



**Haines Borough Administration**  
**Mark Earnest, Borough Manager**  
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**Manager's Report**  
**May 11, 2010**

**FY 11 Borough Budget**

As the Assembly moves forward in adopting the proposed FY 11 budget, I feel that it is important to put into perspective the rationale of recommending limited use of budget surpluses for the upcoming budget year.

If we group together those funds that can be best described as general governmental in nature, Fund 01 - Areawide General, Fund 02 - Townsite Service Area, Fund 20 Medical Service Area, and Fund 25 - Fire Districts, they have a projected fund balance of \$4,726,486 as of June 30, 2010. The total proposed spending of accumulated surplus from those funds in FY11 is \$148,138, or about 3%. It should be noted that the FY10 budgeted deficit for these funds is \$695,293. The FY 10 budgeted and FY11 proposed Revenue Over (under) Expenses for each of these funds and projected fund balance as of June 30, 2010 is as follows:

Fund	FY10 Budgeted Revenue Over (under) Expenses	FY11 Proposed Revenue Over (under) Expenses	6/30/2010 Projected Fund Balance
01 Areawide General	-559,411	2,846	2,014,172
02 Townsite Service Area	-92,839	-110,456	2,506,267
20 Medical Service Area	-25,406	239	149,285
25 Fire Districts	-17,637	-40,767	56,762
<b>General Governmental Total</b>	<b>-695,293</b>	<b>-148,138</b>	<b>4,726,486</b>

The Townsite Service area and Fire Districts have projected operating deficits for FY11, and this is an issue that needs to be assessed during the year.

Regarding the funds that can be characterized as special revenue funds, Fund 17 - Land Management, Fund 23 - Economic Development / Tourism, Fund 40 - CIP, and Fund 61 - Equipment Sinking, they each have a projected deficit:

Fund	FY11 Proposed Revenue Over (under) Expenses	6/30/2010 Projected Fund Balance
Fund 17 - Land Management	-235,419	468,417
Fund 23 - Econ Dev/Tourism	-67,014	365,180
Fund 40 - CIP	-65,982	842,607
Fund 61 - Equip Sinking	-40,000	143,477

These proposed deficits are non-operating in nature and reflect one-time expenditures that are aimed at revenue enhancements or are expenses of available prior year revenues.

Fund 17 - Land Management budget reflects a one-time expense in the amount of \$275,000 for a land survey at Excursion Inlet.

Fund 23 - Economic Development / Tourism budget reflects a one-time expense for the following: (1) \$45,000 for the Borough Comprehensive Plan Update and various component plans, such as transportation, utilities, ports and harbors, and economic development; and \$40,000 for technical grant writing and targeted economic development initiatives.

Fund 40 - CIP budget reflects appropriation of prior year revenue surplus and is only technically a deficit.

Fund 61 - Equipment Sinking budget uses \$40,000 as intended; that is, for replacing aging equipment.

Regarding the enterprise funds, Fund 90 - Water, Fund 91 - Sewer, and Fund 92 - Boat Harbor, the Sewer and Boat Harbor funds are operating in a deficit, even when discounting for depreciation, which is a non-cash expense.

Fund	FY11 Proposed Revenue Over (under) Expenses	Depreciation Expense	FY11 Proposed Revenue Over (under) Expenses less Depreciation	6/30/2010 Projected Fund Balance
90 Water	-90,540	126,000	35,460	2,783,453
91 Sewer	-263,894	213,000	-50,894	4,571,448
92 Boat Harbor	-235,909	178,000	-57,909	6,167,968

This is also an issue that needs to be assessed during the year.

**State Capital Budget**

It is expected that the Legislature will officially transmit the FY11 State Capital Budget to the Governor in the very near future. The Governor then has 20 days in which to approve, reduce or veto projects.

**Personnel**

- **Employee Union Contract Negotiations**

The next meeting is scheduled for May 13.

**Tanani Point Picnic Area Maintenance Agreement**

The agreement with the Alaska Department of Transportation and Public Facilities (ADOT&PF) regarding maintenance of the Tanani Point Picnic Area has been signed.



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4/30/10

**To: Mark Earnest**  
**Haines Borough Manager**

## **Public Facilities Report for April 2010**

### **Capital Projects Summary**

#### **Oceanview, First and Willard Water Line Replacement**

- Work began 4/19 and continues to move forward with minimal delays. Work started with installation of waterline on View between 1<sup>st</sup> and 2<sup>nd</sup> avenue. Currently work is on Mission, First and Willard. Site conditions are tolerable for pipe installation but structural material is very poor so imported backfill is needed to close up excavation. In addition Mission Street road bed between 1<sup>st</sup> and 2<sup>nd</sup> avenue will need to be rebuilt before capping with D1 material.

#### **Lily Lake Water Line Replacement**

- Lily Lake waterline project is out to bid and I expect results by the time this report is read. There is a lot of interest in this project with 6 or 7 contactors interested. Should be a very competitive outcome.

#### **Waterfront Improvements Project**

- PND Engineers have completed design to 95% and are finishing up final bid documents for advertisement of construction. State of Alaska consistency review is complete and approved for construction; USACE approval to construct is expected in May at which time the project will be advertised. We continue to maintain the engineering, design schedule and anticipate advertising the contract in May.

#### **Chilkat Center/Visitor Center Restroom flooring**

- Stickler Construction has completed the flooring installation in both facilities. Both areas look great and we appreciate the work they did. It was done quickly with minimal interruption.

#### **Old School Demolition**

- Carson Dorn, Inc. has been awarded the engineering contract for demolishing the old school buildings. They intend to have the bid documents and project advertised in May. Work may be awarded in late May or early June.

#### **School Projects**

- The Oversight & Planning Committee met on 4/30 to discuss final projects for school construction monies. There is approximately \$398,000 left in the budget. The committee has requested that the following tasks be targeted with the remaining funds:
  - Drainage behind school
  - Roof Repair over commons area and superintendants office
  - Complete old fuel tank remediation
  - Covered playground construction
- The school district has also requested we move forward on the Mosquito Lake boiler installation which we intend to bid in May for a July completion.

Continued→

## Other Work

### **Ports and Harbors Facilities**

- I anticipate the Port Facilities Assessment Report will be available within a couple weeks and it will be submitted for review as soon as it arrives. This work was contracted with PND Engineers.
- Letnikof Cove boarding float installation is complete with new floats installed and ready for use.
- Letnikof Mooring floats are installed as well as the lightering float for the Haines-Skagway Fast Ferry.
- We continue to work on the harbor expansion project and are continuing to provide documents and information to PND Engineers and the USACE for the project.

### **Energy Audits**

- Draft copy of the Energy Audit has been received for review. We intend to review and comment back for final report. The ESC will be included in the review. Our intensions are to move forward with tasks outline in the report on the Public Safety Building, as soon as possible.

### **Beach Front Brush Clearing:**

- Turner Construction has moved in and completed most of the brush clearing. Don has done a great job cleaning up the area as well as leaving the ground in good condition.

### **Public Works and Facilities Maintenance**

- Work continues to move forward on getting ready for visitors and spring. The bathrooms at Oslund Park are being reconstructed as well as the work we did on the Visitor Restroom Building. The restrooms at the Parade Grounds are being redone and should be complete within the next couple weeks. We will be bringing on the seasonal parks employee shortly.
- The bathrooms at Tanani Point are officially open and now under the watchful eye of Public Works.
- We are continuing to get ready for the visitor season and summer activities.

### **Water and Sewer**

- We are continuing to process sludge as fast as possible to bring down the inventory to acceptable levels. We anticipate being caught up on this work within a couple months so we can repair the rake drive in the clarifier tank. This is a priority for the department as there is a higher risk of being out of compliance until the system is fully functional.
- The Water Department will be impacted by the Lily Lake waterline replacement and it may require us to produce water at night to accommodate construction during the day. We will have a strategy in place that minimize customer impact.

We have brought Rock Ahrens on board to be the onsite inspector for the borough during this summer's projects and look forward to his expertise and help during the construction season.

Brad Maynard

Director of Public Facilities

# Haines Tourism Department Monthly Report for Manager

## April 2010 Report

- I attended the SATC (Southeast Alaska Tourism Council) annual retreat April 5 – 7. The organization will be working this year on branding, redesign of the web site (alaskainfo.org), advertisements in different publications, attending additional consumer trade shows, bringing travel writers to the area, and increasing membership. I was elected president again.
- I and my staff worked closely with the Haines Chamber to organize the Haines' booth and promotion at the Yukon Trade Show. The show began the very end of April. Many locals donated door prizes and provided brochures and giveaway items. New picture posters were made for the booth by Inkspirationz in Whitehorse. The trade show was in a different location this year and not well advertised. Public attendance was down significantly but having a presence at this event is always well worth the effort as Yukon residence treasure Haines as a frequent getaway.
- Approval was granted for hosting the Haines High School Senior Luncheon on board the Ryndam on May 19. Including chaperones, there will be 24 attending the event. Thanks to Holland America in advance once again for hosting this event.
- The Tourism Advisory Board met on April 13. The next meeting is scheduled for May 11.
- A small-scale conversion study will be organized through the Visitor Center with accommodations around town via guests filling out a form. Haines' lapel pins have been ordered as incentive to fill out the form. Details are still being finalized. Pins are to arrive in May. We hope to start the study before the first of June. Purpose of this study is to get a feel as to what sources of promotion result in actual visitors.
- I have obtained 12 additional domain web addresses to use in different advertisements. Google analytic accounts have been established for each address. A spread sheet for advertisement/promotion is being created to better track and monitor return on investment of our efforts.
- The position for the seasonal visitor staff aide was posted and three interviews conducted. Tonya Clark was selected to fill this part-time position at the Visitor Center this season. She will begin working May 25. Part-time seasonal staff person Diana Kelm will begin working May 10.
- Preparations have begun for setting up the visitor info booth on the PC Dock. Brochures are being gathered for information needed on the dock for cruise passengers. Volunteers are being organized for the Peplemover Cart.
- Advertising for Haines appeared in the April edition of *Sunset Magazine*, *RV Life Magazine*, and Destination TV online (every Friday through USA Today Travel on-line). Advertisement was scheduled for the June issue of *Sunset Magazine*, and the State Fair Entertainment booklet. The *RV Life Magazine* ad complimented a special article written about Haines in the May issue.
- I spoke with a lady from CBS radio in Seattle about partnering with Juneau on a possible radio promotion in November and December. Details are forthcoming including pricing. The basic

plan is for promoting flights from Seattle to Juneau, enjoy activities in Juneau before and after making a trip to Haines. The eagle gathering and Eagle Festival are likely to be the focus for visiting Haines along with Christmas festivities.

- ▲ We created a new page on Facebook for Haines specifically titled Haines, Alaska. The page currently has 575 fans. We will be utilizing features on the page and hope to start advertising on Facebook in the very near future. The unique URL (web address) for this page on Facebook will be used in advertisements to further expand the number of fans and promote Haines with info postings, photos, and fan comments.
- ▲ Bulk mailings resulted in 2,342 vacation planners being mailed for individual information requests about Haines. Much of this was a result of requests for information via advertisements place by SATC in *Sunset Magazine* and *Good Housekeeping*.
- ▲ Tire traffic numbers and Visitor Statistics

	<b>March</b>	<b>Total Vehicles for 09/10 To date(March)</b>
<b>2010</b>	1,129	3,219
<b>2009</b>	951	2,935
<b>Variation</b>	Up 178	Up 284

<b>Visitor Stats 09 &amp; 10 To Date (April)</b>		
	<b>April</b>	<b>Total for year</b>
<b>2010</b>	241	460
<b>2009</b>	218	373
<b>Variation</b>	Up 23	Up 87

<b>Phone Inquiries 09 &amp; 10 To Date (April)</b>		
	<b>April</b>	<b>Total for year</b>
<b>2010</b>	79	379
<b>2009</b>	43	137
<b>Variation</b>	Up 36	Up 242



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## **MEMORANDUM**

To: Mayor Janice Hill and Members of the Assembly  
From: Mark Earnest, Borough Manager  
Subj: Assessor / Land Manager Position  
Date: May 7, 2010

As previously reported, the most recent attempt to hire an Assessor / Land Manager for the Borough was unsuccessful. The candidate that best met the criteria established by the Assembly has declined a conditional offer of employment. Because this is the second unsuccessful attempt to fill the vacancy, I am recommending converting the temporary Assessor II position into a full-time, regular position and soliciting proposals through a Request for Proposals (RFP) for the services of a contract Assessor, preferably with Computer-Assisted Mass Appraisal (CAMA) experience, for a limited duration.

The Borough would continue to provide the Borough employee assessor with training and support in the areas of assessing and land management. The consultant, in addition to assessment services such as updating Borough property records, performing property tax appraisals, reviewing appeals filed by property owners, and representing the Borough before the Board of Equalization, would provide training to the staff assessor to include maintaining the GIS system, as well as a CAMA system, if and when the borough invests in the technology.

Over the past eleven months, Borough staff has been creating a digital copy of existing paper files containing property information of taxable and exempt accounts within the Borough. The advantage of creating these files is two-fold. Access to the CAD drawings and digital photo of the property included in each account is quick and easy, and since paper files in the past have been lost, the digital back-up files helps avoid recreating files from scratch.

Tasks that will be addressed during 2011 are the continued review of the remaining residential property within the Borough and an assessment update of commercial property, including Excursion Inlet. Additional updates to the Borough maps as new accounts are created and ownership of property changes, monitoring and maintaining the GIS, continued refining of the Computer Assisted Land Pricing (CALP) model, and adoption of a CAMA system to bring the Borough mass appraisal system current with current national trends are some of the other important tasks that will be implemented.

This approach has successfully worked in other municipalities in Alaska and will enable the Borough to complete the current project to bring the property assessments into State compliance and, over the long term, maintain that compliance. The staff assessor would have an opportunity to qualify and apply for the Assessor / Land Manager position in the future.



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## MEMORANDUM

To: Mayor Janice Hill and Members of the Assembly  
From: Mark Earnest, Borough Manager  
Subj: Harbormaster Position  
Date: May 7, 2010

It is imperative that Haines Borough have a well connected and knowledgeable manager to promote the health of our marine facilities in a fair, professional and fiscally responsible way. For these reasons, it is to a community's economic and strategic benefit to hire the most experienced and qualified harbor professional possible. Stability in the position is also essential to accomplishing the goals and objectives stated below.

Not many years ago the work of the local harbormaster consisted mainly of keeping the marina in repair and collecting the fees associated with the harbor operation. Keeping track of it all was done generally with a list of customers on paper in relation to a chart of the facility tacked to the wall. There were few concerns when capital projects were needed as far as engineering, permitting or public relations. The general feeling was that if you needed it and it was a benefit to the local people you should build it and the public trust was served. A nuts and bolts understanding of piers and floats was nearly all that the job required.

Over the course of the last twenty-five years harbor management has become much more complex. Environmental considerations, homeland security, risk management, capital improvement complexities and increasingly difficult permitting atmospheres have made the job of the harbormaster a profession requiring education, experience and serious network support that flies back and forth electronically. A modern day harbormaster must have the connections to local, state and federal agency personnel to accomplish a complex matrix of laws, regulations and tasks to get strategic plans mapped out for capital projects and the engineering experience to get them built.

Port and harbor management is much more than collecting revenue and spending a budget. It is having and living a plan that considers the life of an entire community waterfront facility over the course of many years. Construction, maintenance, funded depreciation and facility replacement are imperative parts of the harbor lifecycle. Making the waterfront of a harbor community a viable economic development engine is the core challenge for the professional harbor manager.

As you are aware, the top two federal priorities for the Haines Borough are harbor and port development projects. They are: (1) Boat Harbor Expansion; and (2) Natural Gas Pipeline Port Development at Port Chilkoot. It should also be noted that the first three priorities of the Haines Borough Overall Economic Development Plan (OEDP) adopted as part of the 2004 Comprehensive Development Plan are harbor and port development projects. They are: (1) Boat Harbor expansion; (2) Lutak dock repairs; and (3) Port Chilkoot dock improvements. The fourth priority, designation of areas for industrial land use and support of related infrastructure, is closely related to the natural gas pipeline port development project. The following is an excerpt from the 2010 Federal Issues Priority Memo recently submitted to the members of the Alaska Congressional Delegation:

The Alaska Natural Gas Pipeline selection process is underway. Once the pipeline corridor has been selected and the project has been financed, there will need to be support infrastructure in place for the construction phase. Haines' southeast coastal location and road access to interior Alaska and Canada positions make it an ideal community for the staging of construction materials for the pipeline project. In order to meet the need as a staging port, the community's Port Lutak facility must be expanded and modernized to handle bulk cargo, bulk petroleum, loose cargo and containers. Port Lutak is a deep water port. The Alaska DOT/PF continues to upgrade existing roads and highways to standards that would support heavy cargo transport and to provide low and more accessible road grades. Upland necessary for a staging area is available. A further study is required to determine what additional infrastructure improvements are necessary to make Port Lutak sufficient to serve as the deep water port and staging area for the pipeline project. The Borough has requested \$500,000 to engage in an economic analysis, feasibility study, concept and facility design, planning, and early engineering for the Port Lutak project.

The next harbormaster for the Haines Borough, if sufficiently qualified and experienced, will be thoroughly immersed in these efforts. He or she will be an important part of the administrative team, including the Borough Manager and Public Facilities Director, dedicated to the successful completion of the harbor and port development priorities. It is therefore essential that the compensation level be sufficient to attract and retain a professional harbormaster for Borough. This is an investment in the economic development of the Borough.