



Haines Borough Administration
Mark Earnest, Borough Manager
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Report

January 26, 2010

I would again like to express my appreciation to the Mayor and Assembly for the opportunity to serve as Haines Borough Manager. It has been a very interesting and exciting first two weeks on the job. There are certainly a lot of issues before us, and I look forward to working with you, Borough staff and various committees and working groups to advance the myriad programs and project for the betterment of the community.

I would also like to take this opportunity to recognize and express my appreciation to the Borough employees here at the Borough. We are truly fortunate to have such a dedicated and talented work force. We have been working on a number of high priority issues since my arrival, and I am very grateful to have the opportunity to work with the staff, as well as former Interim Manager Bob Ward on several important matters during the first week.

Please note that future reports will include more topics and will provide greater context and depth. I am covering just a few of the most pressing issues at this time due to time constraints.

Employee Union Contract Negotiations

Attached is a letter dated January 15, 2010 from Tom Brice, Public Employees Local 71 Business Representative, which serves as written notice to the Borough regarding their interest in negotiating a successor Collective Bargaining Agreement (CBA). As you are aware, Local 71 represents the majority of Borough employees. Article 21 of the CBA states: "Either party may give written notice during the period January 1, 2010 through February 1, 2010, of its desire to negotiate a successor agreement." Further, that "negotiations shall commence on or after February 1, 2010."

Although the existing agreement expires June 30, 2010, I am requesting that the Mayor appoint a bargaining team and that we begin preparing for negotiations as soon as practicable. Borough bargaining team has previously consisted of the Mayor and representatives of the Assembly / Personnel Committee and Administration. Regarding the Administration, I am recommending the appointment of Jila Stuart, Finance Director, and me to the Borough team.

FY 2011 Budget

The Management Team met on January 19 to begin the process for developing the Borough's Fiscal Year 2011 Budget. In conjunction with Administration's work on the proposed budget, I am requesting the scheduling of a Committee of the Whole in early February to discuss

Assembly Goals and Objectives for the upcoming budget cycle. I have some prior work products that may be useful as a starting point or template for this work. The purpose of this COW meeting is to seek general guidance and direction from the Assembly on the front-end of the budget process.

Employee Performance Evaluations

The Management Team met on January 19 to discuss the employee evaluation process. All regular Borough employees will receive performance evaluations prior to March 1. Additionally, performance evaluations for seasonal employees will be conducted at the end of each work season. I will be disseminating to all Borough supervisors some general guidelines for conducting performance evaluations.

Borough Insurance Loss Control Premium Credit Program

We are working to develop and implement a loss control program aimed at promoting a safe and health work environment that will also serve to significantly reduce future Borough insurance premiums. The Alaska Public Entity Insurance (APEI) allows its members, which includes the Haines Borough, an opportunity to reduce their insurance costs through a Loss Control Premium Credit Program. Credits can be earned through implementing up to three levels of safety and loss control activities. These levels are summarized as follows:

1. Active Safety Committee (1.5% Credit)

This credit may be earned by creating a Safety Committee that meets at least four times per year. The Borough is required to provide minutes of each meeting consisting of the meeting date, attendees, topics discussed and actions taken.

2. Self-Inspections and Audits (2% Maximum Credit)

This credit may be earned by implementing a management self-inspection and audit program to ensure that the Borough up-to-date with respect to regulations and industry standards. The purpose of this activity is to identify and correct conditions that increase the risk of fire, injury or other loss. There are many kinds of self audits that can be performed, but for maximum credit the Borough must conduct or perform the following:

- a. Fire/Safety Self-Inspection at all Borough facilities that have a total insured value, including contents, of at least \$400,000 (1.5% Credit), and/or
- b. Management Safety Program Self-Audit. This consists of completing self-inspection checklists indicating the correction of any hazards identified and action plans for hazard correction projects or program improvements (0.5% Credit).

3. Employee Training (6% Maximum Credit)

This credit may be earned by implementing an employee safety training program. The purpose of this activity is self-evident. For maximum credit the Borough must conduct or perform the following:

- a. Employee Safety Training Program. This consists of implementing a safety training program for employees for which the credit is based on the amount of training provided, up to a total of 6%. The formula used to determine the amount of credit is as follows: $\text{total classes completed} / (\text{total FTEs} \times 2) = \% \text{ of Credit}$. For

example, if a member entity has 50 employees who collectively complete 200 courses, the credit would be $200 / (50 \times 2) = 2\%$.

- b. During the year at least one employee must participate in the APEI Regional Loss Control Seminal (0.5% Credit).

Insurance premium credits earned for activities conducted during the 2009/2010 policy period may be applied as credits toward the 2010/2011 policy. The Premium Credit Application with work sheets and documentation must be submitted to APEI by April 30, 2010.

DEC Loan Application

We have been working with Dan Garner at the Alaska Department of Environmental Conservation (ADEC) regarding the AC Waterline Replacement Project loan. As you are aware, the American Recovery and Reinvestment Act (ARRA) provides for 90% grant funding (or loan forgiveness) through the ADEC for this project. The original bid for this project came in significantly below the engineers estimate and loan amount. The ADEC notified the Borough that additional work could be added through a change order with the contractor; however, the change order must be approved by the Assembly not later than January 26. The change order approval is an agenda item (C-4 Water System Upgrades Change Order).

I am pleased to report that the ADEC, and Dan Garner in particular, has been working diligently with Borough staff to maximize the amount of project construction performed through this extremely favorable financing program.

Legislative Priorities

We have begun the task of incorporating the Legislative Priorities into the state's Capital Budget Submission and Information System (CAPSIS), which was created to facilitate FY2011 capital project requests to the Alaska State Legislature. Project submittals through CAPSIS must be completed by Friday, February 12, 2010.

Crystal Cathedral Water and Sewer Purchase and Sale Agreement

We have been working on a draft purchase and sale agreement for the Crystal Cathedral Water and Sewer utility. The draft agreement is being negotiated through the respective attorneys. It is my intent to have the differences resolved and have a negotiated agreement to present to the Assembly as soon as possible.

Delta Western Lease

We have been working on a draft lease renewal for the Delta Western operation on the Demised Premises and Lutak Dock. This has turned into a substantially larger undertaking than previously thought, but we are nearing finalization of the first draft. It is my intent to have the differences resolved and have a negotiated lease to present to the Assembly as soon as possible.



Public Employees Local 71

BOB JOHNSON
Business Manager/
Secretary-Treasurer

DENNIS MOEN
President

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FAX (907) 279-7171
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January 15, 2010

Mark Earnest, Manager
Haines Borough
P.O. Box 1209
Haines, AK 99827

Dear Mr. Earnest;

Per Article 21 of the Haines Borough Collective Bargaining Agreement, this letter serves notice of our desire to negotiate a successor agreement. Please contact me to set up a schedule so we can start discussion after February 1, 2010.

Respectfully,

Tom Brice, Business Representative
Public Employees Local 71

cc: Jan Hill, Mayor

and have settled them for the duration of this Agreement. Neither party shall be required, during the term of this Agreement, to negotiate or bargain on any other issue.

**ARTICLE 21
TERM OF AGREEMENT**

This Agreement shall become effective July 1, 2007, and remain in effect through June 30, 2010.

Either party may give written notice during the period January 1, 2010 through February 1, 2010, of its desire to negotiate a successor agreement. Negotiations shall commence on or after February 1, 2010.

HAINES BOROUGH ASSEMBLY:

PUBLIC EMPLOYEES LOCAL 71

Fred Shields, Mayor
Spokesperson

Tom Brice
Spokesperson

Robert Venables
Borough Manager

Cathy Keller
Haines Borough Employee

Doug Olerud
Borough Assembly

Scott Bradford
Haines Borough Employee

Pete Lapham
Borough Assembly

Susan Nelson
Haines Borough Employee

John Wahl
Haines Borough Employee