



Haines Borough Administration
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Report

June 26, 2007

Union Street Delay

As reported by the mayor, the State Historic Preservation Office is reviewing the Union Street project and its potential impact on historical areas of significance. They have stated that they will not fast-track their review and will issue their findings next week. The project then goes to the Federal Highway office for final review before the State can wrap it up and issue bid documents. That is not expected before the July 4th holiday. If the weather cooperates, paving is possible this year, otherwise the utility work will happen this season and paving in the spring. The contractor will not be allowed to leave a dirt road surface through the winter.

King Salmon Release Project

A cooperative agreement between ADFG/sportfish and NSRAA was signed late last week for this project that was brought forward by Representative Thomas' office. Work setting up the project infrastructure and taking eggs from the king return in Skagway appears likely to proceed in the near future, assuming the king return to Skagway is sufficient to provide the necessary broodstock. King eggs and milt will be transported to NSRAA's Hidden Falls hatchery on Baranof Island and reared until spring 2008 when they will be transported to Lutak Inlet and held in net pens for several weeks in order for imprinting to occur. The first king return can be expected from this seasons eggtakes in 2011. This is intended to be a multi-year program that will greatly benefit the local sportfish industry.

Ice House Update

YES - we have ice! The ice house is in service and revenue service is to begin this week!

Yukon-Alaska Port Study

Yukon Premier Dennis Fentie and Alaska Governor Sarah Palin jointly released the Alaska Canada Rail and Port Access Study last week in Whitehorse. I have a copy of the Port Access study in my office.

The full Executive Report/Summary and Research Report (comprised of all the consultant reports that made up the four areas of the Study - market and technical/engineering research and economic and environmental assessment), is online at: www.alaskacanadarail.org.

Pool Update

Five engineers arrived at the pool last week and did a complete facility survey. Their report is expected next week but initial indications are that the pool facility, while old and poorly maintained, still has a functional life. They will provide recommendations that range from immediate fixes to things that should be done over the next few years. The ventilation system repairs have just begun. We should have the full report by your next meeting with a projected timeline for reopening the pool.

School Construction Update

Work continues on schedule and within the established budget. The Oversight & Strategic Planning Committee has approved staff recommendations for the expenditure of the contingency funds (draft minutes attached). We are very pleased to be able to include nearly all of the requested features desired by the community and school district. This is a result of excellent performance by the borough's project manager and the interest earnings on the bond proceeds that will net nearly one million dollars!

Personnel Update

Facilities Maintenance Technician - Five applications were received by the deadline. They are currently being reviewed, and interviews will be scheduled soon.

We are currently recruiting for an assistant harbormaster, dispatchers, and public works seasonal workers.

Union employees unanimously ratified the new Local 71 agreement at their meeting on 6/21.

Misc

The borough's Washington D.C. lobbyists continue to work on our behalf. They have provided the attached status report to the assembly.

Oversight and Strategic Planning Committee Meeting - 6/12/07

Attendance:

Committee Members: Tom Andriesen, Deborah Vogt, Jerry Lapp, Gary Stigen

Others: Fred Shields-Mayor, Robert Venables-Manager, Heather Lende, Cheryl Stickler, Brian Lemcke, Debra Schnabel, Tracy Johnson, Tom Morphet

The meeting was prefaced with discussion of vandalism to the new school of broken windows and damaged siding. Repair costs estimated at \$5,000 to \$10,000. The intention of offering a reward for information was discussed.

Construction Progress Report: Brian Lemcke reported that Phase II civil work was on schedule. An 18" drainage system was discovered under the excavation, which required a redesign of the original plan. This provided better overall drainage and allowed more landscaping opportunity for the playground at the primary school site with better drainage and erosion control. All trades are on site; estimated 40 people in all. There are 27 Dawson crew members, 25 being local. Issues with the boiler system are due to the delay in receiving, heat will be in the new building within two weeks, and at least one month before heat is supplied to the high school and pool area. The high school is totally stripped of HAZMAT and old floor and ceiling materials are pulled.

Architect Tracy Johnson, reported that she is pleased with the progress and look of the building. All vinyl colors and patterns were confirmed on this visit.

Project Financial Status: 61% of the Project Budget has been spent to date (\$10,709,852). The balance of contingency is \$227,890. Interest earned to date is \$995,928.

District Capital Improvement Project Status: Manager Robert Venables reported that the Legislature did not fund the District CIP. The impact is to release interest income previously allocated as a match. At issue is whether to allocate the interest funds now to realize improvement now or save on any portion as a match for District CIP funds next year. Discussion concluded that interest earnings could not be held over post-project and must be spent within project scope.

New Business: Brian Lemcke addressed items remaining on the Contract Assumptions/Options to GMP list and those he has added to complete the project:

- Original: Parking lot east of gym and west of Voc Ed @ \$170,000.
- Original: Curbs and sidewalks @ \$57,333. Site conditions required redesign. Quote is 90% of original.
- Original: Paving all parking lots and 7th Ave. @ \$231,493.
- PM addition: Parking lot lighting @ \$37,000.
- PM addition: Retaining wall extension at 7th and Main @ \$30,000. Ongoing response to actual site conditions and onsite decisions.
- PM addition: Post Construction Cleaning @ \$15,000. Approved 4/13.
- Original: Acoustical panels @ \$9,620. Installed post construction. Approved 4/13.
- Original: Kitchen Equipment @ \$36,043. Package far below original, still functional and well designed. Approved 4/13
- Original: Cement board @ \$28,000. Installed post construction. Approved 4/13.
- Original: Gym Entry Improvements @ \$62,467. Original plan was significant; this plan is to replace the floor and door system.
- PM addition: Replace sidewalk and add retaining wall at entry @ \$29,903. This configuration will control traffic and parking at pool entrance, solving the current snow removal/ice build-up problems.

New Business cont.:

- PM addition: New windows throughout @\$22,768. Approved 4/13
- Original: Voc Ed improvements @\$120,000. Original improvements scheduled in excess of \$300,000. PM proposes to add dust collection system and rewire to receive shop equipment and allow wood shop to move into building.
- PM addition: Floor covering throughout @\$54,077. Approved 4/13.
- PM addition: Clean and reseal high school building @\$17,000 Approved 4/13.
- PM addition: 5 clocks @ \$3,260-installed. Item could be included in technology budget.
- PM addition: Stage lighting @ \$4,251. Item could be included in technology budget.

Discussion: 1.) Need for attention to landscaping and playground equipment to provide safe, clean and fun experience for children from beginning of school use. Landscaping could utilize the remaining vegetation. GC/CM proposal allows for \$50,000 in landscaping and \$86,000 for playground equipment.

2.) Siding the Vocational Educational Building was identified as a priority for District.

Action: 1.) Tom Andriesen/Deborah Vogt: to conceptually approve the project list totaling \$928,215; allocating clocks and lighting to technology budget; include landscaping, playground equipment and siding to the vocational education building to the extent allowed with available resources. Passed unanimously.

2.) Budget revision: % for Art – reported that DEED approved proposed budget revision to reduce 1% for art to .5% and reallocate the difference to FF&E and technology equally. No action taken.

General Comments In-House: None

Public Comment: None

Submitted by: Debra Schnabel, Project Clerk

To: The Honorable Fred Shields
The Haines Borough Assembly
J. Robert Venables, Borough Manager

From: Brad Gilman & Sebastian O'Kelly

Re: Washington Update

Date: June 21, 2007

1. Appropriations: Protracted debate and dispute between the President and the Democratic Congress over the troop withdrawal provisions in the Iraq War Supplemental Appropriations Bill has slowed the start of the FY 2008 Appropriations process. The regular budget process is finally under way, with the House Appropriations Committee reporting a number of bills in the last few weeks. The goal of the House leadership is to try and pass all 12 Appropriations Bills by the July 4 recess. The bills are moving more slowly in the Senate, but the markups have begun this week. There are earmarks in the few Senate bills which have been marked up. The House Appropriations Committee Chairman has also indicated that earmarks will be inserted in the House bills during the process.

Senior Bush Administration officials are publicly stating that they will recommend to the President that he veto a number of appropriations bills if, as currently projected, they exceed the amounts requested in his FY 2008 Budget Submission. It will make for a long and drawn out process and we will likely see enactment of the bills late in the year.

For FY 2008, we have submitted the following appropriations requests with the delegation.

- **Boat Harbor:** We have requested \$1 million in "new start" appropriations under Army Corps General Construction. Being able to get these funds will be contingent upon securing a project authorization in WRDA.
- **Road Improvements:** We requested \$2 million under DOT appropriations for road improvements for the downtown area.
- **Waterfront Development:** We requested \$900,000 under the HUD Economic Development Initiative for harbor uplands site acquisition and development.
- **Sewer and Water:** We requested \$750,000 in EPA funds for Mission Street and Barrett Road Pump Station sewer and water repair.
- **Fort Seward:** We have asked for \$250,000 under Park Service accounts for repair and renovation of Fort Seward. The Senate Interior Appropriations Committee has finished its work on the FY '08 Interior bill. There is \$22.5 million in discretionary grant money available for historic preservation work in FY '08. The Borough should consider putting together a grant application for this project. We believe the Alaska Delegation will support the application with the Office of Historic Preservation.
- **Alternative Energy:** We are seeking \$75,000 for technical assistance funds from the Department of Energy to determine the prospects for alternative energy in Haines.

2. Harbor Authorization: The House and Senate have now passed their WRDA bills. Both bills contain project authorizations for the Haines Harbor, with a total project cost set at \$14,040,000. The staff have just started meeting to reconcile the two bills. Both bills passed by large majorities and we expect a Conference Report will be completed and passed this year.

3. Secure Schools: The one-year emergency extension of secure schools funding for FY 2007 was included in the Iraq War Supplemental Appropriations Bill sent to and signed by the President. It provides \$425 million for eligible schools this year to be distributed under the existing formula. The multi-year reauthorization for the program included in the Senate Bill was stripped in Conference. It will need to be addressed later this year or Congress will be called upon again to pass another emergency extension. Senator Craig (R-ID) is considering offering a floor amendment to extend the program when the Senate Interior & Environment Appropriations Bill goes before the full Senate after the July 4 recess. All three Alaska Delegation Members supported the emergency extension and are cosponsors of the multi-year legislation.

4. Miscellaneous:

- **Exxon Valdez Oil Spill Tax Treatment:** Senators Stevens and Murkowski in the Senate and Rep. Young in the House have re-introduced legislation that would expand IRA caps and deductions and income averaging for plaintiffs due to receive settlement funds from Exxon as a result of the spill. The bill will provide some relief to affected commercial fishermen planning for retirement when Exxon provides funds of \$2.5 billion in punitive damages as just directed by the 9th Circuit Court of Appeals.
- **Bald Eagle Commemorative Coin Legislation:** Rep Young has introduced legislation that would use surplus funding from the sale of bald eagle commemorative coins to fund research and education programs. Funds would be distributed to various eagle foundations, including the American Bald Eagle Foundation in Haines.
- **Harmful Foreign Fishing Practices:** Senator Stevens has introduced a resolution condemning practices by foreign countries that heavily subsidize fishing fleets, leading to over-capitalization and overfishing. The resolution has passed the Senate. Senator Murkowski is a cosponsor.
- **Energy Legislation:** Senators Murkowski and Stevens have been active on energy legislation in the last couple of months, particularly in the area of renewable energy. Highlights are as follows.
 - **Geothermal** – Senator Murkowski has signed on as a cosponsor of legislation introduced by Majority Leader Reid that would set a goal of geothermal use of 20% by 2030. The bill authorizes over \$500 million in funding over the next 5 years to spur research and development of geothermal technologies.
 - **Renewable Energy Construction Grants** – Senator Murkowski and Stevens authored an amendment that was attached to comprehensive energy legislation to authorize grants for small renewable energy projects on a 50-50 cost share basis.
 - **Ocean** – Senator Murkowski has cosponsored legislation that would authorize \$50 million/yr for projects using ocean wave energy. The bill also provides low interest loans for such projects to bring them to commercial fruition.