proposed district and the borough at large.

**Section 14.02 Proposals and Protests**

**(A) Proposals.** An improvement proposal may be initiated by

- (1) a petition to the assembly from the property owners who collectively would bear more than 50 percent of the cost of the total special assessment, or
- (2) the assembly, by notice of intent to introduce an ordinance.

**(B) Protests.** If written protests are filed by property owners who would collectively bear 50 percent or more of the cost of the special assessment, the assembly shall not proceed until

- (1) approval is granted by property owners who would collectively bear more than 50 percent of the special assessment, or
- (2) approval is given by a supermajority vote of the assembly.

**Section 14.03 Establishment**

The assembly shall prescribe by ordinance the procedures relating to establishing and dissolving special assessment districts, providing services, making improvements, and financing the work to be done. Public hearings and assembly action are required to determine the need for the improvements or service and the special assessment roll.

An assessment district may be formed or extended only with the approval of the majority of those being asked to pay, except that the assembly may form or extend a special assessment district with a supermajority vote of the assembly.

**Section 14.04 Finance**

Capital improvements may be funded by a tax assessment against property, and services may be funded by fee, assessment, or tax levy. In all cases, the fee, assessment, or levy shall be proportionate to the benefit received and the burden imposed upon the improvement or service.

Revenue generated by the assessment district shall be applied only to the improvement or service, and costs of the district must be provided for by the district itself.

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**ARTICLE XV  
UTILITIES**

The water and sewer utility services previously owned and operated by the City of Haines as enterprise fund projects are municipal utilities.

**Section 15.01 Designating Utilities**

The assembly may, by ordinance ratified by the voters areawide, designate other utilities as municipal utilities to be operated in the same manner as water and sewer utilities.

**Section 15.02 Operating Standards**

Municipal utilities shall be operated in a business-like manner in accordance with general standards for utilities providing the same services.

**Section 15.03 Management**

Municipal utilities may be operated and administered by the assembly or by one or more utility boards. The assembly shall prescribe by ordinance the rules and procedures for the convenient management, operation, regulation, and use of municipal utilities.

**Section 15.04 Accounting**

Each borough utility shall have a separate budget within the annual borough budget. The accounts of utilities shall be kept separately and classified in accordance with uniform accounting standards prescribed for public utilities providing the same services.

**Section 15.05 Selling or Leasing.**

The assembly may, by ordinance ratified by a majority vote of areawide voters, sell or lease any utility service.

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**ARTICLE XVI  
ELECTIONS**

**Section 16.01 Regular Elections**

A regular election shall be held annually on the first Tuesday in October, unless otherwise specified by ordinance.

**Section 16.02 Special Elections**

The assembly, by ordinance or resolution, may call special elections and submit questions to voters.

**Section 16.03 Notice**

Not more than six weeks and at least three weeks before the election, the clerk shall publish in full every ordinance, charter amendment, and other question which is to be submitted to the voters for approval at that election.

**Section 16.04 Election Procedures**

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

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

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

**Section 16.05 Qualifications of Voters**

To vote in any borough election, a person must be registered to vote in Alaska State elections at a residence address within the City and Borough of Haines at least 30 days before the election in which the person seeks to vote. The voter must reside in the district in which he seeks to vote.

**Section 16.06 Recall**

An elected official may be recalled by the voters in the manner provided by Alaska Statutes, which among other provisions states that the clerk may allow petitions only on the basis of misconduct in office, incompetence, or failure to perform prescribed duties. A petition to place the recall of the elected official before voters shall be signed by a number of qualified voters as required by law.

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**ARTICLE XVII  
CHARTER AMENDMENT**

**Section 17.01 Vote Required**

This Charter may be amended by the City and Borough of Haines electorate ratifying an amendment at a regular or special election.

**Section 17.02 Procedure**

Amendments to this charter may be proposed by ordinance approved by the assembly, by a charter commission established in the manner provided by law, or by initiative petition. Proposed amendments shall be submitted to the voters at the next regular or special election occurring more than forty-five days after the adoption of the ordinance, the final report of the charter commission, or certification of the initiative or referendum petition.

If the proposed amendment is approved by a majority of the voters, it becomes effective at the time set in the amendment; or, if no time is set, it takes effect thirty days after certification of the results of the election.

If more than one amendment is proposed, each amendment shall be submitted to the voters as a separate question.

**Section 17.03 New Charter**

A new charter may be proposed and approved in the same manner as an amendment.

**Section 17.04 Ballot Form**

When an amendment to this charter is proposed for adoption by the voters, the ballot proposition shall contain any current wording that is proposed to be changed as well as any proposed wording that will replace it. As much surrounding language shall be included as needed to provide a context for understanding the change in the provision.

**Section 17.05 Filing**

Amendments to the charter shall be filed as follows:

- (a) the lieutenant governor -- two copies;
- (b) the Alaska Department of Community and Regional Affairs -- two copies;
- (c) the district recorder -- one copy;
- (d) the borough clerk -- one copy.



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**ARTICLE XVIII  
GENERAL PROVISIONS**

**Section 18.01 Conflict of Interest**

An elected borough officer may not participate in any official action in which he or a member of his immediate family has a substantial financial interest unless after disclosure of the interest his participation is approved by a majority of the body. This prohibition shall be implemented in the manner provided by law, including provision for public disclosure of substantial financial interests of assembly members, school board members, and members of regulatory, appellate and quasi-judicial boards and commissions. The assembly by ordinance shall adopt procedures dealing with nepotism and conflict of interest on the part of borough employees.

**Section 18.02 Prohibitions**

(A) Except where authorized by ordinance, an elected official of the borough may hold no other compensated borough office or elected position under the state or borough while in office.

(B) For one year after he leaves office, an assembly member or school board member elected under this charter may hold no compensated borough office or employment that was created, or the salary or benefits of which were specially increased during his last year in office by the body of which he was a member. This section does not apply to employment by or election to a charter commission.

(C) For purposes of this section, an independent contractor engaged through competitive bidding is not considered to be a borough employee.

**Section 18.03 Public Meetings**

(A) Except as provided for in this charter, all meetings of the assembly, the school board, the planning commission and other boards and commissions shall be held in public. The assembly by ordinance shall adopt procedures for reasonable public notice of all meetings. At each such meeting the public shall have reasonable opportunity to be heard.

(B) An executive session may be held to discuss only matters permitted by Alaska Statutes, and even then with due regard for the public's right to know and be self-governed. The general matter for consideration in executive session shall be expressed in the motion calling for the session. No official action may be taken in executive session except to give direction to an attorney or labor negotiator regarding handling of a specific legal matter or pending labor negotiation.

(C) Except in emergency, the assembly, school board, and all borough boards and commissions may take no official action between the hours of midnight and 7:00 a.m. local time. Action taken in violation of this provision is void.

## ***CITY AND BOROUGH OF HAINES CHARTER***

### **Section 18.04 Public Records**

(A) It is the policy of the borough, including the school district, to disclose all records and to provide access to records, except as provided otherwise. Requests for disclosure shall be handled in a timely, reasonable, and responsive manner, without infringing on the rights of any person or other entity, and without impairing the functioning of the borough.

(B) All borough records are open to the public unless authorized to be confidential by a valid Alaska or federal statute or regulation, this charter, or by privilege, exemption, or principle recognized by the courts, or by an agency protective order authorized by law.

### **Section 18.05 Oaths of Office**

Borough officers, before taking office, shall take and subscribe to the following affirmation: I solemnly affirm that I will support the Constitution of the United States, the Constitution of the State of Alaska and the Charter of City and Borough of Haines, and that I will faithfully perform the duties of \_\_\_\_\_ to the best of my ability.

### **Section 18.06 Continuation In Office**

Each elected borough officer whose term has expired shall continue to serve until his successor qualifies and takes office.

### **Section 18.07 Borough Name**

The borough may use the name "Haines" wherever for bonding or other purposes, it is to the advantage of the borough to do so.

### **Section 18.08 Interpretation**

(A) Titles and subtitles are for identification and ease of reference only and shall not be construed as interpretations of charter provisions.

(B) Personal pronouns used in this charter shall be construed as including either sex.

(C) References in this charter to particular powers, duties and procedures of borough officers and agencies may not be construed as implied limitations on other borough activities not prohibited by law.

### **Section 18.09 Definitions**

(A) "Appropriation" means a unit of funding provided for by the Assembly in the borough budget. An appropriation may be specific as to particular expenditures or general as to an entire department or agency, as the Assembly deems appropriate.

***CITY AND BOROUGH OF HAINES CHARTER***

**(B)** “Categories” means actual proposed expenditures to be made from an appropriation.

**(C)** “Emergency” means an unforeseen occurrence or condition which results or apparently will result in an insufficiency of services or facilities substantial enough to endanger the public health, safety or welfare.

**(D)** “Initiative” means the initiation of borough legislation and its enactment or rejection by the borough electorate in the event the proposed measure is not enacted by the assembly.

**(E)** “Interest in lands” means any estate in real property or improvements thereon excluding revocable permits or licenses, rights-of-way, or easements that the Assembly finds to be without substantial value to the Borough.

**(F)** “Law” means this Charter, the ordinances and resolutions preserved by this Charter, or enacted pursuant to it, and those portions of the statutes of the State of Alaska and the Constitutions of the State of Alaska and of the United States that are valid limitations on the exercise of legislative power by home rule governments.

**(G)** “Borough” means the “City and Borough of Haines” created upon ratification of this Charter.

**(H)** “Publish” means to cause to be printed at least once in a publication of general circulation within the borough. The Assembly shall provide for additional modes of dissemination.

**(I)** “Referendum” means the right of the voters of the City and Borough of Haines to have an act which was passed by the legislative body be submitted for electorate approval or rejection.

**(J)** “Resident” means a person whose habitual, physical dwelling place is within the area in question and who intends to maintain his dwelling place in that area.

**(K)** “Supermajority vote” means an affirmative vote by at least 3/4 of the total membership of the voting body.

**(L)** “Utility” or “Borough Utility” means a utility that belonged to a former government and whose rates are subject to regulation by the Regulatory Commission of Alaska on the date this Charter becomes effective.

**CITY AND BOROUGH OF HAINES CHARTER**

**ARTICLE XIX  
TRANSITION**

**Section 19.01 Effective Date**

This charter takes effect upon the effective date of consolidation, which is the day the election of the new assembly is certified.

**Section 19.02 Consolidation Election**

The election for ratification of this Charter and for consolidation shall be held in accordance with Alaska Statutes 29.06.140.

**Section 19.03 Initial Terms of Assembly and School Board Members**

For purposes of the election of the initial Assembly members and school board members: Seats A and D, shall be designated as one-year seats; Seats B and E shall be designated as two-year seats; Seats C, F and G (school board only) shall be designated as three-year seats.

**Section 19.04 Prior Law Preserved**

All ordinances, resolutions, regulations, orders and rules in effect in any former governments shall continue in full force and effect to the extent that they are consistent with this Charter, until repealed or amended in accordance with this Charter.

**Section 19.05 Conflict in Prior Law**

In the event of conflict between the ordinances, resolutions and regulations of the former governments, affecting the orderly transition of government, the Mayor shall designate in writing which governs. The designation is effective immediately and shall be communicated to the Assembly. The designation is approved unless the Assembly, within twenty-one days, adopts by resolution a contrary designation.

**Section 19.06 Code of Ordinances**

Not later than 18 months following the date of consolidation, the assembly shall enact a code of ordinances. Enactment of this City and Borough of Haines Code shall repeal all ordinances of the former governments not included in the code. Repeal is not retroactive and does not affect pending court action.

## ***CITY AND BOROUGH OF HAINES CHARTER***

### **Section 19.07 Existing Rights and Liabilities Preserved**

(A) Except as otherwise provided in this Charter, all rights, titles, actions, suits, franchises, contracts, and liabilities and all civil, criminal or administrative proceedings shall continue unaffected by the ratification of this Charter. The new government shall be the legal successor to the former governments for this purpose.

(B) Any bond of a former government authorized and unissued on the date of ratification or authorized at the elections provided in Section 18.20 remains authorized and may be issued at the discretion of the Assembly without additional ratification and subject to the procedures provided by law.

### **Section 19.08 Prior Organizations Continued**

(A) Upon the effective date of the consolidation, all existing service areas, LID and special assessment districts shall be altered or abolished as follows:

(1) Land use service areas previously established by the former Haines Borough will lose their service area status and become zoning districts since planning, platting and zoning will be area-wide services; (see section 19.13 of this Charter)

(2) Service areas previously established solely to provide for an LID or other special assessment district shall lose their service area status and continue only as LIDs or other special assessment districts;

(3) Service areas previously established to provide services **and** enable the formation of an LID shall continue as service areas for providing services not otherwise available **and** as an LID until such time as the LID debt is retired.

(4) All other existing service areas which meet criteria prescribed in this charter shall continue to function until altered or abolished by the procedures outlined in this charter and borough code.

(B) All boards and commissions of the former governments shall continue to function until altered in accordance with this charter. The boards of former land use service areas shall be granted advisory status to serve as advisory boards to the new planning commission for a period of one year following the effective date of consolidation.

(C) Upon ratification of this charter the former City of Haines consolidated with the borough shall become a service area for the provision of services formerly provided within its boundaries.

## ***CITY AND BOROUGH OF HAINES CHARTER***

### **Section 19.09 Organization of the Executive Branch**

Not later than 60 days following the effective date of consolidation, the mayor shall submit to the assembly a plan of organization of the executive branch. The plan shall provide for elimination of unnecessary duplication. The proposed plan shall become law twenty days after submitted unless sooner adopted with or without amendment or rejected by the assembly. If the proposed plan is rejected, the mayor shall submit an alternate plan to the assembly within fifteen days of the rejection. If, prior to 20 days following submittal by the mayor of an alternate plan, no such plan of organization has been adopted by the assembly the alternate proposal submitted by the mayor becomes law.

### **Section 19.10 Employees of Former Governments**

(A) Upon ratification of this Charter, employees of former governments become employees of the new government.

(B) Any employees whose positions are eliminated by the plan of organization prescribed in Section 19.09 shall be eligible for reassignment to available positions for which they are qualified in the order of their seniority based on date of hire by a former government or by the new government.

(C) Pension plans, retirement plans and other benefits for current employees under collective bargaining agreements, personnel rules, or other legal or contractual provisions, including the bargaining rights themselves, in effect on the date of ratification of this charter shall not be diminished by ratification of this charter.

### **Section 19.11 Assets and Liabilities**

(A) The new government shall succeed to all assets and liabilities of the former governments.

(B) Not later than 180 days after the effective date of the consolidation, the assembly shall determine which assets of a former government provided benefit to an area larger than the former government prior to consolidation, or will provide such a benefit after consolidation. The tax obligation for bonded indebtedness, or other debt, incurred prior to consolidation with respect to such an asset shall be spread to such area not later than 18 months after the effective date of the consolidation. However, if sales tax provides revenue to meet such bonded indebtedness obligations, or if the debt is a general obligation of the municipality, the extension of any tax levy or general obligation for that purpose shall not become effective in new areas until an ordinance extending that tax levy or obligation is approved by voters of the area into which the tax levy or obligation is proposed to extend.

(C) Pre-consolidation bonded indebtedness or other debt for sewage collection systems, water distribution systems and streets, even if determined to be used for the benefit of a larger area than that which incurred the debt, shall remain the tax obligation of the area that incurred the debt.

## ***CITY AND BOROUGH OF HAINES CHARTER***

### **Section 19.12 Utility Profits Preserved**

Utilities owned by the former City of Haines shall continue to be operated in such a manner as to provide a reasonable profit, in accordance with applicable regulations of the Alaska Public Utilities Commission. Net profits from the operations of the utilities shall be applied for the benefit of the service area of the former City of Haines utilities as certificated for water and sewer service by the Alaska Public Utilities Commission.

### **Section 19.13 Planning and Zoning**

**(A) First appointment.** Within 30 days of the effective date of consolidation, the mayor shall appoint and the assembly shall confirm members of the planning commission. For purposes of the appointment of the initial planning commission members, seats A and D shall be one-year terms; seats B and E shall be two-year terms; and seats C, F and G shall be three-year terms.

**(B) Initial zones.** Within 120 days of the effective date of consolidation, the new assembly shall adopt by ordinance an initial zone having few or no restrictions designated "General Use" for portions of the borough not included in a zoning district established prior to consolidation either by the former City of Haines or former Haines Borough. This ordinance shall also specify any platting and land use regulations that will be in effect in the General Use district. The introduction of this ordinance is not subject to the procedure for zoning change protest. Areas of the borough previously designated as zoning districts inside the former City of Haines will retain their zoning classification and land use regulations until altered by the assembly upon recommendation of the planning commission. Land use service areas established by the former Haines Borough will lose their service area status and will become zoning districts. As zoning districts, they will retain their zoning classification and land use regulations until altered by the assembly upon recommendation of the planning commission.

**(C) Comprehensive plan.** Within 18 months of its appointment, the planning commission shall propose a comprehensive plan to the assembly that accommodates all existing zoning districts and includes recommendations for zoning district changes based on existing land uses and information gathered by a public hearing process.

### **Section 19.14 Land Use Service Area Boards**

The Land Use Service Area boards established in the former Haines Borough may continue to function in an advisory capacity to the planning commission throughout the transition phase of eighteen months from the day the planning commission is established.

### **Section 19.15 Compensation of Elected Officials**

An elected official shall receive the highest of the salaries and benefits that a comparable official would have received for the same period as an elected official of a former government.

*CITY AND BOROUGH OF HAINES CHARTER*

**Section 19.16 Transition Plan**

Other provisions concerning the transition shall be governed by the transition plan included with the petition to consolidate, as approved by the Local Boundary Commission.

**Section 19.17 Definitions for Transition**

In this article, "former governments" means the former City of Haines, and the former third class Haines Borough.

"New government" means the consolidated home-rule City and Borough of Haines.  
"Utilities" means utilities whose rates are subject to regulation by the Regulatory Commission of Alaska on the date of ratification of this charter.



***CITY AND BOROUGH OF HAINES CHARTER***

**ARTICLE XX  
COMMISSIONERS' NOTES AND REFERENCES**

(Sections of this article are numbered to refer to articles and sections of this charter: the first number refers to this Article XX; the second number refers to the charter article referenced; and the third number refers to the charter section referenced.)

**Section 20.04.01 Initiative and Referendum**

Provisions pertaining to the use of initiative are to be liberally construed so that the people of the City and Borough of Haines are permitted to vote and express their will on all subjects open to initiative (this charter and borough legislative measures) and to referendum (borough legislation not more than 90 days old). All doubts as to technical deficiencies or failure to comply with the exact letter of procedure shall be resolved in favor of the initiative. If any conceivable factual basis exists that would render an initiative's classification permissible, it shall be upheld.

**Section 20.06.01 Areawide Power of Finance**

The City and Borough of Haines may exercise the areawide power to secure and provide financing of capital improvements in furtherance of economic development or for the preservation of public peace, health, safety, and welfare.

In accordance with provisions of Alaska Statutes concerning the construction of municipal powers, this power is to be construed broadly to allow the borough to establish and invest permanent fund money into local improvement districts, in the manner provided by charter and borough code.

**Section 20.08.05 Zoning and Boundary Changes**

Except for the extension of existing district boundaries, no change of a district or official zoning map shall be considered that creates a spot zone or an area smaller than any well defined and commonly identified area bounded by features such as streets, major creeks, hills, valleys, or large bodies of water.

**Section 20.10.02 Taxes**

The commission strongly urges the assembly to set sales tax rates that are as uniform as possible throughout the borough. This may encourage businesses which burden municipal services to be located inside the service area which funds those services.

***CITY AND BOROUGH OF HAINES CHARTER***

**Section 20.12.01 Petitions of Protest and Proposal of Service Area Ordinances**

In addition to other requirements, a petition proposing or protesting a service area ordinance must be signed by a number of voters equal to 25 percent of the votes cast in that area at the last regular election. The petition shall specifically describe the proposed or existing area and the service to be provided or eliminated. The petition of proposal or protest shall not be construed as an initiative or referendum petition, even though it follows the same form.

**Section 20.19.08 Prior Service Areas**

Service areas formed under the third-class Haines Borough which meet the criteria established in this charter may continue to function until altered or abolished in the manner prescribed by this charter and subsequent borough code. The charter commission, through this charter, prescribes the following treatment of previously existing service areas:

(A) Fire service areas No. 1, No. 2 and No. 3 will continue unaltered;

(B) Road maintenance service areas – The Historic Dalton Trail, Twenty-Five Mile Road, and Chilkat State Park Road – will continue unaltered.

(C) Four Winds local improvement district and road maintenance service area will continue as a service area to provide road maintenance and also as a simple LID under the areawide power of finance;

(D) Land use service areas will cease to be service areas and will become planning zones, since planning will be an areawide service; and,

(E) Medical, Docks and Harbors, and Disaster Emergency Services service areas will cease to function as service areas and be administered as areawide services.

## **EXHIBIT J**

### **TRANSITION PLAN**

This transition plan demonstrates the intent and capability to implement orderly, efficient and economical consolidation within the shortest practical time following consolidation of the City of Haines and the Haines Borough.

The plan also provides details concerning the manner in which the consolidated borough will assume all relevant and appropriate powers, duties, rights, and functions presently exercised by the municipalities to be dissolved through consolidation. Additionally, it provides details concerning the manner in which the new home rule borough will assume and integrate all relevant and appropriate assets and liabilities of the City of Haines and the Haines Borough.

In accordance with AS 29.06.150 and except as provided in this petition, the proposed consolidated borough will succeed to all powers, duties, rights, assets and liabilities of the municipalities to be dissolved by consolidation. Additionally, in accordance with AS 29.06.160 and except as provided in this petition, the ordinances, resolutions, regulations, procedures and orders of the municipalities dissolved through consolidation remain in force in their respective territories under superseded by the action of the new municipalities.

#### **A. CONSULTATION WITH OFFICIALS**

This transition plan, an updated version of the 1998 petition, is the result of the combined efforts of Haines Borough and City of Haines elected officials and staff members. Consultation was made through meetings, requests for information and phone conversations. The following Haines Borough and City of Haines elected officials and staff members assisted in the preparation of this transition plan:

##### Haines Borough

Jerry Lapp	Mayor
Jacki Martin	Former Clerk
Karen Harvey	Clerk
Dan Turner	Assessor and Land Manager
John Brower	Planner
Ron Erickson	School Superintendent

##### City of Haines

Donald E. Otis	Mayor
David Berry	Former Mayor
Vince Hansen	Administrator

Thomas Healy	Former Administrator
Susan Johnston	Clerk
Michael Ricker	Treasurer
Kathy Pierce	Former Treasurer
Lew Wood	Former Chief of Police

## **B. EFFECTIVE DATE**

The consolidation of the Haines Borough and the City of Haines is contingent and takes effect upon ratification by the Haines Borough voters of a vote on the question of consolidation during the State election of October 2, 2001. The consolidation charter, included in this petition as Exhibit I, is adopted if voters approve the consolidation.

If the consolidation is approved, the State Director of Elections shall, within ten days of the certification of the initial vote on consolidation, set a date for election of officials of the consolidated borough government. This election shall be not less than sixty or more than ninety days after the director of elections orders the election. Assuming the director of elections sets the election date ten days after the State election, or on October 12, 2001, the election of officials of the consolidated borough government will occur between December 2, 2002 and January 2, 2000. The date of this election is the effective date of the consolidation.

## **C. POWERS AND DUTIES OF THE CITY OF HAINES**

Incorporated in 1910, the City of Haines is a general law first-class city organized under and having legislative powers conferred by Title 29 of the Alaska Statutes. The City of Haines may exercise any power not otherwise prohibited by law, except that the third class Haines Borough exercises areawide power of education and tax assessment and collection.

The existing powers and duties of the City of Haines are:

- *Administration:* The positions of city administrator, city clerk and city treasurer provide general administrative services.
- *Planning, platting, and land use regulation:* The appointed planning commission is the platting and land use authority within the City. The City is also a coastal management district.
- *Public Safety:* The City provides police service, fire protection, emergency medical service, public safety dispatch, animal control and disaster emergency preparedness. The City also operates a community jail facility under contract with the Department of Public Safety.
- *Public Works:* The City provides building, road and park maintenance services.

- *Economic Development:* The City appropriates funds within its Administrative office for economic development and also provides visitor information services.
- *Ports and Harbors:* The City operates the Haines small boat harbor and Letnikof Cove dock under a management agreement with the State. The City also owns and operates an industrial freight dock at Lutak Inlet and a cruise ship dock in Portage Cove.
- *Public Utilities:* The City operates public water and sewer utilities.
- *Taxation:* The Haines Borough administers the assessment and collection of property taxes inside the City, as well as the collection of sales taxes.

#### **D. POWERS AND DUTIES OF THE EXISTING BOROUGH PROPOSED TO BE CONSOLIDATED**

##### Areawide Services:

Organized in 1968, the third class Haines Borough exercises areawide powers of education and tax assessment and collection. The Borough exercises land use regulation, road maintenance, medical services, docks and harbors, and the control of oil or hazardous substances within service areas.

The Borough operates the Haines Borough School District, comprised of elementary, middle and high schools. School District facilities include three separate structures within the City of Haines, and the Mosquito Lake School. Total enrollment is 416 students. The Chatham School District operates the Klukwan School. The Borough also operates a swimming pool, and owns the facilities and provides staff for the public library and museum under its areawide education powers. The Borough leases the Chilkat Center for the Arts to a private corporation for operation of the center.

The Borough performs property tax assessment and collection, as well as sales tax administration and collection.

##### Non-areawide Services:

The Haines Borough exercises the following powers on a non-areawide basis.

- *The power to contain, clean up, or prevent a release or threatened release of oil or a hazardous substance:* AS 29.35.220(e) conveys this power to the Borough, including the exercise of powers granted to a municipality under AS 46.04, AS 46.08, or AS 46.09. These statutes, respectively, involve oil and hazardous substance pollution control, oil and hazardous substance releases, and hazardous substance release control.
- *Disaster Emergency Services Service Area:* This service area includes all of the Haines Borough except the area within the City of Haines, and allows the

Borough to participate in disaster emergency training, preparation and response.

### Service Area Services

The Haines Borough exercises other services through service areas (AS 29.35.220). These powers or services are:

- *Road Maintenance:* The Borough exercises road maintenance powers in the following road maintenance service areas:
  - Chilkat State Park Road Maintenance Service Area
  - The Historic Dalton Trail Road Maintenance Service Area
  - Twenty Five Mile Road Maintenance Service Area
  - Four Winds Local Improvement District and Road Maintenance Service Area
- *Planning and Land Use Regulation:* The Borough provides planning and land use regulation in the following Borough land use service areas:
  - Mud Bay Land Use Service Area
  - Lutak Land Use Service Area
- *Fire Service:* The Borough provides fire service in Fire Districts No. 1 and No. 2 through a contract with the City of Haines fire department. The Borough provides fire service in Fire District No. 3 through the Klehini Valley Fire Department.
- *Medical Service:* The Medical Service Area includes all of the Haines Borough, including the City of Haines, north of the southern boundary of Township 34 South, with the exception of the east side of Lynn Canal. The Borough provides financial support for local medical services, including contracting with the City for emergency medical and dispatch services.
- *Docks and Harbors:* This service area includes all of the Haines Borough, including the City of Haines, except for the area east of the high tide line on the east side of the Lynn Canal. Services to be provided include the expenditure of funds for the construction, maintenance and operation of dock and harbor facilities within the City of Haines. Services also include the ability of the borough to construct, maintain, manage and operate dock and harbor facilities outside the City of Haines not presently under the management of the City. The Borough has yet to levy any tax or provide services in this service area.

Borough code presently requires the formation of a service area prior to establishing a local improvement district within that area. The Borough has established the following service areas for the purpose of establishing local improvement districts. Whereas the local improvement districts established by these service areas will remain in effect following consolidation, the service area status will cease upon consolidation.

- *Four Winds Local Improvement District and Road Maintenance Service Area.* This service area within the Four Winds Subdivision allows construction of projects including, but not limited to, electrical service and telephone extensions, as well as the provision of road maintenance service.

## **E. CHANGE IN POWERS AND DUTIES**

The following is an explanation of how consolidation would affect the delivery of the current services listed in paragraphs C and D of this Transition Plan. Included is a statement concerning any new powers proposed to be exercised, as well as any existing powers proposed to be eliminated or altered.

### Summary

In the initial transition period following consolidation of the City of Haines and the Haines Borough, there will be few changes in regards to how and where services are provided and who pays for those services. The most significant change will involve those powers that are to be extended areawide that are not presently exercised areawide. The vote on consolidation will have the effect of dissolving the following service areas: Docks and Harbors, Medical Service, Mud Bay and Lutak land use service, and service areas established to establish local improvement districts. Other service areas will remain in effect until changed by the future assembly and approved by the voters in those service areas.

### Extension of Areawide Powers

The Borough presently exercises areawide powers of education and tax assessment and collection. There will be no change in these powers. Consolidation will add planning, platting and land use regulation to the new government's mandatory areawide powers.

### **Education**

The Borough exercises areawide education powers as one of the two areawide powers allowed the third class borough by State statute. The 6.5 mill FY 00/01 Borough property tax levy on all property in the Borough provides part of the funding to support the FY 00/01 School District budget of \$4.27 million. The Haines Borough School District operates four separate school buildings: the primary, middle and high schools, and the Mosquito Lake School. The school district employs 37 certified and 27 classified employees. Teachers are represented in a collective bargaining agreement by the Haines Teachers Association, which is associated with the National Educational Association. The Haines Borough Assembly serves as the School Board.

### *Effects of Consolidation*

The new government will continue to exercise areawide education powers and will continue to levy areawide property taxes to support education. The consolidation will not alter staffing requirements and will not change collective bargaining agreements. The consolidation itself will not have any effect on the school district budget.

Consolidation will establish a separate school board elected in the same election which elects a new borough assembly. The addition of a school board may increase school district costs slightly due to possible school board member training or travel. The elimination by consolidation of the City Council and its FY 00/01 costs will serve to offset this increase in costs, however, when comparing the overall budget of the new government to the budget of the existing city and borough.

### **Tax Assessment and Collection**

The Haines Borough presently performs all tax assessment and collection duties for the Haines Borough and the City of Haines. The Borough employs an assessor and two administrative assistants whose principle duties include property and sales tax administration and collection.

#### *Effects of Consolidation*

Consolidation will result in no changes in the area of tax assessment and collection. Existing Borough records systems, maps, computer files, and procedures will remain in place. Existing staff will remain because their tax assessment and collection duties will not change.

### **Planning, Platting, and Land Use Regulation**

The City of Haines exercises the powers of planning, platting and land use regulation inside the City boundaries. The City planning commission consists of seven members appointed by the mayor, with a chairperson elected from the commission. The City has established regulations under Title 18 of its municipal code dealing with all aspects of platting and land use regulation, including administrative provisions, land use districts, and subdivision and platting requirements. The City is in the process of revising Title 18. This project will be complete by March 31,2001.

The Haines Borough provides planning, platting and land use regulation only through the Land Use Service Area No. 1 (Mud Bay) and Land Use Service Area No. 2 (Lutak Inlet). Each service area has a land use board of five members elected by the voters who reside in each service area. The service area boards make recommendations to the Borough assembly. The Borough has established land use and planning regulations for service areas and provided for a planning commission. The planning commission consists of seven members appointed by the mayor. The commission designates its presiding officer annually. The commission acts as the Borough lands committee at the direction of the assembly, and makes recommendations to the assembly regarding classification of



Borough lands and to the Borough land manager regarding land use plans for Borough-owned property prior to its sale or lease.

*Effects of Consolidation*

The new government's extension of planning, platting and land use regulation power areawide will dissolve the separate City and Borough planning commissions. Within thirty days of the effective date of consolidation, the mayor shall appoint and the assembly shall confirm members of the planning commission. The present City and Borough planning commissions will dissolve upon the seating of the new planning commission.

The consolidation charter establishes a seven member planning commission appointed by the mayor, with appointments confirmed by the assembly. Confirmation of these appointments will occur within thirty days of the effective date of consolidation.

There are large portions of the Borough outside the City of Haines that presently have no planning, platting and land use regulation. The only areas outside the City with such regulation are those lands within the Mud Bay and Lutak land use service areas.

The extension of areawide planning, platting and land use regulation will eliminate the need for separate land use service areas and their boards. The Mud Bay and Lutak land use service areas will lose service area status and will become zoning districts. This change will take effect within 120 days of the effective date of consolidation. There is concern, particularly within the Mud Bay land use service area, that consolidation will result in the loss of the elected land use service area boards. To address this concern, the charter commission recommends that existing land use service area boards stand as advisory committees to the new planning commission for one year following the effective date of the consolidation, at which time they will dissolve.

Within eighteen months of the effective date of consolidation, the planning commission shall prepare a comprehensive plan and present it to the assembly for approval. The comprehensive plan may include statements of policies, goals and standards; a land use plan based on existing uses and a public hearing process; a community facilities plan; a transportation plan; and recommendations for implementation of the comprehensive plan. The new government can take advantage of the work recently done by the City of Haines and the Haines Borough to update their respective comprehensive plans.

Existing land use districts in the City of Haines and the two land use service areas will become zoning districts under the consolidated Borough. Within 120 days of the consolidation, all land within the Borough not classified as zoning districts at the time of consolidation will be designated as "General Use" districts until zoned otherwise

according to procedures established by the charter and Borough ordinance. The intent of this zoning classification is to provide a minimum of planning, platting and land use regulation in these rural areas. This district will allow any use, but will require that high impact uses, such as landfills, power plants and hazardous materials storage facilities obtain a conditional use permit.

Section 8.07 of the charter provides for the filing of a protest against a recommended zoning district change. However, the initial zoning of the General Use district is not subject to protest due to the requirement that the new government establish and exercise areawide planning, platting, and land use regulation.

The City of Haines has adopted only the Uniform Fire Code, to be enforced by the City fire chief and fire department. The Uniform Fire Code will remain in effect within the former area of the City of Haines following consolidation. The State Department of Public Safety, Division of Public Safety, requires all commercial structures to comply with the Uniform Building Code. This requirement will remain in effect in the consolidated Borough.

#### Other Areawide Powers

In addition to the mandatory areawide powers of education, taxation, and planning, platting and land use regulation, Article IV of the consolidation charter identifies several powers that the new government may exercise on an areawide basis. These powers are:

1. Control of Hazardous Substances, Disaster Planning and Emergency Response
2. Emergency Medical Service
3. Emergency Dispatch Service
4. Ports and Harbors Facilities
5. Financing Capital Improvement Projects
6. Public Parks and Recreational Facilities
7. Public Libraries
8. Public Museums
9. Cemeteries
10. Economic Development

#### **1. Control of Hazardous Substances, Disaster Planning and Emergency Response**

In accordance with AS 29.35.220(e), the Borough operates the non-areawide power for the control of hazardous substances. This service area includes all of the Haines Borough except the area within the City of Haines. The City of Haines exercises this power under authority of AS 29.35.250.

In July 1996, the Haines Borough, the City of Haines and the Alaska Department of Environmental Conservation (ADEC) signed a Local Response Agreement regarding responses to oil and hazardous substance releases. This agreement facilitates coordinated and effective oil and hazardous substance release responses within the Borough and State, and provides for reimbursement by ADEC of actual costs incurred by local government in the abatement of a release or threatened release of oil or a hazardous substance.

Also in regards to emergency response, the Haines Borough and the City of Haines in March 1996 established by ordinance an inter-jurisdictional disaster planning and emergency response service. The Borough and City agreed to coordinate disaster response planning in accordance with an adopted emergency response plan.

### *Effects of Consolidation*

As shown above, a coordinated approach to oil releases and emergency planning and response exists between the Borough and the City in cooperation with state and federal agencies. The new government will succeed to the duties under the Local Response Agreement with ADEC. The only change is that the new government will assume these powers on an areawide basis, and the agreement may be amended to reflect that.

In regards to Disaster Planning and Emergency Response, there will likewise be no change in the present cooperative agreement between the Borough and the City except that the new government will assume these powers on an areawide basis. It will be necessary to update the Emergency Response Plan to reflect changes in local government structure.

## **2. Emergency Medical Services**

The City of Haines has operated the emergency medical service for several years. The service is provided by paid staff and volunteers through the Haines Volunteer Fire Department. The City employs two fire fighters, who split their duties between the Fire Department and ambulance service.

The Haines Borough maintains a medical service area including all areas within the Haines Borough except the area south of the southern boundary line of Township 34 South. The medical service area allows the Borough to “provide financial support for local medical services.” The medical service area is funded by a 0.5% Borough sales tax. This sales tax is not in effect in Excursion Inlet, a small community on Icy Strait approximately sixty miles south of the center of the City of Haines, because Excursion Inlet is south of the southern boundary of the service area.

The City operates the emergency medical service under contract for the Borough through an Agreement for Ambulance Service. The City applies to the Borough for medical service area funding for emergency medical service, which includes a portion of the City dispatch communication service allocated to emergency medical service. In FY 2000/2001 the service area provided \$169,344 for the ambulance and emergency medical service. The service area also provided about \$5,000 in funding for Lynn Canal Counseling Service.

#### *Effects of Consolidation*

Consolidation will change the provision of emergency medical services from a service area to an areawide basis. The medical service area and its board of directors will dissolve upon consolidation. The areawide 0.5% sales tax will continue to fund this service and other medical services, with the allocation of these expenditures determined by a budget approved by the assembly. The ambulance and its equipment and supplies will become the property of the new government. The fire fighter and fire fighter/EMT employees will become employees of the new government.

The delivery of emergency medical service will not extend to Excursion Inlet due to the distance and inefficiency involved in transporting emergency personnel sixty miles to respond to emergency calls. Neither the 0.5% sales tax nor any expenditure for emergency medical services will extend to Excursion Inlet until such time as the service is needed in that area of the borough.

### **3. Emergency Dispatch Service**

The City operates a 24-hour per day emergency dispatch center in the Municipal Building. The primary function of the department is to provide 911 emergency service and dispatch service to the City police, ambulance and fire departments, and to provide jail supervision. The department also assists the Alaska State Troopers, U.S. Customs, other City departments, the Haines medical clinic, the Klehini Valley Fire Department, and the Skagway police department.

The FY 2000 dispatch center budget totals \$289,532. Salaries and wages account for 91% of the total budget. The FY 2000/2001 dispatch budget is shared by the City police department (50%), fire department (25%), and ambulance (25%).

#### *Effects of Consolidation*

The effective range of its communication equipment and the various responsibilities of the dispatch center mean that the center is essentially providing an areawide service. Designation of dispatch service in the new government as an areawide power will result in few, if any, changes in the dispatch center's operation. Likewise, there will be no significant change in the allocation of the center's costs between the police,

fire, and ambulance services. The dispatch service will be funded through contract payments from each of the service areas for police, fire, and medical service.

The new government will provide police in a service area with the boundaries of the former City of Haines. The tax levy in this service area will include a levy for the police department's share of dispatch costs. Following consolidation, fire service will be provided in a service area with the boundaries of the former City of Haines, as well as in the existing fire service areas. The fire department's share of dispatch costs will be allocated among these service areas on the basis of property values.

#### **4. Port and Harbor Facilities**

The City presently operates the Lutak Dock and Port Chilkoot Dock through a Port Authority Department within the general fund. This department is an "authority" in name only because the City has not created a port authority under AS 29.35.605. Port revenues go into and expenses are paid from the City general fund. Port Authority revenues account for 16.9% of the City's FY 00/01 general fund revenue, while Port Authority expenses are only 5.4% of FY 00/01 general fund expenses.

The City recently incurred large capital expenditures for dock improvements at the Lutak Dock and for an extension of the Port Chilkoot Dock. These expenditures were made from the City's capital improvement project (CIP) fund, either through direct expenditure or, in the case of the Port Chilkoot Dock project, through transfers from the CIP fund to pay bonded indebtedness. The CIP fund is funded by the City's 1.5% sales tax. The City also pays a portion of the Port Chilkoot Dock bonded indebtedness from the Tourism Fund, which receives revenue from a 1% City sales tax.

The City also operates the Haines Small Boat Harbor and Letnikof Cove boat harbor under a management agreement with the State of Alaska. As required by the management agreement, the operation and maintenance of these harbors is accounted for separately in the Boat Harbor enterprise fund. Revenue to pay for operation and maintenance are raised exclusively through user fees. The Small Boat Harbor fund has total fixed assets, less accumulated depreciation, of \$514,794.

Small boat harbor user fees are adequate to pay for operational costs, but, except for a small, dedicated fund for boat launch reconstruction, user fees are not adequate to build reserves to pay for major construction of boat harbor improvements. Under the management agreement between the City and the State, the State is responsible for boat harbor major maintenance or repair projects that cost more than \$10,000. The Corps of Engineers was funded in 1999 to perform a feasibility study of expanding the small boat harbor. If this report determines that an expansion is cost effective and the project is funded, the municipality will have to rely on limited State grant funds or limited local revenues to provide a 20% match of federal funds.

The Borough formed the Docks and Harbors Service Area in 1995 for the purpose of expending funds for the construction, maintenance and operation of dock and harbor facilities. This service area includes all of the Haines Borough, including the City of Haines, except lands on the east side of the Lynn Canal. The Borough has not yet levied any taxes or made any expenditures under this service area.

### *Effects of Consolidation*

Following consolidation, the Lutak Dock and Port Chilkoot Dock will become assets of the new government. The Docks and Harbors Service Area will dissolve because the new government will assume areawide ports and harbors powers. Voters must ratify an ordinance of the new government dissolving the Docks and Harbors service area.

The Borough's assumption of areawide power for docks and harbors raises the question of how the consolidated government will pay for port operations, maintenance, and capital improvements, including bonded indebtedness. Because benefits flow to the community at large as a result of its port facilities, it is reasonable that the entire community benefit from port revenues and also share the costs to operate, maintain and build port facilities if those costs are not fully paid by port users.

Lutak and Port Chilkoot dock revenue now goes into the City general fund, and operational costs are paid out of general fund. Following consolidation, dock revenues will continue to provide revenue to the new government's general fund to pay for operation and maintenance costs. These revenues are not sufficient, however, to cover the cost to reconstruct the dock facilities, and as of recently are not sufficient to pay the indebtedness on the 1995 \$1.5 million Port Chilkoot Dock bond. These bond costs of about \$130,000 per year are paid by a portion of the City sales tax revenues from the Capital Improvement Project fund and the Tourism fund.

Subsection 15.60 (b) of the consolidation charter requires that, within 180 days of the effective date of consolidation, "the assembly shall determine which assets of a former government provide benefit to an area larger than the former government prior to consolidation, or will provide such a benefit after consolidation." The assembly must determine whether the general obligation for bonded indebtedness incurred for the Port Chilkoot Dock shall extend to areas outside the former City of Haines. If the assembly decides to extend this obligation, voters in the area to which the obligation is proposed to extend must ratify that decision. The new government may decide, upon voter ratification, to extend the sales tax levies for capital improvement projects and tourism (under the areawide economic development power) areawide. Ratification of these areawide tax levies will not, however, have the effect of extending the general obligation for Port Chilkoot Dock bonded indebtedness areawide. This general obligation will remain with the service area having

boundaries of the former City of Haines, since the voters of the City of Haines voted in 1995 to assume this general obligation indebtedness.

## **5. Financing Capital Improvement Projects**

The City of Haines presently finances capital improvement projects within its departments. A 1.5% sales tax levied within the City boundaries pays for capital projects, capital asset purchases, and debt retirement. The Haines Borough provides for capital improvements through local improvement districts established within service areas. The Borough recently spent about \$1 million to build road and utility improvements in Skyline Estates, a subdivision of Borough land.

### *Effects of Consolidation*

The new government will continue to finance, build or operate capital improvements. The new government assembly may consider, with voter approval, extending an areawide sales tax levy to finance capital improvements.

## **6. Public Parks and Recreation Facilities**

The City of Haines owns three parks: Tlingit Park, Lookout Park, and Oslund Park. Two of these parks have public restrooms. The City public works department hires a seasonal summer laborer to maintain these facilities. The Borough's recent development of Skyline Subdivision included the dedication to the City of a small public park within the subdivision.

The Borough owns recreational facilities associated with its schools. Within the downtown school property are a running track and field, a ball field, and a swimming pool. The swimming pool is funded through a special revenue fund within the school district budget, and is partially supported by user fees.

The Borough recently established a Community Youth Development Program which operates under an eight-member board. The program provides a range of activities for the community's youth, including organized recreation activities and team sports.

### *Effects of Consolidation*

The consolidated Borough will continue to own and operate the recreational facilities mentioned above. The effect of exercising areawide parks and recreation power will be to allow the Borough to obtain property or facilities for such use, to provide funding for recreational facilities, and to operate recreational programs. Costs associated with these services will be paid through the areawide property tax.

## **7. Public Libraries**

The Haines Borough Public Library is operated by a board of library trustees appointed by the Borough assembly. According to Borough code section 2.20.050, the board of trustees has “general responsibility for and authority over all of the physical, fiscal, and human resources of the library, within the limits of funds appropriated by the borough assembly and available from other sources.”

The board of trustees submits a library budget to the Borough mayor; makes rules and regulations for the administration and control of the library; appoints salaried library staff with the assembly’s approval; and selects a member to serve on the Borough negotiating team during employee agreement negotiations. Public library employs are Borough employees. The board recommends their hire for approval by the assembly. Although according to the Borough’s financial statement the library board is legally separate from the Borough, there are many aspects of the library operation which place it under Borough control. These include the approval of a portion of the library budget by the assembly, the inclusion of library operations and building in the Borough’s insurance coverage, and the mayor’s authority over personnel. The library board serves in an advisory role to the Borough assembly, although Borough code grants the board “general responsibility for and authority over all of the physical, fiscal and, human resources of the library (including buildings, grounds, and staff)...” The Borough’s appropriation to the library is intended to pay library personnel costs.

The board of trustees is in the process of obtaining funds for construction of a new library. The Borough assembly is considering alternatives such as bonding or a direct loan for a portion of construction costs.

#### *Effects of Consolidation*

Following consolidation, the Borough will continue to own the library building and provide funds for the staffing and operation of the library. The Borough ordinance authorizing the issuance of revenue bonds for construction of the new library will become a commitment of the consolidated Borough, and will not be affected by consolidation.

The library board of trustees will continue to perform its duties following consolidation. However, to clarify personnel administration, it is recommended that the mayor’s plan for the executive branch review the extent to which the board of trustees will exercise supervisory authority over Borough employees.

## **8. Museums**

The Haines Borough owns the Sheldon Museum and Cultural Center, which houses a collection on loan or acquired and owned by the Chilkat Valley Historical Society. The building and the collection are operated and administered by the board of museum trustees of the Sheldon Museum and Cultural Center, Inc., a non-profit corporation incorporated under Section 501(c)(3) of the Internal Revenue Code that is legally



separate from the Borough. New board members are recommended by the board and appointed by the assembly. An administrator manages the operation and maintenance of the museum and manages the collection.

The board of trustees has authority over the general supervision and care of the museum and its collection, and has authority to manage the maintenance and operation of the building within the appropriation authorized by the borough assembly and other revenues. The board must submit a detailed budget to the Borough mayor for approval, and can allocate Borough funds for museum staff within the scope of the employee association agreement. The museum expended \$247,215 for operations in FY 1997, with the Borough contributing \$140,000 of that total. The Borough contribution is the same in FY 2000 and is used to pay employee wages. The museum ended FY 1997 with an excess of revenues over expenditures of \$17,000.

#### *Effects of Consolidation*

Following consolidation, the Borough will continue to own the museum building and will continue to provide funds for museum staff.

The board of museum trustees will continue to perform administrative duties following consolidation. However, to clarify personnel administration, it is recommended that the mayor's plan for the executive branch review the extent to which the board of museum trustees will exercise supervisory authority over Borough employees.

### **9. Cemeteries**

The City of Haines presently owns and operates the Jones Point Cemetery, located on Jones Point Road. The City also operates a limited morgue facility. Burial plot fees pay for services. The public works department prepares burial sites, with those costs covered by burial plot fees. The volunteer ambulance crew assists with other burial services at no charge. The present Haines Borough does not exercise cemetery powers.

#### *Effects of Consolidation*

The consolidated Borough will provide burial services in the same manner as now provided by the City. The need for an areawide tax levy to pay for these services is unlikely because plot and burial fees cover most cemetery operating costs. However, capital improvements, such as the upgrade of morque equipment, may be paid from sales tax revenues dedicated to the capital improvement fund if voters in the area outside the present boundaries of the City vote to extend such a tax levy areawide. The City's present capital improvement project sales tax levy is 1.5%.

The extension of cemetery powers areawide will not result in the Borough obtaining title to or authority over any cemeteries or burial grounds not presently owned by the

City of Haines. The new government will become owner of the Jones Point Cemetery property.

## **10. Economic Development**

The City of Haines presently provides economic development services through an annual \$10,000 appropriation from the capital improvement project fund and through the operation of its Convention and Visitors Bureau. The \$10,000 appropriation is budgeted for a portion of the administrator's salary and benefits, and for transportation and per diem expenses for the mayor and administrator. The City has received grant funds from the Borough and combined them with general funds to provide expanded economic development activities through an Economic Development Coordinator.

The Convention and Visitors Bureau is funded by a 1% sales tax. The FY 2000 Convention and Visitors Bureau budget totals \$298,207. Revenues and expenditures of the tourism department are accounted for separate from other City funds. The City employs a tourism director, a visitor information specialist, and seasonal employees to assist in visitor information services. The Convention and Visitors Bureau is comprised of nine members appointed by the mayor and approved by the city council. The Bureau acts in an advisory capacity to the mayor and council.

The Haines Borough does not exercise economic development powers.

### *Effects of Consolidation*

The new government will continue to provide economic development and visitor information services, but their delivery on an areawide basis outside the boundaries of the former City of Haines requires voters in those areas to approve the extension of the sales tax levies which pay for these services. Due to the diluting effect that extension of this sales tax will have on programs now operated exclusively within the City of Haines, it is recommended that any vote to extend the sales tax for tourism promotion and development be approved by those in the area to which the tax will extend *and* the voters within the boundaries of the former City of Haines.

Within eighteen months of the effective date of consolidation, the Borough assembly shall determine by ordinance—to be ratified by the voters--whether the tax levies which fund economic development services, including visitor information services, shall be extended areawide. Ratification of the ordinance by the voters outside the present City boundaries will have the effect of extending these tax levies areawide, effective on the date specified in the ordinance.

Section 6.01, Areawide Powers, of the new government charter specifies that, “in addition to the powers to provide the services listed [above], the borough may exercise on an areawide basis all other powers of a home rule borough consistent with law and this charter, upon ratification by borough voters at a regular or special election.”

### Non-Areawide Services

Under a consolidated Borough government, non-areawide powers are those powers exercised by the borough outside cities within the borough. The consolidation will dissolve the first class City of Haines and the third class Haines Borough to form a consolidated home rule Haines Borough. Following consolidation and for the foreseeable future there will be no separate incorporated municipalities in the consolidated Haines Borough. Therefore, no non-areawide services will be provided until such time as a city incorporates. The borough might then assume non-areawide service powers.

### Service Area Services

Section 6.02 of the Charter reserves the following services for delivery through service areas only:

#### **The establishment and operation of police departments, exclusive of related dispatch communication services.**

The City of Haines presently provides public safety services within its boundaries. The police department employs a chief of police, a sergeant, and three patrol officers. The police department manages the community jail under contract with the State Department of Public Safety. The FY 2000 police department budget totals \$442,564. The Department of Public Safety pays \$89,390 of this total for the contract jail service.

An Alaska State Trooper provides public safety service throughout the Borough.

#### *Effects of Consolidation*

The new government will provide police service through its police department in a service area having the same boundaries as the former City of Haines. Sales and property tax levies within the service area will fund police department costs. This transition plan proposes no change to the department staffing level.

Existing City of Haines ordinances will remain in effect within the Townsite service area. The provision of municipal police services within the Townsite service area will result in a higher level of law enforcement within the service area in cases where existing municipal ordinances are more strict than similar State statutes, or in cases where existing ordinances address activities not addressed by State statute. For example, the existing City ordinance banning the sale or discharge of fireworks will remain in effect within the Townsite service area, but will not be in effect outside of the service area.

**The establishment and operation of fire departments, the hiring of fire fighters and the contracting for fire services.**

The Haines Volunteer Fire Department provides fire service in the City of Haines and in Fire Service Areas 1 and 2.

The total fire department budget, including fire department capital improvement projects and the fire department's share of dispatch costs, is apportioned between the City and Fire Districts 1 and 2 based on the percentage of each area's property values. For example, in FY **2000**, the City of Haines paid 92.3% of the department budget, and Fire Districts 1 and 2 paid 4.8% and 2.9%, respectively.

The Klehini Valley Fire Department provides fire service in Fire Service Area 3. This service is separate from the service provided by the Haines Volunteer Fire Department. The residents of Fire Service Area 3 are assessed for the costs of the fire service.

**Animal control**

The City presently provides animal control services within the City limits. Approximately 50% of a full-time public works employee's schedule is dedicated to animal control. In addition, there are minor operational costs associated with vehicle fuel, animal food, and animal shelter maintenance. In FY 2000, the City budgeted a total of \$33,356 for animal control. Following consolidation, this service will continue to be provided within the Townsite service area, that area having the boundaries of the former City of Haines.

**Road Maintenance**

Presently, the City provides road maintenance service on City roads within the City limits through its Public Works Department. These costs are part of the City's general fund operations. The general fund receives revenues from several sources, with the majority of revenues in the FY 00/01 general fund budget coming from sales tax (26%) and real property tax (32.3%).

The Borough provides road maintenance services only within road maintenance service areas established for that purpose. These road maintenance service areas are:

- Chilkat State Park Road Maintenance Service Area
- The Historic Dalton Trail Road Maintenance Service Area
- Twenty Five Mile Road Maintenance Service Area
- Four Winds Local Improvement District and Road Maintenance Service Area

The existing Borough road maintenance service areas will continue to exist in the consolidated Borough until altered by the assembly. The Borough will create a road maintenance service area with boundaries of the former City of Haines.

The other existing road maintenance service areas are at some distance from the former City area. These will remain separate and distinct service areas. The service area boards will remain in effect to advise the Borough on road maintenance needs within those service areas.

## **Utilities**

Public utilities are not identified by the charter as a power reserved solely to service areas, but the public water and wastewater services now provided by the City of Haines are a significant municipal service worthy of mention in this transition plan.

The City presently operates the public water supply and distribution, and public wastewater collection and treatment systems that serve the more densely populated area within the present City boundaries. The Regulatory Commission of Alaska granted the City certificates of public convenience and necessity in 1971 for the operation of these utilities.

The FY 2000 budgets for the water and wastewater utilities are \$238,547 and \$361,595, respectively. These expenditures include debt costs of the utilities related to 1993 improvements to the water and wastewater utilities. Utility user fees provide all operating revenue for the utilities. As enterprise funds, the water and wastewater utilities are accounted for separate from the City's other funds. Present City code requires that utility users benefiting from a utility extension pay for that extension. The water utility fixed assets, net of accumulated depreciation, totaled \$2,345,589 on 6/30/00. The wastewater utility fixed assets, net of accumulated depreciation, for the same period totaled \$6,837,758.

In response to a complaint filed against the City, the RCA suspended in 1997 the City's utility certificates for those areas not presently served by the City utilities. The RCA conducted a hearing on this issue in June 1997. The RCA granted another public utility, Crystal Cathedrals Water and Sewer System, certificates for areas in the western portion of the City. The City is currently applying to expand its service area to the newly annexed southeastern portion of the City.

### *Effects of Consolidation*

The new government will succeed to the utilities' certificates of public convenience and necessity, as well as to the facilities, improvements, and other assets of the utilities. Consolidation will not change the operation of the utilities or its present staff of two full time employees. Utility user fees will continue to pay for utility operational costs, including debt payments. Due to the large capital costs of

extending public utilities, the new government will extend the certificated service area only as far as the extension of water and wastewater utilities is practical beyond the existing systems.

#### New Powers Proposed to be Exercised

The new government will not exercise any new powers not already exercised by the City of Haines and the Haines Borough. Some powers of the new government vary slightly from the powers already exercised by the City and Borough, but are not significantly different.

For example, community jails is a power now exercised by the City of Haines within its police and dispatch departments. Public parks and recreational facilities is a power exercised within the City's public works department. The City exercises economic development powers through its administration and visitor information services. Public libraries and museums are powers presently exercised under the education power of the Haines Borough.

#### Existing Powers Proposed to be Eliminated or Altered

The new government will not eliminate any powers or services presently provided by the City of Haines or the Haines Borough. As mentioned in the previous section, the new government will exercise several powers which are altered slightly from their present form, but are fundamentally the same service or power. In addition to the examples listed above, emergency dispatch will be altered only in its designation as an areawide power. The City now provides this service in areas beyond the corporate City limits. Designating dispatch as an areawide power merely recognizes the areawide nature of this service.

### **F. SCHEDULE FOR INTEGRATION OF ASSETS, POWERS AND DUTIES**

All time periods mentioned in this section refer to the time period following the effective date of the consolidation. This is the date the State certifies the election of the new government's assembly.

Chapter XVII of the charter provides for the transition period. Generally, all rights, titles, actions, suits, franchises, contracts, and liabilities, and all civil, criminal or administrative proceedings shall continue unaffected by the ratification of the charter. The new government shall be the legal successor to the former governments and shall succeed to all assets and liabilities of the former governments.

#### *Public Notice*

Within thirty days, the new government shall publish public notice and distribute extensive notice to governmental entities and appropriate financial institutions regarding

the formation of the new government and its succession to the assets, powers, duties and liabilities of the former governments.

#### *Code of Ordinances*

In the event of conflict between the ordinances, resolutions and regulations of the former governments affecting the orderly transition of government, the mayor shall designate in writing the ordinance, resolution or regulation that governs. This designation is approved unless the assembly adopts by resolution a contrary designation within twenty-one days.

Not later than eighteen months after consolidation, the assembly shall enact a code of ordinances. This action shall repeal all ordinances of the former governments not included in the code.

#### *School Board*

The present boundaries of the areawide Haines Borough school district will remain unchanged upon consolidation. The election for new government assembly members will also elect members of a separate school board. Therefore, the present practice of the Borough assembly also acting as the Borough school board will end. The relationship between the assembly and the school board will be in accordance with AS 14.14.060.

#### *Planning Commission*

Within thirty days, the mayor shall appoint and the assembly shall confirm members of the planning commission. The planning commissions of the former governments will dissolve upon the seating of the new government's planning commission. Within eighteen months of its appointment, the planning commission shall propose a comprehensive plan to the assembly.

#### *Prior Organizations*

All existing service areas, local improvement districts and special assessment districts shall continue to function. However, the vote on consolidation will have the effect of dissolving the following service areas: Medical Service Area, Docks and Harbors Service Area, the Mud Bay and Lutak land use service areas, and services areas established for the sole purpose of establishing local improvement districts. All boards and commissions of the former governments shall continue to function until altered in accordance with the charter. The existing land use service area boards will lose authority upon the seating of the new government's planning commission, but will continue to serve as advisory boards to the planning commission for one year after consolidation.

#### *Borough Employees*

Within sixty days, the mayor shall submit to the assembly an organization plan of the executive branch. The plan shall become effective twenty days after submitted unless altered or rejected by the assembly. If the assembly rejects the plan, the mayor shall submit an alternate plan. If, within twenty days of that submittal, the assembly has not adopted its own plan, the alternate plan submitted by the mayor becomes law.

The plans shall provide for the elimination of unnecessary duplication. Any employees whose positions are eliminated by the plan of organization shall be eligible for reassignment to available positions for which they are qualified in the order of their seniority based on their date of hire by the former government or by the new government.

Administrative staff of the former governments will perform the administrative duties of the new government. These duties include administration, finance, tax assessment and collection, land management, and planning, platting and land use regulation. The work performed by existing employees other than administrative staff will continue to be done by those employees. These operations include library, museum, police, dispatch, fire, public works, ports and harbors, visitor information, and public utilities. Because the powers and services provided respectively by the City and Borough differ significantly, there will be a minimum of duplication in duties following consolidation, and it is anticipated that staff duties will remain relatively unchanged.

There is no immediate plan to consolidate or move offices. However, if funding is available for the new library, the present Haines Borough administrative staff and the school district administration plan to move into the renovated old library building. There is no schedule for this move due to it not being known whether funding will be available to build a new library.

By negotiated agreement effective July 1, 1990, the Borough assembly recognizes the Haines Public Employees Association as the sole and exclusive bargaining agent for all non-school district Borough employees. This Association is represented by Public Employees Local 71. The agreement provides that, if neither party issues a letter of intent to negotiate by June 15 of the year the agreement terminates, the conditions of the agreement shall remain in effect for one year beyond the termination date. Since the effective date of the agreement, there have been no notices of intent to negotiate, so the agreement has remained in effect. Consolidation will not affect this agreement. Its terms and conditions will remain in effect, including the ability of Borough employees working under the agreement to negotiate with the new government.

The Haines Teachers Association, in association with the National Educators Association, represents teachers of the Haines Borough School District. Consolidation will not affect this bargaining agreement. Its terms and conditions will remain in effect and will be governed by the terms of the agreement, including any subsequent negotiations between the Haines Teachers Association and the new government.



City employees are not represented and do not work under a collective bargaining agreement. City code chapters 2.72 through 2.98 contain the personnel policies of the City. The City opted out of the Public Employee Relations Act (PERA) in 1977. An effort in 1993 by Public Employees Local 71 to organize City employees received a majority of favorable votes from employees. However, the City challenged this organizational effort based on its previous opt out of PERA and the Agency's previous decision on another organization effort involving City employees in 1982. In 1993, the Agency ruled in the City's favor, stating: "The decision of the [Agency] in 1982 that the resolution of the City of Haines opting out of [PERA] was effective to bar consideration of a representation petition filed by Public Employees Local 71 in 1981 will bar that same organization's representation petition to represent the same unit in 1993."

Alaska courts and Labor Relations Agency decisions have interpreted Section 4 of PERA, ch. 113, SLA 1972, regarding the ability of local governments to reject the PERA provisions. These decisions result in the following principles: 1) any rejection of PERA must be timely and not at the municipality's leisure; 2) a municipality may not reject PERA with knowledge of organizational activity, or in any way that would derogate employees rights under PERA; and, 3) municipalities may opt out of PERA to fashion their own labor ordinances and systems of collective bargaining.

The City's limited opt out from PERA will remain in effect upon consolidation for former City employees because Section 19.07 of the charter provides that "all rights, titles, actions, suits, franchises, contracts...shall continue unaffected by the ratification of the Charter." Therefore, the situation after consolidation for new government, non-school district employees will be that former Borough employees will be represented by an organization--Public Employees Local 71--that is barred from representing former City employees.

On one hand, a rejection of PERA by the new government will likely be subject to challenge because that action will effectively eliminate rights enjoyed by some employees under an existing collective bargaining agreement. On the other hand, the new government could continue to exercise the former City's limited rejection of PERA, which bars former City employees employed by the new government from Local 71 representation. This second option will create two separate and distinct employee classes within one organization, with certain inequities in wages, benefits and work rules. To avoid such discrepancies in compensation and inefficiencies in personnel administration, the new government may choose not to retain the limited rejection of PERA. In that case, it is likely that former City employees may choose to vote to indicate interest in representation under the negotiated agreement that covers former Borough employees.

The discussion above is intended to identify employee and collective bargaining issues raised by the consolidation and is not intended as a definitive plan regarding employee relations. This is due to the fact that there is no clear guidance on this issue in statute, regulation, court decisions, or Labor Relations Agency orders. In order to be able to

define these issues more clearly, the petitioners are seeking advice from counsel that will provide additional information on these issues prior to the public hearing on the petition.

### *Employee Benefits*

Employees of the City of Haines participate in the Supplemental Benefits System administered by the State of Alaska under AS 39.30.150-.180. Excluded employees are employees working less than 30 hours per week, election officials, and employees in elective positions. The City's participation in this program is in place of contributions to and participation in the Social Security System.

Employees of the Haines Borough do not participate in the Supplemental Benefits System, but participate in the Social Security System.

Subject to existing collective bargaining agreement provisions, the new government assembly will determine within sixty days of consolidation the qualified retirement plan it will enroll its employees in.

### *Insurance*

The City and Borough, including the school district, presently carry separate general liability and other insurance coverages. The City and Borough (excluding the school district) participate in the same medical/dental/vision insurance pool. The transition to a consolidated government will require some change in liability insurance carriers. They will eventually be combined as necessary to provide appropriate coverage and beneficial rates.

### *Budgeting*

The effective date of consolidation will occur within the next fiscal year of both the City and Borough. Each government will continue to operate under its adopted budget until the end of the fiscal year on June 30, 2002. The new government will prepare and adopt a budget for the fiscal year beginning July 1, 2002.

### *Sales Tax*

Article XX of the charter includes the charter commission's recommendation that the new government assembly set sales tax rates that are as uniform as possible throughout the consolidated borough. This will not be possible, however, if the City's present 1.5% sales tax levy for general fund revenue continues to pay for general fund expenses. As undesignated general fund revenue, these sales tax revenues help pay for services--such as police, fire, road maintenance, and animal control--that will be provided within the Townsite service area only. If these services are to continue to receive sales tax revenue

the new government must set the Townsite service area sales tax rate higher than sales tax rates outside this service area.

For example, in the FY 2000 City budget, the 1.5% City general fund sales tax levy accounts for 26% of general fund revenue. Multiplying the FY 2000 budgets of the police department (including its share of dispatch costs), fire department (also including dispatch costs), public works, and animal control by 26% results in expenses of \$312,278. Dividing this amount by \$319,906 (funds raised by 1% of sales tax), it is possible to estimate a difference of 0.97% in the sales tax rate charged inside the Townsite service area and the rate charged outside this service area.

The only way to establish a uniform sales tax rate throughout the borough is to eliminate sales tax as a revenue source for services provided only within the Townsite service area. If this occurs, the property tax rate in the Townsite service area will have to increase by 2.89 mils (\$312,278 divided by \$107,834, the FY 2000 value of 1 mil of property tax) to replace the loss of sales tax revenue allocated as above for those services specific to the Townsite service area.

The present Borough's 1% areawide sales tax for general revenue will continue under the new government, as will the Borough's 0.5% areawide sales tax for the medical service area. Within six months of consolidation, the assembly shall determine whether to extend to an areawide basis the sales taxes presently levied by the City (these tax rates are in addition to the 1.5% tax rate mentioned above).

In addition to the 1.5% sales tax charged for general fund operations mentioned in the preceding paragraph, the City now charges sales tax levies of 1.5% for capital improvement projects and 1% for visitor promotion and development. Because the charter identifies capital improvements projects and economic development as areawide powers, it is appropriate that these sales tax levies extend throughout the new borough. If the assembly decides to extend these tax levies, it will place the question before Borough voters for ratification in the regular October 1998 municipal election.

However, there are significant issues involving the use of existing sales taxes levied by the City on an areawide basis. First, there is the potential that extending these sales taxes areawide will dilute or reduce the amount of revenue now available for use only within the City, with the opposite effect of areas outside the present City benefiting disproportionately from economic development or capital improvement expenses paid by sales tax revenues raised in the commercial center of the community. Second, to the extent that existing City sales tax revenues for general fund, tourism development and capital projects pay for assets or services reserved to the area within the present City boundaries (and the Townsite service area following consolidation), extending the use of these revenues areawide will significantly reduce funds available to pay for assets and services within the Townsite service area. This has the potential of increasing property taxes within this service area. Third, voters within the Townsite service area (former City

of Haines) might vote on the question of extending existing tax rates areawide due to the potential impacts of this decision, as mentioned above.

Given these concerns, it is difficult to establish uniform sales tax rates throughout the new borough unless specific sales tax rates apply inside the Townsite service area and outside this service area and are dedicated for tourism development or capital improvements within those areas. The petitioner will provide more detailed information on the allocation and rate of proposed sales taxes as soon as possible.

### *Assets and Liabilities*

The new government shall succeed to all assets and liabilities of the former governments.

Within six months, the assembly shall determine which assets of a former government provided benefit to an area larger than the former government prior to consolidation, or will provide such benefit after consolidation. Within eighteen months, the assembly shall place before the voters in the area outside the former government the question of whether the tax obligation for bonded indebtedness, or other debt associated with such assets, shall extend to those areas.

Pre-consolidation bonded indebtedness or other debt associated with public utilities will remain the obligation of the area that incurred the debt. The City of Haines water and sewer utility charges presently include charges to repay utility debt. This debt will remain the obligation of the public utility users within the service area granted the public utilities by the Alaska Public Utilities Commission.

All real and personal property of the former governments will become the property of the new government upon consolidation.

## **G. IDENTIFICATION OF CITY DEBT**

The following is a list of the long-term debt of the City of Haines that will be assumed by the new government through consolidation. Special assessment obligations are not included. Following consolidation, the new government will assume administration of special assessment district (LID) collections.

### *General obligation bonds:*

\$480,000 1989 water/sewer refunding bonds, due in annual installments of \$20,000 to \$40,000, with interest at 7.3% to 7.9% through 2009. Bond revenues paid for water and sewer improvements.

Balance owed on principal at 6/30/00: \$275,000

\$1,500,000 1995 general obligation bonds, due in annual installments of \$50,000 to \$125,000, with interest at 4.5% to 5.5% through 2015. Bond revenues paid a portion of the cost to extend the Port Chilkoot Dock.  
Balance owed on principal at 6/30/00: \$1,300,000

*Revenue bonds:*

\$450,000 1993 water system revenue bond, with interest at 5.125%, due in annual installments of \$18,117 through 2013. Bond revenue paid a portion of water system improvement costs, including replacement of water distribution system in the downtown area.  
Balance owed on principal at 6/30/00: \$349,287

\$1,700,000 sewer system revenue bond, with interest at 5.125%, due in annual installments of \$50,609 through 2015. Bond revenue paid a portion of sewer system improvement costs, including replacement of sewer collection system in the downtown area, reconstruction of the wastewater treatment plant, and outfall improvements.  
Balance owed on principal at 6/30/00: \$1,609,466

*Other:*

\$300,000 Alaska Department of Environmental Conservation Drinking Water Fund Loan, (150,000 borrowed to date, final repayment terms and amounts not yet settled). Paid for portion of construction of 630,000 gallon water tank. Current interest rate 4.37%, but pending reduction to 2.5% after January 15, 2001. Twenty year repayment.

## **H. IDENTIFICATION OF BOROUGH DEBT**

The Haines Borough has no areawide, non-areawide, or service area long-term debt.

The Haines Borough administers several local improvement district funds established for specific improvements within improvement districts. These are not listed as Borough debt because the debt obligation remains with the district property owners.

## **I. INTEGRATION OF CITY AND BOROUGH DEBT**

Upon consolidation, the debts of the City and Borough (although the Borough has no long-term debt) will become the debts of the new government. Integration of the City long-term debts is specified below:

*General obligation bonds:*

The \$480,000 1989 water/sewer refunding bond is presently paid with revenues from the City's 1.5% sales tax for capital improvement projects (CIP fund). The \$47,083 FY 1998 bond payment is 0.10% of the estimated annual revenues of the 1.5% sales tax. The new government assembly must determine within six months of consolidation which assets of a former government provided benefit to an area larger than the former government prior to consolidation, or will provide such benefit after consolidation. Given the fixed nature of water and sewer utilities and their benefit chiefly only to those whose properties are connected to public utilities, it is not likely the assembly will determine that the debt obligation for the 1989 water/sewer refunding bond should extend areawide. Therefore, unless the annual bond payments are made part of the water and sewer users' costs by an increase in utility rates, the portion of the 1.5% sales tax that pays these costs (0.10%) would remain in effect only in the service area having the boundaries of the former City of Haines.

Annual installments to pay the \$1,500,000 1995 general obligation bond for Port Chilkoot Dock improvements are presently paid from sales tax revenues derived from the City's 1.5% sales tax for capital improvement projects (CIP fund) and 1.0% sales tax for tourism promotion and development. City voters approved this general obligation; therefore, following consolidation, the general obligation will remain the obligation of the townsite service area unless voters outside this area also agree to assume the obligation. Bond payments are made from sales tax revenues, however. Within six months of consolidation, the assembly shall determine whether to extend throughout the Borough certain sales taxes presently levied by the City. Due to the areawide benefits associated with capital improvement projects and tourism promotion, it is likely the assembly will extend to an areawide levy the 1.5% sales tax for capital improvement projects and the 1% sales tax for visitor promotion and development presently levied in the City. If the assembly decides to extend these tax levies, it will place the question before Borough voters for ratification in the regular October 1998 ~~2002~~ municipal election. If these levies are approved, sales tax revenues generated areawide will pay for capital improvements and tourism promotion, including the bond payments for the Port Chilkoot Dock.

*Revenue bonds:*

The \$450,000 1993 water system revenue bond will remain the obligation of the public water utility rate payers. No integration of debt is required other than notifying the loaning agency of the change in local government.

The \$1,700,000 sewer system revenue bond will remain the obligation of the public sewer utility rate payers. No integration of debt is required other than notifying the loaning agency of the change in local government.

Other:

\$300,000 Alaska Department of Environmental Conservation Drinking Water Fund Loan, (150,000 borrowed to date, final repayment terms and amounts not yet settled). The loan will pay for a portion of construction of 630,000 gallon water tank. Current interest rate is 4.37%, but a reduction to 2.5% after January 15, 2001 is expected. Twenty-year repayment. This debt will remain the obligation of the public water utility rate payers. No integration of debt is required other than notifying the loaning agency of the change in local government.

## **J. INTEGRATION OF CITY ASSETS**

All assets of the City of Haines and the Haines Borough will become assets of the consolidated borough.

As of 6/30/00, the City of Haines' assets totaled \$35,059,101. Included in this total are total general fixed assets, net of accumulated depreciation, of \$18,750,532, and proprietary or enterprise fund fixed assets, net of accumulated depreciation, of \$10,465,082.

As of 6/30/00, the Haines Borough's assets, including the school district, totaled \$21,480,334. Fixed assets account for \$11,800,139 of that total.

Upon consolidation, certain assets of the police department, fire department, and public works department will be reserved for the benefit of and use by the service area (Townsite service area) created from the former City of Haines through consolidation. Also, assets of the water and wastewater utilities will be reserved to the service areas granted the municipality by the Regulatory Commission of Alaska.

### *Police Department*

Police Department vehicles, radios, office equipment, files, and other assets specifically used by the Police Department will remain assets of the Townsite service area. Presently, the department operates four patrol vehicles.

### *Fire Department*

Fire Department vehicles, radios, equipment, files, and other assets will be the shared assets of the existing fire service districts. The Townsite service area created by consolidation will share the asset value and operational and capital costs of the department according to an apportionment of values based on the property values of the fire districts. Fire districts following consolidation (with their FY 2000 share of fire service costs shown in parentheses) will be the Townsite Fire District (92.3%), Fire District No. 1 (4.8%), and Fire District No. 2 (2.9%).

Fire District No. 3 will also remain in effect; however, its assets (vehicles, equipment, etc.) will remain solely with Fire District No. 3.

*Animal Control*

The animal control vehicle and dog pound will remain assets of the Townsite service area.

*Street and Road Maintenance*

Public works department equipment and supplies used for road maintenance will remain assets of the Townsite service area. Major pieces of equipment include two road graders, two front-end loaders, dump trucks, plows, sander, and small trucks. Costs associated with other Public Works Department duties relating to other areawide or service area functions, including work on ports and harbors facilities, water and sewer utilities, public parks and buildings, will be charged to the budgets for those other functions.

*Water and Wastewater Utilities*

The assets of these utilities are reserved to the service areas in which the Regulatory Commission of Alaska certifies the municipality to operate.

**K. EXISTING TAXES**

The type and rate of each tax currently levied by the City of Haines and the Haines Borough is listed below:

*City Taxes*

<u>Tax Type</u>	<u>Tax Rate</u>
Sales tax: General Fund	1.5%
Sales tax: CIP Fund	1.5%
Sales tax: Tourism Fund	1.0%
Real property tax	5.85 mils

*Borough Taxes*

<u>Tax Type</u>	<u>Tax Rate</u>
Sales tax: General Fund	1.0%
Sales tax: Medical Service Area	0.5%
Real property tax: areawide	6.5 mils
Sales tax: Tours & Charters	4.0%
Sales tax: Lodging	4.0%





## EXHIBIT K

### INFORMATION RELATING TO PUBLIC NOTICE

It is recommended that public notice of the filing of the consolidation petition and the consolidation proceedings should be given as described below.

#### **1. Local Media**

There are two newspapers published weekly in the Borough:

Chilkat Valley News  
Bonnie Hedrick, Editor  
P.O. Box 630  
Haines, AK 99827  
Phone: 907 766 2688  
Fax: 907 766 2689

Eagle Eye Journal  
Carol Waldo, Editor  
P.O. Box 1429  
Haines, AK 99827  
Phone: 907 766 3505  
Fax: 907 766 3506

Public radio station KHNS broadcasts twenty-four hours a day from Haines with service to Haines, Skagway and Klukwan:

John Hedrick, Station Manager  
KHNS Radio  
P.O. Box 1109  
Haines, AK 99827  
Phone: 907 766 2020  
Fax: 907 766 2022

Haines also receives KINY radio from Juneau and KRSA radio from Petersburg through repeater stations.

#### **2. Municipal governments within and adjacent to the territory proposed for consolidation.**

The City of Haines is within the Haines Borough. The consolidation proposes to dissolve these two governments to form a consolidated home rule borough having the exact boundaries of the existing Haines Borough.

The Haines Borough is bordered to the north by Canada, to the northeast by the City of Skagway, to the southeast by the City and Borough of Juneau, and to the west by the Glacier Bay National Monument. The unincorporated community of Gustavus lies west of the southern portion of the Haines Borough.

**3. Locations for posting public notices relating to the proposed consolidation.**

In addition to providing public notice through the two local newspapers and public radio station listed above, customary locations for the posting of public notices in Haines are as follows:

Haines Municipal Building  
Haines Borough offices  
Haines Public Library  
Haines Post Office  
Howsers Supermarket

The following locations are recommended to provide notice in areas outside the developed area of Haines:

Mosquito Lake School  
Klukwan Community Center  
Covenant Life Center  
Sign erected on the Haines Highway at City Limits  
Sign erected on Mud Bay Road at City Limits

**4. Locations where the petition may be reviewed by the public.**

The public may review the petition in the following locations:

City of Haines offices	Haines Borough offices
Haines Highway and Third Ave.	Willard Street
Haines, AK	Haines, AK

Haines Borough Public Library  
Third Avenue  
Haines, AK

**5. Parties warranting individual notice of the consolidation proceedings.**

Chilkoot Indian Association  
P.O. Box 490  
Haines, AK 99827

Klukwan, Inc.  
P.O. Box 1389  
Haines, AK 99827

Klukwan Village IRA Office  
P.O. Box 210  
Haines, AK 99827

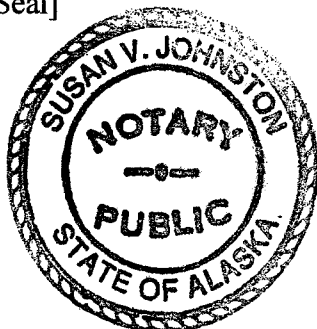


- i) The list of proposed areawide and non-areawide taxes was prepared by Vince Hansen.
- j) Exhibit E-1, the written metes and bounds legal description of the boundaries of the one proposed new or modified service area were prepared by Susan V. Johnston.
- k) Exhibit E-2, the map showing the boundaries of the one proposed new or modified service area was prepared by Susan V. Johnston.
- l) Exhibit E-3, the list of powers, services and taxes for each proposed service area, was prepared by Vince Hansen.
- m) The statement of the assessed or estimated value of taxable property in the territory proposed for consolidation was prepared by Vince Hansen.
- n) Exhibit F, the proposed three-year operating budget, was prepared by Vince Hansen.
- o) Exhibit G, the voting rights information, was provided by Vince Hansen.
- p) Exhibit H, the brief, was prepared by Vince Hansen.
- q) Exhibit I, the proposed charter was originally prepared by an appointed charter commission formed in 1998. The original charter was amended by the Haines City Council and Vince Hansen, City Administrator, to reflect changes that have taken place since its drafting.
- r) Exhibit J, the transition plan, was prepared by former City Administrator, Tom Healy and updated by current City Administrator, Vince Hansen. The officials of existing municipalities and other appropriate entities within the territory proposed for consolidation were consulted in the preparation of the transition plan and are identified in Section A of the Transition Plan, Exhibit J.
- s) Exhibit K, information relating to public notice, was prepared Susan V. Johnston.

Petitioners' Representative: Donald E. Otis  
Donald E. Otis, Mayor  
CITY OF HAINES

SUBSCRIBED AND SWORN TO before me on December 22, 2000 by Donald E. Otis, Mayor of the City of Haines.

[Notary Seal]



Susan V. Johnston  
Notary Public in and for Alaska

My Commission expires: 1-15-03

EXHIBIT M

AUTHORIZATION FOR PETITION

CITY OF HAINES

RESOLUTION NO. 2000/2001-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAINES, ALASKA, AUTHORIZING THE FILING OF A PETITION FOR CONSOLIDATION OF THE CITY OF HAINES AND THE HAINES BOROUGH.

WHEREAS, the proposed consolidation of the first class City of Haines and the third class Haines Borough into a single home rule City and Borough of Haines promotes maximum local self-government with a minimum of local government units in accordance with Article X, §1 of the Constitution of the State of Alaska; and,

WHEREAS, boundaries of the proposed consolidated home rule City and Borough embrace an area and population with common interests to the maximum degree possible in accordance with Article X, §1 of the Constitution of the State of Alaska; and,

WHEREAS, the social, cultural and economic characteristics and activities of the people in the proposed consolidated home rule City and Borough of Haines are interrelated and integrated as required by AS 29.05.031(a)(1) and 3 AAC 110.045(a); and,

WHEREAS, there are at least two bonafide communities, as defined by 3 AAC 110.920, in the proposed consolidated home rule borough as required by 3 AAC 110.045(b); and,

WHEREAS, the communications media and the land, water and air transportation facilities throughout the proposed consolidated home rule City and Borough of Haines allow for the level of communications and exchange necessary to develop an integrated City and Borough as required by AS 29.05.031(a)(4) and 3 AAC 110.045(c); and,

WHEREAS, all communities within the proposed consolidated home rule City and Borough are either connected to the seat of the proposed City and Borough by a public roadway or served by regular scheduled airline flights on at least a weekly basis, a charter flight service based in the proposed City and Borough, or electronic media communications as required by 3 AAC 110.045(d), and;

WHEREAS, the population of the proposed consolidated home rule City and Borough of Haines is sufficiently large and stable to support the proposed City and Borough government as required by AS 29.05.031(a)(1) and 3 AAC 110.050(a); and,

WHEREAS, the population of the proposed consolidated home rule City and Borough of Haines includes at least 1,000 permanent residents as required by 3 AAC 110.050(b); and,

RESOLUTION NO. 2000/2001-18

Page 2

WHEREAS, the economy of the prospective home rule City and Borough of Haines includes the human and financial resources necessary to provide essential services on an efficient and cost-effective level as required by AS 29.05.031(a)(3) and 3 AAC 110.055; and,

WHEREAS, the boundaries of the proposed consolidated home rule City and Borough of Haines conform generally to natural geography and include all land and water necessary to provide the full development of essential services on an efficient, cost-effective level as required by AS 29.05.031(a)(2) and 3 AAC 110.060(a); and,

WHEREAS, the boundaries of the proposed consolidated home rule City and Borough of Haines do not extend beyond the model borough boundaries adopted by the commission as provided by 3 AAC 110.060(b); and,

WHEREAS, the requirement set out in 3 AAC 110.060(c) that the proposed consolidated home rule City and Borough boundaries conform to existing regional educational attendance area boundaries is inapplicable in this particular case; and,

WHEREAS, the consolidation does not propose boundaries overlapping the boundaries of an existing organized borough or unified municipality; and,

WHEREAS, the incorporation of the proposed consolidated home rule City and Borough of Haines will not deny any person the enjoyment of any civil or political right because of race, color, creed, sex or national origin in accordance with 3 AAC 110.910; and,

WHEREAS, the proposed consolidated home rule City and Borough will have the ability to extend services to the territory proposed for incorporation in a practical and effective manner as required by 3 AAC 110.900; and,

WHEREAS, the consolidation proposal is in the best interests of the state as required by AS 29.06.130.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAINES as follows:

Section 1. Authorization. Pursuant to AS 29.06.090(b)(1) and 19 AAC 10.410(a)(4), the Council of the City of Haines hereby authorizes the filing of a petition for consolidation of the first class City of Haines with the third class Haines Borough as a home rule City and Borough government with corporate boundaries conforming to the current boundaries of the third class Haines Borough.



Section 2. Petitioner's Representative. That Mayor Donald E. Otis is designated as the primary representative of the petitioners for all matters relating to the consolidation proceedings; and that Acting Mayor Phillip C. Lende is designated as the alternate representative to act as the representative in the absence or incapacity of the primary representative.

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

ADOPTED by a duly constituted quorum of the Haines City Council this 20<sup>th</sup> day of December, 2000.

  
\_\_\_\_\_  
Donald E. Otis, Mayor

ATTEST:

  
\_\_\_\_\_  
Susan V. Johnston, City Clerk

S E A L: